

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

AEP Indiana Michigan Transmission Company

For Twelve Months Ended

2021

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				\$364,467,052
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	Total	-	DA	1.00000
3	Facility Credits under PJM QATT 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)				\$ 364,467,052

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)	47,169,052	DA	1.00000	\$ 47,169,052
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((ln 1 - ln 80)/(ln 33) x 100))			13.64%
8	Monthly Rate	(ln 7 / 12)			1.14%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((ln 1 - ln 80 - ln 83)/(ln 33) x 100))			10.87%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((ln 1 - ln 80 - ln 83 - ln 108 - ln 109) /(ln 33) x 100))			2.49%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				-
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below			2,649,000
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)			2,649,000

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(1)		(2)	(3)	(4)		(5)
RATE BASE CALCULATION		Data Sources (See "General Notes")	TO Total NOTE C	Allocator		Total Transmission
Line No.						
19	GROSS PLANT IN SERVICE					
20	Transmission	(Worksheet A In 14.(d) & Ln 117)	2,899,471,000	DA	1.00000	2,870,798,237
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.99011	-
22	General Plant	(Worksheet A In 14.(h))	50,059,000	W/S	0.99011	49,563,968
23	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	0.99011	-
24	Intangible Plant	(Worksheet A In 14.(j))	27,164,000	W/S	0.99011	26,895,376
25	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	2,976,694,000	GP=	0.99011	2,947,257,582
26				GTD=	0.99011	
27	ACCUMULATED DEPRECIATION AND AMORTIZATION					
28	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	199,588,000	TP1=	1.00000	199,588,000
29	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	1.00000	-
30	General Plant	(Worksheet A In 28.(h))	847,000	W/S	0.99011	838,624
31	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	0.99011	-
32	Intangible Plant	(Worksheet A In 28.(j))	12,058,000	W/S	0.99011	11,938,758.88
33	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	212,493,000			212,365,383
34	NET PLANT IN SERVICE					
35	Transmission	(In 19 + In 20 - In 26 - In 27)	2,699,883,000			2,671,210,237
36	General Plant	(In 21 + In 22 - In 28 - In 29)	49,212,000			48,725,344
37	Intangible Plant	(In 23 - In 30)	15,106,000			14,956,617
38	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	2,764,201,000	NP=	0.989397	2,734,892,199
39						
40	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
41	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA		-
42	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(341,156,500)	DA		(333,231,000)
43	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(23,358,500)	DA		(23,358,500)
44	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	10,679,000	DA		10,679,000
45	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
46	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(353,836,000)			(345,910,500)
47	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e)	-	DA		-
48	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
49	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	-	W/S	0.99011	-
50	WORKING CAPITAL	(Note E)				
51	Cash Working Capital	(1/8 * In 66)	2,863,625			2,835,307
52	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	3,000	TP	0.99011	2,970
53	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	0.99011	-
54	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.99011	-
55	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	0.99011	-
56	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	829,000	GP	0.99011	820,802
57	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA	1.00000	-
58	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA	0.00000	-
59	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	3,695,625			3,659,079
60	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
61	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		2,414,060,625			2,392,640,778

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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				
59	Customer Related Expense	322 & 323.164,171,178.b	-		
60	Regional Marketing Expenses	322.131.b	-		
61	Transmission	321.112.b	25,558,000		
62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)	25,558,000		
63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	2,649,000		
64	Less: Account 565	(Note H) 321.96.b	-		
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	22,909,000	TP 0.99011	22,682,454
67	Administrative and General	323.197.b (Notes J & M)	10,177,000		
68	Less: Acct. 924, Property Insurance	323.185.b	789,000		
69	Acct. 928, Reg. Com. Exp.	323.189.b	-		
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	28,000		
72	Balance of A & G	(In 67 - sum In 68 to In 71)	9,360,000	W/S 0.99011	9,267,439
73	Plus: Acct. 924, Property Insurance	(In 68)	789,000	GP(h) 0.99011	781,198
74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	-	TP 0.99011	-
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP 0.99011	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	(37,000)	DA 1.00000	(37,000)
77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	389,000	W/S 0.99011	385,153
78	A & G Subtotal	(sum Ins 72 to 77)	10,501,000		10,396,790
79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)	33,410,000		33,079,244
80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
81	TOTAL O & M EXPENSE	(In 79 + In 80)	33,410,000		33,079,244
82	DEPRECIATION AND AMORTIZATION EXPENSE				
83	Transmission	336.7.f	74,098,000	TP1 1.00000	74,098,000
84	General	336.10.f	1,086,000	W/S 0.99011	1,075,261
85	Intangible	336.1.f	4,794,000	W/S 0.99011	4,746,592
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	79,978,000		79,919,853
87	TAXES OTHER THAN INCOME	(Note N)			
88	Labor Related				
89	Payroll	Worksheet H In 23.(D)	-	W/S 0.99011	-
90	Plant Related				
91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	27,609,000	DA 1.00000	27,609,000
92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA 0.00000	-
93	Other	Worksheet H In 23.(E)	-	GP 0.99011	-
94	TOTAL OTHER TAXES	(sum Ins 89 to 93)	27,609,000		27,609,000
95	INCOME TAXES	(Note O)			
96	$T = 1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p) =$		25.30%		
97	$EIT = (T / (1 - T)) * (1 - (WCLTD / WACC)) =$		26.10%		
98	where WCLTD=(In 136) and WACC = (In 139)				
99	and FIT, SIT & p are as given in Note O.				
100	$GRCF = 1 / (1 - T) =$ (from In 96)		1.3386		
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
102	Excess Deferred Income Tax	(Note T)	1,156,000	NP(h) 0.98940	1,143,743
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	386,000	NP(h) 0.98940	381,907
104	Income Tax Calculation	(In 97 * In 109)	46,316,948		45,905,980
105	ITC adjustment	(In 100 * In 101)	-	NP(h) 0.98940	-
106	Excess Deferred Income Tax	(In 100 * In 102)	1,547,474		1,531,066
107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)	516,717		511,238
108	TOTAL INCOME TAXES	(sum Ins 104 to 107)	48,381,139		47,948,284
109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)	177,485,491		175,910,671
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In 97)		-		-
113	TOTAL REVENUE REQUIREMENT		366,863,630		364,467,052
	(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

SUPPORTING CALCULATIONS

No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF					
114	Total transmission plant	(In 19)				2,899,471,000
115	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42.(d) (Note P)					28,672,763
116	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)					-
117	Transmission plant included in PJM Tariff	(In 114 - In 115 - In 116)				2,870,798,237
118	Percent of transmission plant in PJM Tariff	(In 117 / In 114)			TP=	0.99011
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total	
120	Line Deliberately Left Blank					
121	Transmission	354.21.b	0	6,271,000	TP	0.99011
122	Regional Market Expenses	354.22.b	0	0	NA	0.00000
123	Line Deliberately Left Blank					
124	Other (Excludes A&G)	354.24,25,26.b	0	0	NA	0.00000
125	Total	(sum Ins 121, 122, & 124)	-	6,271,000		6,208,986
126	Transmission related amount				WS=	0.99011
	Actual (Uncapped) Capital Structure					
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)					\$
128	Long Term Interest	(Worksheet M, In 36, col.(d))				44,666,000
129	Preferred Dividends	(Worksheet M, In 45, col.(d))				-
130	Development of Common Stock:					
131	Proprietary Capital	(Worksheet M, In 14, col.(b))				1,449,728,692
132	Less: Preferred Stock	(Worksheet M, In 14, col.(c))				-
133	Less: Account 216.1	(Worksheet M, In 14, col.(d))				-
134	Less: Account 219	(Worksheet M, In 14, col.(e))				-
135	Common Stock	(In 131 - In 132 - In 133 - In 134)				1,449,728,692
			Capital Structure Percentages			
			\$	%	Cap Limit	Cost (Note S)
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d)		1,198,650,000	45.26%	45.26%	3.73%
137	Preferred Stock (In 132)		-	0.00%	0.00%	0.0000
138	Common Stock (In 135)		1,449,728,692	54.74%	54.74%	10.35%
139	Total (Sum Ins 136 to 138)		2,648,378,692	100.00%		
					WACC=	0.073522
140	Capital Structure Equity Limit (Note Z)	55.00%				

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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 13 month balances.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(f)-1(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 65
4) All A&G Expenses, as shown on line 78.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.

The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.

The company records referenced on line80 is the AEP Indiana Michigan Transmission Company general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(in 101) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.

Inputs Required:
- | | | |
|-------|--------|---|
| FIT = | 21.00% | |
| SIT = | 5.44% | (State Income Tax Rate or Composite SIT. Worksheet G)) |
| p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (ln 137).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- T
- U Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All
- V The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- W AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.

X Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration
Y 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,
Z shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

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

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
	(Note A)					
1	December Prior to Rate Year	2,727,494,000	-	49,273,000	-	25,065,000
2	January	2,732,342,000	-	49,425,000	-	25,330,000
3	February	2,747,517,000	-	49,552,000	-	25,650,000
4	March	2,766,446,000	-	49,655,000	-	26,029,000
5	April	2,784,679,000	-	49,760,000	-	26,408,000
6	May	2,826,483,000	-	49,863,000	-	26,784,000
7	June	2,912,593,000	-	49,971,000	-	27,166,000
8	July	2,929,660,000	-	50,072,000	-	27,541,000
9	August	2,968,043,000	-	50,174,000	-	27,913,000
10	September	2,996,954,000	-	50,409,000	-	28,275,000
11	October	3,031,570,000	-	50,644,000	-	28,635,000
12	November	3,113,988,000	-	50,877,000	-	28,991,000
13	December of Rate Year	3,155,355,000	-	51,097,000	-	29,341,000
14	Average of the 13 Monthly Balances	2,899,471,000	-	50,059,000	-	27,164,000

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
	(Note A)					
15	December Prior to Rate Year	165,386,000	-	306,000	-	9,728,000
16	January	170,914,000	-	396,000	-	10,096,000
17	February	176,452,000	-	485,000	-	10,468,000
18	March	182,021,000	-	575,000	-	10,845,000
19	April	187,627,000	-	665,000	-	11,229,000
20	May	193,271,000	-	755,000	-	11,619,000
21	June	198,999,000	-	845,000	-	12,015,000
22	July	204,901,000	-	936,000	-	12,418,000
23	August	210,838,000	-	1,026,000	-	12,826,000
24	September	216,853,000	-	1,117,000	-	13,241,000
25	October	222,926,000	-	1,208,000	-	13,662,000
26	November	229,070,000	-	1,300,000	-	14,090,000
27	December of Rate Year	235,380,000	-	1,392,000	-	14,523,000
28	Average of the 13 Monthly Balances	199,588,000	-	847,000	-	12,058,000

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January	-	-	-	-
31	February	-	-	-	-
32	March	-	-	-	-
33	April	-	-	-	-
34	May	-	-	-	-
35	June	-	-	-	-
36	July	-	-	-	-
37	August	-	-	-	-
38	September	-	-	-	-
39	October	-	-	-	-
40	November	-	-	-	-
41	December of Rate Year	-	-	-	-
42	Average of the 13 Monthly Balances	-	-	-	-

43 Transmission Accumulated Depreciation net of GSU 199,588,000

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2021</u>	<u>Balance @ December 31, 2020</u>	<u>Average Balance for 2021</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1	-	-	-

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46		-
47		-
48		-
49		-
50		-
51	Total Regulatory Deferrals Included in Ratebase	-

Unfunded Reserves Summary (Company Records)

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

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

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.
NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December</u>		<u>(D) Balance @ December</u>		<u>(E) Average Balance for</u>
			<u>31, 2021</u>		<u>31, 2020</u>		<u>2021</u>
1	<u>Account 281</u>						
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-		-		-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-		-		-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-		-		-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-		-		-
6	<u>Account 282</u>						
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	355,847,000		326,466,000		341,156,500
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-		-		-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	15,851,000		-		7,925,500
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	339,996,000		326,466,000		333,231,000
11	<u>Account 283</u>						
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	22,912,000		23,805,000		23,358,500
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-		-		-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	-		-		-
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	22,912,000		23,805,000		23,358,500
16	<u>Account 190</u>						
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	12,206,000		9,152,000		10,679,000
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-		-		-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	-		-		-
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	12,206,000		9,152,000		10,679,000
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	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)					-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICATION-UTILITY		AVERAGE ELECTRIC		FUNCTIONALIZATION AVERAGE		FUNCTIONALIZATION 12/31/2020		FUNCTIONALIZATION 12/31/2020		FUNCTIONALIZATION 12/31/2021	
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021	UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00	ACCOUNT 281:														
2.01															
2.02		0	0			0	0	0	0						
2.03		0	0	0	0	0									
2.04		0	0	0	0	0									
2.05		0	0	0	0	0									
2.06		0	0	0	0	0									
3	TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	ACCOUNT 282:														
5.01		0	0			0	0	0	0						
5.02		0				0									
5.03		0	0			0	0	0	0						
5.04		0				0	0	0	0						
5.05		0				0	0	0	0						
5.06		0				0	0	0	0						
5.07		0	0			0	0	0	0						
5.08		0	0			0	0	0	0						
5.09		0				0									
5.10		0	0			0	0	0	0						
5.11		0	0			0	0	0	0						
5.12		0				0	0	0	0						
5.13		0				0	0	0	0						
5.14		0				0	0	0	0						
5.15		0				0	0	0	0						
5.16		0	0			0	0	0	0						
5.17		0				0	0	0	0						
5.18		0	0			0	0	0	0						
5.19		0	0			0	0	0	0						
5.20		0				0	0	0	0						
5.21		0	0			0	0	0	0						
5.22		0				0	0	0	0						
5.23		0				0	0	0	0						
5.24		0	0			0	0	0	0						
5.25		0				0	0	0	0						
5.26		0				0	0	0	0						
5.27		0	0			0	0	0	0						
5.28		0				0	0	0	0						
5.29		0				0	0	0	0						
5.30		0	0			0	0	0	0						
5.31		0				0	0	0	0						
5.32		0				0	0	0	0						
5.33		0	0			0	0	0	0						
5.34		0				0	0	0	0						
5.35		0	0			0	0	0	0						
5.36		0				0	0	0	0						
5.37		0	0			0	0	0	0						
5.38		0	0			0	0	0	0						
5.39						0									
5.40				0	0	0									
5.41				0	0	0									
6	TOTAL ACCOUNT 282	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	ACCOUNT 283:														
9.01		0	0			0	0	0	0						
9.02		0				0									
9.03		0				0									
9.04		0				0	0	0	0						
9.05		0	0			0	0	0	0						
9.06		0				0	0	0	0						
9.07		0	0			0	0	0	0						
9.08		0				0	0	0	0						
9.94				0	0	0									
9.95				0	0	0									
9.96				0	0	0									
9.97				0	0	0									
9.98				0	0	0									
9.99				0	0	0									
10		0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	DEFD STATE INCOME TAXES	0	0			0	0	0	0						
11.01				0	0	0									
12	TOTAL ACCOUNT 283	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17	NOTE: POST 1970 ACCUMULATED DEFERRED INV TAX CRED. (JDTIC) IN A/C 255														
18.01		0	0			0	0	0	0						
18.02		0	0			0	0	0	0						
19															
20	TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

[illegible]

INDIANA MICHIGAN TRANSMISSION COMPANY
Worksheet B-3
Excess/ Deficient ADIT Worksheet
For Year Ended December 31, 2019
Debit/(Credit)

A B C D E

Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act
Deferred Tax Account (NOTE B)				
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1h	NOTE D			
Regulatory Deferral Accounts				
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	NOTE D			
3	Total For Accounting Entires (Sum of Lines 1a through 2b)			

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount number. The fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" in the fourth place of the account number indicates accounts used to track regulatory accounting requirements. This will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC account in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: The amount of the FIT gross up to be recorded on regulatory assets and liabilities will be reported on the first line.

NOTE C: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company, *et al*, 166 FERC ¶ 61,135 (2019).

NOTE D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT or

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the account charged to the 410/411 account.

F	G	H	I	J
			1/1/2019 Beginning Balances	

Excess Balance at Remeasurement	Amortization Methodology (NOTE C)	Amortization Period	Excess ADIT Regulatory Offset	Excess ADIT in Utility Deferrals
			25,483,016	
(106,249,253)	ARAM	Life of Asset		(106,810,039)
2,532,427	10 Years	1/2018 - 12/2027		2,279,184
			106,810,039	
			(2,279,184)	
3,966,093	10 Years	1/2018 - 12/2027		8,666,175
			215,523	
			(1,055,138)	
			(129,174,256)	
			0	(95,864,680)

numbers to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in designation will be included in the determination of ratebase to be recovered in the formula rate. A "4" in the excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" balance, account level the tax asset or liability will be recorded at the current Federal FIT rate. The amounts recorded are.

of ADIT accounts provided for each specific change in tax rates.

the Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power*

for regulatory deferral accounts that may be necessary to track that tax rate change.

ADIT account from which it is being amortized. The total in line 3 is the offset as

K	L	M	N	O	P
	Balance Sheet Entries		Tax Expense Entries		12/31/2019 Er

Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization NOTE C	410/411 Deferred Tax Expense/ (Benefit)	Excess ADIT Regulatory Offset	Sum of Cc
		8,455,228				33,938,244
			81,797	(240,640)		
			(245,712)	(67,812)		
		158,843				106,968,882
		313,524				(1,965,660)
			(997,177)	2,741,611		
		(9,570,994)				(9,355,471)
						(1,055,138)
		643,399				(128,530,857)
-	-	-	1,161,092	(2,433,159)	-	

NOTE E

Q

Ending Balance

R

Excess ADIT in Utility
Deferrals

Cols (I) - (O)

Reference

	WS B - 2 Col B, Line 13
(106,968,882)	WS B - 1 Col B, Line 25
1,965,660	WS B - 1 Col B, Line 26
	WS B - 1 Col B, Line 29 (in total)
10,410,609	WS B - 1 Col B, Line 38
	WS B - 1 Col B, Line 41

Company Records
FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)

(94,592,613)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP Indiana Michigan Transmission Company

(A)

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

Materials & Supplies

Line Number		Source	Balance @ December 31, 2021	Balance @ December 31, 2020	Average Balance for 2021
1					
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	3,000	3,000	3,000
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5						
6	Totals as of December 31, 2021	829,000	0	0	829,000	0
7	Totals as of December 31, 2020	829,000	0	0	829,000	0
8	Average Balance	829,000	-	-	829,000	-

Prepayments Account 165 - Balance @ 12/31/2021

9	Acc. No.	Description	2021 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	374,000	-		374,000		374,000	
11	1650021	Prepaid Insurance - EIS	175,000	-		175,000		175,000	
12	1650023	Prepaid Lease	280,000	-		280,000		280,000	
13				-		-		-	
14				-		-		-	
15				-		-		-	
16				-		-		-	
17				-		-		-	
18				-		-		-	
19				-		-		-	
20				-		-		-	
21				-		-		-	
22				-		-		-	
23				-		-		-	
24				-		-		-	
25				-		-		-	
	Subtotal - Form 1, p 111.57.c		829,000	0	0	829,000	0	829,000	

Prepayments Account 165 - Balance @ 12/31/2020

26	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27	1650001	Prepaid Insurance	374,000	-		374,000		374,000	
28	1650021	Prepaid Insurance - EIS	175,000	-		175,000		175,000	
29	1650023	Prepaid Lease	280,000	-		280,000		280,000	
30				-		-		-	
31				-		-		-	
32				-		-		-	
33				-		-		-	
34				-		-		-	
35				-		-		-	
36				-		-		-	
37				-		-	-	-	
38				-		-	-	-	
39				-		-	-	-	
40				-		-	-	-	
	Subtotal - Form 1, p 111.57.d		829,000	0	0	829,000	0	829,000	

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP Indiana Michigan Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2021</u>
1	Net Funds from IPP Customers 12/31/2020 (2021 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2021 (2021 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{In } 1 + \text{In } 7)/2)$	-

Note 1 On this worksheet Company Records refers to AEP Indiana Michigan 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 Indiana Michigan Transmission Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	365,573,000	365,573,000	-
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	365,573,000	365,573,000	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	365,573,000	365,573,000	-
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 Indiana Michigan Transmission Company's general ledger.

The functional amounts identified as transmission revenue also come from the general ledger.

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

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

Formula Rate
WS F Misc Exp
Page 20 of 47

	(A)	(B)	(C)	(D)	(E)	(F)
					100%	
<u>Line</u>	<u>Item No.</u>	<u>Description</u>	<u>2021</u>	<u>100%</u>	<u>Transmission</u>	
<u>Number</u>			<u>Expense</u>	<u>Non-Transmission</u>	<u>Specific</u>	<u>Explanation</u>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1						
2						
3						
4		Total	-			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	1,624,000			
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	1,025,000			
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	2,649,000			
<u>Account 928</u>						
15				-	-	
16				-	-	
17				-	-	
18				-	-	
19				-	-	
20				-	-	
21		Total (FERC Form 1 p.323.189.b)	-	-	-	
<u>Account 930.1</u>						
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	-	-	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	59,000	59,000	-	
40	9302003	Corporate & Fiscal Expenses	6,000	6,000	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	(37,000)	-	(37,000)	
43		Total (FERC Form 1 p.323.192.b)	28,000	65,000	(37,000)	

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 Indiana Michigan Transmission Company

1	Indiana State Tax Rate	5.38%	
	Apportionment Factor - Note 1	83.36%	
	Effective State Tax Rate		4.48%
2	Michigan Tax Rate	6.00%	
	Apportionment Factor - Note 1	16.07%	
	Effective State Tax Rate		0.96%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>5.44%</u>

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H page 1 Supporting Taxes Other than Income
AEP Indiana Michigan Transmission Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Michigan	10,411,000	10,411,000			
5	Real and Personal Property - Indiana	17,198,000	17,198,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	27,609,000	27,609,000	-	-	-

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

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

Functional Property Tax Allocation

	Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	2,699,883,000	-	2,749,095,000
	MICHIGAN JURISDICTION				
25	Percentage of Plant in MICHIGAN JURISDICTION				
26	Net Plant in MICHIGAN 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 MICHIGAN JURISDICTION Plant (Ln 30 + 32)	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	
	INDIANA JURISDICTION				
35	Net Plant in INDIANA JURISDICTION (Ln 24 - Ln 26)	-	2,699,883,000	-	2,749,095,000
36	Less: Net Value Exempted Generation Plant	-	-	-	-
37	Taxable Property Basis	-	2,699,883,000	-	2,749,095,000
38	Relative Valuation Factor	-	-	-	-
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-
42	Weighted INDIANA JURISDICTION Plant (Ln 39 + 41)	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	

	(A)	(B)	(C)	(D)			
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference			
1	Revenue Taxes						
2	Gross Receipts Tax	-	-				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	"Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
<u>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</u>							
3			27,609,000				27,609,000
4	Real and Personal Property - Michigan		10,411,000	10,411,000		100%	10,411,000
							-
							-
							-
5	Real and Personal Property - Indiana		17,198,000	17,198,000		100%	17,198,000
							-
							-
							-
6	Real and Personal Property - Tennessee	-		-			-
							-
7	Real and Personal Property - Other Jurisdictions	-		-			-
							-

(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back
8	Payroll Taxes		
9	Federal Insurance Contribution (FICA)	-	
10	Federal Unemployment Tax	-	
11	State Unemployment Insurance	-	
12	<i>Line Left Deliberately Blank</i>		
13	State Severance Taxes	-	
14	Miscellaneous Taxes		
15	State Business & Occupation Tax	-	
16	State Public Service Commission Fees	-	
17	State Franchise Taxes	-	
18	State Lic/Registration Fee	-	
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))	27,609,000	27,609,000

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

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

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

Reserved for Future Use

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Indiana Michigan Transmission Company

Page 1 of 11

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

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

ROE w/o incentives (TCOS, ln 138)		10.35%
Project ROE Incentive Adder	0	
ROE with additional 0 basis point incentive		10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 136 through 138)		
	%	Cost
Long Term Debt	45.26%	3.73%
Preferred Stock	0.00%	0.00%
Common Stock	54.74%	10.35%
	R =	7.352%

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

Rate Base (TCOS, ln 58)	2,392,640,778
R (from A. above)	7.352%
Return (Rate Base x R)	175,910,671

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

Return (from B. above)	175,910,671
Effective Tax Rate (TCOS, ln 97)	26.10%
Income Tax Calculation (Return x CIT)	45,905,980
ITC Adjustment	-
Excess Deferred Income Tax	1,531,066
Tax Affect of Permanent Differences	511,238
Income Taxes	47,948,284

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS				
	2021	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2021	47,169,052	47,169,052	\$ -

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)	364,467,052
Lease Payments (TCOS, Ln 80)	-
Return (TCOS, ln 109)	175,910,671
Income Taxes (TCOS, ln 108)	47,948,284
Annual Revenue Requirement, Less Return and Taxes	140,608,097

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

Annual Revenue Requirement, Less Return and Taxes	140,608,097
Return (from I.B. above)	175,910,671
Income Taxes (from I.C. above)	47,948,284
Annual Revenue Requirement, with 0 Basis Point ROE increase	364,467,052
Depreciation & Amortization (TCOS, ln 83)	74,098,000
Annual Rev. Req. w/0 Basis Point ROE increase, less Depreciation	290,369,052

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

Net Transmission Plant (Projected TCOS, ln 33)	2,671,210,237
Annual Revenue Requirement, with 0 Basis Point ROE increase	364,467,052
FCR with 0 Basis Point increase in ROE	13.64%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	290,369,052
FCR with 0 Basis Point ROE increase, less Depreciation	10.87%
FCR less Depreciation (TCOS, ln 10)	10.87%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2021 TCOS, ln 19	2,870,798,237
Annual Depreciation and Amortization Expense (TCOS, ln 83)	74,098,000
Composite Depreciation Rate	2.58%
Depreciable Life for Composite Depreciation Rate	38.74
Average Life in Whole Years	39

Note 1: Until AEP Indiana Michigan 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 Indiana Michigan Transmission Company is shown on Worksheet P.

AEP Indiana Michigan 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: b1465.4 (Make switching improvements at Sullivan and Jefferson 765 kV stations)

Current Projected Year ARR	734,291
Current Projected Year ARR w/ Incentive	734,291
Current Projected Year Incentive ARR	-

Details					
Investment	6,636,011	Current Year	2021		
Service Year (vvvv)	2012	ROE increase accepted by FERC (Basis Points)	-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.87%		
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%		
CIAC (Yes or No)	No	Annual Depreciation Expense	170,154		

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	6,636,011	-	6,636,011	721,356	721,356	\$ -
2013	6,636,011	170,154	6,465,857	862,261	862,261	\$ -
2014	6,465,857	170,154	6,295,703	863,765	863,765	\$ -
2015	6,295,703	170,154	6,125,549	845,269	845,269	\$ -
2016	6,125,549	170,154	5,955,394	826,773	826,773	\$ -
2017	5,955,394	170,154	5,785,240	808,276	808,276	\$ -
2018	5,785,240	170,154	5,615,086	789,780	789,780	\$ -
2019	5,615,086	170,154	5,444,932	771,284	771,284	\$ -
2020	5,444,932	170,154	5,274,778	752,787	752,787	\$ -
2021	5,274,778	170,154	5,104,624	734,291	734,291	\$ -
2022	5,104,624	170,154	4,934,470	715,795	715,795	\$ -
2023	4,934,470	170,154	4,764,316	697,299	697,299	\$ -
2024	4,764,316	170,154	4,594,161	678,802	678,802	\$ -
2025	4,594,161	170,154	4,424,007	660,306	660,306	\$ -
2026	4,424,007	170,154	4,253,853	641,810	641,810	\$ -
2027	4,253,853	170,154	4,083,699	623,313	623,313	\$ -
2028	4,083,699	170,154	3,913,545	604,817	604,817	\$ -
2029	3,913,545	170,154	3,743,391	586,321	586,321	\$ -
2030	3,743,391	170,154	3,573,237	567,824	567,824	\$ -
2031	3,573,237	170,154	3,403,083	549,328	549,328	\$ -
2032	3,403,083	170,154	3,232,928	530,832	530,832	\$ -
2033	3,232,928	170,154	3,062,774	512,336	512,336	\$ -
2034	3,062,774	170,154	2,892,620	493,839	493,839	\$ -
2035	2,892,620	170,154	2,722,466	475,343	475,343	\$ -
2036	2,722,466	170,154	2,552,312	456,847	456,847	\$ -
2037	2,552,312	170,154	2,382,158	438,350	438,350	\$ -
2038	2,382,158	170,154	2,212,004	419,854	419,854	\$ -
2039	2,212,004	170,154	2,041,850	401,358	401,358	\$ -
2040	2,041,850	170,154	1,871,696	382,862	382,862	\$ -
2041	1,871,696	170,154	1,701,541	364,365	364,365	\$ -
2042	1,701,541	170,154	1,531,387	345,869	345,869	\$ -
2043	1,531,387	170,154	1,361,233	327,373	327,373	\$ -
2044	1,361,233	170,154	1,191,079	308,876	308,876	\$ -
2045	1,191,079	170,154	1,020,925	290,380	290,380	\$ -
2046	1,020,925	170,154	850,771	271,884	271,884	\$ -
2047	850,771	170,154	680,617	253,387	253,387	\$ -
2048	680,617	170,154	510,462	234,891	234,891	\$ -
2049	510,462	170,154	340,308	216,395	216,395	\$ -
2050	340,308	170,154	170,154	197,899	197,899	\$ -
2051	170,154	170,154	0	179,402	179,402	\$ -
2052	0	0	-	0	0	\$ -
2053	-	-	-	-	-	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
Project Totals		6,636,011		21,423,799	21,423,799	-

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

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

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1465.2 (Replace the 100 MVAR 765 kV shunt reactor bank on Rockport - Jefferson 765 kV line with a 300 MVAR bank at Rockport Station)

Current Projected Year ARR	1,710,360
Current Projected Year ARR w/ Incentive	1,710,360
Current Projected Year Incentive ARR	-

Details			
Investment	15,264,784	Current Year	2021
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	391,405

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.

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	15,264,784	195,702	15,069,082	1,844,396	1,844,396	\$ -
2014	15,069,082	391,405	14,677,677	2,008,198	2,008,198	\$ -
2015	14,677,677	391,405	14,286,272	1,965,641	1,965,641	\$ -
2016	14,286,272	391,405	13,894,867	1,923,094	1,923,094	\$ -
2017	13,894,867	391,405	13,503,463	1,880,548	1,880,548	\$ -
2018	13,503,463	391,405	13,112,058	1,838,001	1,838,001	\$ -
2019	13,112,058	391,405	12,720,653	1,795,454	1,795,454	\$ -
2020	12,720,653	391,405	12,329,249	1,752,907	1,752,907	\$ -
2021	12,329,249	391,405	11,937,844	1,710,360	1,710,360	\$ -
2022	11,937,844	391,405	11,546,439	1,667,813	1,667,813	\$ -
2023	11,546,439	391,405	11,155,034	1,625,266	1,625,266	\$ -
2024	11,155,034	391,405	10,763,630	1,582,719	1,582,719	\$ -
2025	10,763,630	391,405	10,372,225	1,540,172	1,540,172	\$ -
2026	10,372,225	391,405	9,980,820	1,497,625	1,497,625	\$ -
2027	9,980,820	391,405	9,589,416	1,455,078	1,455,078	\$ -
2028	9,589,416	391,405	9,198,011	1,412,531	1,412,531	\$ -
2029	9,198,011	391,405	8,806,606	1,369,984	1,369,984	\$ -
2030	8,806,606	391,405	8,415,201	1,327,437	1,327,437	\$ -
2031	8,415,201	391,405	8,023,797	1,284,890	1,284,890	\$ -
2032	8,023,797	391,405	7,632,392	1,242,343	1,242,343	\$ -
2033	7,632,392	391,405	7,240,987	1,199,797	1,199,797	\$ -
2034	7,240,987	391,405	6,849,583	1,157,250	1,157,250	\$ -
2035	6,849,583	391,405	6,458,178	1,114,703	1,114,703	\$ -
2036	6,458,178	391,405	6,066,773	1,072,156	1,072,156	\$ -
2037	6,066,773	391,405	5,675,368	1,029,609	1,029,609	\$ -
2038	5,675,368	391,405	5,283,964	987,062	987,062	\$ -
2039	5,283,964	391,405	4,892,559	944,515	944,515	\$ -
2040	4,892,559	391,405	4,501,154	901,968	901,968	\$ -
2041	4,501,154	391,405	4,109,750	859,421	859,421	\$ -
2042	4,109,750	391,405	3,718,345	816,874	816,874	\$ -
2043	3,718,345	391,405	3,326,940	774,327	774,327	\$ -
2044	3,326,940	391,405	2,935,535	731,780	731,780	\$ -
2045	2,935,535	391,405	2,544,131	689,233	689,233	\$ -
2046	2,544,131	391,405	2,152,726	646,686	646,686	\$ -
2047	2,152,726	391,405	1,761,321	604,139	604,139	\$ -
2048	1,761,321	391,405	1,369,917	561,592	561,592	\$ -
2049	1,369,917	391,405	978,512	519,046	519,046	\$ -
2050	978,512	391,405	587,107	476,499	476,499	\$ -
2051	587,107	391,405	195,702	433,952	433,952	\$ -
2052	195,702	195,702	-	206,339	206,339	\$ -
2053	-	-	-	-	-	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals	15,264,784			48,451,396	48,451,396	-

** 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.

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: b2048 (Replace both Tanners Creek 345/138 kV transformers with one bigger transformer)

Current Projected Year ARR	658,579
Current Projected Year ARR w/ Incentive	658,579
Current Projected Year Incentive ARR	

Details			
Investment	5,805,543	Current Year	2021
Service Year (yyy)	2019	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	148,860

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	5,805,543	-	5,805,543	631,081	631,081	\$ -	\$ 461,439	\$ 461,439
2014	5,805,543	148,860	5,656,683	771,850	771,850	\$ -	\$ 626,067	\$ 626,067
2015	5,656,683	148,860	5,507,823	755,669	755,669	\$ -	\$ 697,699	\$ 697,699
2016	5,507,823	148,860	5,358,963	739,487	739,487	\$ -	\$ 692,483	\$ 692,483
2017	5,358,963	148,860	5,210,103	723,306	723,306	\$ -	\$ 737,310	\$ 737,310
2018	5,210,103	148,860	5,061,243	707,124	707,124	\$ -	\$ 631,912	\$ 631,912
2019	5,061,243	148,860	4,912,383	690,942	690,942	\$ -	\$ 663,516	\$ 663,516
2020	4,912,383	148,860	4,763,522	674,761	674,761	\$ -	\$ 671,525	\$ 671,525
2021	4,763,522	148,860	4,614,662	658,579	658,579	\$ -		
2022	4,614,662	148,860	4,465,802	642,398	642,398	\$ -		
2023	4,465,802	148,860	4,316,942	626,216	626,216	\$ -		
2024	4,316,942	148,860	4,168,082	610,035	610,035	\$ -		
2025	4,168,082	148,860	4,019,222	593,853	593,853	\$ -		
2026	4,019,222	148,860	3,870,362	577,672	577,672	\$ -		
2027	3,870,362	148,860	3,721,502	561,490	561,490	\$ -		
2028	3,721,502	148,860	3,572,642	545,308	545,308	\$ -		
2029	3,572,642	148,860	3,423,782	529,127	529,127	\$ -		
2030	3,423,782	148,860	3,274,922	512,945	512,945	\$ -		
2031	3,274,922	148,860	3,126,062	496,764	496,764	\$ -		
2032	3,126,062	148,860	2,977,202	480,582	480,582	\$ -		
2033	2,977,202	148,860	2,828,341	464,401	464,401	\$ -		
2034	2,828,341	148,860	2,679,481	448,219	448,219	\$ -		
2035	2,679,481	148,860	2,530,621	432,037	432,037	\$ -		
2036	2,530,621	148,860	2,381,761	415,856	415,856	\$ -		
2037	2,381,761	148,860	2,232,901	399,674	399,674	\$ -		
2038	2,232,901	148,860	2,084,041	383,493	383,493	\$ -		
2039	2,084,041	148,860	1,935,181	367,311	367,311	\$ -		
2040	1,935,181	148,860	1,786,321	351,130	351,130	\$ -		
2041	1,786,321	148,860	1,637,461	334,948	334,948	\$ -		
2042	1,637,461	148,860	1,488,601	318,766	318,766	\$ -		
2043	1,488,601	148,860	1,339,741	302,585	302,585	\$ -		
2044	1,339,741	148,860	1,190,881	286,403	286,403	\$ -		
2045	1,190,881	148,860	1,042,021	270,222	270,222	\$ -		
2046	1,042,021	148,860	893,160	254,040	254,040	\$ -		
2047	893,160	148,860	744,300	237,859	237,859	\$ -		
2048	744,300	148,860	595,440	221,677	221,677	\$ -		
2049	595,440	148,860	446,580	205,496	205,496	\$ -		
2050	446,580	148,860	297,720	189,314	189,314	\$ -		
2051	297,720	148,860	148,860	173,132	173,132	\$ -		
2052	148,860	148,860	-	156,951	156,951	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				5,805,543	18,742,703	18,742,703	-	-

** 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.

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

Page 5 of 11

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 the Allen station by installing a second 345/138 kV transformer and adding four exits by cutting in the Lincoln-Sterling and Timber Switch -Milan 138 kV double circuit tower line)

Current Projected Year ARR	7,012,208
Current Projected Year ARR w/ Incentive	7,012,208
Current Projected Year Incentive ARR	-

Details		Current Year	2021
Investment	60,574,103		-
Service Year (vvy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,553,182

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **		
2014	60,574,103	258,864	60,315,240	6,829,392	6,829,392	\$ -	\$ -	\$ -		
2015	60,315,240	1,553,182	58,762,057	8,025,223	8,025,223	\$ -	\$ 1,745,562	\$ 1,745,562		
2016	58,762,057	1,553,182	57,208,875	7,856,387	7,856,387	\$ -	\$ 1,596,924	\$ 1,596,924		
2017	57,208,875	1,553,182	55,655,693	7,687,551	7,687,551	\$ -	\$ 8,620,533	\$ 8,620,533		
2018	55,655,693	1,553,182	54,102,511	7,518,715	7,518,715	\$ -	\$ 6,863,859	\$ 6,863,859		
2019	54,102,511	1,553,182	52,549,329	7,349,879	7,349,879	\$ -	\$ 7,470,796	\$ 7,470,796		
2020	52,549,329	1,553,182	50,996,147	7,181,043	7,181,043	\$ -	\$ 7,563,744	\$ 7,563,744		
2021	50,996,147	1,553,182	49,442,965	7,012,208	7,012,208	\$ -				
2022	49,442,965	1,553,182	47,889,782	6,843,372	6,843,372	\$ -				
2023	47,889,782	1,553,182	46,336,600	6,674,536	6,674,536	\$ -				
2024	46,336,600	1,553,182	44,783,418	6,505,700	6,505,700	\$ -				
2025	44,783,418	1,553,182	43,230,236	6,336,864	6,336,864	\$ -				
2026	43,230,236	1,553,182	41,677,054	6,168,028	6,168,028	\$ -				
2027	41,677,054	1,553,182	40,123,872	5,999,193	5,999,193	\$ -				
2028	40,123,872	1,553,182	38,570,690	5,830,357	5,830,357	\$ -				
2029	38,570,690	1,553,182	37,017,508	5,661,521	5,661,521	\$ -				
2030	37,017,508	1,553,182	35,464,325	5,492,685	5,492,685	\$ -				
2031	35,464,325	1,553,182	33,911,143	5,323,849	5,323,849	\$ -				
2032	33,911,143	1,553,182	32,357,961	5,155,013	5,155,013	\$ -				
2033	32,357,961	1,553,182	30,804,779	4,986,178	4,986,178	\$ -				
2034	30,804,779	1,553,182	29,251,597	4,817,342	4,817,342	\$ -				
2035	29,251,597	1,553,182	27,698,415	4,648,506	4,648,506	\$ -				
2036	27,698,415	1,553,182	26,145,233	4,479,670	4,479,670	\$ -				
2037	26,145,233	1,553,182	24,592,050	4,310,834	4,310,834	\$ -				
2038	24,592,050	1,553,182	23,038,868	4,141,998	4,141,998	\$ -				
2039	23,038,868	1,553,182	21,485,686	3,973,163	3,973,163	\$ -				
2040	21,485,686	1,553,182	19,932,504	3,804,327	3,804,327	\$ -				
2041	19,932,504	1,553,182	18,379,322	3,635,491	3,635,491	\$ -				
2042	18,379,322	1,553,182	16,826,140	3,466,655	3,466,655	\$ -				
2043	16,826,140	1,553,182	15,272,958	3,297,819	3,297,819	\$ -				
2044	15,272,958	1,553,182	13,719,776	3,128,983	3,128,983	\$ -				
2045	13,719,776	1,553,182	12,166,593	2,960,147	2,960,147	\$ -				
2046	12,166,593	1,553,182	10,613,411	2,791,312	2,791,312	\$ -				
2047	10,613,411	1,553,182	9,060,229	2,622,476	2,622,476	\$ -				
2048	9,060,229	1,553,182	7,507,047	2,453,640	2,453,640	\$ -				
2049	7,507,047	1,553,182	5,953,865	2,284,804	2,284,804	\$ -				
2050	5,953,865	1,553,182	4,400,683	2,115,968	2,115,968	\$ -				
2051	4,400,683	1,553,182	2,847,501	1,947,132	1,947,132	\$ -				
2052	2,847,501	1,553,182	1,294,318	1,778,297	1,778,297	\$ -				
2053	1,294,318	1,294,318	-	1,364,667	1,364,667	\$ -				
2054	-	-	-	-	-	\$ -				
2055	-	-	-	-	-	\$ -				
2056	-	-	-	-	-	\$ -				
2057	-	-	-	-	-	\$ -				
2058	-	-	-	-	-	\$ -				
2059	-	-	-	-	-	\$ -				
2060	-	-	-	-	-	\$ -				
2061	-	-	-	-	-	\$ -				
2062	-	-	-	-	-	\$ -				
2063	-	-	-	-	-	\$ -				
2064	-	-	-	-	-	\$ -				
2065	-	-	-	-	-	\$ -				
2066	-	-	-	-	-	\$ -				
2067	-	-	-	-	-	\$ -				
2068	-	-	-	-	-	\$ -				
2069	-	-	-	-	-	\$ -				
2070	-	-	-	-	-	\$ -				
2071	-	-	-	-	-	\$ -				
2072	-	-	-	-	-	\$ -				
2073	-	-	-	-	-	\$ -				

Project Totals 60,574,103 194,460,924 194,460,924 -

** 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.

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

Page 6 of 11

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	11,936,441
Current Projected Year ARR w/ Incentive	11,936,441
Current Projected Year Incentive ARR	-

Details	Investment	Current Year	2021
Investment	99,133,366		
Service Year (yyyv)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	2,541,881

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2016	99,133,366	1,270,941	97,862,426	11,977,975	11,977,975	\$ -	\$ 8,211,582	\$ 8,211,582
2017	97,862,426	2,541,881	95,320,545	13,041,683	13,041,683	\$ -	\$ 9,400,319	\$ 9,400,319
2018	95,320,545	2,541,881	92,778,663	12,765,372	12,765,372	\$ -	\$ 11,231,831	\$ 11,231,831
2019	92,778,663	2,541,881	90,236,782	12,489,062	12,489,062	\$ -	\$ 11,864,825	\$ 11,864,825
2020	90,236,782	2,541,881	87,694,901	12,212,751	12,212,751	\$ -	\$ 12,033,066	\$ 12,033,066
2021	87,694,901	2,541,881	85,153,020	11,936,441	11,936,441	\$ -		
2022	85,153,020	2,541,881	82,611,139	11,660,130	11,660,130	\$ -		
2023	82,611,139	2,541,881	80,069,257	11,383,820	11,383,820	\$ -		
2024	80,069,257	2,541,881	77,527,376	11,107,509	11,107,509	\$ -		
2025	77,527,376	2,541,881	74,985,495	10,831,198	10,831,198	\$ -		
2026	74,985,495	2,541,881	72,443,614	10,554,888	10,554,888	\$ -		
2027	72,443,614	2,541,881	69,901,733	10,278,577	10,278,577	\$ -		
2028	69,901,733	2,541,881	67,359,851	10,002,267	10,002,267	\$ -		
2029	67,359,851	2,541,881	64,817,970	9,725,956	9,725,956	\$ -		
2030	64,817,970	2,541,881	62,276,089	9,449,645	9,449,645	\$ -		
2031	62,276,089	2,541,881	59,734,208	9,173,335	9,173,335	\$ -		
2032	59,734,208	2,541,881	57,192,327	8,897,024	8,897,024	\$ -		
2033	57,192,327	2,541,881	54,650,446	8,620,714	8,620,714	\$ -		
2034	54,650,446	2,541,881	52,108,564	8,344,403	8,344,403	\$ -		
2035	52,108,564	2,541,881	49,566,683	8,068,093	8,068,093	\$ -		
2036	49,566,683	2,541,881	47,024,802	7,791,782	7,791,782	\$ -		
2037	47,024,802	2,541,881	44,482,921	7,515,471	7,515,471	\$ -		
2038	44,482,921	2,541,881	41,941,040	7,239,161	7,239,161	\$ -		
2039	41,941,040	2,541,881	39,399,158	6,962,850	6,962,850	\$ -		
2040	39,399,158	2,541,881	36,857,277	6,686,540	6,686,540	\$ -		
2041	36,857,277	2,541,881	34,315,396	6,410,229	6,410,229	\$ -		
2042	34,315,396	2,541,881	31,773,515	6,133,919	6,133,919	\$ -		
2043	31,773,515	2,541,881	29,231,634	5,857,608	5,857,608	\$ -		
2044	29,231,634	2,541,881	26,689,752	5,581,297	5,581,297	\$ -		
2045	26,689,752	2,541,881	24,147,871	5,304,987	5,304,987	\$ -		
2046	24,147,871	2,541,881	21,605,990	5,028,676	5,028,676	\$ -		
2047	21,605,990	2,541,881	19,064,109	4,752,366	4,752,366	\$ -		
2048	19,064,109	2,541,881	16,522,228	4,476,055	4,476,055	\$ -		
2049	16,522,228	2,541,881	13,980,347	4,199,745	4,199,745	\$ -		
2050	13,980,347	2,541,881	11,438,465	3,923,434	3,923,434	\$ -		
2051	11,438,465	2,541,881	8,896,584	3,647,123	3,647,123	\$ -		
2052	8,896,584	2,541,881	6,354,703	3,370,813	3,370,813	\$ -		
2053	6,354,703	2,541,881	3,812,822	3,094,502	3,094,502	\$ -		
2054	3,812,822	2,541,881	1,270,941	2,818,192	2,818,192	\$ -		
2055	1,270,941	2,541,881	-	1,340,018	1,340,018	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
2074	-	-	-	-	-	\$ -		
2075	-	-	-	-	-	\$ -		
Project Totals	99,133,366			314,655,613	314,655,613	-		

** 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.

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: b1659 (Sorenson: Add 765/345 kV transformer and all connection work)

Current Projected Year ARR	6,395,009
Current Projected Year ARR w/ Incentive	6,395,009
Current Projected Year Incentive ARR	-

Details					
Investment	52,503,522	Current Year	2021		
Service Year (yyyv)	2016	ROE increase accepted by FERC (Basis Points)	-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.87%		
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%		
CIAC (Yes or No)	No	Annual Depreciation Expense	1,346,244		

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	52,503,522	-	52,503,522	5,707,300	5,707,300	\$ -
2017	52,503,522	1,346,244	51,157,278	6,980,374	6,980,374	\$ -
2018	51,157,278	1,346,244	49,811,034	6,834,033	6,834,033	\$ -
2019	49,811,034	1,346,244	48,464,790	6,687,692	6,687,692	\$ -
2020	48,464,790	1,346,244	47,118,546	6,541,351	6,541,351	\$ -
2021	47,118,546	1,346,244	45,772,302	6,395,009	6,395,009	\$ -
2022	45,772,302	1,346,244	44,426,057	6,248,668	6,248,668	\$ -
2023	44,426,057	1,346,244	43,079,813	6,102,327	6,102,327	\$ -
2024	43,079,813	1,346,244	41,733,569	5,955,986	5,955,986	\$ -
2025	41,733,569	1,346,244	40,387,325	5,809,645	5,809,645	\$ -
2026	40,387,325	1,346,244	39,041,081	5,663,304	5,663,304	\$ -
2027	39,041,081	1,346,244	37,694,837	5,516,963	5,516,963	\$ -
2028	37,694,837	1,346,244	36,348,592	5,370,622	5,370,622	\$ -
2029	36,348,592	1,346,244	35,002,348	5,224,281	5,224,281	\$ -
2030	35,002,348	1,346,244	33,656,104	5,077,940	5,077,940	\$ -
2031	33,656,104	1,346,244	32,309,860	4,931,599	4,931,599	\$ -
2032	32,309,860	1,346,244	30,963,616	4,785,258	4,785,258	\$ -
2033	30,963,616	1,346,244	29,617,372	4,638,917	4,638,917	\$ -
2034	29,617,372	1,346,244	28,271,127	4,492,576	4,492,576	\$ -
2035	28,271,127	1,346,244	26,924,883	4,346,235	4,346,235	\$ -
2036	26,924,883	1,346,244	25,578,639	4,199,894	4,199,894	\$ -
2037	25,578,639	1,346,244	24,232,395	4,053,553	4,053,553	\$ -
2038	24,232,395	1,346,244	22,886,151	3,907,212	3,907,212	\$ -
2039	22,886,151	1,346,244	21,539,907	3,760,871	3,760,871	\$ -
2040	21,539,907	1,346,244	20,193,662	3,614,530	3,614,530	\$ -
2041	20,193,662	1,346,244	18,847,418	3,468,189	3,468,189	\$ -
2042	18,847,418	1,346,244	17,501,174	3,321,848	3,321,848	\$ -
2043	17,501,174	1,346,244	16,154,930	3,175,507	3,175,507	\$ -
2044	16,154,930	1,346,244	14,808,686	3,029,166	3,029,166	\$ -
2045	14,808,686	1,346,244	13,462,442	2,882,825	2,882,825	\$ -
2046	13,462,442	1,346,244	12,116,197	2,736,484	2,736,484	\$ -
2047	12,116,197	1,346,244	10,769,953	2,590,143	2,590,143	\$ -
2048	10,769,953	1,346,244	9,423,709	2,443,802	2,443,802	\$ -
2049	9,423,709	1,346,244	8,077,465	2,297,461	2,297,461	\$ -
2050	8,077,465	1,346,244	6,731,221	2,151,120	2,151,120	\$ -
2051	6,731,221	1,346,244	5,384,977	2,004,779	2,004,779	\$ -
2052	5,384,977	1,346,244	4,038,732	1,858,438	1,858,438	\$ -
2053	4,038,732	1,346,244	2,692,488	1,712,097	1,712,097	\$ -
2054	2,692,488	1,346,244	1,346,244	1,565,756	1,565,756	\$ -
2055	1,346,244	1,346,244	-	1,419,415	1,419,415	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	52,503,522			169,503,171	169,503,171	-

** 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 **			
\$ 5,279,934		\$ 5,279,934			
\$ 5,667,478		\$ 5,667,478			
\$ 4,860,385		\$ 4,860,385			
\$ 6,293,605		\$ 6,293,605			
\$ 6,439,771		\$ 6,439,771			

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: b1659.13 (Sorenson: Expansion work to establish 765 kV site)

Current Projected Year ARR	6,107,453
Current Projected Year ARR w/ Incentive	6,107,453
Current Projected Year Incentive ARR	-

Details			
Investment	50,142,658	Current Year	2021
Service Year (yyyv)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,285,709

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2016	50,142,658	-	50,142,658	5,450,666	5,450,666	\$ -	\$ 4,514,116	\$ 4,514,116
2017	50,142,658	1,285,709	48,856,949	6,666,495	6,666,495	\$ -	\$ 7,261,914	\$ 7,261,914
2018	48,856,949	1,285,709	47,571,240	6,526,735	6,526,735	\$ -	\$ 5,720,037	\$ 5,720,037
2019	47,571,240	1,285,709	46,285,530	6,386,974	6,386,974	\$ -	\$ 6,058,461	\$ 6,058,461
2020	46,285,530	1,285,709	44,999,821	6,247,213	6,247,213	\$ -	\$ 6,143,740	\$ 6,143,740
2021	44,999,821	1,285,709	43,714,112	6,107,453	6,107,453	\$ -		
2022	43,714,112	1,285,709	42,428,403	5,967,692	5,967,692	\$ -		
2023	42,428,403	1,285,709	41,142,694	5,827,931	5,827,931	\$ -		
2024	41,142,694	1,285,709	39,856,985	5,688,171	5,688,171	\$ -		
2025	39,856,985	1,285,709	38,571,275	5,548,410	5,548,410	\$ -		
2026	38,571,275	1,285,709	37,285,566	5,408,649	5,408,649	\$ -		
2027	37,285,566	1,285,709	35,999,857	5,268,889	5,268,889	\$ -		
2028	35,999,857	1,285,709	34,714,148	5,129,128	5,129,128	\$ -		
2029	34,714,148	1,285,709	33,428,439	4,989,367	4,989,367	\$ -		
2030	33,428,439	1,285,709	32,142,729	4,849,606	4,849,606	\$ -		
2031	32,142,729	1,285,709	30,857,020	4,709,846	4,709,846	\$ -		
2032	30,857,020	1,285,709	29,571,311	4,570,085	4,570,085	\$ -		
2033	29,571,311	1,285,709	28,285,602	4,430,324	4,430,324	\$ -		
2034	28,285,602	1,285,709	26,999,893	4,290,564	4,290,564	\$ -		
2035	26,999,893	1,285,709	25,714,184	4,150,803	4,150,803	\$ -		
2036	25,714,184	1,285,709	24,428,474	4,011,042	4,011,042	\$ -		
2037	24,428,474	1,285,709	23,142,765	3,871,282	3,871,282	\$ -		
2038	23,142,765	1,285,709	21,857,056	3,731,521	3,731,521	\$ -		
2039	21,857,056	1,285,709	20,571,347	3,591,760	3,591,760	\$ -		
2040	20,571,347	1,285,709	19,285,638	3,452,000	3,452,000	\$ -		
2041	19,285,638	1,285,709	17,999,929	3,312,239	3,312,239	\$ -		
2042	17,999,929	1,285,709	16,714,219	3,172,478	3,172,478	\$ -		
2043	16,714,219	1,285,709	15,428,510	3,032,718	3,032,718	\$ -		
2044	15,428,510	1,285,709	14,142,801	2,892,957	2,892,957	\$ -		
2045	14,142,801	1,285,709	12,857,092	2,753,196	2,753,196	\$ -		
2046	12,857,092	1,285,709	11,571,383	2,613,436	2,613,436	\$ -		
2047	11,571,383	1,285,709	10,285,673	2,473,675	2,473,675	\$ -		
2048	10,285,673	1,285,709	8,999,964	2,333,914	2,333,914	\$ -		
2049	8,999,964	1,285,709	7,714,255	2,194,154	2,194,154	\$ -		
2050	7,714,255	1,285,709	6,428,546	2,054,393	2,054,393	\$ -		
2051	6,428,546	1,285,709	5,142,837	1,914,632	1,914,632	\$ -		
2052	5,142,837	1,285,709	3,857,128	1,774,872	1,774,872	\$ -		
2053	3,857,128	1,285,709	2,571,418	1,635,111	1,635,111	\$ -		
2054	2,571,418	1,285,709	1,285,709	1,495,350	1,495,350	\$ -		
2055	1,285,709	1,285,709	0	1,355,590	1,355,590	\$ -		
2056	0	-	-	0	0	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
2074	-	-	-	-	-	\$ -		
2075	-	-	-	-	-	\$ -		
Project Totals	50,142,658			161,881,320	161,881,320	-		

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

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

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

RTEP ID: b1659.14 (Sorenson: Approx. 14 miles of 765 kV line from existing Dumont-Marysville line)

Current Projected Year ARR	7,598,317
Current Projected Year ARR w/ Incentive	7,598,317
Current Projected Year Incentive ARR	-

Details				
Investment	62,382,766	Current Year		2021
Service Year (vvv)	2016	ROE increase accepted by FERC (Basis Points)		
Service Month (1-12)	12	FCR w/o incentives, less depreciation		10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.		10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense		1,599,558

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.

CIAC (Yes or No)	No	Annual Depreciation Expense		1,599,558			THE PROJECT			
Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives		RTEP Projected Rev. Req't. From Prior Year Template with Incentives **	
2016	62,382,766		62,382,766	6,781,205	6,781,205	\$ -	\$ 5,764,647		\$ 5,764,647	
2017	62,382,766	1,599,558	60,783,208	8,293,826	8,293,826	\$ -	\$ 7,201,236		\$ 7,201,236	
2018	60,783,208	1,599,558	59,183,650	8,119,948	8,119,948	\$ -	\$ 7,115,546		\$ 7,115,546	
2019	59,183,650	1,599,558	57,584,092	7,946,071	7,946,071	\$ -	\$ 7,533,264		\$ 7,533,264	
2020	57,584,092	1,599,558	55,984,534	7,772,194	7,772,194	\$ -	\$ 4,004,463		\$ 4,004,463	
2021	55,984,534	1,599,558	54,384,976	7,598,317	7,598,317	\$ -				
2022	54,384,976	1,599,558	52,785,418	7,424,439	7,424,439	\$ -				
2023	52,785,418	1,599,558	51,185,860	7,250,562	7,250,562	\$ -				
2024	51,185,860	1,599,558	49,586,301	7,076,685	7,076,685	\$ -				
2025	49,586,301	1,599,558	47,986,743	6,902,808	6,902,808	\$ -				
2026	47,986,743	1,599,558	46,387,185	6,728,931	6,728,931	\$ -				
2027	46,387,185	1,599,558	44,787,627	6,555,054	6,555,054	\$ -				
2028	44,787,627	1,599,558	43,188,069	6,381,177	6,381,177	\$ -				
2029	43,188,069	1,599,558	41,588,511	6,207,300	6,207,300	\$ -				
2030	41,588,511	1,599,558	39,988,953	6,033,423	6,033,423	\$ -				
2031	39,988,953	1,599,558	38,389,395	5,859,546	5,859,546	\$ -				
2032	38,389,395	1,599,558	36,789,837	5,685,669	5,685,669	\$ -				
2033	36,789,837	1,599,558	35,190,278	5,511,792	5,511,792	\$ -				
2034	35,190,278	1,599,558	33,590,720	5,337,915	5,337,915	\$ -				
2035	33,590,720	1,599,558	31,991,162	5,164,038	5,164,038	\$ -				
2036	31,991,162	1,599,558	30,391,604	4,990,161	4,990,161	\$ -				
2037	30,391,604	1,599,558	28,792,046	4,816,284	4,816,284	\$ -				
2038	28,792,046	1,599,558	27,192,488	4,642,407	4,642,407	\$ -				
2039	27,192,488	1,599,558	25,592,930	4,468,530	4,468,530	\$ -				
2040	25,592,930	1,599,558	23,993,372	4,294,652	4,294,652	\$ -				
2041	23,993,372	1,599,558	22,393,814	4,120,775	4,120,775	\$ -				
2042	22,393,814	1,599,558	20,794,255	3,946,898	3,946,898	\$ -				
2043	20,794,255	1,599,558	19,194,697	3,773,021	3,773,021	\$ -				
2044	19,194,697	1,599,558	17,595,139	3,599,144	3,599,144	\$ -				
2045	17,595,139	1,599,558	15,995,581	3,425,267	3,425,267	\$ -				
2046	15,995,581	1,599,558	14,396,023	3,251,390	3,251,390	\$ -				
2047	14,396,023	1,599,558	12,796,465	3,077,513	3,077,513	\$ -				
2048	12,796,465	1,599,558	11,196,907	2,903,636	2,903,636	\$ -				
2049	11,196,907	1,599,558	9,597,349	2,729,759	2,729,759	\$ -				
2050	9,597,349	1,599,558	7,997,791	2,555,882	2,555,882	\$ -				
2051	7,997,791	1,599,558	6,398,232	2,382,005	2,382,005	\$ -				
2052	6,398,232	1,599,558	4,798,674	2,208,128	2,208,128	\$ -				
2053	4,798,674	1,599,558	3,199,116	2,034,251	2,034,251	\$ -				
2054	3,199,116	1,599,558	1,599,558	1,860,374	1,860,374	\$ -				
2055	1,599,558	1,599,558	-	1,686,497	1,686,497	\$ -				
2056	-	-	-	-	-	\$ -				
2057	-	-	-	-	-	\$ -				
2058	-	-	-	-	-	\$ -				
2059	-	-	-	-	-	\$ -				
2060	-	-	-	-	-	\$ -				
2061	-	-	-	-	-	\$ -				
2062	-	-	-	-	-	\$ -				
2063	-	-	-	-	-	\$ -				
2064	-	-	-	-	-	\$ -				
2065	-	-	-	-	-	\$ -				
2066	-	-	-	-	-	\$ -				
2067	-	-	-	-	-	\$ -				
2068	-	-	-	-	-	\$ -				
2069	-	-	-	-	-	\$ -				
2070	-	-	-	-	-	\$ -				
2071	-	-	-	-	-	\$ -				
2072	-	-	-	-	-	\$ -				
2073	-	-	-	-	-	\$ -				
2074	-	-	-	-	-	\$ -				
2075	-	-	-	-	-	\$ -				
Project Totals		\$2,382,766		201,307,473	201,307,473					

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

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

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

RTEP ID: b1465.1 (Add a 3rd 2250 MVA 765/345 kV transformer at Sullivan station)

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

Project Totals	32,360,310	103,299,961	103,299,961	-
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** 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.

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

Page 11 of 11

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: b1465.5 (Sullivan Inst Baker 765 KV trf.)

Current Projected Year ARR	1,014,729
Current Projected Year ARR w/ Incentive	1,014,729
Current Projected Year Incentive ARR	-

Details			
Investment	8,427,428	Current Year	2021
Service Year (yyyv)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.87%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	10.87%
CIAC (Yes or No)	No	Annual Depreciation Expense	216,088

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2016	8,427,428	108,044	8,319,384	1,018,260	1,018,260	\$ -	\$ 3,283,917	\$ 3,283,917
2017	8,319,384	216,088	8,103,296	1,108,687	1,108,687	\$ -	\$ 3,670,194	\$ 3,670,194
2018	8,103,296	216,088	7,887,208	1,085,197	1,085,197	\$ -	\$ 1,008,642	\$ 1,008,642
2019	7,887,208	216,088	7,671,120	1,061,708	1,061,708	\$ -	\$ 1,042,202	\$ 1,042,202
2020	7,671,120	216,088	7,455,032	1,038,218	1,038,218	\$ -		
2021	7,455,032	216,088	7,238,945	1,014,729	1,014,729	\$ -		
2022	7,238,945	216,088	7,022,857	991,239	991,239	\$ -		
2023	7,022,857	216,088	6,806,769	967,750	967,750	\$ -		
2024	6,806,769	216,088	6,590,681	944,261	944,261	\$ -		
2025	6,590,681	216,088	6,374,593	920,771	920,771	\$ -		
2026	6,374,593	216,088	6,158,505	897,282	897,282	\$ -		
2027	6,158,505	216,088	5,942,417	873,792	873,792	\$ -		
2028	5,942,417	216,088	5,726,329	850,303	850,303	\$ -		
2029	5,726,329	216,088	5,510,241	826,813	826,813	\$ -		
2030	5,510,241	216,088	5,294,153	803,324	803,324	\$ -		
2031	5,294,153	216,088	5,078,066	779,835	779,835	\$ -		
2032	5,078,066	216,088	4,861,978	756,345	756,345	\$ -		
2033	4,861,978	216,088	4,645,890	732,856	732,856	\$ -		
2034	4,645,890	216,088	4,429,802	709,366	709,366	\$ -		
2035	4,429,802	216,088	4,213,714	685,877	685,877	\$ -		
2036	4,213,714	216,088	3,997,626	662,387	662,387	\$ -		
2037	3,997,626	216,088	3,781,538	638,898	638,898	\$ -		
2038	3,781,538	216,088	3,565,450	615,408	615,408	\$ -		
2039	3,565,450	216,088	3,349,362	591,919	591,919	\$ -		
2040	3,349,362	216,088	3,133,275	568,430	568,430	\$ -		
2041	3,133,275	216,088	2,917,187	544,940	544,940	\$ -		
2042	2,917,187	216,088	2,701,099	521,451	521,451	\$ -		
2043	2,701,099	216,088	2,485,011	497,961	497,961	\$ -		
2044	2,485,011	216,088	2,268,923	474,472	474,472	\$ -		
2045	2,268,923	216,088	2,052,835	450,982	450,982	\$ -		
2046	2,052,835	216,088	1,836,747	427,493	427,493	\$ -		
2047	1,836,747	216,088	1,620,659	404,003	404,003	\$ -		
2048	1,620,659	216,088	1,404,571	380,514	380,514	\$ -		
2049	1,404,571	216,088	1,188,483	357,025	357,025	\$ -		
2050	1,188,483	216,088	972,396	333,535	333,535	\$ -		
2051	972,396	216,088	756,308	310,046	310,046	\$ -		
2052	756,308	216,088	540,220	286,556	286,556	\$ -		
2053	540,220	216,088	324,132	263,067	263,067	\$ -		
2054	324,132	216,088	108,044	239,577	239,577	\$ -		
2055	108,044	108,044	-	113,916	113,916	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
2074	-	-	-	-	-	\$ -		
2075	-	-	-	-	-	\$ -		
Project Totals	8,427,428			26,749,193	26,749,193	-		

** 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.

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

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	1,290,789,000	-	-	-	1,290,789,000
2	January	1,328,849,000	-	-	-	1,328,849,000
3	February	1,365,306,000	-	-	-	1,365,306,000
4	March	1,403,652,000	-	-	-	1,403,652,000
5	April	1,441,405,000	-	-	-	1,441,405,000
6	May	1,454,682,000	-	-	-	1,454,682,000
7	June	1,468,091,000	-	-	-	1,468,091,000
8	July	1,481,147,000	-	-	-	1,481,147,000
9	August	1,494,229,000	-	-	-	1,494,229,000
10	September	1,506,685,000	-	-	-	1,506,685,000
11	October	1,519,695,000	-	-	-	1,519,695,000
12	November	1,532,071,000	-	-	-	1,532,071,000
13	December of Rate Year	1,559,872,000	-	-	-	1,559,872,000
14	Average of the 13 Monthly Balances	1,449,728,692	-	-	-	1,449,728,692

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: Recquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	1,144,050,000	-	-	1,144,050,000
16	January	-	-	1,144,050,000	-	-	1,144,050,000
17	February	-	-	1,144,050,000	-	-	1,144,050,000
18	March	-	-	1,144,050,000	-	-	1,144,050,000
19	April	-	-	1,141,150,000	-	-	1,141,150,000
20	May	-	-	1,141,150,000	-	-	1,141,150,000
21	June	-	-	1,141,150,000	110,000,000	-	1,251,150,000
22	July	-	-	1,141,150,000	110,000,000	-	1,251,150,000
23	August	-	-	1,141,150,000	110,000,000	-	1,251,150,000
24	September	-	-	1,141,150,000	110,000,000	-	1,251,150,000
25	October	-	-	1,138,250,000	110,000,000	-	1,248,250,000
26	November	-	-	1,125,550,000	110,000,000	-	1,235,550,000
27	December of Rate Year	-	-	1,125,550,000	110,000,000	-	1,235,550,000
28	Average of the 13 Monthly Balances	-	-	1,139,419,231	59,230,769	-	1,198,650,000

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2021						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			44,666,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)						
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			44,666,000			
37	Average Cost of Debt for 2021 (Ln 36/ Ln 28 (g))			3.73%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 AEP Indiana Michigan Transmission Company may not include costs (or gains) related to interest hedging activities.

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2021	Remaining Unamortized Balance	Amortization Period	
				Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

Development of Cost of Preferred Stock

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

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

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

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

AEP/Co 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 Indiana Michigan 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	-\$80,136,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$80,136,000
6	Total AEP System Direct Labor Expense	\$1,454,108,000
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.055
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	\$7,685,000
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$330,000
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)	-\$719,000
15	Actual PBOP Expense (Sum Lines 11-14)	-\$719,000
16	PBOP Adjustment Line 10 less Line 15	\$389,000

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

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

AEPTCo subsidiaries in PJM
Worksheet - P
DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
EFFECTIVE AS OF July 1, 2018

AEP Indiana Michigan Transmission Company

	PLANT ACCT.	RATES Note 1
<u>TRANSMISSION PLANT</u>		
Land Rights	350.1	1.48%
Structures & Improvements	352.0	1.55%
Station Equipment	353.0	1.86%
Towers & Fixtures	354.0	1.69%
Poles & Fixtures	355.0	2.85%
Overhead Conductor	356.0	1.97%
Underground Conduit	357.0	1.86%
Underground Conductors	358.0	1.70%

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

<u>Composite Depreciation Rate</u>	<u>I & M</u>	<u>TOTAL</u>	
T-Plant (FF1 206.58.g)	1,153,823,876	1,153,823,876	
T-Plant (FF1 206.58.b)	1,115,559,969	1,115,559,969	
Average (Ln 1+ Ln 2)/2	1,134,691,923	1,134,691,923	
Depreciation (FF1 336.7.f)	16,178,988	16,178,988	
Composite Depreciation (Ln 3 / Ln 4)		1.43%	

Note: AEP INDIANA MICHIGAN TRANSMISSION COMPANY shall initially use the composite depreciation rate FOR INDIANA AND MICHIGAN 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 INDIANA MICHIGAN TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP INDIANA MICHIGAN TRANSMISSION COMPANY's the first Annual Update including a True-up TCOS.

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

[illegible]

[illegible]

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

Reconciliation Revenue Requirement For Year 2019 Available May 25, 2020	-	2019 Forecasted Revenue Requirement For Year 2019	=	True-up Adjustment - Over (Under) Recovery
\$185,721,657		\$206,917,497		\$21,195,840

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
		0.4195%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020						
<u>Calculation of Interest</u>				Monthly		
January	Year 2019	1,766,320	0.4195%	12	(88,917)	(1,855,237)
February	Year 2019	1,766,320	0.4195%	11	(81,507)	(1,847,827)
March	Year 2019	1,766,320	0.4195%	10	(74,097)	(1,840,417)
April	Year 2019	1,766,320	0.4195%	9	(66,687)	(1,833,007)
May	Year 2019	1,766,320	0.4195%	8	(59,278)	(1,825,598)
June	Year 2019	1,766,320	0.4195%	7	(51,868)	(1,818,188)
July	Year 2019	1,766,320	0.4195%	6	(44,458)	(1,810,778)
August	Year 2019	1,766,320	0.4195%	5	(37,049)	(1,803,369)
September	Year 2019	1,766,320	0.4195%	4	(29,639)	(1,795,959)
October	Year 2019	1,766,320	0.4195%	3	(22,229)	(1,788,549)
November	Year 2019	1,766,320	0.4195%	2	(14,819)	(1,781,139)
December	Year 2019	1,766,320	0.4195%	1	(7,410)	(1,773,730)
					(577,958)	(21,773,797)
January through December Year 2019				Annual		
	(21,773,797)	0.4195%	12	(1,096,093)		(22,869,890)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2021	22,869,890	0.4195%		(95,939)	(21,007,639)
February	Year 2021	21,007,639	0.4195%		(88,127)	(19,137,576)
March	Year 2021	19,137,576	0.4195%		(80,282)	(17,259,668)
April	Year 2021	17,259,668	0.4195%		(72,404)	(15,373,883)
May	Year 2021	15,373,883	0.4195%		(64,493)	(13,480,186)
June	Year 2021	13,480,186	0.4195%		(56,549)	(11,578,545)
July	Year 2021	11,578,545	0.4195%		(48,572)	(9,668,927)
August	Year 2021	9,668,927	0.4195%		(40,561)	(7,751,298)
September	Year 2021	7,751,298	0.4195%		(32,517)	(5,825,625)
October	Year 2021	5,825,625	0.4195%		(24,438)	(3,891,873)
November	Year 2021	3,891,873	0.4195%		(16,326)	(1,950,010)
December	Year 2021	1,950,010	0.4195%		(8,180)	-
					(628,391)	
True-Up Adjustment with Interest					(23,498,281)	
Less Over (Under) Recovery					21,195,840	
Total Interest					(2,302,441)	

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.

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

Reconciliation Revenue Requirement For Year 2019 Available May 25, 2020		2019 Forecasted Revenue Requirement For Year 2019		True-up Adjustment - Over (Under) Recovery
\$46,913,545	-	\$47,297,504	=	\$383,958

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
			0.4195%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020							
<u>Calculation of Interest</u>				Monthly			
January	Year 2019	31,997	0.4195%	12	(1,611)		(33,607)
February	Year 2019	31,997	0.4195%	11	(1,476)		(33,473)
March	Year 2019	31,997	0.4195%	10	(1,342)		(33,339)
April	Year 2019	31,997	0.4195%	9	(1,208)		(33,205)
May	Year 2019	31,997	0.4195%	8	(1,074)		(33,070)
June	Year 2019	31,997	0.4195%	7	(940)		(32,936)
July	Year 2019	31,997	0.4195%	6	(805)		(32,802)
August	Year 2019	31,997	0.4195%	5	(671)		(32,668)
September	Year 2019	31,997	0.4195%	4	(537)		(32,533)
October	Year 2019	31,997	0.4195%	3	(403)		(32,399)
November	Year 2019	31,997	0.4195%	2	(268)		(32,265)
December	Year 2019	31,997	0.4195%	1	(134)		(32,131)
					(10,470)		(394,428)
				Annual			
January through December	Year 2019	(394,428)	0.4195%	12	(19,855)		(414,283)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly			
January	Year 2021	414,283	0.4195%		(1,738)	35,472	(380,549)
February	Year 2021	380,549	0.4195%		(1,596)	35,472	(346,673)
March	Year 2021	346,673	0.4195%		(1,454)	35,472	(312,655)
April	Year 2021	312,655	0.4195%		(1,312)	35,472	(278,495)
May	Year 2021	278,495	0.4195%		(1,168)	35,472	(244,191)
June	Year 2021	244,191	0.4195%		(1,024)	35,472	(209,743)
July	Year 2021	209,743	0.4195%		(880)	35,472	(175,151)
August	Year 2021	175,151	0.4195%		(735)	35,472	(140,413)
September	Year 2021	140,413	0.4195%		(589)	35,472	(105,530)
October	Year 2021	105,530	0.4195%		(443)	35,472	(70,500)
November	Year 2021	70,500	0.4195%		(296)	35,472	(35,324)
December	Year 2021	35,324	0.4195%		(148)	35,472	(0)
					(11,383)		
True-Up Adjustment with Interest						(425,666)	
Less Over (Under) Recovery						383,958	
Total Interest						(41,708)	

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

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

Reconciliation Revenue Requirement For Year 2019 Available May 25, 2020		2019 Forecasted Revenue Requirement For Year 2019		True-up Adjustment - Over (Under) Recovery
\$750,874	-	\$1,294,000	=	\$543,126

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
			0.4195%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020							
<u>Calculation of Interest</u>				Monthly			
January	Year 2019	45,261	0.4195%	12	(2,278)		(47,539)
February	Year 2019	45,261	0.4195%	11	(2,089)		(47,349)
March	Year 2019	45,261	0.4195%	10	(1,899)		(47,159)
April	Year 2019	45,261	0.4195%	9	(1,709)		(46,969)
May	Year 2019	45,261	0.4195%	8	(1,519)		(46,779)
June	Year 2019	45,261	0.4195%	7	(1,329)		(46,590)
July	Year 2019	45,261	0.4195%	6	(1,139)		(46,400)
August	Year 2019	45,261	0.4195%	5	(949)		(46,210)
September	Year 2019	45,261	0.4195%	4	(759)		(46,020)
October	Year 2019	45,261	0.4195%	3	(570)		(45,830)
November	Year 2019	45,261	0.4195%	2	(380)		(45,640)
December	Year 2019	45,261	0.4195%	1	(190)		(45,450)
					(14,810)		(557,936)
January through December				12	(28,086)		(586,022)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly			
January	Year 2021	586,022	0.4195%		(2,458)	50,177	(538,304)
February	Year 2021	538,304	0.4195%		(2,258)	50,177	(490,385)
March	Year 2021	490,385	0.4195%		(2,057)	50,177	(442,265)
April	Year 2021	442,265	0.4195%		(1,855)	50,177	(393,943)
May	Year 2021	393,943	0.4195%		(1,653)	50,177	(345,419)
June	Year 2021	345,419	0.4195%		(1,449)	50,177	(296,691)
July	Year 2021	296,691	0.4195%		(1,245)	50,177	(247,758)
August	Year 2021	247,758	0.4195%		(1,039)	50,177	(198,621)
September	Year 2021	198,621	0.4195%		(833)	50,177	(149,277)
October	Year 2021	149,277	0.4195%		(626)	50,177	(99,726)
November	Year 2021	99,726	0.4195%		(418)	50,177	(49,967)
December	Year 2021	49,967	0.4195%		(210)	50,177	(0)
					(16,102)		
True-Up Adjustment with Interest						(602,124)	
Less Over (Under) Recovery						543,126	
Total Interest						(58,998)	

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