

ATTACHMENT H-18A

Trans-Allegheny Interstate Line Company

Formula Rate -- Appendix A

Shaded cells are input cells

Notes

FERC Form 1 Page # or Instruction

TRAILCo

2010 Forecast

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	407,605
2	Total Wages Expense	p354.28.b	2,725,759
3	Less A&G Wages Expense	p354.27.b	2,318,154
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	407,605
5	Wages & Salary Allocator	(Line 1 / Line 4), if line 2 = 0, then 100%	100.0000%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) Attachment 5	188,154,696
7	Total Plant In Service	(Line 6)	188,154,696
8	Accumulated Depreciation (Total Electric Plant)	Attachment 5	3,794,254
9	Total Accumulated Depreciation	(Line 8)	3,794,254
10	Net Plant	(Line 7 - Line 9)	184,360,442
11	Transmission Gross Plant	(Line 15 + Line 21)	188,154,696
12	Gross Plant Allocator	(Line 11 / Line 7, if Line 7=0, enter 100%)	100.0000%
13	Transmission Net Plant	(Line 11 - Line 29)	184,360,442
14	Net Plant Allocator	(Line 13 / Line 10, if line 10=0, enter 100%)	100.0000%

Plant Calculations

Transmission Plant			
15	Transmission Plant In Service	(Note B) Attachment 5	137,773,984
16	New Trans. Plant Adds. for Current Calendar Year (13 average balance)	(Note B) Attachment 6	3,961,674
17	Total Transmission Plant	(Line 15 + Line 16)	141,735,658
18	General & Intangible	Attachment 5	50,380,711
19	Total General & Intangible	(Line 18)	50,380,711
20	Wage & Salary Allocator	(Line 5)	100.0000%
21	Transmission Related General and Intangible Plant	(Line 19 * Line 20)	50,380,711
22	Transmission Related Plant	(Line 17 + Line 21)	192,116,369
Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B) Attachment 5	3,773,948
24	Accumulated General Depreciation	Attachment 5	10,011
25	Accumulated Intangible Amortization	Attachment 5	10,295
26	Total Accumulated General and Intangible Depreciation	(Sum Lines 24 to 25)	20,306
27	Wage & Salary Allocator	(Line 5)	100.0000%
28	Transmission Related General & Intangible Accumulated Depreciation	(Line 26 * Line 27)	20,306
29	Total Transmission Related Accumulated Depreciation	(Line 23 + Line 28)	3,794,254
30	Total Transmission Related Net Property, Plant & Equipment	(Line 22 - Line 29)	188,322,116

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
31	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1
32	Transmission Related Accumulated Deferred Income Taxes		(Line 31)
			-24,127,015
33	Transmission Related CWIP (Current Year 13 Month weighted average balances)	(Note B)	p216.b.43 as shown on Attachment 6
			763,251,167
34	Transmission Related Land Held for Future Use	(Note C)	Attachment 5
			0
Transmission Related Pre-Commercial Costs Capitalized			
35	Unamortized Capitalized Pre-Commercial Costs		Attachment 5
			283,843
Prepayments			
36	Transmission Related Prepayments	(Note A)	Attachment 5
			334,829
Materials and Supplies			
37	Undistributed Stores Expense	(Note A)	Attachment 5
38	Wage & Salary Allocator		(Line 5)
			100.0000%
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)
			0
40	Transmission Materials & Supplies		Attachment 5
			0
41	Transmission Related Materials & Supplies		(Line 39 + Line 40)
			0
Cash Working Capital			
42	Operation & Maintenance Expense		(Line 74)
43	1/8th Rule		1/8
44	Transmission Related Cash Working Capital		(Line 42 * Line 43)
			945,066
45	Total Adjustment to Rate Base		(Lines 32 + 33 + 34 + 35+ 36 + 41 + 44)
			740,687,889
46	Rate Base		(Line 30 + Line 45)
			929,010,005

O&M

Transmission O&M			
47	Transmission O&M		p321.112.b
			1,979,028
48	Less Account 566 Misc Trans Exp listed on line 73 below.)		(line 73)
			746,349
49	Less Account 565		p321.96.b
			0
50	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note M)	PJM Data
			0
51	Plus Property Under Capital Leases		p200.4.c
			0
52	Transmission O&M		(Lines 47 - 48 - 49 + 50 + 51)
			1,232,679
A&G Expenses			
53	Total A&G		p323.197.b
			5,556,437
54	Less Property Insurance Account 924		p323.185.b
			33,620
55	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b
			3,275
56	Less General Advertising Exp Account 930.1		p323.191.b
			6,433
57	Less PBOP Adjustment		Attachment 5
			-25,059
58	Less EPRI Dues	(Note D)	p352 & 353
			0
59	A&G Expenses		(Line 53) - Sum (Lines 54 to 58)
			5,538,168
60	Wage & Salary Allocator		(Line 5)
			100.0000%
61	Transmission Related A&G Expenses		(Line 59 * Line 60)
			5,538,168
Directly Assigned A&G			
62	Regulatory Commission Exp Account 928	(Note G)	Attachment 5
			3,275
63	General Advertising Exp Account 930.1	(Note J)	Attachment 5
			6,433
64	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 62 + Line 63)
			9,708
65	Property Insurance Account 924		p323.185.b
			33,620
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5
			0
67	Total Accounts 928 and 930.1 - General		(Line 65 + Line 66)
			33,620
68	Net Plant Allocator		(Line 14)
			100.0000%
69	A&G Directly Assigned to Transmission		(Line 67 * Line 68)
			33,620
Account 566 Miscellaneous Transmission Expense			
70	Amortization Expense on Pre-Commercial Cost	Account 566	Attachment 5
			567,686
71	Pre-Commercial Expense	Account 566	Attachment 5
			0
72	Miscellaneous Transmission Expense	Account 566	Attachment 5
			178,663
73	Total Account 566		Sum (Lines 70 to 72)
			746,349
74	Total Transmission O&M		(Lines 52 + 61 + 64 + 69 + 73)
			7,560,524

Depreciation & Amortization Expense

Depreciation Expense			
75	Transmission Depreciation Expense	Attachment 5	2,124,148
76	General Depreciation	Attachment 5	20,306
77	Intangible Amortization	(Note A) Attachment 5	0
78	Total	(Line 76 + Line 77)	20,306
79	Wage & Salary Allocator	(Line 5)	100.0000%
80	Transmission Related General Depreciation and Intangible Amortization	(Line 78 * Line 79)	20,306
81	Total Transmission Depreciation & Amortization	(Lines 75 + 80)	2,144,454

Taxes Other than Income

82	Transmission Related Taxes Other than Income	Attachment 2	1,488,230
83	Total Taxes Other than Income	(Line 82)	1,488,230

Return / Capitalization Calculations

84	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
85	Proprietary Capital		p112.16.c	223,162,651
86	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	0
87	Less Preferred Stock		(Line 95)	0
88	Less Account 216.1		p112.12.c	0
89	Common Stock		(Line 85 - 86 - 87 - 88)	223,162,651
Capitalization				
90	Long Term Debt	(Note N)		455,000,000
91	Less Unamortized Loss on Reacquired Debt		p111.81.c	0
92	Plus Unamortized Gain on Reacquired Debt		p113.61.c	0
93	Less ADIT associated with Gain or Loss		Attachment 1	0
94	Total Long Term Debt		(Line 90 - 91 + 92 - 93)	455,000,000
95	Preferred Stock		p112.3.c	0
96	Common Stock		(Line 89)	223,162,651
97	Total Capitalization		(Sum Lines 94 to 96)	678,162,651
98	Debt %	Total Long Term Debt	(Note N) (Line 94 / Line 97)	50.0%
99	Preferred %	Preferred Stock	(Note N) (Line 95 / Line 97)	0.0%
100	Common %	Common Stock	(Note N) (Line 96 / Line 97)	50.0%
101	Debt Cost	Total Long Term Debt		0.049
102	Preferred Cost	Preferred Stock	(Line 84 / Line 95)	0.0000
103	Common Cost	Common Stock	(Note I) The most recent FERC approved ROE	0.1170
104	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 98 * Line 101)	0.02440
105	Weighted Cost of Preferred	Preferred Stock	(Line 99 * Line 102)	0.0000
106	Weighted Cost of Common	Common Stock	(Line 100 * Line 103)	0.0585
107	Rate of Return on Rate Base (ROR)		(Sum Lines 104 to 106)	0.08290
108	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 107)	77,012,701

Composite Income Taxes			
Income Tax Rates			
109	FIT=Federal Income Tax Rate	(Note H)	35.00%
110	SIT=State Income Tax Rate or Composite		8.57%
111	p	(percent of federal income tax deductible for state purpc Per State Tax Code	0.00%
112	T	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	40.57%
113	T / (1-T)		68.27%
114	Income Tax Component =	$CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =$ [Line 113 * Line 108 * (1- (Line 104 / Line 107))]	37,105,409
115	Total Income Taxes	(Line 114)	37,105,409

REVENUE REQUIREMENT

Summary			
116	Net Property, Plant & Equipment	(Line 30)	188,322,116
117	Total Adjustment to Rate Base	(Line 45)	740,687,889
118	Rate Base	(Line 46)	929,010,005
119	Total Transmission O&M	(Line 74)	7,560,524
120	Total Transmission Depreciation & Amortization	(Line 81)	2,144,454
121	Taxes Other than Income	(Line 83)	1,488,230
122	Investment Return	(Line 108)	77,012,701
123	Income Taxes	(Line 115)	37,105,409
124	Gross Revenue Requirement	(Sum Lines 119 to 123)	125,311,318

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
125	Transmission Plant In Service	(Line 22)	192,116,369
126	Excluded Transmission Facilities	(Note L) Attachment 5	0
127	Included Transmission Facilities	(Line 125 - Line 126)	192,116,369
128	Inclusion Ratio	(Line 127 / Line 125)	100.00%
129	Gross Revenue Requirement	(Line 124)	125,311,318
130	Adjusted Gross Revenue Requirement	(Line 128 * Line 129)	125,311,318

Revenue Credits			
131	Revenue Credits	Attachment 3	655,508

132	Net Revenue Requirement	(Line 130 - Line 131)	124,655,810
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Net Plant Carrying Charge			
133	Net Revenue Requirement	(Line 132)	124,655,810
134	Net Transmission Plant + CWIP	(Line 17 - Line 23 + Line 33)	901,212,878
135	FCR	(Line 133 / Line 134)	13.8320%
136	FCR without Depreciation	(Line 133 - Line 75) / Line 134	13.5963%
137	FCR without Depreciation and Pre-Commercial Costs	(Line 133 - Line 70 - Line 71 - Line 75) / Line 134	13.5333%
138	FCR without Depreciation, Return, nor Income Taxes	(Line 133 - Line 75 - Line 108 - Line 115) / Line 134	0.9336%

Net Plant Carrying Charge Calculation with Incentive ROE			
139	Net Revenue Requirement Less Return and Taxes	(Line 132 - Line 122 - Line 123)	10,537,700
140	Increased Return and Taxes	Attachment 4	121,934,563
141	Net Revenue Requirement with Incentive ROE	(Line 139 + Line 140)	132,472,262
142	Net Transmission Plant + CWIP	(Line 17 - Line 23+ Line 33)	901,212,878
143	FCR with Incentive ROE	(Line 141 / Line 142)	14.69933%
144	FCR with Incentive ROE without Depreciation	(Line 141 - Line 75) / Line 142	14.4636%
145	FCR with Incentive ROE without Depreciation and Pre-Commercial	(Line 141 - Line 70 - Line 71 - Line 75) / Line 142	14.4006%

Net Revenue Requirement			
146	Net Revenue Requirement	(Line 132)	124,655,810
147	Reconciliation amount	Attachment 6	8,721,669
148	Plus any increased ROE calculated on Attach 7 other than PJM Sch. 12 projects not paid by other PJM trans zones	Attachment 7	7,102,890
149	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	0

150	Net Zonal Revenue Requirement	(Line 146 + 147 + 148 + 149)	140,480,369
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Network Zonal Service Rate			
151	1 CP Peak	(Note K) PJM Data	N/A
152	Rate (\$/MW-Year)	(Line 150 / 151)	N/A

153	Network Service Rate (\$/MW/Year)	(Line 152)	N/A
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Notes

- A Electric portion only
- B For both the estimate and the reconciliation, Construction Work In Progress ("CWIP") and leases that are expensed as O&M (rather than amortized) are excluded.
- For the Estimate Process:**
Transmission plant in service will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
The transmission plant will agree to or be reconciled to the FERC Form 1 balance for the transmission plant.
New Transmission Plant expected to be placed in service in the current calendar year will be based on the average of 13 monthly investment costs and shown separately detailed by project on Attachment 6.
Accumulated depreciation will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- For the Reconciliation Process:**
Transmission plant in service will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
new transmission plant added to plant-in-service
Accumulated depreciation will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
accumulated depreciation associated with current year transmission plant.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Includes Transmission portion only and (i) only land that has an estimated in-service date within 10 years may be included and (ii) a plan for the land's use is required to be included in the filing whenever the cost of the land is proposed to be included in rates.
- D Excludes all EPRI Annual Membership Dues
- E Excludes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H 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. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed.
- I ROE will be established in the Commission order accepting the settlement in Docket No. ER07-562 and no change in ROE will be made absent a Section 205 or Section 206 filing at FERC.
- J Education and outreach expenses relating to transmission, for example siting or billing
- K As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- L Amount of transmission plant excluded from rates per Attachment 5.
- M Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on Line 47.
If they are booked to Acct 565, they are included on Line 50. Copies of PJM invoices will be provided upon request.
- N The capital structure will remain 50% equity and 50% debt until construction of all of the segments of the TrAIL Project is completed and the entire TrAIL Project is placed in service. The first year that these projects are in service the formula will be run based on the 50/50 capital structure and on the actual year end capital structure. The two results will be weighted based on: the number of days the last project was in service and 365 day minus the numbers of days the last project was in service divided by 365 days.
This can be illustrated using the following example:

Example:

Assume Last Project goes into service on day 260.
Hypothetical Capital Structure until the last project goes into service is 50/50.
Assume Year End actual capital structure is 60% equity and 40% debt.

Therefore: Weighted Equity = $[50\% \cdot 260 + 60\% \cdot (365 - 260)] / 365$

Trans-Allegheny Interstate Line Company
 Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Trans-Allegheny Interstate Company							
B1	B2	B3	C	D	E	F	G
<i>Beg of Year Total</i>	<i>End of Year Total</i>	<i>End of Year for Est. Average for Final Total</i>	<i>Retail Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>
ADIT- 282 From Account Total Below	4,971,980	21,944,661	21,944,661	21,944,661	-	-	21,944,661
ADIT-283 From Account Total Below	3,820,002	12,708,159	12,708,159	12,708,159	-	-	12,708,159
ADIT-190 From Account Total Below	(4,059,478)	(10,525,805)	(10,525,805)	(10,525,805)	-	-	(10,525,805)
Subtotal				24,127,015	-	-	24,127,015
Wages & Salary Allocator					100.0000%	100.0000%	
Gross Plant Allocator							
ADIT				24,127,015	-	-	24,127,015

Enter Negative

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 93.
 Amount 0 < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed. Dissimilar items with amounts exceeding \$100,000 will be listed separately.

A

	B1	B2	B3	C	D	E	F	G
Trans-Allegheny Interstate Company								
	End of Year for							
ADIT-190	Beg of Year	End of Year	Est. Average	Retail	Gas, Prod	Only	Plant	Labor
	Balance	Balance	for Final	Related	Or Other	Transmission	Related	Related
	p234.18.b	p234.18.c	Total		Related	Related		
Tax Interest Capitalized	3,304,578	10,002,984	10,002,984			10,002,984	-	
Depreciation	662,231	-	-			-		
Intercompany Charges	21,843	-	-			-		
Worker's Compensation	68,830	104,674	104,674			104,674		
Long Term Disability Accrual	1,950	2,479	2,479			2,479		
Excess Over/Under Prior Service	46	0	-			-		
Amortization Expense		4,177	4,177			4,177		
WV Rate Change Consolidated Benefit		(140)	(140)			(140)		
CIAC - Taxable		411,631	411,631			411,631		
Subtotal	4,059,478	10,525,805	10,525,805	-	-	10,525,805	-	-
Less FASB 109 included above								
Less FASB 106 included above								
Total	4,059,478	10,525,805	10,525,805	-	-	10,525,805	-	-

JUSTIFICATION

Actual amount of tax interest capitalized
Book depreciation
Intercompany charges from the AP service company
Actual amount of reserve for workers' compensation
Long term disability accrual
Excess over under prior service cost
Amortization of intangible plant
Temporary difference due to change in state tax rate in West Virginia
Taxable CIAC

Instructions for Account 190:

1. ADIT items related only to Retail Related Operations are directly assigned to Column C.
2. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
3. ADIT items related only to Transmission are directly assigned to Column E.
4. ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
5. ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
6. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	
	Trans-Allegheny Interstate Company								
	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related Related	Only Transmission Related Related	Plant Related Related	Labor Related Related	JUSTIFICATION
ADIT- 282	p274.9.b	p275.9.k							
Property Related - ABFUDC	552,983	913,516	913,516			913,516			Allowance for borrowed funds used during construction (ABFUDC)
Property Related - Tax Depreciation	4,418,997	22,571,513	22,571,513			22,571,513			Tax depreciation
FASB 109 Fixed Asset Adjustment	540,106	2,918,387	2,918,387			2,918,387			Increase in AOFDC
Book Depreciation Expense	-	(1,540,368)	(1,540,368)			(1,540,368)			Book depreciation
Subtotal	5,512,086	24,863,048	24,863,048	-	-	24,863,048	-	-	
Less FASB 109 included above	540,106	2,918,387	2,918,387	-	-	2,918,387	-	-	Increase in AOFDC
Less FASB 106 included above	-	-	-	-	-	-	-	-	
Total	4,971,980	21,944,661	21,944,661	-	-	21,944,661	-	-	

Instructions for Account 282:

- ADIT Items related only to Retail Related Operations are directly assigned to Column C.
- ADIT Items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT Items related only to Transmission are directly assigned to Column E.
- ADIT Items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT Items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	JUSTIFICATION
	Trans-Allegheny Interstate Company								
ADIT-283	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
	p276.19.b	p277.19.k							
Deferred Tax Reclassification	-	-	-	-	-	-	-	-	ADIT balance sheet reclassification
Regulated Asset Prexy LT	540,486	588,449	588,449	-	-	588,449	-	-	Regulatory asset for Prexy reclassification
WV Rate Change Consol Benefit	140	-	-	-	-	-	-	-	Temporary difference due to change in state tax rate in West Virginia
Reg Asset PJM Receivable	3,279,376	10,629,496	10,629,496	-	-	10,629,496	-	-	Comparison of actual to forecast revenues - non-property related
Reg Asset PJM Receivable		1,501,980	1,501,980			1,501,980			Comparison of actual to forecast revenues - non-property related
WV State Property Tax		50,475	50,475			50,475			West Virginia property tax payment
Tax Intercompany Charges AESC		(62,241)	(62,241)			(62,241)			Intercompany charges from the AP service company
Subtotal	3,820,002	12,708,159	12,708,159			12,708,159			
Less FASB 109 included above									
Less FASB 106 included above									
Total	3,820,002	12,708,159	12,708,159			12,708,159			

Instructions for Account 283:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

Trans-Allegheny Interstate Line Company
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	FERC Form No.1 page, line & Col	Amount	Allocator	Allocated Amount	
Plant Related		Gross Plant Allocator			
1	2009 State Property WV	p263.36(i)	103,466	100.0000%	\$ 103,466
2	2008 Local Property WV	p263.1.5(i)	2,123	100.0000%	2,123
3	2009 Local Property WV	p263.1.6(i)	4,166	100.0000%	4,166
4	2009 Local Property VA	p263.1.10(i)	49,277	100.0000%	49,277
5	2008 Local Property PA	p263.1.14(i)	9,780	100.0000%	9,780
6	2009 Local Property PA	p263.1.15(i)	5,043	100.0000%	5,043
7	2008 Local Property MD	p263.1.18(i)	750,749	100.0000%	750,749
8	2009 Local Property MD	p263.1.19(i)	500,535	100.0000%	500,535
9	2009 Capital Stock Tax/Franchise MD	p263.13(i)	300	100.0000%	300
10	2009 Capital Stock Tax/Franchise PA	p263.24(i)	38,045	100.0000%	38,045
11	Gross Premium MD	p263.16(i)	1,768	100.0000%	1,768
12	Gross Premium PA	p263.25(i)	514	100.0000%	514
13	State Use Tax Billed PA	p263.22(i)	34,574	100.0000%	34,574
14	State Use Tax Billed VA	p263.30(i)	341	100.0000%	341
15					
16					
17	Total Plant Related		1,500,681	100.0000%	1,500,681
Labor Related		Wages & Salary Allocator			
18	Accrued Federal FICA	p263.3(i)	-12,185		
19	Accrued Federal Unemployment	p263.4(i)	-51		
20	State Unemployment	p263.1.2(i)	-215		
21					
22					
23	Total Labor Related		-12,451	100.0000%	(12,451)
Other Included		Gross Plant Allocator			
24					
25					
26					
27					
28	Total Other Included		0	100.0000%	-
29	Total Included (Lines 8 + 14 + 19)		1,488,230		1,488,230 Input to Appendix A, Line 82
Retail Related Other Taxes to be Excluded					
30	Federal Income Tax	p263.2(i)	-1,151,228		
31	Corporate Net Income Tax MD	p263.12(i)	-140,260		
32	Corporate Net Income Tax PA	p263.20(i)	-6,292		
33	Corporate Net Income Tax VA	p263.29(i)	-18,375		
34	Corporate Net Income Tax WV	p263.35(i)	-101,631		
35					
36					
37					
38					
39					
40	Subtotal, Excluded		-1,417,786		
41	Total, Included and Excluded (Line 20 + Line 28)		70,444		
42	Total Other Taxes from p114.14.c		1,488,230		
43	Difference (Line 41 - Line 42)		-1,417,786		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

Trans-Allegheny Interstate Line Company

Attachment 3 - Revenue Credit Workpaper

		Amount	FERC Form No.1 page, line & Col
Account 454 - Rent from Electric Property			
1	Rent from Electric Property - Transmission Related (Note 3)	3,780	Page 300 Line: 19 Column: b
2	Total Rent Revenues (Line 1)	3,780	
Account 456 - Other Electric Revenues (Note 1)			
3	Schedule 1A	-	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-	
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	654,385	p328-330 FootNote Data Schedule Page: 328 Line: 1 Column: m
6	PJM Transitional Revenue Neutrality (Note 1)		
7	PJM Transitional Market Expansion (Note 1)		
8	Professional Services (Note 3)	-	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-	
11	Gross Revenue Credits (Sum Lines 2-10)	658,165	
12	Less line 14g	2,657	
13	Total Revenue Credits (Line 11 - Line 12)	<u>655,508</u>	Input to Appendix A, Line 131
Revenue Adjustment to determine Revenue Credit			
14a	Revenues associated with lines 14b-g are to be included in lines 2-10 and total of those revenues entered here	3,780	
14b	Costs associated with revenues in line 14a	1,534	
14c	Net Revenues (14a - 14b)	2,246	
14d	50% Share of Net Revenues (14c / 2)	1,123	
14e	Costs associated with revenues in line 14a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-	
14f	Net Revenue Credit (14d + 14e)	1,123	
14g	Line 14a less line 14f	2,657	
15	Amount offset in line 4 above	-	
16	Total Account 454 and 456	655,508	
17	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 178 of Appendix A.		
18	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.		
19	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 14a - 14g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).		
20	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 of the PJM OATT are not included in the total above to the extent they are credited under Schedule 12 of the PJM OATT.		

A	Return and Taxes at High End of the range of Reasonableness			
	Return and Taxes at High End of the range of Reasonableness	(Sum Lines 26 and 33 from below)	121,934,563	Input to Appendix A, Line 140
B	Difference between Base ROE and Incentive ROE		100	

Return Calculation

		Source Reference	
1	Rate Base	Appendix A, Line 46	929,010,005
2	Preferred Dividends	enter positive Appendix A, Line 84	0
Common Stock			
3	Proprietary Capital	Appendix A, Line 85	223,162,651
4	Less Accumulated Other Comprehensive Income Account 219	Appendix A, Line 86	0
5	Less Preferred Stock	Appendix A, Line 87	0
6	Less Account 216.1	Appendix A, Line 88	0
7	Common Stock	Appendix A, Line 89	223,162,651
Capitalization			
8	Long Term Debt	Appendix A, Line 90	455,000,000
9	Less Unamortized Loss on Reacquired Debt	Appendix A, Line 91	0
10	Plus Unamortized Gain on Reacquired Debt	Appendix A, Line 92	0
11	Less ADIT associated with Gain or Loss	Appendix A, Line 93	0
12	Total Long Term Debt	Appendix A, Line 94	455,000,000
13	Preferred Stock	Appendix A, Line 95	0
14	Common Stock	Appendix A, Line 96	223,162,651
15	Total Capitalization	Appendix A, Line 97	678,162,651
16	Debt %	Total Long Term Debt Appendix A, Line 98	50%
17	Preferred %	Preferred Stock Appendix A, Line 99	0%
18	Common %	Common Stock Appendix A, Line 100	50%
19	Debt Cost	Total Long Term Debt Appendix A, Line 101	0.049
20	Preferred Cost	Preferred Stock Appendix A, Line 102	0.0000
21	Common Cost	Common Stock	12.70% 0.1270
22	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 16 * 19) 0.02440
23	Weighted Cost of Preferred	Preferred Stock	(Line 17 * 20) 0.0000
24	Weighted Cost of Common	Common Stock	(Line 18 * 21) 0.0635
25	Rate of Return on Rate Base (ROR)	(Sum Lines 22 to 24)	0.0879
26	Investment Return = Rate Base * Rate of Return	(Line 1 * Line 25)	81,657,751

Composite Income Taxes

Income Tax Rates			
27	FIT=Federal Income Tax Rate	Appendix A, Line 109	35.00%
28	SIT=State Income Tax Rate or Composite	Appendix A, Line 110	8.57%
29	p = percent of federal income tax deductible for state purposes	Appendix A, Line 111	0.00%
30	T	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$	Appendix A, Line 112
31	T/ (1-T)	Appendix A, Line 113	40.57% 68.27%
32	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	40,276,812
33	Total Income Taxes	(Line 32)	40,276,812

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details												
			13 Month Balance for Reconciliation	EYO Balance for Estimate	13 Month Plant Balance For Reconciliation											Total
			Total	Total	Black Oak	Wylie Ridge	502 Junction - Terrestrial Line	500 kV Prexy - 502 Junction	138 kV Prexy - 502 Junction	Meadowbrook Transformer	North Shenandoah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers	Total	
Calculation of Transmission Plant In Service																
December	Source															
	p207.58.b	For 2008	74,486,606		45,842,798	13,291,705	5,213,431	2,928	244,984	7,973,203	1,917,557	-	-	-	74,486,606	
January	company records	For 2009	74,541,505		45,831,189	13,294,048	5,254,114	2,928	244,984	7,956,440	1,918,804	-	-	-	74,541,505	
February	company records	For 2009	74,767,613		45,860,100	13,294,046	5,450,539	2,928	244,984	7,986,211	1,918,804	-	-	-	74,767,613	
March	company records	For 2009	75,595,266		45,878,500	13,295,091	6,258,349	2,928	244,984	7,996,610	1,918,804	-	-	-	75,595,266	
April	company records	For 2009	83,075,520		45,879,790	13,294,500	6,424,110	2,928	244,984	7,996,811	1,941,729	7,380,667	-	-	83,075,520	
May	company records	For 2009	84,892,835		45,880,890	13,295,566	6,228,792	2,928	244,984	7,997,062	1,941,729	7,400,865	-	-	84,892,835	
June	company records	For 2009	86,209,211		45,886,999	13,295,566	9,512,160	2,928	244,984	7,997,435	1,841,729	7,417,410	-	-	86,209,211	
July	company records	For 2009	87,593,707		46,518,292	13,295,566	10,247,103	2,928	244,984	7,997,637	1,841,729	7,445,469	-	-	87,593,707	
August	company records	For 2009	87,763,920		46,543,861	13,295,566	10,389,603	2,928	244,984	7,997,638	1,841,729	7,447,412	-	-	87,763,920	
September	company records	For 2009	88,954,349		46,550,534	13,295,566	11,266,106	2,928	244,984	8,004,240	1,858,635	7,731,158	-	-	88,954,349	
October	company records	For 2009	94,799,900		46,563,904	13,295,566	11,267,836	2,928	244,984	8,004,444	1,923,902	7,728,173	5,770,165	-	94,799,900	
November	company records	For 2009	135,874,807		46,567,843	13,295,566	11,544,763	2,928	244,984	8,004,654	1,923,902	7,715,990	5,889,051	40,687,326	135,874,807	
December	company records	For 2009	137,773,984		46,572,415	13,295,566	11,545,561	2,928	244,984	8,202,934	1,923,902	7,715,990	6,283,316	41,988,386	137,773,984	
15	Transmission Plant In Service		91,256,094	137,773,984	46,183,609	13,294,917	8,661,728	2,928	244,984	8,012,657	1,885,627	5,228,780	1,380,195	6,359,670	91,256,094	
Calculation of Distribution Plant In Service			Link to Appendix A, line 15	Link to Appendix A, line 15												
December	Source															
	p206.75.b	For 2008	-													
January	company records	For 2009	-													
February	company records	For 2009	-													
March	company records	For 2009	-													
April	company records	For 2009	-													
May	company records	For 2009	-													
June	company records	For 2009	-													
July	company records	For 2009	-													
August	company records	For 2009	-													
September	company records	For 2009	-													
October	company records	For 2009	-													
November	company records	For 2009	-													
December	company records	For 2009	-													
18	Distribution Plant In Service															
Calculation of Intangible Plant In Service			Link to Appendix A, line 18	Link to Appendix A, line 18												
December	Source															
	p204.5.b	For 2008	-													
December	company records	For 2009	-													
18	Intangible Plant In Service															
Calculation of General Plant In Service			Link to Appendix A, line 18	Link to Appendix A, line 18												
December	Source															
	p206.99.b	For 2008	3,448,444													
December	company records	For 2009	50,380,711													
18	General Plant In Service		26,914,578	50,380,711												
Calculation of Production Plant In Service			Link to Appendix A, line 18	Link to Appendix A, line 18												
December	Source															
	p204.46b	For 2008	-													
January	company records	For 2009	-													
February	company records	For 2009	-													
March	company records	For 2009	-													
April	company records	For 2009	-													
May	company records	For 2009	-													
June	company records	For 2009	-													
July	company records	For 2009	-													
August	company records	For 2009	-													
September	company records	For 2009	-													
October	company records	For 2009	-													
November	company records	For 2009	-													
December	company records	For 2009	-													
6	Production Plant In Service															
Total Plant In Service			118,170,672	188,154,696												
			Link to Appendix A, line 6	Link to Appendix A, line 6												

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Accumulated Depreciation Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details												
		13 Month Balance For Reconciliation		EOY Balance for Estimate	13 Month Balance For Reconciliation										Total	
					Black Oak	Wylie Ridge	502 Junction - Territorial Line	500 kV Proxy - 502 Junction	138 kV Proxy - 502 Junction	Meadowbrook Transformer	North Shensandah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers		
Calculation of Transmission Accumulated Depreciation																
Source																
December	Prior year FERC Form 1 p219.25.b	For 2008	1,649,800		1,323,133	279,191	718	51	40	46,667	-	-	-	-	1,649,800	
January	company records	For 2009	1,793,718		1,435,935	302,451	787	56	44	54,445	-	-	-	-	1,793,718	
February	company records	For 2009	2,014,120		1,548,414	325,716	857	61	48	115,036	23,989	-	-	-	2,014,120	
March	company records	For 2009	2,167,658		1,661,256	348,980	928	67	52	129,029	27,347	-	-	-	2,167,658	
April	company records	For 2009	2,321,245		1,774,147	372,247	996	72	56	143,023	30,705	-	-	-	2,321,245	
May	company records	For 2009	2,487,632		1,887,040	395,512	1,065	77	60	167,017	33,928	12,934	-	-	2,487,632	
June	company records	For 2009	2,655,867		1,999,335	418,779	2,959	82	64	171,012	37,151	25,885	-	-	2,655,867	
July	company records	For 2009	2,825,470		2,112,870	442,047	6,151	87	68	185,008	40,374	38,856	-	-	2,825,470	
August	company records	For 2009	2,996,279		2,228,893	465,314	9,412	92	72	199,004	43,597	51,895	-	-	2,996,279	
September	company records	For 2009	3,167,831		2,340,964	489,581	13,366	97	76	213,000	46,820	64,928	-	-	3,167,831	
October	company records	For 2009	3,339,890		2,455,002	511,848	17,320	102	80	227,007	50,073	75,458	-	-	3,339,890	
November	company records	For 2009	3,521,149		2,569,068	535,116	21,277	108	84	241,015	53,271	91,979	9,232	-	3,521,149	
December	p219.25.b	For 2009	3,773,948	3,773,948	2,883,134	568,383	25,235	113	88	255,023	56,638	105,478	18,655	71,203	3,773,948	
23	Transmission Accumulated Depreciation		2,670,354	3,773,948	2,001,369	418,782	7,775	82	64	164,330	34,145	36,186	2,145	5,477	2,670,354	
				Link to Appendix A, line 23												
Calculation of Distribution Accumulated Depreciation																
Source																
December	Prior year FERC Form 1 p219.26.b	For 2008	-													
January	company records	For 2009	-													
February	company records	For 2009	-													
March	company records	For 2009	-													
April	company records	For 2009	-													
May	company records	For 2009	-													
June	company records	For 2009	-													
July	company records	For 2009	-													
August	company records	For 2009	-													
September	company records	For 2009	-													
October	company records	For 2009	-													
November	company records	For 2009	-													
December	p219.26.b	For 2009	-													
Distribution Accumulated Depreciation				-											-	
Calculation of Intangible Accumulated Depreciation																
Source																
December	Prior year FERC Form 1 p200.21.b	For 2008	-													
December	p200.21.b	For 2009	10,295	10,295												
25	Accumulated Intangible Depreciation		5,148	10,295												
				Link to Appendix A, line 25												
Calculation of General Accumulated Depreciation																
Source																
December	Prior year FERC Form 1 p219.28b	For 2008	-													
December	p219.28.b	For 2009	10,011	10,011												
24	Accumulated General Depreciation		5,006	10,011												
				Link to Appendix A, line 24												
Calculation of Production Accumulated Depreciation																
Source																
December	Prior year FERC Form 1 p219.20.b-c	For 2008	-													
January	company records	For 2009	-													
February	company records	For 2009	-													
March	company records	For 2009	-													
April	company records	For 2009	-													
May	company records	For 2009	-													
June	company records	For 2009	-													
July	company records	For 2009	-													
August	company records	For 2009	-													
September	company records	For 2009	-													
October	company records	For 2009	-													
November	company records	For 2009	-													
December	p219.20.b thru 219.24.b	For 2009	-													
Production Accumulated Depreciation				-											-	
8	Total Accumulated Depreciation	Sum of averages above	2,680,507	3,794,254												
				Link to Appendix A, line 8												

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
				Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	
40	Materials and Supplies			-	-	-	
	Transmission Materials & Supplies	p227.8		-	-	-	
37	Undistributed Stores Expense	p227.16		-	-	-	
51	Allocated General Expenses	0	p200.4.c	-	-	-	
	Plus Property Under Capital Leases			-	-	-	

Transmission / Non-transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	Details
34	Transmission Related Land Held for Future Use	Total		-	-	-	Enter Details Here
		Non-transmission Related		-	-	-	
		Transmission Related		-	-	-	

CWIP & Expensed Lease Worksheet

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Beg of year	CWIP In Form 1 Amount	Expensed Lease In Form 1 Amount	Details
6	Plant Allocation Factors			77,935,050	-	-	
	Electric Plant In Service	(Note B)	Attachment 5				
15	Plant In Service	(Note B)	Attachment 5	74,486,606	-	-	
	Transmission Plant In Service						
23	Accumulated Depreciation	(Note B)	Attachment 5	1,649,800	-	-	
	Transmission Accumulated Depreciation						

Pre-Commercial Costs Capitalized

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				EOY for Estimate and BOY for Final	Amortization Amount (Over 4 Years)	Calculated End of Year Balance	Average of Beginning and Ending Balances (For estimate and reconciliation)
35	Unamortized Capitalized Pre-Commercial Costs			\$ 567,686	\$ 567,686	\$ -	\$ 283,843

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Beg of year	EPRI Dues	Details
58	Allocated General & Common Expenses					Enter Details Here
	Less EPRI Dues	(Note D)	p352 & 353			

Regulatory Expense Related to Transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non Transmission Related	Details
62	Directly Assigned A&G						Link to Appendix A, line 62
	Regulatory Commission Exp Account 928	(Note G)	p323.189.b	3,275	3,275	-	Enter Details Here

Safety Related Advertising Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
66	Directly Assigned A&G						Link to Appendix A, line 66
	General Advertising Exp Account 930.1	(Note F)	p323.191.b	6,433	-	-	Enter Details Here

MultiState Workpaper

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
110	Income Tax Rates			MD 8.25%	WV 8.50%	PA 9.99%			
	SIT--State Income Tax Rate or Composite	(Note H)		Composite 8.57%	Composite	Composite is calculated based on sales, payroll and property for each jurisdiction			

Education and Out Reach Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
63	Directly Assigned A&G						Enter Details Here
	General Advertising Exp Account 930.1	(Note J)	p323.191.b	6,433	6,433	-	

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Excluded Plant Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
126	Excluded Transmission Facilities (Note L) Step-Up Facilities		General Description of the Facilities
Instructions:		Enter \$	
1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process			
2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:		Or	
Example		Enter \$	
A Total investment in substation	1,000,000		
B Identifiable investment in Transmission (provide workpapers)	500,000		
C Identifiable investment in Distribution (provide workpapers)	400,000		
D Amount to be excluded (A x (C / (B + C)))	444,444		
Add more lines if necessary			

Prepayments

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year	Average of Beginning and Ending Balances	Allocation	Transmission Related	Details
36	Prepayments			Enter \$		Amount	
	Prepaid Insurance	62,670	606,987	334,829	100%	334,829	
	Prepaid Pensions if not included in Prepayments	-	0	0	100%	0	
	Total Prepayments	62,670	606,987	334,829		334,829	

Detail of Account 566 Miscellaneous Transmission Expenses

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Details																		
70	Amortization Expense on Pre-Commercial Cost	\$ 567,686	Summary of Pre-Commercial Expenses <table border="1"> <thead> <tr> <th>Cost Element Name</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Labor & Overhead (1)</td> <td></td> </tr> <tr> <td>Miscellaneous (2)</td> <td></td> </tr> <tr> <td>Outside Services Legal (3)</td> <td></td> </tr> <tr> <td>Outside Services Other (4)</td> <td></td> </tr> <tr> <td>Outside Services Rates (5)</td> <td></td> </tr> <tr> <td>Advertising (6)</td> <td></td> </tr> <tr> <td>Travel, Lodging and Meals (7)</td> <td></td> </tr> <tr> <td>Total</td> <td></td> </tr> </tbody> </table>	Cost Element Name	Total	Labor & Overhead (1)		Miscellaneous (2)		Outside Services Legal (3)		Outside Services Other (4)		Outside Services Rates (5)		Advertising (6)		Travel, Lodging and Meals (7)		Total	
Cost Element Name	Total																				
Labor & Overhead (1)																					
Miscellaneous (2)																					
Outside Services Legal (3)																					
Outside Services Other (4)																					
Outside Services Rates (5)																					
Advertising (6)																					
Travel, Lodging and Meals (7)																					
Total																					
71	Pre-Commercial Expense	-																			
72	Miscellaneous Transmission Expense	178,663																			
	Total Account 566 Miscellaneous Transmission Expenses	\$ 746,349																			
			<p>(1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation.</p> <p>(2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Fed EX fees for various mailings from Legal, Procurement, Transmission & Finance, fees for various conference calls and PJM application fee.</p> <p>(3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability.</p> <p>(4) Other services other includes fees for website development, media relations services, campaign management, open houses and research services.</p> <p>(5) Outside services rates includes the advice of a rate consultant regarding rate design.</p> <p>(6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project.</p> <p>(7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings.</p>																		
149	Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT																				

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Depreciation Rates

TRANSMISSION PLANT	Life	Survivor Curve	Net Salvage Percent	Accrual Rate (Annual) Percent	Annual Depreciation Expense										Total	
					Black Oak	Wylie Ridge	502 Junction - Territorial Line	500 kV Proxy - 502 Junction	138 kV Proxy - 502 Junction	Meadowbrook Transformer	North Shenandoah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers		
350.2	70	R4	0	1.43	-	-	217	-	-	-	-	-	-	-	-	217
352	50	R3	(10)	2.20	-	-	-	-	-	-	-	-	-	-	-	-
	35			2.86	-	-	-	-	-	-	-	-	-	-	-	-
353	50	R2	(5)	2.10	5,670	279,192	616	61	48	208,356	56,638	105,478	-	71,203	-	727,261
	Note 1	80 R2 - 35-yr truncation		2.96	1,354,331	-	-	-	-	-	-	-	-	-	-	1,354,331
	15	S3	0	6.67	-	-	-	-	-	-	-	-	-	-	-	-
354	65	R4	(25)	1.92	-	-	-	-	-	-	-	-	-	-	-	-
355	55	R2.5	(20)	2.18	-	-	-	-	-	-	-	-	18,655	-	-	18,655
356	55	R2.5	(40)	2.80	-	-	23,684	-	-	-	-	-	-	-	-	23,684
	70	R4	0	1.43	-	-	-	-	-	-	-	-	-	-	-	-
357	55	S3	(5)	1.91	-	-	-	-	-	-	-	-	-	-	-	-
358	45	R3	(5)	2.33	-	-	-	-	-	-	-	-	-	-	-	-
	35			2.86	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Plant Depreciation																
Total Transmission Depreciation Expense (must tie to p336.7.f)																2,124,148
Note 1: Depreciation rate is based on an 80 R2 survivor curve with a 35-year truncation.																
					1,360,001	279,192	24,517	61	48	208,356	56,638	105,478	18,655	71,203		2,124,148
GENERAL PLANT	Life	Survivor Curve	Net Salvage Percent	Accrual Rate (Annual) Percent	Annual Depreciation Expense										Total	
390	50	R1	0	2.00											10,403	
391	20	SQ	0	5.00											1,562	
	10	SQ	0	10.00											243	
	10	SQ	0	10.00											-	
392	15	SQ	20	5.33											-	
	7	S3	20	11.43											1,053	
	11.5	L4	20	6.96											7,046	
	11.5	L4	20	6.96											-	
	18	L1	20	4.44											-	
	15	SQ	20	5.33											-	
393	20	SQ	0	5.00											-	
394	20	SQ	0	5.00											-	
396	18	L1	25	4.17											-	
397	15	SQ	0	6.67											-	
398	15	SQ	0	6.67											-	
Total General Plant																20,306
Total General Plant Depreciation Expense (must tie to p336.10.b & c)																20,306
INTANGIBLE PLANT	Life	Survivor Curve	Net Salvage Percent	Accrual Rate (Annual) Percent	Annual Depreciation Expense										Total	
303	5	SQ	0	20.00											-	
Total Intangible Plant																-
Total Intangible Plant Amortization (must tie to p336.1 d & e)																-

These depreciation rates will not change absent the appropriate filing at FERC.

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

PBOP Expenses

1	Total PBOP expenses	22,856,433
2	Amount relating to retired personnel	8,786,372
3	Amount allocated on FTEs	14,070,061
4	Number of FTEs for Allegheny	4,408
5	Cost per FTE	3,192
6	TRAILCo FTEs (labor not capitalized) current year	26,333
7	TRAILCo PBOP Expense for base year	84,041
8	TRAILCo PBOP Expense in Account 926 for current year	58,981
57	9 PBOP Adjustment for Appendix A, Line 57	25,059
Lines 1-5 cannot change absent approval or acceptance by FERC in a separate proceeding.		

Trans-Allegheny Interstate Line Company

Attachment 5a - Pre-Commercial Costs and CWIP

Step 1 Totals reported below are by project with the amounts to be expensed reported separately from those to be deferred and amortized (note, deferred costs related to 2006 include AFUDC).

For Forecasting purposes, Pre-Commercial expenses will be estimated. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Step 2 For each project, where CWIP is to be recovered in rate base, CWIP will be estimated and the totals reported below by project. For the Reconciliation, for each project where CWIP is to be recovered in rate base the CWIP will be itemized by project below. Additionally, the amount of AFUDC that would have been capitalized for projects where CWIP is included in rate base will be reported in the FERC Form No. 1.

Step 3 For the Reconciliation, the total additions to plant in service for that year will be summarized by project to demonstrate no Pre-Commercial costs expensed were included in the additions to plant in service and AFUDC on projects where C was recovered in rate base was included in the additions to plant in service. The Pre-commercial expenses are actual expenses incurred for the reconciliation year. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Pre-Commercial Costs				CWIP		
	Expensed (Estimated)	Deferred	Amount of Deferred Amortized in Year	Average of 13 Monthly Balances		
Step 1 For Estimate:				Estimate Step 2		
Prexy - 502 Junction 138 kV (CWIP)	-	-	60,937	12,247,402		
Prexy - 502 Junction 500 kV (CWIP)	-	-	78,492	9,775,015		
502 Junction - Territorial Line (CWIP)	-	-	428,257	741,228,750		
Total	-	567,686	567,686	763,251,167		
Step 3 For Reconciliation:	Pre-Commercial Costs			For Reconciliation Step 2		
	Expensed (Actual)	Deferred	Amount of Deferred Amortized in Year	CWIP	AFUDC In CWIP	AFUDC (If CWIP was not in Rate Base)
Prexy - 502 Junction 138 kV (CWIP)						
1	-	60,937	60,937			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	60,937	60,937			
Prexy - 502 Junction 500 kV (CWIP)						
1	-	78,492	78,492			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	78,492	78,492			
502 Junction - Territorial Line (CWIP)						
1	-	428,257	428,257			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	428,257	428,257			
Total Additions to Plant In Service (sum of the above for each project)				Refer to Attachment 5 - Cost Support Plant in Service Worksheet		
Total Additions to Plant in Service reported on pages 204-207 of the Form No. 1				Refer to Attachment 5 - Cost Support Plant in Service Worksheet		
Difference (must be zero)						

Notes: 1 Small projects may be combined into larger projects where rate treatment is consistent. Pre-Commercial costs benefiting multiple projects will be allocated to projects based on the estimated plant in service of each project.

Allocation of Pre-Commercial Costs	Plant in Service (Estimated 2/12/2008)	Allocation
Prexy - 502 Junction 138 kV (CWIP)	94,140,000	0.10734
Prexy - 502 Junction 500 kV (CWIP)	121,260,000	0.13827
502 Junction - Territorial Line (CWIP)	661,600,000	0.75439
Total	877,000,000	1.00000

2 Column D is the total CWIP balance including any AFUDC, Column E is the AFUDC if any in Column D, and Column F is the AFUDC that would have been in Column E if CWIP were not recovered in rate base.

Trans-Allegheny Interstate Line Company
Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

- Exec Summary**
- April Year 2 TO populates the formula with Year 1 data
 - April Year 2 TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.
 - April Year 2 TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)
 - May Year 2 Post results of Step 3 on PJM web site
 - June Year 2 Results of Step 3 go into effect
-
- April Year 3 TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected be in service in Year 3.
 - April Year 3 Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year).
 - April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)
 - May Year 3 Post results of Step 8 on PJM web site
 - June Year 3 Results of Step 8 go into effect

Reconciliation Details

- April Year 2 TO populates the formula with Year 1 data
Rev Req based on Year 1 data Must run Appendix A to get this number (without any cap adds in Appendix A line 16 and without CWIP in Appendix A line 33)
- April Year 2 TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Other Projects PIS (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington Transformer (monthly additions)	Kammer Transformers (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Proxy - 502 Junction (monthly additions)	138 kV Proxy - 502 Junction (monthly additions)
	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	CWIP
Dec (Prior Year CWIP) p216.b.43						94,947,300	9,677,269	11,774,984
Jan 2009						16,462,989	8,209	16,158
Feb						15,756,860	(667)	5,117
Mar						23,616,986	2,744	337,218
Apr			7,390,667			27,801,175	15,822	(22,128)
May			86,965			43,283,026	150,006	106,332
Jun			219			25,112,454	82,381	205,951
Jul			1,371			26,367,587	62,381	155,952
Aug			-			19,580,901	62,381	155,953
Sep			-			18,288,188	62,381	155,953
Oct			-			15,990,492	52,857	132,143
Nov			-	51,636,975		16,641,875	52,857	132,143
Dec		7,276,323		-		20,484,265	52,857	132,143
Total	-	7,276,323	7,479,222	51,636,975	-	363,434,098	10,281,477	13,287,925
	New Transmission Plant Additions for Year 2 (13 month average balance)						Average 13 Month Balance	

Month End Balances							
Other Projects PIS (Monthly additions)	Meadowbrook Transformer (monthly balance)	Bedington Transformer (monthly additions)	Kammer Transformers (monthly additions)	Black Oak (monthly balance)	502 Junction - Territorial Line (monthly balance)	500 kV Proxy - 502 Junction (monthly balance)	138 kV Proxy - 502 Junction (monthly balance)
(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	CWIP
-	-	-	-	-	94,947,300	9,677,269	11,774,984
-	-	-	-	-	111,410,289	9,685,477	11,791,142
-	-	-	-	-	127,167,149	9,684,810	11,796,259
-	-	-	-	-	150,784,135	9,687,554	12,133,476
-	-	7,390,667	-	-	178,585,310	9,703,376	12,111,356
-	-	7,477,632	-	-	221,868,336	9,853,382	12,217,688
-	-	7,479,222	-	-	246,980,790	9,935,763	12,423,639
-	-	7,479,222	-	-	273,348,377	9,998,144	12,579,591
-	-	7,479,222	-	-	292,929,278	10,060,525	12,735,544
-	-	7,479,222	-	-	311,217,496	10,122,906	12,891,496
-	-	7,479,222	-	-	328,307,958	10,175,763	13,023,639
-	-	7,479,222	51,636,975	-	342,949,833	10,228,620	13,155,782
-	7,276,323	7,479,222	51,636,975	-	363,434,098	10,281,477	13,287,925
(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 33)	(Appendix A, Line 33)	(Appendix A, Line 33)
	7,276,323	67,221,483	103,273,951	-	3,041,930,322	129,095,070	161,922,524
	559,717	5,170,883	7,944,150	-	233,994,640	9,930,390	12,455,579

- April Year 2 TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)

Post results of Step 3 on PJM web site

Total Revenue Requirement	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Proxy - 502 Junction (Monthly additions)	138 kV Proxy - 502 Junction (Monthly additions)
\$ 52,722,046.53	77,998.22	720,577.68	1,107,040.49	1,151,253.17	267,217.23	7,908,192.03	2,092,522.47	35,885,563.06	1,561,497.95	1,950,184.24

- June Year 2 Results of Step 3 go into effect

6 April Year 3 TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected to be in service in Year 3.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Proxy - 502 Junction (monthly additions)	138 kV Proxy - 502 Junction (monthly additions)
	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP		CWIP
Dec (Prior Year CWIP) p216.b.43	-	-	-	-	-	550,957,894.28	9,755,229.83	12,230,784.33
Jan 2010	-	193,560.90	199.35	(564.17)	448.21	30,629,758.64	396.24	648.30
Feb	-	(82,699.89)	74.99	58.88	167.64	40,246,922.51	7,085.79	6,880.58
Mar	-	84,239.05	1,662.96	-	6,942.03	49,067,580.09	9,734.46	6,988.74
Apr	-	6,547.93	5,734.86	-	10,827.92	40,168,805.29	8,573.88	6,964.14
May	-	-	-	1,422,505.29	31,614.20	35,104,182.47	-	-
Jun	5,299,034.31	-	-	-	-	39,855,100.00	201,648	50,000
Jul	36,962.40	-	-	-	-	19,559,015.00	201,648	50,000
Aug	-	-	-	-	-	14,807,850.00	201,648	50,000
Sep	-	-	-	-	-	7,917,838.00	201,648	50,000
Oct	-	-	-	-	-	5,040,446.00	201,648	50,000
Nov	-	-	-	-	-	4,296,730.00	201,648	50,000
Dec	-	-	-	-	-	4,390,116.00	201,648	50,000
Total	-	5,335,997	201,647.99	7,672	1,422,000	842,064,260	9,781,020	12,252,266.09
New Transmission Plant Additions for Year 3 (13 month average balance)								

Month End Balances									
	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Proxy - 502 Junction (monthly additions)	138 kV Proxy - 502 Junction (monthly additions)	
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP
Other Projects PIS (Monthly additions)	-	-	-	-	-	-	-	-	-
Jan 2010	-	-	-	-	-	550,957,894	9,755,230	12,230,784	-
Feb	-	193,561	199	(564)	448	581,587,653	9,755,626	12,231,433	-
Mar	-	(82,699.89)	74.99	(505)	616	621,834,575	9,762,712	12,238,313	-
Apr	-	84,239.05	1,662.96	(505)	7,558	670,902,156	9,772,446	12,245,302	-
May	-	6,547.93	5,734.86	(505)	18,386	711,070,961	9,781,020	12,252,266	-
Jun	-	-	-	(505)	18,386	746,175,143	9,781,020	12,252,266	-
Jul	-	-	-	(505)	18,386	786,030,243	9,781,020	12,252,266	-
Aug	-	-	-	(505)	18,386	805,589,258	9,781,020	12,252,266	-
Sep	-	-	-	(505)	18,386	820,397,108	9,781,020	12,252,266	-
Oct	-	-	-	(505)	18,386	828,314,946	9,781,020	12,252,266	-
Nov	-	-	-	(505)	18,386	833,375,412	9,781,020	12,252,266	-
Dec	-	-	-	(505)	18,386	837,674,142	9,781,020	12,252,266	-
Total	-	5,335,997	201,648	7,672	1,422,000	842,064,260	9,781,020	12,252,266	-
	37,315,015	2,314,354	71,460	11,373,820	427,008	9,635,973,753	127,075,196	159,216,227	2,470,402
	2,870,386	178,027	5,497	874,917	32,847	741,228,750	9,775,015	12,247,402	-

Total Revenue Requirement	Doubs Transformer #4 (Monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shandandah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Proxy - 502 Junction (Monthly additions)	138 kV Proxy - 502 Junction (Monthly additions)
\$ 131,758,700.06	388,458	690,564	1,135,906	5,862,392	1,283,972	309,340	7,685,069	2,002,955	108,853,463	1,486,624	1,859,956

7 April Year 3 Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year).

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Meadow Brook SS Capacitor (monthly additions)	Bedington Transformer (monthly additions)	Kammer Transformers (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Proxy - 502 Junction (monthly additions)	138 kV Proxy - 502 Junction (monthly additions)
	(in service)	(in service)	(in service)	(in service)	CWIP		CWIP
Jan 2009	-	-	-	-	94,947,299.60	9,677,268.70	11,774,984.11
Feb	-	-	-	-	16,422,306.41	8,208.62	16,157.67
Mar	-	-	-	-	15,560,434.69	(667.19)	5,116.97
Apr	-	-	-	-	23,424,327.59	2,744.17	678,527.32
May	-	-	-	-	27,551,566.67	15,822.10	(363,430.18)
Jun	-	-	-	-	39,345,212.54	11,332.50	9,404.97
Jul	-	-	-	-	43,240,445.18	759.14	616.61
Aug	-	-	-	-	44,259,165.80	11,189.10	5,329.97
Sep	-	-	-	-	46,452,404.67	8,554.56	7,598.21
Oct	-	-	-	-	36,288,645.82	1,025.66	959.97
Nov	-	-	-	-	53,488,281.42	9,838.55	79,903.98
Dec	-	-	-	-	44,034,973.29	2,214.90	10,954.89
Total	-	-	-	-	45,940,830.60	8,939.02	5,660.33
Total	-	-	-	-	550,957,894	9,755,230	12,230,784

Month End Balances							
	Meadowbrook Transformer (Monthly balance)	North Shandandah (Monthly balance)	Black Oak (monthly balance)	Wylie Ridge (monthly balance)	502 Junction - Territorial Line (monthly balance)	500 kV Proxy - 502 Junction (monthly balance)	138 kV Proxy - 502 Junction (monthly balance)
	(in service)	(in service)	(in service)	(in service)	CWIP		CWIP
Jan 2009	-	-	-	-	94,947,300	9,677,269	11,774,984
Feb	-	-	-	-	111,369,606	9,685,477	11,791,142
Mar	-	-	-	-	126,930,041	9,684,810	11,796,259
Apr	-	-	-	-	150,354,368	9,687,554	12,474,786
May	-	-	-	-	177,905,935	9,703,376	12,111,356
Jun	-	-	-	-	217,251,148	9,714,709	12,120,761
Jul	-	-	-	-	260,491,593	9,715,468	12,121,378
Aug	-	-	-	-	304,750,758	9,726,657	12,126,308
Sep	-	-	-	-	351,203,163	9,735,212	12,134,306
Oct	-	-	-	-	407,491,809	9,736,237	12,135,266
Nov	-	-	-	-	460,980,090	9,746,076	12,214,170
Dec	-	-	-	-	505,017,064	9,748,291	12,225,124
Total	-	-	-	-	550,957,894	9,755,230	12,230,784
	-	-	-	-	3,719,650,769	126,316,367	157,257,625
	-	-	-	-	286,126,882	9,716,644	12,096,694
	-	-	-	-	-	-	307,940,320

Result of Formula for Reconciliation

Total Revenue Requirement	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shandandah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Proxy - 502 Junction (Monthly additions)	138 kV Proxy - 502 Junction (Monthly additions)
\$ 61,155,930.25	210,901	830,014	957,650	1,303,243	314,930	7,887,315	2,075,488	44,134,634	1,538,678	1,903,078

8 April Year 3

Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)

The Reconciliation in Step 8
61,155,931

The forecast In Prior Year
52,722,047

= 8,433,884 <Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect.

Interest on Amount of Refunds or Surcharges
Interest 35.19a for March Current Yr

Month	Yr	1/12 of Step 9 0.2700%	Interest 35.19a for March Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	702,824	0.2700%	11.5	21,823	724,646
Jul	Year 1	702,824	0.2700%	10.5	19,925	722,749
Aug	Year 1	702,824	0.2700%	9.5	18,027	720,851
Sep	Year 1	702,824	0.2700%	8.5	16,130	718,953
Oct	Year 1	702,824	0.2700%	7.5	14,232	717,056
Nov	Year 1	702,824	0.2700%	6.5	12,335	715,158
Dec	Year 1	702,824	0.2700%	5.5	10,437	713,261
Jan	Year 2	702,824	0.2700%	4.5	8,539	711,363
Feb	Year 2	702,824	0.2700%	3.5	6,642	709,465
Mar	Year 2	702,824	0.2700%	2.5	4,744	707,568
Apr	Year 2	702,824	0.2700%	1.5	2,846	705,670
May	Year 2	702,824	0.2700%	0.5	949	703,772
Total		8,433,884				8,570,513

	Balance	Interest	Amort	Balance	
Jun	Year 2	8,570,513	0.2700%	726,806	7,866,848
Jul	Year 2	7,866,848	0.2700%	726,806	7,161,282
Aug	Year 2	7,161,282	0.2700%	726,806	6,453,812
Sep	Year 2	6,453,812	0.2700%	726,806	5,744,432
Oct	Year 2	5,744,432	0.2700%	726,806	5,033,136
Nov	Year 2	5,033,136	0.2700%	726,806	4,319,920
Dec	Year 2	4,319,920	0.2700%	726,806	3,604,778
Jan	Year 3	3,604,778	0.2700%	726,806	2,887,705
Feb	Year 3	2,887,705	0.2700%	726,806	2,168,696
Mar	Year 3	2,168,696	0.2700%	726,806	1,447,746
Apr	Year 3	1,447,746	0.2700%	726,806	724,849
May	Year 3	724,849	0.2700%	726,806	(0)
Total with interest				8,721,669	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest
 Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8) \$ 8,721,669 Input to Appendix A, Line 143
 Revenue Requirement for Year 3 131,758,700
 140,480,369

Reconciliation Amount by Project										
Total Revenue Requirement	Meadow Brook SS Capacitor (Monthly additions)	Bodington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Proxy - 502 Junction (Monthly additions)	138 kV Proxy - 502 Junction (Monthly additions)
\$ 8,721,669	\$ 137,437	\$ 113,171	\$ (154,488)	\$ 157,176	\$ 49,341	\$ (21,589)	\$ (17,616)	\$ 8,530,549	\$ (23,599)	\$ (48,713)

9 May Year 3

Post results of Step 8 on PJM web site
\$ 140,480,369

10 June Year 3

Results of Step 8 go into effect
\$ 140,480,369

Trans-Allegheny Interstate Line Company
Attachment 7 - Transmission Enhancement Charge Worksheet

Revenue Requirement By Project

Fixed Charge Rate (FCR) if not a CIAC			
	Formula Line		
A	137	FCR without Depreciation and Pre-Commercial Costs	13.5333%
B	145	FCR with Incentive ROE without Depreciation and Pre-Commercial	14.4006%
C		Line B less Line A	0.8673%
FCR if a CIAC			
D	138	FCR without Depreciation, Return, nor Income Taxes	0.9336%

The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

		PJM Upgrade ID: b0321.2; b0321.3					PJM Upgrade ID: b0321.1					
		Prexy - 502 Junction 138 kV (CWIP + Plant In Service)					Prexy - 502 Junction 500 kV (CWIP+ Plant In Service)					
10	Details											
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes				Yes					
12	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"	CIAC (Yes or No)	No				No					
13	Input the allowed ROE	Allowed ROE	12.70%				12.70%					
14	From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12	FCR without Incentive ROE	13.5333%				13.5333%					
15	If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7	FCR for This Project	14.4006%				14.4006%					
16	forecast of CWIP or Cap Adds. reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.	Investment	12,492,298				9,777,830					
17	Annual Depreciation Exp from Attachment 5		48				61					
		Reconciliation					Reconciliation					
18		Invest Yr	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Pre-Commercial Exp.	Reconciliation amount	Revenue
19	See Calculations for each item below	2009	1,690,622.04	47.76	60,937.24	(48,713.14)	1,702,893.91	1,323,264.56	61.44	78,492.14	(23,598.90)	1,378,219.23
20	See Calculations for each item below	2009	1,798,970.98	47.76	60,937.24	(48,713.14)	1,811,242.84	1,408,070.21	61.44	78,492.14	(23,598.90)	1,463,024.88

For Plant in Service

"Pre-Commercial Exp" is equal to the amount of pre-commercial expense on Attachment 5a for each project expensed in year and amortized in year.
Revenue is equal to the "Return" ("Investment" times FCR) plus "Depreciation" plus "Pre-Commercial Exp" plus prior year "Reconciliation amount"
"Reconciliation Amount" is created in the reconciliation in Attachment 6 and included in the forecasted revenue requirement.

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	PJM Upgrade ID: b0328.2; b0347.1; b0347.2; b0347.3; b0347.4					PJM Upgrade ID: b0218				PJM Upgrade ID: b0216			
10	502 Junction - Territorial Line (CWIP + Plant In Service)					Wylie Ridge Transformer (Plant In Service)				Black Oak (SVC) Dynamic Reactive Device (Plant In Service)			
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					Yes				Yes			
12	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					No				No			
13	Input the allowed ROE					12.70%				11.70%			
14	From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12					13.5333%				13.5333%			
15	If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7					14.4006%				14.4006%			
16	forecast of CWIP or Cap Adds.					752,749,076				43,922,132			
17	reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.					24,517				1,360,001			
17	Annual Depreciation Exp from Attachment 5					12,737,183				279,192			
18													
19	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
19	101,871,902.61	24,516.56	428,256.62	8,530,549.42	110,855,225.21	1,723,763.08	279,192.15	(17,615.94)	1,985,339.29	5,944,120.42	1,360,000.80	(21,589.34)	7,282,531.88
20	108,400,690.17	24,516.56	428,256.62	8,530,549.42	117,384,012.77	1,723,763.08	279,192.15	(17,615.94)	1,985,339.29	6,325,068.44	1,360,000.80	(21,589.34)	7,663,479.90

For Plant in Service
 Pre-Commercial Exp is equal to the amount of pre-comm
 Revenue is equal to the *Return* ("Investment" times FCR)
 Reconciliation Amount is created in the reconciliation in At

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PJM Upgrade ID: b0323					PJM Upgrade ID: b0230					PJM Upgrade ID: b0559					PJM Upgrade ID: b0229				
North Shenandoah Transformer (Plant In Service)					Meadowbrook Transformer (Plant In Service)					Meadow Brook SS Capacitor (Plant In Service)					Bedington Transformer (Plant In Service)				
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					Yes					Yes					Yes				
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					No					No					No				
Input the allowed ROE					11.70%					11.70%					11.70%				
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12					13.5333%					13.5333%					13.5333%				
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7					13.5333%					13.5333%					13.5333%				
forecast of CWIP or Cap Adds.					1,867,264					7,947,911					6,442,688.02				
reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.					56,638					208,356					18,655				
Annual Depreciation Exp from Attachment 5																			
Reconciliation					Reconciliation					Reconciliation					Reconciliation				
Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue	
252,702.73	56,637.65	49,340.99	358,681.37		1,075,615.83	208,355.68	157,176.04	1,441,147.54		871,909.26	18,654.75	137,437.42	1,028,001.42		1,030,427.82	105,478.00	113,171.02	1,249,076.84	
252,702.73	56,637.65	49,340.99	358,681.37		1,075,615.83	208,355.68	157,176.04	1,441,147.54		871,909.26	18,654.75	137,437.42	1,028,001.42		1,030,427.82	105,478.00	113,171.02	1,249,076.84	

For Plant in Service

"Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in At

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PJM Upgrade ID: b0495				PJM Upgrade ID: b0345					
Kammer Transformers (Plant In Service)				Doubs Transformer #4 (Plant In Service)					
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes			Yes					
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"	No			No					
Input the allowed ROE	11.70%			11.70%					
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12	13.5333%			13.5333%					
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7	13.5333%			13.5333%					
forecast of CWIP or Cap Adds.									
reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.	42,792,099.78			2,870,385.74					
Annual Depreciation Exp from Attachment 5	71,203			-					
		Reconciliation			Reconciliation				
	Return	Depreciation	Amount	Revenue	Return	Depreciation	Amount	Revenue	
See Calculations for each item below	5,791,189.60	71,202.83	(154,488.38)	5,707,904.04	388,458.34	0.00	0.00	388,458.34	
See Calculations for each item below	5,791,189.60	71,202.83	(154,488.38)	5,707,904.04	388,458.34	0.00	0.00	388,458.34	
								Total	
								133,377,479.08	
								140,480,369.24	
								Incentive Charged	
								140,480,369.24	
								Revenue Credit	
								133,377,479.08	

\$7,102,890.17
Ax A Line 148

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in At

Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up
 Attachment 8, page 1, Table 1 and 2
Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up

TABLE 1: Summary Cost of Long Term Debt

CALCULATION OF COST OF DEBT/Hypothetical Example

YEAR ENDED		12/31/2014									
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	t=N	Issue Date	Maturity Date	ORIGINAL ISSUANCE	Net Proceeds At Issuance	Net Amount Outstanding at t=N	Months Outstanding at t=N	Average Net Outstanding in Year* z*	Weighted Outstanding Ratios	Effective Cost Rate (Tables 2 and 3)	Weighted Debt Cost at t = N (h) * (i)
Long Term Debt Cost at Year Ended:											
<u>First Mortgage Bonds:</u>											
(1)	7.09%, Debenture Description, Series, Name of Issuer	1/1/2014	8/31/2030	\$ 300,000,000	\$ 294,600,000	\$ 295,000,000	12	\$ 295,156,250	66.23%	7.324%	4.8506%
(2)	Coupon rate, Debenture Description, Series, Name of Issuer	1/1/2014	6/30/2025								
<u>Other Long Term Debt:</u>											
(3)	6.6%, Medium Term Notes, Series, Name of Issuer	04/01/2014	06/30/2024	\$ 200,000,000	\$ 198,000,000	\$ 150,000,000	9	\$ 150,200,000	33.70%	6.735%	2.2697%
(4)	\$1,000,000 variable rate LT Credit Line Drawdown, 6.59% (2014 Interest Rate), Series, Name of Issuer	xx/xx/xxx	xx/xx/xxx	na	na	\$ 359,000	12	\$ 320,000	0.07%	6.590%	0.0047%
Total				\$ 500,000,000		\$ 445,359,000		\$ 445,676,250	100.000%		7.13% **

t = time

The current portion of long term debt is included in the Net Amount Outstanding at t = N in these calculations.

The outstanding amount (column (e)) for debt retired during the year is the outstanding amount at the last month it was outstanding.

* z = Average of monthly balances for months outstanding during the year (average of the balances for the 12 months of the year, with zero in months that the issuance is not outstanding in a month).

Interim (individual debenture) debt cost calculations shall be taken to four decimals in percentages (7.2300%, 5.2582%); Final Total Weighted Average Debt Cost for the Formula Rate shall be rounded to two decimals of a percent (7.03%).

** This Total Weighted Average Debt Cost will be shown on Line 101 of formula rate Appendix A.

TABLE 2: Effective Cost Rates For Traditional Front-Loaded Debt Issuances:

YEAR ENDED		12/31/2014												
	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)	(gg)	(hh)	(ii)	(jj)	(kk)	(ll)		
	Affiliate	Issue Date	Maturity Date	Amount Issued	(Discount) Premium at Issuance	Issuance Expense	Loss/Gain on Reacquired Debt	Less Related ADIT (Attachment 1)	Net Proceeds	Net Proceeds Ratio	Coupon Rate	Annual Interest	Effective Cost Rate* (Yield to Maturity at Issuance, t = 0)	
<u>Long Term Debt Issuances:</u>														
<u>First Mortgage Bonds</u>														
(1)	7.09%, Debenture Description, Series, Name of Issuer	No	1/1/2014	6/30/2025	\$ 300,000,000	\$ (2,400,000)	\$ 3,000,000	-	xxx	\$ 294,600,000	98.2000	0.07090	\$ 21,270,000	7.324%
(2)	Coupon rate, Debenture Description, Series, Name of Issuer	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xx.xxxx
<u>Other Long Term Debt:</u>														
(3)	6.6%, Medium Term Notes, Series, Name of Issuer	No	4/1/2014	06/30/2024	200,000,000		2,000,000		xxx	\$ 198,000,000	99.0000	0.06600	13,200,000	6.735%
TOTALS				\$ 500,000,000	(2,400,000)	\$ 5,000,000	-	xxx	\$ 492,600,000			\$ 34,470,000		

* YTM at issuance calculated from an acceptable bond table or from YTM = Internal Rate of Return (IRR) calculation

Effective Cost Rate of Individual Debenture (YTM at issuance); the t=0 Cashflow Q equals Net Proceeds column (gg); Semi-annual (or other) interest cashflows (G₁, C₀₂, etc.).

Trans-Allegheny Interstate Line Company
Attachment 8, page 2, Table 3

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodolog

Hypothetical Example: Construction project financing will be a 7 year loan, where by Company pays Origination Fees of \$5.2 million; Commitments Fee of 0.3% on the undrawn principal and interest on Consistent with GAAP, Company will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return ("IRR") formula below.
The IRR is the fluctuating effective yield to maturity of the construction project financing loan at a given time "t".
Each year, Company will reconcile the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment. Company anticipates entering

IRR= Internal Rate of Return; NPV = Net Present Value; C = Net Cashflows (Column I below); t = time period; pwr = exponential power.

Total Loan Amount	\$ 800,000,000
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Internal Rate of Return ¹	4.88%
Based on following Financial Formula ² :	
$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$	

Origination Fees	
Origination Fees for Original Loan	9,554,717
Origination Fees for Subsequent Loan	11,628,097
Total Issuance Expense	21,182,814

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M											
Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1				3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4				3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5				3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6				3.316%	4.50%	6.21%			

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Year		Capital Expenditures	Principle Drawn In Quarter (\$000's)	Principle Drawn To Date	Interest Expense	Origination Fees	Commitment	Net Cash Flows (D-F-G-H)
2008								
12/24/2007	Q4	68,183,000	10,000,000	10,000,000		734,955		9,265,045
01/31/2008	Q1			10,000,000		31,013		(31,013)
02/4/2008	Q1			10,000,000		69,578		(69,578)
02/6/2008	Q1			10,000,000		138		(138)
02/29/2008	Q1			10,000,000		2,960		(2,960)
03/5/2008	Q1			10,000,000		125,384		(125,384)
3/24/2008	Q1	25,543,000		10,000,000	155,048			(155,048)
03/31/2008	Q1			10,000,000		17,011		(17,011)
04/30/2008	Q2			10,000,000		197,270		(197,270)
05/19/2008	Q2			10,000,000		109,825		(109,825)
6/23/2008	Q2	20,509,000		10,000,000	97,477			(97,477)
06/26/2008	Q2			10,000,000		43,099		(43,099)
06/30/2008	Q2			10,000,000		13,268		(13,268)
08/8/2008	Q3			10,000,000		1,578		(1,578)
08/13/2008	Q3			10,000,000		62,777		(62,777)
8/15/2008	Q3		55,000,000	65,000,000	59,689	7,780,954		47,159,357
8/20/2008	Q3			65,000,000		530		(530)
8/25/2008	Q3			65,000,000		15,125		(15,125)
9/3/2008	Q3			65,000,000		82,655		(82,655)
9/8/2008	Q3			65,000,000		1,958		(1,958)
9/11/2008	Q3			65,000,000		41,846		(41,846)
9/15/2008	Q3		(20,000,000)	45,000,000	243,199			(20,243,199)
9/25/2008	Q3			45,000,000		7,525		(7,525)
9/29/2008	Q3			45,000,000		98,058		(98,058)
9/30/2008	Q3	24,995,000		45,000,000		18,137	235,521	(253,658)
10/2/2008	Q4		20,000,000	65,000,000			78,507	19,921,493
10/17/2008	Q4			65,000,000		2,030		(2,030)
10/29/2008	Q4			65,000,000		267		(267)
11/19/2008	Q4			65,000,000		96,049		(96,049)
11/21/2008	Q4			65,000,000		730		(730)
12/15/2008	Q4		25,000,000	90,000,000	718,999			24,281,001
1/6/2009	Q1	42,068,000	-	90,000,000	-		618,334	(618,334)
2/17/2009	Q1		30,000,000	120,000,000	-		-	30,000,000
3/16/2009	Q1	75,475,000	40,000,000	160,000,000	933,988		-	39,066,013
3/25/2009	Q1		-	160,000,000			1,100,000	(1,100,000)
4/6/2009	Q2		-	160,000,000			549,167	(549,167)
5/15/2009	Q2		50,000,000	210,000,000				50,000,000
6/16/2009	Q2		40,000,000	250,000,000	1,405,039			38,594,961
6/30/2009	Q2		-	250,000,000				-
7/31/2009	Q3		-	250,000,000			453,194	(453,194)
8/3/2009	Q3		30,000,000	280,000,000				30,000,000
9/4/2009	Q3		50,000,000	330,000,000				50,000,000

Trans-Allegheny Interstate Line Company
Attachment 8, page 2, Table 3

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodolog

Hypothetical Example: Construction project financing will be a 7 year loan, where by Company pays Origination Fees of \$5.2 million; Commitments Fee of 0.3% on the undrawn principal and interest on Consistent with GAAP, Company will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return ("IRR") formula below.
The IRR is the fluctuating effective yield to maturity of the construction project financing loan at a given time "t".
Each year, Company will reconcile the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment. Company anticipates entering

IRR= Internal Rate of Return; NPV = Net Present Value; C = Net Cashflows (Column I below); t = time period; pwr = exponential power.

Total Loan Amount	\$ 800,000,000
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Internal Rate of Return¹	4.88%
Based on following Financial Formula²:	
$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$	

Origination Fees	
Origination Fees for Original Loan	9,554,717
Origination Fees for Subsequent Loan	11,628,097
Total Issuance Expense	21,182,814
Revolving Credit Commitment Fee	
	New Borrowing Old Borrowing
Revolving Credit Commitment Fee	0.005 0.0050 0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M											
Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1				3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4				3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5				3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6				3.316%	4.50%	6.21%			

9/16/2009	Q3	-	330,000,000	1,596,826				(1,596,826)			
10/5/2009	Q4	45,000,000	375,000,000	207,916				44,792,084			
10/16/2009	Q4		375,000,000				321,250	(321,250)			
11/5/2009	Q4	30,000,000	405,000,000	-				30,000,000			
12/4/2009	Q4	50,000,000	455,000,000					50,000,000			
12/16/2009	Q4	73,715,000	455,000,000	1,374,479				(1,374,479)			
1/4/2010	Q1		455,000,000				138,490	(138,490)			
1/5/2010	Q1	30,000,000	485,000,000	892,331				29,107,669			
1/15/2010	Q1	-	485,000,000	440,625				(440,625)			
1/25/2010	Q1	(485,000,000)	-	423,000			18,490	(485,441,490)			
1/25/2010	Q1	450,000,000	450,000,000		4,533,000			445,467,000			
1/25/2010	Q1	45,000,000	495,000,000		5,852,579			39,147,421			
1/27/2010	Q1		495,000,000		6,980			(6,980)			
2/3/2010	Q1		495,000,000		58,000			(58,000)			
2/3/2010	Q1		495,000,000		5,500			(5,500)			
2/5/2010	Q1		495,000,000		82,117			(82,117)			
2/12/2010	Q1	20,000,000	515,000,000					20,000,000			
2/24/2010	Q1		515,000,000		23,770			(23,770)			
3/10/2010	Q1	30,000,000	545,000,000		90,000			29,910,000			
3/17/2010	Q1	-	545,000,000		195,720			(195,720)			
3/26/2010	Q1	20,000,000	565,000,000		17,821			19,982,179			
4/1/2010	Q2		565,000,000				255,417	(255,417)			
4/5/2010	Q2		565,000,000		123,661			(123,661)			
4/7/2010	Q2		565,000,000		201,250			(201,250)			
4/8/2010	Q2		565,000,000		224,588			(224,588)			
4/12/2010	Q1	30,000,000	595,000,000					30,000,000			
4/14/2010	Q2		595,000,000		194,135			(194,135)			
4/21/2010	Q2		595,000,000		18,977			(18,977)			
4/26/2010	Q2	(65,000,000)	530,000,000	369,574				(65,369,574)			
4/26/2010	Q2	65,000,000	595,000,000	55,921				64,944,079			
5/7/2010	Q2	30,000,000	625,000,000					30,000,000			
5/12/2010	Q2		625,000,000	160,546				(160,546)			
5/12/2010	Q2		625,000,000	81,275				(81,275)			
6/10/2010	Q2		625,000,000	248,937				(248,937)			
6/25/2010	Q2		625,000,000	81,058				(81,058)			
6/25/2010	Q2		625,000,000	41,450				(41,450)			
6/25/2010	Q2		625,000,000	121,587				(121,587)			
6/25/2010	Q2		625,000,000	135,403				(135,403)			
6/26/2010	Q2	47,827,000	672,827,000					47,827,000			
7/1/2010	Q2	-	672,827,000				201,540	(201,540)			
7/15/2010	Q2		672,827,000	8,550,000				(8,550,000)			
7/26/2010	Q2		672,827,000	544,837				(544,837)			
7/26/2010	Q2		672,827,000	228,436				(228,436)			
7/26/2010	Q2		672,827,000	132,162				(132,162)			
7/26/2010	Q2		672,827,000	221,067				(221,067)			
9/26/2010	Q3	53,386,000	726,213,000	1,272,540				52,113,460			
10/1/2010	Q4		726,213,000				167,623	(167,623)			
12/26/2010	Q4	39,514,000	765,727,000	2,315,248				37,198,752			

Trans-Allegheny Interstate Line Company
Attachment 8, page 2, Table 3

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodolog

Hypothetical Example: Construction project financing will be a 7 year loan, where by Company pays Origination Fees of \$5.2 million; Commitments Fee of 0.3% on the undrawn principal and interest on Consistent with GAAP, Company will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return ("IRR") formula below.
The IRR is the fluctuating effective yield to maturity of the construction project financing loan at a given time "t".
Each year, Company will reconcile the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment. Company anticipates entering

IRR= Internal Rate of Return; NPV = Net Present Value; C = Net Cashflows (Column I below); t = time period; pwr = exponential power.

Total Loan Amount	\$ 800,000,000
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Internal Rate of Return ¹	4.88%
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Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$$

Origination Fees	
Origination Fees for Original Loan	9,554,717
Origination Fees for Subsequent Loan	11,628,097
Total Issuance Expense	21,182,814
Revolving Credit Commitment Fee	New Borrowing Old Borrowing
Revolving Credit Commitment Fee	0.005 0.0050
	0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread	-	-	-	-	-	-	-	-	-	-	-
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M											
Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate											
Rate	\$ 350,000,000	Draw 1				3.249%	4.50%	6.21%			
Revolver Interest Rate											
Rate	\$ 350,000,000	Draw 2, 3, 4				3.247%	4.50%	6.21%			
Revolver Interest Rate											
Rate	\$ 350,000,000	Draw 5				3.251%	4.50%	6.21%			
Revolver Interest Rate											
Rate	\$ 350,000,000	Draw 6				3.316%	4.50%	6.21%			

1/15/2011		-	765,727,000	9,000,000		(9,000,000)
1/1/2011			765,727,000		96,115	(96,115)
3/26/2011	Q1	34,273,000	800,000,000	2,617,377		31,655,623
4/1/2011			800,000,000		42,841	(42,841)
6/26/2011	Q2	(350,000,000)	450,000,000	4,025,000		(354,025,000)
7/15/2011			450,000,000	9,000,000		(9,000,000)
9/26/2011	Q3		450,000,000			-
12/26/2011	Q4		450,000,000			-
1/15/2012			450,000,000	9,000,000		(9,000,000)
3/26/2012	Q1		450,000,000			-
6/26/2012	Q2		450,000,000			-
7/15/2012			450,000,000	9,000,000		(9,000,000)
9/26/2012	Q3		450,000,000			-
12/26/2012	Q4		450,000,000			-
1/15/2013	Q1		450,000,000			-
1/15/2013			450,000,000	9,000,000		(9,000,000)
3/26/2013	Q1		450,000,000			-
6/26/2013	Q2		450,000,000			-
7/15/2013			450,000,000	9,000,000		(9,000,000)
9/26/2013	Q3		450,000,000			-
12/26/2013	Q4		450,000,000			-
1/15/2014			450,000,000	9,000,000		(9,000,000)
3/26/2014	Q1		450,000,000			-
6/26/2014	Q2		450,000,000			-
7/15/2014			450,000,000	9,000,000		(9,000,000)
9/26/2014	Q3		450,000,000			-
12/26/2014	Q4		450,000,000			-
1/15/2015			450,000,000	9,000,000		(9,000,000)
1/25/2015		(450,000,000)		500,000		(450,500,000)

(1) Commitment fees for 4th quarter 2008