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October 20, 2011

To: Parties to FERC Docket No. ER08-386-000

Re: *Potomac-Appalachian Transmission Highline, LLC*
PJM Open Access Transmission Tariff, Attachment H-19
Revised Projected Transmission Revenue Requirement for Rate Year 2011

Please take notice that Potomac-Appalachian Transmission Highline, LLC (“PATH-LLC”), on behalf of its operating companies PATH West Virginia Transmission Company, LLC and PATH Allegheny Transmission Company, LLC, has submitted a Second Revised Projected Transmission Revenue Requirement (“PTRR”) for Rate Year 2011 to PJM Interconnection, L.L.C. (“PJM”) for posting on the formula rate page of the PJM website.¹ The Second Revised 2011 PTRR was submitted to PJM in accordance with Section 3.6 of the Settlement Agreement filed in this proceeding on October 7, 2011 and the Chief Administrative Law Judge’s Order Granting Motion for Interim Rate Relief issued on October 12, 2011. A copy of the Second Revised 2011 PTRR is enclosed as Attachment A.

¹ See <http://www.pjm.com/markets-and-operations/transmission-service/formula-rates.aspx>.

Parties to FERC Docket No. ER08-386-000

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Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Randall B. Palmer

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Enclosures

ATTACHMENT A

For the 12 months ended 12/31/2011

SUMMARY

| | PATH West Virginia Transmission Company, LLC (PATH-WV) (1) | PATH Allegheny Transmission Company, LLC (PATH- Allegheny) (2) | Potomac-Appalachian Transmission Highline, LLC (3) = (1) + (2) |
|----------------------------|---|---|--|
| 1 NET REVENUE REQUIREMENT | \$8,803,166 (A) | \$12,631,716 (B) | \$21,434,882 |
| 2 PJM Project No. | | | |
| 3 b0490 & b0491 | \$8,803,166 (C) | | \$8,803,166 |
| 4 b0492 & b0560 | | \$12,631,716 (D) | \$12,631,716 |
| 5 | | | |
| 6 Total (Sum lines 3 to 5) | <u>\$8,803,166</u> | <u>\$12,631,716</u> | <u>\$21,434,882</u> |

Sources:

- (A) Rate Formula Template, page 2, line 5, col. (3)
(B) Rate Formula Template, page 7, line 5, col. (3)
(C) Rate Formula Template - Attachment 5, page 30 col., (6)
(D) Rate Formula Template - Attachment 5, page 31 col., (5)

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

PATH West Virginia Transmission Company, LLC

| Line No. | (1) | (2) | (3) |
|------------------------|--|------------------|---------------------------|
| | | 12 months | Allocated Amount |
| 1 | GROSS REVENUE REQUIREMENT (line 86) | | \$ 13,413,029 |
| REVENUE CREDITS | | | |
| 2 | Total Revenue Credits | <u>Total</u> | |
| | Attachment 1, line 12 | 0 | TP 1.00000 \$ - |
| 3 | True-up Adjustment with Interest | <u>4,609,863</u> | DA 1.00000 \$ (4,609,863) |
| | Protocols | 0 | DA 1.00000 \$ - |
| 4 | Accelerated True-up Adjustment with Interest | | |
| 5 | NET REVENUE REQUIREMENT (Lines 1 minus line 2 plus line 3 plus line 4) | | <u>\$ 8,803,166</u> |

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

PATH West Virginia Transmission Company, LLC

| Line No. | (1) RATE BASE: | (2) Form No. 1 Page, Line, Col. | (3) Company Total | (4) Allocator | (5) Transmission (Col 3 times Col 4) |
|----------|---|---------------------------------------|----------------------|------------------|--|
| 6 | GROSS PLANT IN SERVICE | | | | |
| 6 | Production | (Attachment 4) | - | NA | 0.00000 |
| 7 | Transmission | (Attachment 4) | - | TP | 1.00000 |
| 8 | Distribution | (Attachment 4) | - | NA | 0.00000 |
| 9 | General & Intangible | (Attachment 4) | - | W/S | 1.00000 |
| 10 | Common | (Attachment 4) | - | CE | 1.00000 |
| 11 | TOTAL GROSS PLANT (sum lines 6-10) | (GP=1 if plant =0) | - | GP= | 1.00000 |
| 12 | ACCUMULATED DEPRECIATION | | | | |
| 13 | Production | (Attachment 4) | - | NA | 0.00000 |
| 14 | Transmission | (Attachment 4) | - | TP | 1.00000 |
| 15 | Distribution | (Attachment 4) | - | NA | 0.00000 |
| 16 | General & Intangible | (Attachment 4) | - | W/S | 1.00000 |
| 17 | Common | (Attachment 4) | - | CE | 1.00000 |
| 18 | TOTAL ACCUM. DEPRECIATION (sum lines 13-17) | | - | | - |
| 19 | NET PLANT IN SERVICE | | | | |
| 20 | Production | (line 6- line 13) | - | | - |
| 21 | Transmission | (line 7- line 14) | - | | - |
| 22 | Distribution | (line 8- line 15) | - | | - |
| 23 | General & Intangible | (line 9- line 16) | - | | - |
| 24 | Common | (line 10- line 17) | - | | - |
| 25 | TOTAL NET PLANT (sum lines 20-24) | (NP=1 if plant =0) | - | NP= | 1.0000 |
| 26 | ADJUSTMENTS TO RATE BASE (Note A) | | | | |
| 27 | Account No. 281 (enter negative) | (Attachment 4) | - | NA | 0.00000 |
| 28 | Account No. 282 (enter negative) | (Attachment 4) | (364) | NP | 1.00000 |
| 29 | Account No. 283 (enter negative) | (Attachment 4) | - | NP | 1.00000 |
| 30 | Account No. 190 | (Attachment 4) | 5,060,630 | NP | 1.00000 |
| 31 | Account No. 255 (enter negative) | (Attachment 4) | - | NP | 1.00000 |
| 32 | CWIP | (Attachment 4) | 53,788,860 | DA | 1.00000 |
| 33 | Unamortized Regulatory Asset | (Attachment 4) | 2,060,428 | DA | 1.00000 |
| 34 | Unamortized Abandoned Plant | (Attachment 4) | - | DA | 1.00000 |
| 35 | TOTAL ADJUSTMENTS (sum lines 27-34) | | 60,909,554 | | 60,909,554 |
| 36 | LAND HELD FOR FUTURE USE | (Attachment 4) | 10,218,905 | TP | 1.00000 |
| 37 | WORKING CAPITAL (Note C) | | | | |
| 38 | CWC | calculated | 445,972 | | 445,972 |
| 39 | Materials & Supplies (Note B) | (Attachment 4) | - | TE | 1.00000 |
| 40 | Prepayments (Account 165 - Note C) | (Attachment 4) | 43,540 | GP | 1.00000 |
| 41 | TOTAL WORKING CAPITAL (sum lines 38-40) | | 489,512 | | 489,512 |
| 42 | RATE BASE (sum lines 25, 35, 36, & 41) | | 71,617,971 | | 71,617,971 |

Formula Rate - Non-Levelized Attachment A
 Rate Formula Template Utilizing FERC Form 1 Data
For the 12 months ended 12/31/2011

| (1) | (2) | (3) | (4) | (5) |
|-----|---|---------------|-------------|-------------------------------------|
| | Form No. 1 Page, Line, Col. | Company Total | Allocator | Transmission (Col 3 times Col 4) |
| 43 | O&M | | | |
| 44 | Transmission 321.112.b | 1,236,257 | TE 1.00000 | 1,236,257 |
| 45 | Less Account 565 321.96.b | - | TE 1.00000 | - |
| 46 | Less Account 566 (Misc Trans Expense) Line 56 | 1,236,257 | DA 1.00000 | 1,236,257 |
| 47 | A&G 323.197.b | 2,326,421 | W/S 1.00000 | 2,326,421 |
| 48 | Less EPRI & Reg. Comm. Exp. & Other At (Note D & Attach 4) | - | DA 1.00000 | - |
| 49 | Plus Transmission Related Reg. Comm. E (Note D & Attach 4) | - | TE 1.00000 | - |
| 50 | PBOP Expense adjustment (Attachment 4) | 5,097 | | 5,097 |
| 51 | Common (Attachment 4) | - | CE 1.00000 | - |
| 52 | Transmission Lease Payments 200.4.c | - | DA 1.00000 | - |
| 53 | Account 566 | | | |
| 54 | Amortization of Regulatory Asset Attachment 4 | 1,236,257 | DA 1.00000 | 1,236,257 |
| 55 | Miscellaneous Transmission Expense Attachment 4 | - | DA 1.00000 | - |
| 56 | Total Account 566 | 1,236,257 | | 1,236,257 |
| 57 | TOTAL O&M (sum lines 44, 47, 49, 50, 51, 52, 56 less lines 45, 46 & 48) | 3,567,775 | | 3,567,775 |
| 58 | DEPRECIATION EXPENSE | | | |
| 59 | Transmission 336.7.b & c | - | TP 1.00000 | - |
| 60 | General and Intangible 336.1.d&e + 336.10.b&c | - | W/S 1.00000 | - |
| 61 | Common 336.11.b&c | - | CE 1.00000 | - |
| 62 | Amortization of Abandoned Plant (Attachment 4) | - | DA 1.00000 | - |
| 63 | TOTAL DEPRECIATION (Sum lines 59-62) | - | | - |
| 64 | TAXES OTHER THAN INCOME TAXES (Note E) | | | |
| 65 | LABOR RELATED | | | |
| 66 | Payroll 263i | - | W/S 1.00000 | - |
| 67 | Highway and vehicle 263i | - | W/S 1.00000 | - |
| 68 | PLANT RELATED | | | |
| 69 | Property 263i | - | GP 1.00000 | - |
| 70 | Gross Receipts 263i | - | NA 0.00000 | - |
| 71 | Other 263i | - | GP 1.00000 | - |
| 72 | Payments in lieu of taxes | - | GP 1.00000 | - |
| 73 | TOTAL OTHER TAXES (sum lines 66-72) | - | | - |
| 74 | INCOME TAXES (Note F) | | | |
| 75 | $T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$ | 40.53% | | |
| 76 | $CIT = (T / (1 - T)) * (1 - (WCLTD / R))$ | 44.36% | | |
| 77 | where WCLTD = (line 118) and R = (line 121) | | | |
| 78 | and FIT, SIT & p are as given in footnote F. | | | |
| 79 | $1 / (1 - T) = (T \text{ from line 75})$ | 1.6814 | | |
| 80 | Amortized Investment Tax Credit (266.8f) (enter negative) | 0 | | |
| 81 | Income Tax Calculation = line 76 * line 85 | 3,025,536 | NA | 3,025,536 |
| 82 | ITC adjustment (line 79 * line 80) | 0 | NP 1.00000 | - |
| 83 | Total Income Taxes (line 81 plus line 82) | 3,025,536 | | 3,025,536 |
| 84 | RETURN | | | |
| 85 | [Rate Base (line 42) * Rate of Return (line 121)] | 6,819,718 | NA | 6,819,718 |
| 86 | REV. REQUIREMENT (sum lines 57, 63, 73, 83, 85) | 13,413,029 | | 13,413,029 |

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

PATH West Virginia Transmission Company, LLC
SUPPORTING CALCULATIONS AND NOTES

87 TRANSMISSION PLANT INCLUDED IN ISO RATES

| | | | |
|----|--|-----|--------|
| 88 | Total transmission plant (line 7, column 3) | | 0 |
| 89 | Less transmission plant excluded from ISO rates (Note H) | | 0 |
| 90 | Less transmission plant included in OATT Ancillary Services (Note H) | | 0 |
| 91 | Transmission plant included in ISO rates (line 88 less lines 89 & 90) | | 0 |
| 92 | Percentage of transmission plant included in ISO Rates (line 91 divided by line 88) [If line 88 equal zero, enter 1] | TP= | 1.0000 |

93 TRANSMISSION EXPENSES

| | | | |
|-----|--|-----|-----------|
| 94 | | | |
| 95 | Total transmission expenses (line 44, column 3) | | 1,236,257 |
| 96 | Less transmission expenses included in OATT Ancillary Services (Note G) | | 0 |
| 97 | Included transmission expenses (line 95 less line 96) | | 1,236,257 |
| 98 | Percentage of transmission expenses after adjustment (line 97 divided by line 95) [If line 95 equal zero, enter 1] | | 1.00000 |
| 99 | Percentage of transmission plant included in ISO Rates (line 92) | TP | 1.00000 |
| 100 | Percentage of transmission expenses included in ISO Rates (line 98 times line 99) | TE= | 1.00000 |

101 WAGES & SALARY ALLOCATOR (W&S)

| | Form 1 Reference | \$ | TP | Allocation | |
|-----|--|----------------|------|------------|--|
| 103 | Production | 354.20.b | 0 | | |
| 104 | Transmission | 354.21.b | 1.00 | 0 | |
| 105 | Distribution | 354.23.b | 0 | | |
| 106 | Other | 354.24,25,26.b | 0 | | |
| 107 | Total (sum lines 103-106) [TP equals 1 if there are no wages & salaries] | | 0 | 0 | W&S Allocator (\$ / Allocation) = 1.00000 = WS |

108 COMMON PLANT ALLOCATOR (CE) (Note I)

| | | \$ | % Electric (line 110 / line 113) | W&S Allocator (line 107) | CE |
|-----|-----------------------------|---------|----------------------------------|--------------------------|-----------|
| 110 | Electric | 200.3.c | 0 | | |
| 111 | Gas | 201.3.d | 0 | 1.00000 x | |
| 112 | Water | 201.3.e | 0 | | |
| 113 | Total (sum lines 110 - 112) | | 0 | 1.00000 | = 1.00000 |

114 RETURN (R)

| | | \$ | % | Cost | Weighted |
|-----|---------------------------|----------------|-------|--------|---------------|
| 115 | | | | | |
| 116 | | | | | |
| 117 | | | | | |
| 118 | Long Term Debt (Note K) | (Attachment 4) | 0 50% | 6.64% | 0.0332 =WCLTD |
| 119 | Preferred Stock | (Attachment 4) | 0 0% | 0.00% | 0.0000 |
| 120 | Common Stock (Note J) | (Attachment 4) | 0 50% | 12.40% | 0.0620 |
| 121 | Total (sum lines 118-120) | | 0 | | 0.0952 =R |

SUPPORTING CALCULATIONS AND NOTES
Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

For the 12 months ended 12/31/2011

PATH West Virginia Transmission Company, LLC

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
- B Identified in Form 1 as being only transmission related.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission
Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
- D EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, except safety, education and out-reach related advertising included in Account 930.1. Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- E Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- F 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 is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 4, line 79).
- | | | | |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 35.00% | |
| | SIT = | 8.50% | (State Income Tax Rate or Composite SIT from Attachment 4) |
| | p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- G Removes dollar amount of transmission expenses included in the OATT ancillary services rates, if any.
- H Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- I Enter dollar amounts
- J The ROE consists of a base ROE of 10.40%, a 50 basis point adder for participation in PJM and a 150 basis point adder Incentive adder.
No change in ROE may be made absent a Section 205 or 206 filing with FERC and no filing to change the ROE may be made by a Settling Party or Non-Opposing Party (as defined in the Settlement Agreement filed on October 7, 2011 in Docket No. ER08-386-000, et al.) prior to January 1, 2015.
- K The percentage shown for Long Term Debt is subject to the Annual Update and Attachment 6 and Attachment 9.

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

PATH Allegheny Transmission Company, LLC

| Line No. | (1) | (2) | (3) |
|-----------------|--|--------------|----------------------|
| <u>1</u> | GROSS REVENUE REQUIREMENT (line 86) | 12 months | <u>\$ 11,516,049</u> |
| | | | |
| REVENUE CREDITS | | | |
| | | <u>Total</u> | <u>Allocator</u> |
| 2 | Total Revenue Credits | 30,000 | TP 1.00000 30,000 |
| 3 | True-up Adjustment with Interest | 1,145,667 | DA 1.00000 1,145,667 |
| 4 | Accelerated True-up Adjustment with Interest | 0 | DA 1.00000 - |
| 5 | NET REVENUE REQUIREMENT (Lines 1 minus line 2 plus line 3 plus line 4) | | <u>\$ 12,631,716</u> |

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

| Line No. | (1) RATE BASE: | PATH Allegheny Transmission Company, LLC | | | | (5) Transmission (Col 3 times Col 4) |
|----------|---|--|----------------------|------------------|---------|--|
| | | (2) Form No. 1 Page, Line, Col. | (3) Company Total | (4) Allocator | | |
| 6 | GROSS PLANT IN SERVICE | | | | | |
| 6 | Production | (Attachment 4) | - | NA | 0.00000 | - |
| 7 | Transmission | (Attachment 4) | 19,851,930 | TP | 1.00000 | 19,851,930 |
| 8 | Distribution | (Attachment 4) | - | NA | 0.00000 | - |
| 9 | General & Intangible | (Attachment 4) | 32,955 | W/S | 1.00000 | 32,955 |
| 10 | Common | (Attachment 4) | - | CE | 1.00000 | - |
| 11 | TOTAL GROSS PLANT (sum lines 6-10) | (GP=1 if plant =0) | <u>19,884,884</u> | GP= | 1.00000 | <u>19,884,884</u> |
| 12 | ACCUMULATED DEPRECIATION | | | | | |
| 13 | Production | (Attachment 4) | - | NA | 0.00000 | - |
| 14 | Transmission | (Attachment 4) | 13,171 | TP | 1.00000 | 13,171 |
| 15 | Distribution | (Attachment 4) | - | NA | 0.00000 | - |
| 16 | General & Intangible | (Attachment 4) | 5,196 | W/S | 1.00000 | 5,196 |
| 17 | Common | (Attachment 4) | - | CE | 1.00000 | - |
| 18 | TOTAL ACCUM. DEPRECIATION (sum lines 13-17) | | <u>18,367</u> | | | <u>18,367</u> |
| 19 | NET PLANT IN SERVICE | | | | | |
| 20 | Production | (line 6- line 13) | - | | | - |
| 21 | Transmission | (line 7- line 14) | 19,838,759 | | | 19,838,759 |
| 22 | Distribution | (line 8- line 15) | - | | | - |
| 23 | General & Intangible | (line 9- line 16) | 27,759 | | | 27,759 |
| 24 | Common | (line 10- line 17) | - | | | - |
| 25 | TOTAL NET PLANT (sum lines 20-24) | (NP=1 if plant =0) | <u>19,866,518</u> | NP= | 1.0000 | <u>19,866,518</u> |
| 26 | ADJUSTMENTS TO RATE BASE (Note A) | | | | | |
| 27 | Account No. 281 (enter negative) | (Attachment 4) | - | NA | 0.00000 | - |
| 28 | Account No. 282 (enter negative) | (Attachment 4) | 135,589 | NP | 1.00000 | 135,589 |
| 29 | Account No. 283 (enter negative) | (Attachment 4) | (91,719) | NP | 1.00000 | (91,719) |
| 30 | Account No. 190 | (Attachment 4) | 1,810,746 | NP | 1.00000 | 1,810,746 |
| 31 | Account No. 255 (enter negative) | (Attachment 4) | - | NP | 1.00000 | - |
| 32 | CWIP | (Attachment 4) | 44,824,953 | DA | 1.00000 | 44,824,953 |
| 33 | Unamortized Regulatory Asset | (Attachment 4) | 312,107 | DA | 1.00000 | 312,107 |
| 34 | Unamortized Abandoned Plant | (Attachment 4) | - | DA | 1.00000 | - |
| 35 | TOTAL ADJUSTMENTS (sum lines 27-34) | | <u>46,991,675</u> | | | <u>46,991,675</u> |
| 36 | LAND HELD FOR FUTURE USE | (Attachment 4) | - | TP | 1.00000 | - |
| 37 | WORKING CAPITAL (Note C) | | | | | |
| 38 | CWC | calculated | 270,558 | | | 270,558 |
| 39 | Materials & Supplies (Note B) | (Attachment 4) | - | TE | 1.00000 | - |
| 40 | Prepayments (Account 165 - Note C) | (Attachment 4) | 26,293 | GP | 1.00000 | 26,293 |
| 41 | TOTAL WORKING CAPITAL (sum lines 38-40) | | <u>296,851</u> | | | <u>296,851</u> |
| 42 | RATE BASE (sum lines 25, 35, 36, & 41) | | <u>67,155,044</u> | | | <u>67,155,044</u> |

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

| | | PATH Allegheny Transmission Company, LLC | | | | |
|-----|---|--|------------|-----|-------------------------------------|------------|
| (1) | (2) | (3) | (4) | (5) | | |
| | Form No. 1 Page, Line, Col. | Company Total | Allocator | | Transmission (Col 3 times Col 4) | |
| 43 | O&M | | | | | |
| 44 | Transmission | 321.112.b | 187,264 | TE | 1.00000 | 187,264 |
| 45 | Less Account 565 | 321.96.b | - | TE | 1.00000 | - |
| 46 | Less Account 566 | Line 56 | 187,264 | DA | 1.00000 | 187,264 |
| 47 | A&G | 323.197.b | 1,976,803 | W/S | 1.00000 | 1,976,803 |
| 48 | Less EPRI & Reg. Comm. Exp. & Other Ad. | (Note D & Attach 4) | 30,756 | DA | 1.00000 | 30,756 |
| 49 | Plus Transmission Related Reg. Comm. Exp. | (Note D & Attach 4) | 30,756 | TE | 1.00000 | 30,756 |
| 50 | PBOP Expense adjustment | (Attachment 4) | 394 | | | 394 |
| 51 | Common | (Attachment 4) | - | CE | 1.00000 | - |
| 52 | Transmission Lease Payments | 200.4.c | - | DA | 1.00000 | - |
| 53 | Account 566 | | | | | |
| 54 | Amortization of Regulatory Asset | Attachment 4 | 187,264 | DA | 1.00000 | 187,264 |
| 55 | Miscellaneous Transmission Expense | Attachment 4 | - | DA | 1.00000 | - |
| 56 | Total Account 566 | | 187,264 | | | 187,264 |
| 57 | TOTAL O&M (sum lines 44, 47, 49, 50, 51, 52, 56 less lines 45,46, 48) | | 2,164,461 | | | 2,164,461 |
| 58 | DEPRECIATION EXPENSE | | | | | |
| 59 | Transmission | 336.7.b & c | 8,318 | TP | 1.00000 | 8,318 |
| 60 | General and Intangible | 336.1.d&e + 336.10.b.c.d&e | 1,942 | W/S | 1.00000 | 1,942 |
| 61 | Common | 336.11.b & c | - | CE | 1.00000 | - |
| 62 | Amortization of Abandoned Plant | (Attachment 4) | - | DA | 1.00000 | - |
| 63 | TOTAL DEPRECIATION (Sum lines 59-62) | | 10,260 | | | 10,260 |
| 64 | TAXES OTHER THAN INCOME TAXES (Note E) | | | | | |
| 65 | LABOR RELATED | | | | | |
| 66 | Payroll | 263i | - | W/S | 1.00000 | - |
| 67 | Highway and vehicle | 263i | - | W/S | 1.00000 | - |
| 68 | PLANT RELATED | | | | | |
| 69 | Property | 263i | 98,586 | GP | 1.00000 | 98,586 |
| 70 | Gross Receipts | 263i | - | NA | 0.00000 | - |
| 71 | Other | 263i | 4,759 | GP | 1.00000 | 4,759 |
| 72 | Payments in lieu of taxes | | - | GP | 1.00000 | - |
| 73 | TOTAL OTHER TAXES (sum lines 66-72) | | 103,345 | | | 103,345 |
| 74 | INCOME TAXES | (Note F) | | | | |
| 75 | $T=1 - \frac{((1 - \text{SIT}) * (1 - \text{FIT}))}{(1 - \text{SIT} * \text{FIT} * p)}$ | | 40.26% | | | |
| 76 | $\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$ | | 43.62% | | | |
| 77 | where WCLTD=(line 118) and R=(line 121) | | | | | |
| 78 | and FIT, SIT & p are as given in footnote F. | | | | | |
| 79 | $1 / (1 - T) = (T \text{ from line } 75)$ | | 1.6738 | | | |
| 80 | Amortized Investment Tax Credit | (266.8f) (enter negative) | 0 | | | |
| 81 | Income Tax Calculation = line 76 * line 85 | | 2,805,594 | NA | | 2,805,594 |
| 82 | ITC adjustment (line 79 * line 80) | | 0 | NP | 1.00000 | - |
| 83 | Total Income Taxes | (line 81 plus line 82) | 2,805,594 | | | 2,805,594 |
| 84 | RETURN | | | | | |
| 85 | [Rate Base (line 42) * Rate of Return (line 121)] | | 6,432,389 | NA | | 6,432,389 |
| 86 | REV. REQUIREMENT (sum lines 57, 63, 73, 83, 85) | | 11,516,049 | | | 11,516,049 |

Formula Rate - Non-Levelized

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2011

PATH Allegheny Transmission Company, LLC
SUPPORTING CALCULATIONS AND NOTES

87 TRANSMISSION PLANT INCLUDED IN ISO RATES

| | | | |
|----|---|--|------------|
| 88 | Total transmission plant (line 7, column 3) | | 19,851,930 |
| 89 | Less transmission plant excluded from ISO rates (Note H) | | 0 |
| 90 | Less transmission plant included in OATT Ancillary Services (Note H) | | 0 |
| 91 | Transmission plant included in ISO rates (line 88 less lines 89 & 90) | | 19,851,930 |

92 Percentage of transmission plant included in ISO Rates (line 91 divided by line 88) [If line 88 equal zero, enter 1] TP= 1.0000

93 TRANSMISSION EXPENSES

| | | | |
|----|---|--|---------|
| 94 | | | |
| 95 | Total transmission expenses (line 44, column 3) | | 187,264 |
| 96 | Less transmission expenses included in OATT Ancillary Services (Note G) | | 0 |
| 97 | Included transmission expenses (line 95 less line 96) | | 187,264 |

98 Percentage of transmission expenses after adjustment (line 97 divided by line 95) [If line 95 equal zero, enter 1] TP= 1.00000

99 Percentage of transmission plant included in ISO Rates (line 92) TP= 1.00000

100 Percentage of transmission expenses included in ISO Rates (line 98 times line 99) TE= 1.00000

101 WAGES & SALARY ALLOCATOR (W&S)

| 102 | Form 1 Reference | \$ | TP | Allocation | | | |
|-----|--|----------------|-------|------------|-------|------------------------------------|--------------|
| 103 | Production | 354.20.b | 0 | | | | |
| 104 | Transmission | 354.21.b | 9,322 | 1.00 | 9,322 | | |
| 105 | Distribution | 354.23.b | 0 | | | | |
| 106 | Other | 354.24,25,26.b | 0 | 1.00 | 0 | W&S Allocator (\$ / Allocation) | |
| 107 | Total (sum lines 103-106) [TP equals 1 if there are no wages & salaries] | | 9,322 | | 9,322 | = | 1.00000 = WS |

108 COMMON PLANT ALLOCATOR (CE) (Note I)

| 109 | | \$ | | % Electric (line 110 / line 113) | W&S Allocator (line 107) | | CE |
|-----|-----------------------------|---------|---|-------------------------------------|-----------------------------|--|----|
| 110 | Electric | 200.3.c | 0 | | | | |
| 111 | Gas | 201.3.d | 0 | | | | |
| 112 | Water | 201.3.e | 0 | | | | |
| 113 | Total (sum lines 110 - 112) | | 0 | | | | |

1.00000 x 1.00000 = 1.00000

114 RETURN (R)

\$

115

116

117

| 118 | | (Attachment 4) | \$ | % | Cost | Weighted | |
|-----|---------------------------|----------------|----|-----|--------|----------|--------|
| 118 | Long Term Debt (Note K) | (Attachment 4) | 0 | 50% | 6.76% | 0.0338 | =WCLTD |
| 119 | Preferred Stock | (Attachment 4) | 0 | 0% | 0.00% | 0.0000 | |
| 120 | Common Stock (Note J) | (Attachment 4) | 0 | 50% | 12.40% | 0.0620 | |
| 121 | Total (sum lines 118-120) | | 0 | | | 0.0958 | =R |

SUPPORTING CALCULATIONS AND NOTES

Attachment A
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

PATH Allegheny Transmission Company, LLC

For the 12 months ended 12/31/2011

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note

Letter

- A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
- B Identified in Form 1 as being only transmission related.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission
Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
- D EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, except safety, education, siting and out-reach related advertising included in Account 930.1. Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- E Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- F 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 is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 9, line 79).
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | SIT= | 8.09% (State Income Tax Rate or Composite SIT from Attachment 4) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
- G Removes dollar amount of transmission expenses included in the OATT ancillary services rates, if any.
- H Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- I Enter dollar amounts
- J The ROE consists of a base ROE of 10.40%, a 50 basis point adder for participation in PJM and a 150 basis point Incentive ROE adder. No change in ROE may be made absent a Section 205 or 206 filing with FERC and no filing to change the ROE may be made by a Settling Party or Non-Opposing Party (as defined in the Settlement Agreement filed on October 7, 2011 in Docket No. ER08-386-000, et al.) except in accordance with the provisions of Section 3.2 of the Settlement Agreement.
- K The percentage shown for Long Term Debt is subject to the Annual Update and Attachment 6 and Attachment 9.

**Attachment 1 - Revenue Credit Workpaper
PATH West Virginia Transmission Company, LLC**

Account 454 - Rent from Electric Property

1 Rent from FERC Form No. 1 - Note 6

2 Other Electric Revenues

See

3 Schedule 1A

4 PTP Serv revs for which the load is not included in the divisor received by TO

5 PJM Transitional Revenue Neutrality (Note 1)

6 PJM Transitional Market Expansion (Note 1)

7 Professional Services (Note 3)

8 Revenues from Directly Assigned Transmission Facility Charges (Note 2)

9 Rent or Attachment Fees associated with Transmission Facilities (Note 3)

10 Gross Revenue Credits

Sum lines 2-9 + line 1

11 Less line 20

less line 18

12 Total Revenue Credits

line 10 + line 11

13 Revenues associated with lines 13 thru 18 are to be included in lines 1-9 and total of those revenues entered here

14 Income Taxes associated with revenues in line 15

15 One half margin (line 13 - line 14)/2

16 All expenses (other than income taxes) associated with revenues in line 13 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.

17 Line 15 plus line 16

18 Line 13 less line 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 page 2, line 2 of Rate Formula Template.

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.

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). DLC will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 15 - 20, 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).

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 are not included in the total above to the extent they are credited under Schedule 12.

**Attachment 1 - Revenue Credit Workpaper
PATH West Virginia Transmission Company, LLC**

Note 5 Other electric Revenues - includes revenues for various related electricity products/premium services such as surge protectors and appliance guards

Note 6 All Account 454 and 456 Revenues must be itemized below

| | | |
|--|---------|----|
| Account 454 | Include | \$ |
| Joint pole attachments - telephone | Include | - |
| Joint pole attachments - cable | Include | - |
| Underground rentals | Include | - |
| Transmission tower wireless rentals | Include | - |
| Other rentals | Include | - |
| Corporate headquarters sublease | Include | - |
| Misc non-transmission rentals | Include | - |
| Customer commitment services | Include | - |
| xxxx | | - |
| xxxx | | - |
| Total | | - |
| Account 456 | Include | - |
| Other electric revenues | Include | - |
| Transmission Revenue - Firm | Include | - |
| Transmission Revenue - Non-Firm | Include | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| Total | | - |
| Total Account 454 and 456 included | | - |
| Payments by PJM of the revenue requirement calculated on Rate Formula Template | Exclude | - |
| Total Account 454 and 456 included and excluded | | - |

Attachment 1 - Revenue Credit Workpaper
PATH Allegheny Transmission Company, LLC

Table with columns for description, calculation, and amount. Includes items like 'Account 454 - Rent from Electric Property', 'Other Electric Revenues', 'Gross Revenue Credits', and 'Total Revenue Credits'.

- Note 1: All revenues related to transmission that are received as a transmission owner...
Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included...
Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets...
Note 4: If the facilities associated with the revenues are not included in the formula...
Note 5: Other electric Revenues - includes revenues for various related electricity products/premium services...

**Attachment 1 - Revenue Credit Workpaper
PATH Allegheny Transmission Company, LLC**

Note 6 All Account 454 and 456 Revenues must be itemized below

| | | |
|--|---------|--------|
| Account 454 | Include | \$ |
| Joint pole attachments - telephone | Include | - |
| Joint pole attachments - cable | Include | - |
| Underground rentals | Include | - |
| Transmission tower wireless rentals | Include | - |
| Other rentals | Include | - |
| Corporate headquarters sublease | Include | - |
| Misc non-transmission rentals | Include | 30,000 |
| Customer commitment services | Include | - |
| xxxx | | |
| xxxx | | |
| Total | | 30,000 |
| Account 456 | Include | - |
| Other electric revenues | Include | - |
| Transmission Revenue - Firm | Include | - |
| Transmission Revenue - Non-Firm | Include | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| xxxx | | - |
| Total | | - |
| Total Account 454 and 456 included | | 30,000 |
| Payments by PJM of the revenue requirement calculated on Rate Formula Template | Exclude | - |
| Total Account 454 and 456 included and excluded | | 30,000 |

Attachment 3 - Calculation of Carrying Charges
PATH West Virginia Transmission Company, LLC

1 Calculation of Composite Depreciation Rate

| | | | |
|---|--|-----------------------|----------|
| 2 | Transmission Plant @ Beginning of Period | (Attachment 4) | - |
| 3 | Transmission Plant @ End of Period | (Attachment 4) | - |
| 4 | Sum | (sum lines 2 & 3) | <u>-</u> |
| 5 | Average Balance of Transmission Investment | (line 4/2) | - |
| 6 | Depreciation Expense | Rate Formula Template | <u>-</u> |
| 7 | Composite Depreciation Rate | (line 6/ line 5) | 0.00% |
| 8 | Depreciable Life for Composite Depreciation Rate | (1/line 7) | - |
| 9 | Round line 8 to nearest whole year | | - |

Attachment 3 - Calculation of Carrying Charges
PATH Allegheny Transmission Company, LLC

1 Calculation of Composite Depreciation Rate

| | | | |
|---|--|-----------------------|------------|
| 2 | Transmission Plant @ Beginning of Period | (Attachment 4) | 19,853,686 |
| 3 | Transmission Plant @ End of Period | (Attachment 4) | 19,851,783 |
| 4 | Sum | (sum lines 2 & 3) | 39,705,469 |
| 5 | Average Balance of Transmission Investment | (line 4/2) | 19,852,735 |
| 6 | Depreciation Expense | Rate Formula Template | 8,318 |
| 7 | Composite Depreciation Rate | (line 6/ line 5) | 0.04% |
| 8 | Depreciable Life for Composite Depreciation Rate | (1/line 7) | 2,386.72 |
| 9 | Round line 8 to nearest whole year | | 2,387 |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

| Plant in Service Worksheet | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Balance |
|----------------------------|--|--|------|---------|
| | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | Source | Year | |
| 1 | Calculation of Transmission Plant In Service | | | |
| 2 | December | p206.58.b | 2010 | |
| 3 | January | company records | 2011 | |
| 4 | February | company records | 2011 | |
| 5 | March | company records | 2011 | |
| 6 | April | company records | 2011 | |
| 7 | May | company records | 2011 | |
| 8 | June | company records | 2011 | |
| 9 | July | company records | 2011 | |
| 10 | August | company records | 2011 | |
| 11 | September | company records | 2011 | |
| 12 | October | company records | 2011 | |
| 13 | November | company records | 2011 | |
| 14 | December | p207.58.g | 2011 | |
| 15 | Transmission Plant In Service | (sum lines 2-14) /13 | | |
| 16 | Calculation of Distribution Plant In Service | | | |
| 17 | December | p206.75.b | 2010 | |
| 18 | January | company records | 2011 | |
| 19 | February | company records | 2011 | |
| 20 | March | company records | 2011 | |
| 21 | April | company records | 2011 | |
| 22 | May | company records | 2011 | |
| 23 | June | company records | 2011 | |
| 24 | July | company records | 2011 | |
| 25 | August | company records | 2011 | |
| 26 | September | company records | 2011 | |
| 27 | October | company records | 2011 | |
| 28 | November | company records | 2011 | |
| 29 | December | p207.75.g | 2011 | |
| 30 | Distribution Plant In Service | (sum lines 17-29) /13 | | |
| 31 | Calculation of Intangible Plant In Service | | | |
| 32 | December | p204.5.b | 2010 | |
| 33 | December | p205.5.g | 2011 | |
| 34 | Intangible Plant In Service | (sum lines 32 & 33) /2 | | |
| 35 | Calculation of General Plant In Service | | | |
| 36 | December | p206.99.b | 2010 | |
| 37 | December | p207.99.g | 2011 | |
| 38 | General Plant In Service | (sum lines 36 & 37) /2 | | |
| 39 | Calculation of Production Plant In Service | | | |
| 40 | December | p204.46b | 2010 | |
| 41 | January | company records | 2011 | |
| 42 | February | company records | 2011 | |
| 43 | March | company records | 2011 | |
| 44 | April | company records | 2011 | |
| 45 | May | company records | 2011 | |
| 46 | March | Attachment 6 | 2011 | |
| 47 | April | company records | 2011 | |
| 48 | August | company records | 2011 | |
| 49 | September | company records | 2011 | |
| 50 | October | company records | 2011 | |
| 51 | November | company records | 2011 | |
| 52 | December | p205.46.g | 2011 | |
| 53 | Production Plant In Service | (sum lines 40-52) /13 | | |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

| | Source | Year | Balance |
|----|--|------|---------|
| 54 | Calculation of Common Plant In Service | | |
| 55 | December (Electric Portion) | 2010 | - |
| 56 | December (Electric Portion) | 2011 | - |
| 57 | Common Plant In Service | | |
| | (sum lines 55 & 56) / 2 | | - |
| 58 | Total Plant In Service | | - |
| | (sum lines 15, 30, 34, 38, 53, & 57) | | - |

| Accumulated Depreciation Worksheet | | | | Details |
|--|--|------|---------|---------|
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | |
| | Source | Year | Balance | |
| 59 | Calculation of Transmission Accumulated Depreciation | | | |
| 60 | December | 2010 | - | |
| 61 | January | 2011 | - | |
| 62 | February | 2011 | - | |
| 63 | March | 2011 | - | |
| 64 | April | 2011 | - | |
| 65 | May | 2011 | - | |
| 66 | June | 2011 | - | |
| 67 | July | 2011 | - | |
| 68 | August | 2011 | - | |
| 69 | September | 2011 | - | |
| 70 | October | 2011 | - | |
| 71 | November | 2011 | - | |
| 72 | December | 2011 | - | |
| 73 | Transmission Accumulated Depreciation | | - | |
| | (sum lines 60-72) / 13 | | - | |
| 74 | Calculation of Distribution Accumulated Depreciation | | | |
| 75 | December | 2010 | - | |
| 76 | January | 2011 | - | |
| 77 | February | 2011 | - | |
| 78 | March | 2011 | - | |
| 79 | April | 2011 | - | |
| 80 | May | 2011 | - | |
| 81 | June | 2011 | - | |
| 82 | July | 2011 | - | |
| 83 | August | 2011 | - | |
| 84 | September | 2011 | - | |
| 85 | October | 2011 | - | |
| 86 | November | 2011 | - | |
| 87 | December | 2011 | - | |
| 88 | Distribution Accumulated Depreciation | | - | |
| | (sum lines 75-87) / 13 | | - | |
| 89 | Calculation of Intangible Accumulated Depreciation | | | |
| 90 | December | 2010 | - | |
| 91 | December | 2011 | - | |
| 92 | Accumulated Intangible Depreciation | | - | |
| | (sum lines 90 & 91) / 2 | | - | |
| 93 | Calculation of General Accumulated Depreciation | | | |
| 94 | December | 2010 | - | |
| 95 | December | 2011 | - | |
| 96 | Accumulated General Depreciation | | - | |
| | (sum lines 94 & 95) / 2 | | - | |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

| | Source | Year | Balance |
|-----|---|--|---------|
| 97 | <u>Calculation of Production Accumulated Depreciation</u> | | |
| 98 | December | 2010 | - |
| 99 | January | 2011 | - |
| 100 | February | 2011 | - |
| 101 | March | 2011 | - |
| 102 | April | 2011 | - |
| 103 | May | 2011 | - |
| 104 | June | 2011 | - |
| 105 | July | 2011 | - |
| 106 | August | 2011 | - |
| 107 | September | 2011 | - |
| 108 | October | 2011 | - |
| 109 | November | 2011 | - |
| 110 | December | 2011 | - |
| 111 | Production Accumulated Depreciation | (sum lines 98-110)/13 | - |
| 112 | <u>Calculation of Common Accumulated Depreciation</u> | | |
| 113 | December (Electric Portion) | 2010 | - |
| 114 | December (Electric Portion) | 2011 | - |
| 115 | Common Plant Accumulated Depreciation (Electric Only) | (sum lines 113 & 114)/2 | - |
| 116 | Total Accumulated Depreciation | (sum lines 73, 88, 92, 96, 111, & 115) | - |

| ADJUSTMENTS TO RATE BASE (Note A) | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Details | |
|-----------------------------------|----------------------------------|--|-------------|-----------------|--|
| | | Beginning of Year | End of Year | Average Balance | |
| 117 | Account No. 281 (enter negative) | 273.8.k | - | 0 | |
| 118 | Account No. 282 (enter negative) | 275.2.k | (364) | -364 | |
| 119 | Account No. 283 (enter negative) | 277.9.k | - | 0 | |
| 120 | Account No. 190 | 234.8.c | 5,060,630 | 5,060,630 | |
| 121 | Account No. 255 (enter negative) | 267.8.h | - | 0 | |
| 122 | Unamortized Abandoned Plant | Per FERC Order | - | 0 | |
| 123 | Prepayments (Account 165) | 111.57.c | 43,540 | 43,540 | |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

| | Source | 2010 | 2011 | Amos Substation Upgrade | Amos to Weilton Spring Line | Weilton Spring Substation and SVC | Weilton Spring to Interconnection with PATH Allegheny | Total |
|-----|----------------------------------|---------------|------|-------------------------|-----------------------------|-----------------------------------|---|---------------|
| 124 | Calculation of Transmission CWIP | | | | | | | |
| 125 | December | \$ 49,802,901 | | 1,318,981.65 | 39,942,340.82 | 1,214,082.85 | 7,327,495.71 | 49,802,901.03 |
| 126 | January | 51,864,453 | | 1,329,464.17 | 41,442,314.06 | 1,228,233.13 | 7,864,441.83 | 51,864,453.19 |
| 127 | February | 53,208,342 | | 1,332,491.06 | 42,523,283.41 | 1,247,175.82 | 8,105,391.42 | 53,208,342.11 |
| 128 | March | 55,571,234 | | 1,336,442.54 | 44,498,604.04 | 1,264,125.92 | 8,472,061.14 | 55,571,233.64 |
| 129 | April | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 130 | May | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 131 | June | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 132 | July | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 133 | August | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 134 | September | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 135 | October | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 136 | November | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 137 | December | 54,312,028 | | 1,337,844.40 | 43,522,125.26 | 1,269,427.52 | 8,182,630.91 | 54,312,028.09 |
| 138 | Transmission CWIP | 53,788,860 | | 1,335,229.16 | 43,085,051.51 | 1,259,881.95 | 8,108,687.56 | 53,788,860.18 |

LAND HELD FOR FUTURE USE

| | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions p214 | Beg of year | End of Year | Average | Details |
|-----|---|-------------|-------------|------------|---------|
| 139 | LAND HELD FOR FUTURE USE | 10,218,905 | 10,218,905 | 10,218,905 | |
| | Total Non-transmission Related | 10,218,905 | 10,218,905 | 10,218,905 | |

EPRI Dues Cost Support

| | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions p352-353 | EPRI Dues | Common Expenses | EPRI Dues | Common Expenses | Details |
|-----|---|-----------|-----------------|-----------|-----------------|---------|
| 140 | Allocated General & Common Expenses | | | | | |
| | EPRI Dues & Common Expenses | | | | | |

Regulatory Expense Related to Transmission Cost Support

| | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | Form 1 Amount | Transmission Related | Non-transmission Related | Details |
|-----|--|---------------|----------------------|--------------------------|---------|
| 141 | Directly Assigned A&G Regulatory Commission Exp Account 928 | | | | |
| | | | | | |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

| | | | | | |
|--|--|--|---------|---------|---------|
| Safety Related Advertising, Education and Out Reach Cost Support | | Safety, Education, Siting & Outreach Related | | Details | |
| 142 | Directly Assigned A&G General Advertising Exp Account 930.1 | 400,000 | 400,000 | None | None |
| Multi-state Workpaper | | | | | |
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | State 1 | State 2 | State 3 | State 4 |
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | State 1 | State 2 | State 3 | State 4 |
| Income Tax Rates | | | WV | | |
| SIT=State Income Tax Rate or Composite | | | 8.500% | | 8.50% |

| | | | | | |
|---|--|--|--|---------------------------------------|--|
| Excluded Plant Cost Support | | Excluded Transmission Facilities | | Description of the Facilities | |
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | General Description of the Facilities | |
| 144 | Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | Enter \$ | | None | |
| Instructions: | | Or | | | |
| 1 Remove all investment below 69 KV facilities, including the investment allocated to distribution of a dual function substation, generator, interconnection and local and direct assigned facilities for which separate costs are charged and step-up generation substation included in transmission plant in service. | | Enter \$ | | | |
| 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: | | | | | |
| Example | | | | | |
| 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 | | | | | |

| | | | | | | | |
|--|-----------------------------------|--|--|--|--|--|--|
| Materials & Supplies | | Beg of year | | End of Year | | Average | |
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | |
| 145 | Assigned to O&M | p227.6 | | | | | |
| 146 | Stores Expense Undistributed | p227.16 | | | | | |
| 147 | Undistributed Stores Exp | | | | | | |
| 148 | Transmission Materials & Supplies | p227.8 | | | | | |

| | | | | | | | |
|--|---|--|-----------|--|--|--|--|
| Regulatory Asset | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | |
| 149 | Beginning Balance of Regulatory Asset | p111.72.d (and notes) | 2,678,557 | | | | |
| 150 | Months Remaining in Amortization Period | (line 149 - line 153) / 152 | 46 | | | | |
| 151 | Monthly Amortization | | 103,021 | | | | |
| 152 | Months in Year to be amortized | p111.72.c | 12 | | | | |
| 153 | Ending Balance of Regulatory Asset | (line 149 + line 153) / 2 | 1,442,300 | | | | |
| 154 | Average Balance of Regulatory Asset | | 2,060,428 | | | | |
| Reference FERC Form 1 page 232 for details. Uncapitalized costs as of date the rates become effective As approved by FERC Number of months rates are in effect during the calendar year | | | | | | | |

Attachment 4 - Cost Support
PATH West Virginia Transmission Company, LLC

Capital Structure
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

| | Year | Debt | Preferred Stock | Common Stock |
|-----|--|------|-----------------|--------------|
| 155 | Monthly Balances for Capital Structure | | | |
| 156 | January 2009 | 0 | 0 | 0 |
| 157 | February 2009 | | | |
| 158 | March 2009 | | | |
| 159 | April 2009 | | | |
| 160 | May 2009 | | | |
| 161 | June 2009 | | | |
| 162 | July 2009 | | | |
| 163 | August 2009 | | | |
| 164 | September 2009 | | | |
| 165 | October 2009 | | | |
| 166 | November 2009 | | | |
| 167 | December 2009 | | | |
| 168 | Average | 0 | 0 | 0 |
| 169 | Total | 0 | 0 | 0 |

Note: the amount outstanding for debt retired during the year is the outstanding amount as of the last month it was outstanding; the equity is less Account 216-1, Preferred Stock, and Account 219, and the capital structure is fixed at 50/50 until the first two lines are placed in service

Detail of Account 566 Miscellaneous Transmission Expenses
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

| | Total | |
|-----|--|--------------|
| 170 | Amortization Expense on Regulatory Asset | 1,236,257.00 |
| 171 | Miscellaneous Transmission Expense | |
| 172 | Total Account 566 | 1,236,257.00 |

Footnote Data: Schedule
Page 320 b, 97

PBOPs
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

| 173 | Calculation of PBOP Expenses | |
|-----|---|---------------|
| 174 | PATH-WV - AEP Employees | \$117,254,159 |
| 175 | Total PBOP expenses | \$0 |
| 176 | Amount relating to retired personnel | \$117,254,159 |
| 177 | Amount allocated on Labor | 1,151,954,661 |
| 178 | Labor dollars | \$0,102 |
| 179 | Cost per labor dollar | 629,000 |
| 180 | PATH WV labor (labor not capitalized) current year | \$64,024 |
| 181 | PATH WV PBOP Expense for current year | \$116,844 |
| 182 | PATH WV PBOP Expense in Account 926 for current year | -\$52,820 |
| 183 | PBOP Adjustment for Appendix A, Line 50 | |
| 184 | Lines 175-179 cannot change absent approval or acceptance by FERC in a separate proceeding. | |
| 184 | PATH-WV - Allsechery Employees | \$22,856,433 |
| 185 | Total PBOP expenses | \$5,786,372 |
| 186 | Amount relating to retired personnel | \$14,070,061 |
| 187 | Amount allocated on FTEs | 4,474 |
| 188 | Number of FTEs | \$3,145 |
| 189 | Cost per FTE | 1.81 |
| 190 | PATH WV FTEs (labor not capitalized) current year | \$5,676 |
| 191 | PATH WV PBOP Expense for current year | \$5,812 |
| 192 | PATH WV PBOP Expense in Account 926 for current year | -\$136 |
| 193 | PBOP Adjustment for Appendix A, Line 50 | |
| 194 | Lines 185-189 cannot change absent approval or acceptance by FERC in a separate proceeding. | |

195

PBOP Expense adjustment

(sum lines 183 & 193)

-\$52,955

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Attachment 4 - Cost Support PATH Allegheny Transmission Company, LLC | | | | | | | | | | | | | | | | | | |
| 208 | | | | | | | | | | | | | | | | | | |
| 209 | | | | | | | | | | | | | | | | | | |
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| 259 | | | | | | | | | | | | | | | | | | |

| Attachment A Line #s | Descriptions, Notes, Form 1 Page #s and Instructions | Begin of year | End of Year | Average |
|----------------------|--|---------------|-------------|---------|
| 254 | 149 Assigned to O&M | | | |
| 255 | 146 Stores Expense Undisbursed | | | |
| 256 | 147 Undistributed Stores Exp | | | |
| 257 | 148 Transmission Materials & Supplies | | | |
| 258 | Regulatory Asset | | | |
| 259 | Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | |
| 254 | 149 Beginning Balance of Regulatory Asset | | 405,730 | |
| 255 | 150 Months Remaining in Amortization Period | | 26 | |
| 256 | 151 Monthly Amortization | | 15,605 | |
| 257 | 152 Months in Year to be Amortized | | 12 | |
| 258 | 153 Ending Balance of Regulatory Asset | | 218,475 | |
| 259 | 154 Average Balance of Regulatory Asset | | 312,107 | |

Reference FERC Form 1 page 232 for details
Uncapitalize costs as of date the rates become effective
As approved by FERC
Number of months rates are in effect during the calendar year

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | |
|-----|-----|--|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
| 260 | | | | | | | | | | | | | | | | | | | |
| 261 | | | | | | | | | | | | | | | | | | | |
| 262 | | | | | | | | | | | | | | | | | | | |
| 263 | | | | | | | | | | | | | | | | | | | |
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| 265 | | | | | | | | | | | | | | | | | | | |
| 266 | | | | | | | | | | | | | | | | | | | |
| 267 | | | | | | | | | | | | | | | | | | | |
| 268 | | | | | | | | | | | | | | | | | | | |
| 269 | | | | | | | | | | | | | | | | | | | |
| 270 | | | | | | | | | | | | | | | | | | | |
| 271 | | | | | | | | | | | | | | | | | | | |
| 272 | | | | | | | | | | | | | | | | | | | |
| 273 | 155 | Monthly Balances for Capital Structure | | | | | | | | | | | | | | | | | |
| 274 | 156 | January | 2009 | | | | | | | | | | | | | | | | |
| 275 | 157 | February | 2009 | | | | | | | | | | | | | | | | |
| 276 | 158 | March | 2009 | | | | | | | | | | | | | | | | |
| 277 | 159 | April | 2009 | | | | | | | | | | | | | | | | |
| 278 | 160 | May | 2009 | | | | | | | | | | | | | | | | |
| 279 | 161 | June | 2009 | | | | | | | | | | | | | | | | |
| 280 | 162 | July | 2009 | | | | | | | | | | | | | | | | |
| 281 | 163 | August | 2009 | | | | | | | | | | | | | | | | |
| 282 | 164 | September | 2009 | | | | | | | | | | | | | | | | |
| 283 | 165 | October | 2009 | | | | | | | | | | | | | | | | |
| 284 | 166 | November | 2009 | | | | | | | | | | | | | | | | |
| 285 | 167 | December | 2009 | | | | | | | | | | | | | | | | |
| 286 | 168 | Average | 2009 | | | | | | | | | | | | | | | | |
| 287 | 169 | | | | | | | | | | | | | | | | | | |
| 288 | 170 | Note: the amount outstanding for debt retired during the year is the outstanding amount as of the last month it was outstanding; the equity is less Account 216.1, Preferred Stock, and Account 219, and the capital structure is fixed at 50/50 until the first two lines are placed in service | | | | | | | | | | | | | | | | | |
| 289 | | | | | | | | | | | | | | | | | | | |
| 290 | | | | | | | | | | | | | | | | | | | |
| 291 | | | | | | | | | | | | | | | | | | | |
| 292 | | | | | | | | | | | | | | | | | | | |
| 293 | | | | | | | | | | | | | | | | | | | |
| 294 | 170 | Amortization Expense on Regulatory Asset | | | | | | | | | | | | | | | | | |
| 295 | 171 | Miscellaneous Transmission Expense | | | | | | | | | | | | | | | | | |
| 296 | 172 | Total Account 588 | | | | | | | | | | | | | | | | | |
| 297 | | | | | | | | | | | | | | | | | | | |
| 298 | | | | | | | | | | | | | | | | | | | |
| 299 | | | | | | | | | | | | | | | | | | | |
| 300 | | | | | | | | | | | | | | | | | | | |
| 301 | | | | | | | | | | | | | | | | | | | |
| 302 | | | | | | | | | | | | | | | | | | | |
| 303 | 174 | PATH - Allegheny - Allegheny Employees | | | | | | | | | | | | | | | | | |
| 304 | 175 | Total PBOP expenses | | | | | | | | | | | | | | | | | |
| 305 | 176 | Amount relating to retired personnel | | | | | | | | | | | | | | | | | |
| 306 | 177 | Amount allocated on FTEs | | | | | | | | | | | | | | | | | |
| 307 | 178 | Number of FTEs | | | | | | | | | | | | | | | | | |
| 308 | 179 | Cost per FTE | | | | | | | | | | | | | | | | | |
| 309 | 180 | PATH Allegheny FTEs (labor not capitalized) current year | | | | | | | | | | | | | | | | | |
| 310 | 181 | PATH Allegheny PBOP Expense for current year | | | | | | | | | | | | | | | | | |
| 311 | 182 | PATH Allegheny PBOP Expense by Account 926 for current year | | | | | | | | | | | | | | | | | |
| 312 | 183 | PBOP Adjustment for Appendix A, Line 50 | | | | | | | | | | | | | | | | | |
| 313 | 184 | Lines 175-179 cannot change absent approval or acceptance by FERC in a separate proceeding. | | | | | | | | | | | | | | | | | |
| 314 | | | | | | | | | | | | | | | | | | | |
| 315 | | | | | | | | | | | | | | | | | | | |

Attachment 4 - Cost Support
PATH Allegheny Transmission Company, LLC

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Total
187,284
Footnote Dair: Schedule
Page 320 b. 97
187,284

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Calculation of PBOP Expenses
\$22,858,433
\$8,788,372
\$14,070,061
4,475
\$3,144
1,64
\$5,144
\$4,750
394

Attachment 5 - Transmission Enhancement Charge Worksheet
 PATH West Virginia Transmission Company, LLC

New Plant Carrying Charge

| | | |
|---|-----------------------------------|------------|
| Formula Line | Item | |
| 5 | NET REVENUE REQUIREMENT | 8,803,166 |
| 21 | NET TRANSMISSION PLANT IN SERVICE | - |
| 32 | CWIP | 53,788,860 |
| Carrying charge (line 3/sum of lines 4 and 5) | | 0.16366 |

(1) (2) (3) (4) (5) (6)

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: b0490 & b0491 | | | | |
|-------------------------------------|--------------------------------|-------------------------------|------------------------------------|--|-------------------------------|------------|
| Details | Amos Substation Upgrade - CWIP | Amos to Midpoint Line - CWIP | Midpoint Substation and SVC - CWIP | Midpoint to Interconnection with PATH Allegheny - CWIP | Transmission Plant In Service | Totals |
| Schedule 12 FCR for This Project | Yes 16.4% | Yes 16.4% | Yes 16.4% | 16.4% | Yes 16.4% | |
| Investment Revenue Requirement | 1,335,229 | 43,085,052 | 1,259,882 | 8,108,698 | - | 53,788,860 |
| | 218,525.61 | 7,051,364.31 | 206,194.17 | 1,327,081.63 | - | 8,803,166 |

9 "Yes" if a project under PJM OATT Schedule 12, otherwise "No"

10 Forecast -- Forecast of average 13 month current year net transmission plant plus 13-mo CWIP balances.

11 Reconciliation -- Average of 13 month prior year net transmission plant balances plus prior year 13-mo CWIP balances.

12

Attachment 5 - Transmission Enhancement Charge Worksheet
PATH Allegheny Transmission Company, LLC

New Plant Carrying Charge

| Formula Line | Item | |
|---|-----------------------------------|------------|
| 5 | NET REVENUE REQUIREMENT | 12,631,716 |
| 21 | NET TRANSMISSION PLANT IN SERVICE | 19,838,759 |
| 32 | CWIP | 44,824,953 |
| Carrying charge (line 3/sum of lines 4 and 5) | | 0.19534 |

(1) (2) (3) (4) (5)

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: b0492 & b0560 | | | | |
|--------------------------------|-------------|-------------------------------|--|---|-------------------------------|---------------|
| Details | | Kempdown Substation - CWIP | Kempdown to Interconnection with PATH West Virginia - CWIP | Welton Spring Substation and SVC - CWIP | Transmission Plant In Service | Totals |
| Schedule 12 | (Yes or No) | | | | | |
| FCR for This Project | | Yes | Yes | Yes | Yes | |
| | | 19.5% | 19.5% | 19.5% | 19.5% | |
| | | | | | | |
| | | 7,811,575 | 33,209,483 | 3,803,894 | 19,838,759 | 64,663,711 |
| Investment Revenue Requirement | | 1,525,950.12 | 6,487,297.97 | 743,070.73 | 3,875,397.23 | 12,631,716.05 |

"Yes" if a project under PJM OATT Schedule 12, otherwise "No"

Forecast - Forecast of average 13 month current year net transmission plant plus 13-mo CWIP balances.
 Reconciliation - Average of 13 month prior year net transmission plant balances plus prior year 13-mo CWIP balances.

1

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Attachment 6 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology -- PATH-WV
HYPOTHETICAL EXAMPLE

PATH anticipates its financing will be a 7 year loan, where by PATH pays Origination Fees of \$7.9 million and a Commitments Fee of 0.375% on the undrawn principle. Consistent with GAAP, PATH will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, PATH will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

| | |
|-------------------|----------------|
| Total Loan Amount | \$ 600,000,000 |
|-------------------|----------------|

| | |
|---|-------|
| Internal Rate of Return ¹ | 6.64% |
| Based on following Financial Formula ² : | |

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

| | |
|---------------------------------|------------------|
| Origination Fees | - |
| Underwriting Discount | - |
| Arrangement Fee | 2,000,000 |
| Upfront Fee | 4,400,000 |
| Rating Agency Fee | 200,000 |
| Legal Fees | 1,250,000 |
| Total Issuance Expense | <u>7,850,000</u> |
| Annual Rating Agency Fee | 200,000 |
| Annual Bank Agency Fee | 75,000 |
| Revolving Credit Commitment Fee | 0.375% |

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| LIBOR Rate | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% |
| Spread | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% |
| Interest Rate | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% |

| (A) Year | (B) | (C) Capital Expenditures (\$000's) | (D) Principle Drawn In Quarter (\$000's) | (E) Principle Drawn To Date (\$000's) | (F) Interest Expense (\$000's) | (G) Origination Fees (\$000's) | (H) Commitment & Utilization Fee (\$000's) | (I) Net Cash Flows (\$000's) (D-F-G-H) |
|------------------|-----|---------------------------------------|---|--|-----------------------------------|-----------------------------------|---|---|
| Prior to 11/2008 | | 16,529 | | | | | | |
| 11/30/2008 | Q4 | 8,923 | | - | - | | | - |
| 2/15/2009 | Q1 | 14,636 | 20,044 | 20,044 | - | 125 | | 19,919 |
| 5/15/2009 | Q2 | 17,119 | 8,560 | 28,604 | 297 | | | 8,262 |
| 8/15/2009 | Q3 | 46,132 | 23,066 | 51,670 | 424 | | | 22,642 |
| 11/15/2009 | Q4 | 62,740 | 31,370 | 83,040 | 767 | | | 30,603 |
| 2/15/2010 | Q1 | 132,393 | 66,197 | 149,236 | 1,232 | 7,725 | 553 | 56,686 |
| 5/15/2010 | Q2 | 132,393 | 66,197 | 215,433 | 2,215 | | 491 | 63,490 |
| 8/15/2010 | Q3 | 132,393 | 66,197 | 281,629 | 3,197 | | 429 | 62,570 |
| 11/15/2010 | Q4 | 132,393 | 66,197 | 347,826 | 4,179 | | 367 | 61,650 |
| 2/15/2011 | Q1 | 70,588 | 35,294 | 383,120 | 5,162 | | 305 | 29,827 |
| 5/15/2011 | Q2 | 70,588 | 35,294 | 418,414 | 5,685 | | 272 | 29,336 |
| 8/15/2011 | Q3 | 70,588 | 35,294 | 453,708 | 6,209 | | 239 | 28,846 |
| 11/15/2011 | Q4 | 70,588 | 35,294 | 489,002 | 6,733 | | 206 | 28,355 |
| 2/15/2012 | Q1 | 51,885 | 25,943 | 514,944 | 7,257 | | 173 | 18,513 |
| 5/15/2012 | Q2 | 51,885 | 25,943 | 540,887 | 7,642 | | 148 | 18,152 |
| 8/15/2012 | Q3 | 51,885 | 25,943 | 566,829 | 8,027 | | 124 | 17,792 |
| 11/15/2012 | Q4 | 51,885 | 25,943 | 592,772 | 8,412 | | 100 | 17,431 |
| 2/15/2013 | Q1 | 11,122 | 7,228 | 600,000 | 8,797 | | 76 | (1,644) |
| 5/15/2013 | Q2 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 8/15/2013 | Q3 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 11/15/2013 | Q4 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 2/15/2014 | Q1 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 5/15/2014 | Q2 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 8/15/2014 | Q3 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 11/15/2014 | Q4 | | | 600,000 | 8,904 | | 69 | (8,973) |
| 2/15/2015 | Q1 | | | 600,000 | 8,904 | | - | (608,903) |

¹ The IRR is the Debt Cost shown on Page 5, Line 118 of Rate Formula Template.

² The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation can only be solved through iterations performed by a computer program (i.e. NPV function with goal seek in a spreadsheet program).

Attachment 6 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology -- PATH-Allegheny

HYPOTHETICAL EXAMPLE

PATH anticipates its financing will be a 7 year loan, where by PATH pays Origination Fees of \$4.2 million and a Commitments Fee of 0.375% on the undrawn principle. Consistent with GAAP, PATH will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, PATH will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

| | |
|-------------------|----------------|
| Total Loan Amount | \$ 300,000,000 |
|-------------------|----------------|

| | |
|--------------------------------------|-------|
| Internal Rate of Return ¹ | 6.76% |
|--------------------------------------|-------|

Based on following Financial Formula²:

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

| | |
|---------------------------------|-----------|
| Origination Fees | - |
| Underwriting Discount | - |
| Arrangement Fee | 1,000,000 |
| Upfront Fee | 2,200,000 |
| Rating Agency Fee | 200,000 |
| Legal Fees | 750,000 |
| Total Issuance Expense | 4,150,000 |
| Annual Rating Agency Fee | 200,000 |
| Annual Bank Agency Fee | 75,000 |
| Revolving Credit Commitment Fee | 0.375% |

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| LIBOR Rate | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% | 4.0610% |
| Spread | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% | 1.875% |
| Interest Rate | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% | 5.94% |

| (A) Year | (B) | (C) Capital Expenditures (\$000's) | (D) Principle Drawn In Quarter (\$000's) | (E) Principle Drawn To Date (\$000's) | (F) Interest Expense (\$000's) | (G) Origination Fees (\$000's) | (H) Commitment & Utilization Fee (\$000's) | (I) Net Cash Flows (\$000's) (D-F-G-H) |
|------------------|-----|---------------------------------------|---|--|-----------------------------------|-----------------------------------|---|---|
| Prior to 11/2008 | | 8,672 | | | | | | |
| 11/15/2008 | Q4 | 13,079 | | - | - | | | - |
| 2/15/2009 | Q1 | 18,143 | 19,947 | 19,947 | - | 75 | | 19,872 |
| 5/15/2009 | Q2 | 17,756 | 8,878 | 28,825 | 296 | | | 8,582 |
| 8/15/2009 | Q3 | 24,818 | 12,409 | 41,234 | 428 | | | 11,981 |
| 11/15/2009 | Q4 | 33,644 | 16,822 | 58,056 | 612 | | | 16,210 |
| 2/15/2010 | Q1 | 33,686 | 16,843 | 74,899 | 862 | 4,075 | 296 | 11,611 |
| 5/15/2010 | Q2 | 30,717 | 15,359 | 90,258 | 1,112 | | 280 | 13,967 |
| 8/15/2010 | Q3 | 39,142 | 19,571 | 109,829 | 1,339 | | 265 | 17,966 |
| 11/15/2010 | Q4 | 41,965 | 20,983 | 130,811 | 1,630 | | 247 | 19,106 |
| 2/15/2011 | Q1 | 52,638 | 26,319 | 157,130 | 1,941 | | 227 | 24,150 |
| 5/15/2011 | Q2 | 47,999 | 24,000 | 181,130 | 2,332 | | 203 | 21,465 |
| 8/15/2011 | Q3 | 61,165 | 30,583 | 211,712 | 2,688 | | 180 | 27,714 |
| 11/15/2011 | Q4 | 65,576 | 32,788 | 244,500 | 3,142 | | 152 | 29,495 |
| 2/15/2012 | Q1 | 29,076 | 14,538 | 259,038 | 3,628 | | 121 | 10,789 |
| 5/15/2012 | Q2 | 26,514 | 13,257 | 272,295 | 3,844 | | 107 | 9,306 |
| 8/15/2012 | Q3 | 33,786 | 16,893 | 289,188 | 4,041 | | 95 | 12,757 |
| 11/15/2012 | Q4 | 21,624 | 10,812 | 300,000 | 4,292 | | 79 | 6,442 |
| 2/15/2013 | Q1 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 5/15/2013 | Q2 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 8/15/2013 | Q3 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 11/15/2013 | Q4 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 2/15/2014 | Q1 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 5/15/2014 | Q2 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 8/15/2014 | Q3 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 11/15/2014 | Q4 | | | 300,000 | 4,452 | | 69 | (4,521) |
| 2/15/2015 | Q1 | | | 300,000 | 4,452 | | - | (304,452) |

¹ The IRR is the Debt Cost shown on Page 10, Line 118 of Rate Formula Template.

² The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation can only be solved through iterations performed by a computer program (i.e. NPV function with goal seek in a spreadsheet program).

Attachment 7
PATH West Virginia Transmission Company, LLC
 (HYPOTHETICAL EXAMPLE)

Potomac-Appalachian Transmission Highline, LLC
 CALCULATION OF COST OF DEBT AFTER CONSTRUCTION PHASE
 YEAR ENDED 12/31/2014

| Debt: | Amount Outstanding | Unamortized Debt Issue Expense | Unamortized Debt Premium/ (Discount) | Unamortized Losses on Reacquired Debt | Net Amount Outstanding | Effective Cost Rate ¹ | Annualized Cost |
|--|-----------------------|--------------------------------|--------------------------------------|---------------------------------------|------------------------|----------------------------------|-----------------|
| First Mortgage Bonds: | \$ 300,000,000 | \$2,900,000 | (\$2,320,000) | \$0 | \$294,780,000 | #N/A | #N/A |
| Other Long Term Debt: | \$ 200,000,000 | \$1,800,000 | - | - | \$198,200,000 | #N/A | #N/A |
| Total Debt | \$ 500,000,000 | \$ 4,700,000 | \$ (2,320,000) | \$ - | \$ 492,980,000 | #N/A | #N/A |
| Check with FERC Form 1 B/S pgs 110-113 | \$ 185,750,000 | \$ (1,131,082) | \$ (1,595,909) | \$ 17,075,452 | \$ 492,980,000 | #N/A | #N/A |

Development of Effective Cost Rates:

| First Mortgage Bonds | Issue Date | Maturity Date | Amount Issued | (Discount) Premium at Issuance | Issuance Expense | Loss on Reacquired Debt | Net Proceeds | Net Proceeds Ratio | Coupon Rate | Effective Cost Rate | Annual Interest |
|--|------------|---------------|----------------|--------------------------------|------------------|-------------------------|----------------|--------------------|-------------|---------------------|-----------------|
| 7.090% Series Due 2041 | 1/1/2014 | 6/30/2044 | \$ 300,000,000 | \$ (2,400,000) | \$ 3,000,000 | - | \$ 294,600,000 | 98.2000 | 0.07090 | #N/A | \$ 21,270,000 |
| Other Long Term Debt: | 01/01/2014 | 06/30/2024 | 200,000,000 | - | 2,000,000 | - | \$ 198,000,000 | 99.0000 | 0.06600 | #N/A | 13,200,000 |
| 6.600% Series Medium Term Notes Due 2021 | | | \$ 500,000,000 | (2,400,000) | \$ 5,000,000 | - | \$ 492,600,000 | | | | \$ 34,470,000 |

¹ The Effective Cost Rate is the Debt Cost shown on Page 5, Line 118 of Rate Formula Template.

Attachment 7
PATh Allegheny Transmission Company, LLC
 (HYPOTHETICAL EXAMPLE)

Potomac-Appalachian Transmission Highline, LLC
 CALCULATION OF COST OF DEBT AFTER CONSTRUCTION PHASE
 YEAR ENDED 12/31/2014

| | Unamortized Debt Issue Expense | Unamortized Debt Premium/ (Discount) | Unamortized Losses on Reacquired Debt | Net Amount Outstanding | Effective Cost Rate ¹ | Annualized Cost |
|--|--------------------------------|--------------------------------------|---------------------------------------|------------------------|----------------------------------|-----------------|
| <u>First Mortgage Bonds:</u> | | | | | | |
| 6.600% Series Medium Term Notes Due 2021 | \$ 2,900,000 | (\$2,320,000) | \$0 | \$294,780,000 | #N/A | #N/A |
| <u>Other Long Term Debt:</u> | | | | | | |
| 6.600% Series Medium Term Notes Due 2021 | \$1,800,000 | | - | \$198,200,000 | #N/A | #N/A |
| Total Debt | \$ 4,700,000 | \$ (2,320,000) | \$ - | \$ 492,980,000 | #N/A | #N/A |
| Check with FERC Form 1 B/S pgs 110-113 | \$ (1,131,082) | \$ (1,595,909) | \$ 17,075,452 | | | |

Development of Effective Cost Rates:

| | Maturity Date | Amount Issued | (Discount) Premium at Issuance | Issuance Expense | Loss on Reacquired Debt | Net Proceeds | Net Proceeds Ratio | Coupon Rate | Effective Cost Rate | Annual Interest |
|--|---------------|-----------------------|--------------------------------|---------------------|-------------------------|-----------------------|--------------------|-------------|---------------------|----------------------|
| <u>First Mortgage Bonds</u> | | | | | | | | | | |
| 7.080% Series Due 2041 | 6/30/2044 | \$ 300,000,000 | \$ (2,400,000) | \$ 3,000,000 | - | \$ 294,600,000 | 98.2000 | 0.07090 | #N/A | \$ 21,270,000 |
| <u>Other Long Term Debt:</u> | | | | | | | | | | |
| 6.600% Series Medium Term Notes Due 2021 | 06/30/2024 | 200,000,000 | | 2,000,000 | | \$ 198,000,000 | 99.0000 | 0.06600 | #N/A | 13,200,000 |
| | | \$ 500,000,000 | (2,400,000) | \$ 5,000,000 | - | \$ 492,600,000 | | | | \$ 34,470,000 |

¹ The Effective Cost Rate is the Debt Cost shown on Page 10, Line 118 of Rate Formula Template.

Attachment 8
Potomac-Appalachian Transmission Highline, LLC
Interest Rates and Interest Calculations
PATH West Virginia Transmission Company, LLC

| | | | | |
|--|---|---|---|--|
| Reconciliation Revenue Requirement For Year 2009 Available May 31, 2010 \$10,811,151 | - | 2009 Revenue Requirement Forecast by September 1, 2008 \$15,102,249 | = | True-up Adjustment - Over (Under) Recovery \$4,291,098 |
|--|---|---|---|--|

| Interest Rate on Amount of Refunds or Surcharges from 35.19a | Over (Under) Recovery Plus Interest | Average Monthly Interest Rate | Months | Calculated Interest | Amortization | Surcharge (Refund) Owed |
|--|-------------------------------------|-------------------------------|--------|---------------------|--------------|-------------------------|
|--|-------------------------------------|-------------------------------|--------|---------------------|--------------|-------------------------|

An over or under collection will be recovered prorata over 2009, held for 2010 and returned prorata over 2011

| <u>Calculation of Interest</u> | | | | | <u>Monthly</u> | |
|--------------------------------|-----------|-------------|---------|----|----------------|-------------|
| January | Year 2009 | 357,592 | 0.2900% | 12 | (12,444) | (370,036) |
| February | Year 2009 | 357,592 | 0.2900% | 11 | (11,407) | (368,999) |
| March | Year 2009 | 357,592 | 0.2900% | 10 | (10,370) | (367,962) |
| April | Year 2009 | 357,592 | 0.2900% | 9 | (9,333) | (366,925) |
| May | Year 2009 | 357,592 | 0.2900% | 8 | (8,296) | (365,888) |
| June | Year 2009 | 357,592 | 0.2900% | 7 | (7,259) | (364,851) |
| July | Year 2009 | 357,592 | 0.2900% | 6 | (6,222) | (363,814) |
| August | Year 2009 | 357,592 | 0.2900% | 5 | (5,185) | (362,777) |
| September | Year 2009 | 357,592 | 0.2900% | 4 | (4,148) | (361,740) |
| October | Year 2009 | 357,592 | 0.2900% | 3 | (3,111) | (360,703) |
| November | Year 2009 | 357,592 | 0.2900% | 2 | (2,074) | (359,666) |
| December | Year 2009 | 357,592 | 0.2900% | 1 | (1,037) | (358,629) |
| | | | | | (80,887) | (4,371,985) |
| <u>Annual</u> | | | | | | |
| January through December | Year 2010 | (4,371,985) | 0.2900% | 12 | (152,145) | (4,524,130) |

| <u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u> | | | | | <u>Monthly</u> | |
|---|-----------|-----------|---------|--|----------------|-------------|
| January | Year 2011 | 4,524,130 | 0.2900% | | (13,120) | (4,153,095) |
| February | Year 2011 | 4,153,095 | 0.2900% | | (12,044) | (3,780,984) |
| March | Year 2011 | 3,780,984 | 0.2900% | | (10,965) | (3,407,793) |
| April | Year 2011 | 3,407,793 | 0.2900% | | (9,883) | (3,033,521) |
| May | Year 2011 | 3,033,521 | 0.2900% | | (8,797) | (2,658,163) |
| June | Year 2011 | 2,658,163 | 0.2900% | | (7,709) | (2,281,716) |
| July | Year 2011 | 2,281,716 | 0.2900% | | (6,617) | (1,904,178) |
| August | Year 2011 | 1,904,178 | 0.2900% | | (5,522) | (1,525,545) |
| September | Year 2011 | 1,525,545 | 0.2900% | | (4,424) | (1,145,814) |
| October | Year 2011 | 1,145,814 | 0.2900% | | (3,323) | (764,981) |
| November | Year 2011 | 764,981 | 0.2900% | | (2,218) | (383,044) |
| December | Year 2011 | 383,044 | 0.2900% | | (1,111) | 0 |
| | | | | | (85,733) | |

| | |
|----------------------------------|------------------|
| True-Up Adjustment with Interest | (4,609,863) |
| Less Over (Under) Recovery | 4,291,098 |
| Total Interest | (318,765) |

Potomac-Appalachian Transmission Highline, LLC
Attachment 9 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan

Applicable to both PATH West Virginia Transmission Company, LLC & PATH Allegheny Transmission Company, LLC

To be Prepared on 8/15/2013 (hypothetical date)

| YEAR | Estimated Effective cost of debt used in forecast/true up | Final Effective cost of debt for the construction loan: | Hypothetical Revenue Requirement | | | Hypothetical Monthly Interest Rate applicable over the ATRR period | Total Amount of Construction Loan Related True-Up Included In rates effective Jan 2014 (Refund)/Owed |
|--------|---|---|---|--|-----------------------|--|--|
| | | | Based on Estimated Effective cost of debt | Based on Actual Effective cost of debt | Over (Under) Recovery | | |
| 2008 | 7.18% | 7.00% | \$ 2,500,000.00 | \$ 2,400,000.00 | \$ 100,000.00 | 0.550% | \$ (148,288.33) |
| 2009 | 6.8% | 7.00% | \$5,000,000.00 | \$5,150,000.00 | \$ (150,000.00) | 0.560% | \$ 209,670.43 |
| 2010 | 7.2% | 7.00% | \$8,300,000.00 | \$8,200,000.00 | \$ 100,000.00 | 0.540% | \$ (131,109.09) |
| 2011 | 7.3% | 7.00% | \$12,300,000.00 | \$12,000,000.00 | \$ 300,000.00 | 0.580% | \$ (368,656.73) |
| 2012* | 7.1% | 6.83% | \$18,000,000.00 | \$17,900,000.00 | \$ 100,000.00 | 0.570% | \$ (114,946.28) |
| 2013** | 6.50% | 6.50% | \$25,000,000.00 | \$25,000,000.00 | \$ - | | |
| 2014** | 6.50% | 6.50% | | | | | \$ (553,329.99) |

* Assumes that the construction loan is retired on Sept 1, 2012
 ** Assumes permanent debt structure is put in place on Sept 1, 2012 with effective rate of 6.5%
 Note: True-up period is 2008 - 2012, with the true-up amount included in 2014 forecasted ATRR. Final effective cost of debt for 2012 is computed as follows: $((7\% * 243 \text{ days}) + (0.5\% * 122 \text{ days})) / 365 \text{ days}$

Calculation of Applicable Interest Expense for each ATRR period

| Interest Rate on Amount of Refunds or Surcharges from 35.19a | Over (Under) Recovery Plus Interest | Hypothetical Monthly Interest Rate | Months | Calculated Interest | Amortization | Surcharge (Refund) Owed |
|--|-------------------------------------|------------------------------------|--------|---------------------|--------------|-------------------------|
|--|-------------------------------------|------------------------------------|--------|---------------------|--------------|-------------------------|

Calculation of Interest for 2008 True-Up Period

An over or under collection will be recovered prorata over 2008, held for 2009, 2010, 2011, 2012, 2013 and returned prorata over 2014

| | | Monthly | | | | |
|--|-----------|-----------|---------|-------|--------------|-----------|
| January | Year 2008 | - | 0.5500% | 12.00 | - | - |
| February | Year 2008 | - | 0.5500% | 11.00 | - | - |
| March | Year 2008 | 10,000 | 0.5500% | 10.00 | (550) | (10,550) |
| April | Year 2008 | 10,000 | 0.5500% | 9.00 | (495) | (10,495) |
| May | Year 2008 | 10,000 | 0.5500% | 8.00 | (440) | (10,440) |
| June | Year 2008 | 10,000 | 0.5500% | 7.00 | (385) | (10,385) |
| July | Year 2008 | 10,000 | 0.5500% | 6.00 | (330) | (10,330) |
| August | Year 2008 | 10,000 | 0.5500% | 5.00 | (275) | (10,275) |
| September | Year 2008 | 10,000 | 0.5500% | 4.00 | (220) | (10,220) |
| October | Year 2008 | 10,000 | 0.5500% | 3.00 | (165) | (10,165) |
| November | Year 2008 | 10,000 | 0.5500% | 2.00 | (110) | (10,110) |
| December | Year 2008 | 10,000 | 0.5500% | 1.00 | (55) | (10,055) |
| | | | | | (3,025) | (103,025) |
| | | Annual | | | | |
| January through December | Year 2009 | (103,025) | 0.5600% | 12.00 | (6,923) | (109,948) |
| January through December | Year 2010 | (109,948) | 0.5400% | 12.00 | (7,125) | (117,073) |
| January through December | Year 2011 | (117,073) | 0.5800% | 12.00 | (8,148) | (125,221) |
| January through December | Year 2012 | (125,221) | 0.5700% | 12.00 | (8,565) | (133,786) |
| January through December | Year 2013 | (133,786) | 0.5700% | 12.00 | (9,151) | (142,937) |
| | | Monthly | | | | |
| January | Year 2014 | 142,937 | 0.5700% | | (815) | (13,395) |
| February | Year 2014 | 131,395 | 0.5700% | | (749) | (119,786) |
| March | Year 2014 | 119,786 | 0.5700% | | (683) | (108,112) |
| April | Year 2014 | 108,112 | 0.5700% | | (616) | (96,371) |
| May | Year 2014 | 96,371 | 0.5700% | | (549) | (84,563) |
| June | Year 2014 | 84,563 | 0.5700% | | (482) | (72,687) |
| July | Year 2014 | 72,687 | 0.5700% | | (414) | (60,744) |
| August | Year 2014 | 60,744 | 0.5700% | | (346) | (48,733) |
| September | Year 2014 | 48,733 | 0.5700% | | (278) | (36,653) |
| October | Year 2014 | 36,653 | 0.5700% | | (209) | (24,505) |
| November | Year 2014 | 24,505 | 0.5700% | | (140) | (12,287) |
| December | Year 2014 | 12,287 | 0.5700% | | (70) | 0 |
| | | | | | (5,351) | |
| Total Amount of True-Up Adjustment for 2008 ATRR | | | | | \$ (148,288) | |
| Less Over (Under) Recovery | | | | | \$ 100,000 | |
| Total Interest | | | | | \$ (48,288) | |

Potomac-Appalachian Transmission Highline, LLC
Attachment 9 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan

Applicable to both PATH West Virginia Transmission Company, LLC & PATH Allegheny Transmission Company, LLC

| Calculation of Interest for 2009 True-Up Period | | | | | | |
|---|-----------|-----------|---------|-------|--------|--------------|
| An over or under collection will be recovered prorata over 2009, held for 2010, 2011, 2012, 2013 and returned prorata over 2014 | | | | | | |
| | | | | | | Monthly |
| January | Year 2009 | (12,500) | 0.5600% | 12.00 | 840 | 13,340 |
| February | Year 2009 | (12,500) | 0.5600% | 11.00 | 770 | 13,270 |
| March | Year 2009 | (12,500) | 0.5600% | 10.00 | 700 | 13,200 |
| April | Year 2009 | (12,500) | 0.5600% | 9.00 | 630 | 13,130 |
| May | Year 2009 | (12,500) | 0.5600% | 8.00 | 560 | 13,060 |
| June | Year 2009 | (12,500) | 0.5600% | 7.00 | 490 | 12,990 |
| July | Year 2009 | (12,500) | 0.5600% | 6.00 | 420 | 12,920 |
| August | Year 2009 | (12,500) | 0.5600% | 5.00 | 350 | 12,850 |
| September | Year 2009 | (12,500) | 0.5600% | 4.00 | 280 | 12,780 |
| October | Year 2009 | (12,500) | 0.5600% | 3.00 | 210 | 12,710 |
| November | Year 2009 | (12,500) | 0.5600% | 2.00 | 140 | 12,640 |
| December | Year 2009 | (12,500) | 0.5600% | 1.00 | 70 | 12,570 |
| | | | | | 5,460 | 155,460 |
| | | | | | | Annual |
| January through December | Year 2010 | 155,460 | 0.5400% | 12.00 | 10,074 | 165,534 |
| January through December | Year 2011 | 165,534 | 0.5800% | 12.00 | 11,521 | 177,055 |
| January through December | Year 2012 | 177,055 | 0.5700% | 12.00 | 12,111 | 189,166 |
| January through December | Year 2013 | 189,166 | 0.5700% | 12.00 | 12,939 | 202,104 |
| Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months | | | | | | |
| | | | | | | Monthly |
| January | Year 2014 | (202,104) | 0.5700% | | 1,152 | 185,784 |
| February | Year 2014 | (185,784) | 0.5700% | | 1,059 | 189,370 |
| March | Year 2014 | (169,370) | 0.5700% | | 965 | 192,863 |
| April | Year 2014 | (152,863) | 0.5700% | | 871 | 196,262 |
| May | Year 2014 | (136,262) | 0.5700% | | 777 | 199,566 |
| June | Year 2014 | (119,566) | 0.5700% | | 682 | 202,775 |
| July | Year 2014 | (102,775) | 0.5700% | | 586 | 205,888 |
| August | Year 2014 | (85,888) | 0.5700% | | 490 | 208,905 |
| September | Year 2014 | (68,905) | 0.5700% | | 393 | 211,826 |
| October | Year 2014 | (51,826) | 0.5700% | | 295 | 214,649 |
| November | Year 2014 | (34,649) | 0.5700% | | 197 | 217,374 |
| December | Year 2014 | (17,374) | 0.5700% | | 99 | 220,000 |
| | | | | | 7,568 | (0) |
| Total Amount of True-Up Adjustment for 2009 ATRR | | | | | | \$ 209,870 |
| Less Over (Under) Recovery | | | | | | \$ (150,000) |
| Total Interest | | | | | | \$ 59,870 |

| Calculation of Interest for 2010 True-Up Period | | | | | | |
|---|-----------|-----------|---------|-------|---------|--------------|
| An over or under collection will be recovered prorata over 2010, held for 2011, 2012, 2013 and returned prorata over 2014 | | | | | | |
| | | | | | | Monthly |
| January | Year 2010 | 8,333 | 0.5400% | 12.00 | (540) | (8,873) |
| February | Year 2010 | 8,333 | 0.5400% | 11.00 | (495) | (8,828) |
| March | Year 2010 | 8,333 | 0.5400% | 10.00 | (450) | (8,783) |
| April | Year 2010 | 8,333 | 0.5400% | 9.00 | (405) | (8,738) |
| May | Year 2010 | 8,333 | 0.5400% | 8.00 | (360) | (8,693) |
| June | Year 2010 | 8,333 | 0.5400% | 7.00 | (315) | (8,648) |
| July | Year 2010 | 8,333 | 0.5400% | 6.00 | (270) | (8,603) |
| August | Year 2010 | 8,333 | 0.5400% | 5.00 | (225) | (8,558) |
| September | Year 2010 | 8,333 | 0.5400% | 4.00 | (180) | (8,513) |
| October | Year 2010 | 8,333 | 0.5400% | 3.00 | (135) | (8,468) |
| November | Year 2010 | 8,333 | 0.5400% | 2.00 | (90) | (8,423) |
| December | Year 2010 | 8,333 | 0.5400% | 1.00 | (45) | (8,378) |
| | | | | | (3,510) | (103,510) |
| | | | | | | Annual |
| January through December | Year 2011 | (103,510) | 0.5800% | 12.00 | (7,204) | (110,714) |
| January through December | Year 2012 | (110,714) | 0.5700% | 12.00 | (7,573) | (118,287) |
| January through December | Year 2013 | (118,287) | 0.5700% | 12.00 | (8,091) | (126,378) |
| Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months | | | | | | |
| | | | | | | Monthly |
| January | Year 2014 | 126,378 | 0.5700% | | (720) | (116,173) |
| February | Year 2014 | 116,173 | 0.5700% | | (662) | (115,909) |
| March | Year 2014 | 105,909 | 0.5700% | | (604) | (115,587) |
| April | Year 2014 | 95,587 | 0.5700% | | (545) | (115,206) |
| May | Year 2014 | 85,206 | 0.5700% | | (486) | (114,766) |
| June | Year 2014 | 74,766 | 0.5700% | | (426) | (114,266) |
| July | Year 2014 | 64,266 | 0.5700% | | (366) | (113,707) |
| August | Year 2014 | 53,707 | 0.5700% | | (306) | (113,095) |
| September | Year 2014 | 43,087 | 0.5700% | | (246) | (112,427) |
| October | Year 2014 | 32,407 | 0.5700% | | (185) | (111,666) |
| November | Year 2014 | 21,666 | 0.5700% | | (123) | (110,864) |
| December | Year 2014 | 10,864 | 0.5700% | | (62) | (109,926) |
| | | | | | (4,731) | 0 |
| Total Amount of True-Up Adjustment for 2010 ATRR | | | | | | \$ (131,109) |
| Less Over (Under) Recovery | | | | | | \$ 100,000 |
| Total Interest | | | | | | \$ (31,109) |

Potomac-Appalachian Transmission Highline, LLC
Attachment 9 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan

Applicable to both PATH West Virginia Transmission Company, LLC & PATH Allegheny Transmission Company, LLC

| Calculation of Interest for 2011 True-Up Period | | | | | | |
|---|-----------|-----------|---------|-------|----------|-----------|
| An over or under collection will be recovered prorata over 2011, held for 2012, 2013 and returned prorata over 2014 | | | | | | |
| | | | | | | Monthly |
| January | Year 2011 | 25,000 | 0.5800% | 12.00 | (1,740) | (26,740) |
| February | Year 2011 | 25,000 | 0.5800% | 11.00 | (1,595) | (26,595) |
| March | Year 2011 | 25,000 | 0.5800% | 10.00 | (1,450) | (26,450) |
| April | Year 2011 | 25,000 | 0.5800% | 9.00 | (1,305) | (26,305) |
| May | Year 2011 | 25,000 | 0.5800% | 8.00 | (1,160) | (26,160) |
| June | Year 2011 | 25,000 | 0.5800% | 7.00 | (1,015) | (26,015) |
| July | Year 2011 | 25,000 | 0.5800% | 6.00 | (870) | (25,870) |
| August | Year 2011 | 25,000 | 0.5800% | 5.00 | (725) | (25,725) |
| September | Year 2011 | 25,000 | 0.5800% | 4.00 | (580) | (25,580) |
| October | Year 2011 | 25,000 | 0.5800% | 3.00 | (435) | (25,435) |
| November | Year 2011 | 25,000 | 0.5800% | 2.00 | (290) | (25,290) |
| December | Year 2011 | 25,000 | 0.5800% | 1.00 | (145) | (25,145) |
| | | | | | (11,310) | (311,310) |
| | | | | | | Annual |
| January through December | Year 2012 | (311,310) | 0.5700% | 12.00 | (21,294) | (332,604) |
| January through December | Year 2013 | (332,604) | 0.5700% | 12.00 | (22,750) | (355,354) |
| Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months | | | | | | |
| | | | | | | Monthly |
| January | Year 2014 | 355,354 | 0.5700% | | (2,026) | (30,721) |
| February | Year 2014 | 326,658 | 0.5700% | | (1,862) | (30,721) |
| March | Year 2014 | 297,798 | 0.5700% | | (1,697) | (30,721) |
| April | Year 2014 | 268,774 | 0.5700% | | (1,532) | (30,721) |
| May | Year 2014 | 239,585 | 0.5700% | | (1,366) | (30,721) |
| June | Year 2014 | 210,229 | 0.5700% | | (1,198) | (30,721) |
| July | Year 2014 | 180,706 | 0.5700% | | (1,030) | (30,721) |
| August | Year 2014 | 151,015 | 0.5700% | | (861) | (30,721) |
| September | Year 2014 | 121,154 | 0.5700% | | (691) | (30,721) |
| October | Year 2014 | 91,123 | 0.5700% | | (519) | (30,721) |
| November | Year 2014 | 60,921 | 0.5700% | | (347) | (30,721) |
| December | Year 2014 | 30,547 | 0.5700% | | (174) | (30,721) |
| | | | | | (13,303) | 0 |
| Total Amount of True-Up Adjustment for 2011 ATRR | | | | | \$ | (368,857) |
| Less Over (Under) Recovery | | | | | \$ | 300,000 |
| Total Interest | | | | | \$ | (68,857) |

| Calculation of Interest for 2012 True-Up Period | | | | | | |
|---|-----------|-----------|---------|-------|---------|-----------|
| An over or under collection will be recovered prorata over 2012, held for 2013 and returned prorata over 2014 | | | | | | |
| | | | | | | Monthly |
| January | Year 2012 | 8,333 | 0.5700% | 12.00 | (570) | (8,903) |
| February | Year 2012 | 8,333 | 0.5700% | 11.00 | (523) | (8,856) |
| March | Year 2012 | 8,333 | 0.5700% | 10.00 | (475) | (8,808) |
| April | Year 2012 | 8,333 | 0.5700% | 9.00 | (428) | (8,761) |
| May | Year 2012 | 8,333 | 0.5700% | 8.00 | (380) | (8,713) |
| June | Year 2012 | 8,333 | 0.5700% | 7.00 | (333) | (8,666) |
| July | Year 2012 | 8,333 | 0.5700% | 6.00 | (285) | (8,618) |
| August | Year 2012 | 8,333 | 0.5700% | 5.00 | (238) | (8,571) |
| September | Year 2012 | 8,333 | 0.5700% | 4.00 | (190) | (8,523) |
| October | Year 2012 | 8,333 | 0.5700% | 3.00 | (143) | (8,476) |
| November | Year 2012 | 8,333 | 0.5700% | 2.00 | (95) | (8,428) |
| December | Year 2012 | 8,333 | 0.5700% | 1.00 | (48) | (8,381) |
| | | | | | (3,705) | (103,705) |
| | | | | | | Annual |
| January through December | Year 2013 | (103,705) | 0.5700% | 12.00 | (7,093) | (110,798) |
| Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months | | | | | | |
| | | | | | | Monthly |
| January | Year 2014 | 110,798 | 0.5700% | | (632) | (9,579) |
| February | Year 2014 | 101,851 | 0.5700% | | (581) | (9,579) |
| March | Year 2014 | 92,853 | 0.5700% | | (529) | (9,579) |
| April | Year 2014 | 83,803 | 0.5700% | | (478) | (9,579) |
| May | Year 2014 | 74,702 | 0.5700% | | (426) | (9,579) |
| June | Year 2014 | 65,549 | 0.5700% | | (374) | (9,579) |
| July | Year 2014 | 56,344 | 0.5700% | | (321) | (9,579) |
| August | Year 2014 | 47,086 | 0.5700% | | (268) | (9,579) |
| September | Year 2014 | 37,776 | 0.5700% | | (215) | (9,579) |
| October | Year 2014 | 28,412 | 0.5700% | | (162) | (9,579) |
| November | Year 2014 | 18,995 | 0.5700% | | (108) | (9,579) |
| December | Year 2014 | 9,525 | 0.5700% | | (54) | (9,579) |
| | | | | | (4,148) | 0 |
| Total Amount of True-Up Adjustment for 2012 ATRR | | | | | \$ | (114,946) |
| Less Over (Under) Recovery | | | | | \$ | 100,000 |
| Total Interest | | | | | \$ | (14,946) |

Potomac-Appalachian Transmission Highline, LLC
Attachment 10 - Depreciation Accrual Rates

Applicable to PATH West Virginia Transmission Company, LLC

| | | Accrual Rate (Annual) Percent | Annual Depreciation Expense |
|--|--------------------------------|-------------------------------------|-----------------------------------|
| TRANSMISSION PLANT | | | |
| 350.2 | Land & Land Rights - Easements | 1.43 | - |
| 352 | Structures & Improvements | 1.82 | - |
| 353 | Station Equipment | 2.43 | - |
| | Other | 4.09 | - |
| | SVC Dynamic Control Equipment | | - |
| 354 | Towers & Fixtures | 1.26 | - |
| 355 | Poles & Fixtures | 3.11 | - |
| 356 | Overhead Conductors & Devices | 1.13 | - |
| Total Transmission Plant Depreciation | | | - |
| Total Transmission Depreciation Expense (must tie to p336.7.b & c) | | | - |
| GENERAL PLANT | | | |
| 390 | Structures & Improvements | 2.00 | - |
| 391 | Office Furniture & Equipment | 5.00 | - |
| | Information Systems | 10.00 | - |
| | Data Handling | 10.00 | - |
| 392 | Transportation Equipment | | - |
| | Other | 5.33 | - |
| | Autos | 11.43 | - |
| | Light Trucks | 6.96 | - |
| | Medium Trucks | 6.96 | - |
| | Trailers | 4.44 | - |
| | ATV | 5.33 | - |
| 393 | Stores Equipment | 5.00 | - |
| 394 | Tools, Shop & Garage Equipment | 5.00 | - |
| 395 | Laboratory Equipment | 5.00 | - |
| 396 | Power Operated Equipment | 4.17 | - |
| 397 | Communication Equipment | 6.67 | - |
| 398 | Miscellaneous Equipment | 6.67 | - |
| Total General Plant | | | - |
| Total General Plant Depreciation Expense (must tie to p336.10.b & c) | | | - |
| INTANGIBLE PLANT | | | |
| 303 | Miscellaneous Intangible Plant | 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.

Potomac-Appalachian Transmission Highline, LLC
Attachment 10 - Depreciation Accrual Rates

Applicable to PATH Allegheny Transmission Company, LLC

| TRANSMISSION PLANT | | Accrual Rate (Annual) Percent | Annual Depreciation Expense |
|--|--------------------------------|-------------------------------------|-----------------------------------|
| 350.2 | Land & Land Rights - Easements | 1.43 | - |
| 352 | Structures & Improvements | 1.82 | - |
| 353 | Station Equipment | 2.43 | - |
| | Other | 4.09 | - |
| 354 | SVC Dynamic Control Equipment | 1.26 | - |
| | Towers & Fixtures | 3.11 | - |
| 355 | Poles & Fixtures | 1.13 | 8,318 |
| 356 | Overhead Conductors & Devices | | 8,318 |
| Total Transmission Plant Depreciation | | | 8,318 |
| Total Transmission Depreciation Expense (must tie to p336.7.b & c) | | | 8,318 |
| GENERAL PLANT | | Accrual Rate (Annual) Percent | Annual Depreciation Expense |
| 390 | Structures & Improvements | 2.00 | 1,010 |
| 391 | Office Furniture & Equipment | 5.00 | 933 |
| | Information Systems | 10.00 | - |
| | Data Handling | 10.00 | - |
| 392 | Transportation Equipment | | |
| | Other | 5.33 | - |
| | Autos | 11.43 | - |
| | Light Trucks | 6.96 | - |
| | Medium Trucks | 6.96 | - |
| | Trailers | 4.44 | - |
| | ATV | 5.33 | - |
| 393 | Stores Equipment | 5.00 | - |
| 394 | Tools, Shop & Garage Equipment | 5.00 | - |
| 395 | Laboratory Equipment | 5.00 | - |
| 396 | Power Operated Equipment | 4.17 | - |
| 397 | Communication Equipment | 6.67 | - |
| 398 | Miscellaneous Equipment | 6.67 | - |
| Total General Plant | | | 1,942 |
| Total General Plant Depreciation Expense (must tie to p336.10.b.c.d&e) | | | 1,942 |
| INTANGIBLE PLANT | | Accrual Rate (Annual) Percent | Annual Depreciation Expense |
| 303 | Miscellaneous Intangible Plant | 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.