

ATTACHMENT H-18A

Trans-Allegheny Interstate Line Company

Formula Rate -- Appendix A

Shaded cells are input cells

Notes

FERC Form 1 Page # or Instruction

TRAILCo

2011 Forecast

Allocators

| | | | |
|---|---|---|------------------|
| Wages & Salary Allocation Factor | | | |
| 1 | Transmission Wages Expense | p354.21.b | 990,782 |
| 2 | Total Wages Expense | p354.28.b | 5,997,366 |
| 3 | Less A&G Wages Expense | p354.27.b | 5,006,584 |
| 4 | Total Wages Less A&G Wages Expense | (Line 2 - Line 3) | 990,782 |
| 5 | Wages & Salary Allocator | (Line 1 / Line 4), if line 2 = 0, then 100% | 100.0000% |
| Plant Allocation Factors | | | |
| 6 | Electric Plant in Service | (Note B) Attachment 5 | 275,664,206 |
| 7 | Total Plant In Service | (Line 6) | 275,664,206 |
| 8 | Accumulated Depreciation (Total Electric Plant) | Attachment 5 | 8,356,702 |
| 9 | Total Accumulated Depreciation | (Line 8) | 8,356,702 |
| 10 | Net Plant | (Line 7 - Line 9) | 267,307,504 |
| 11 | Transmission Gross Plant | (Line 15 + Line 21) | 275,664,206 |
| 12 | Gross Plant Allocator | (Line 11 / Line 7, if Line 7=0, enter 100%) | 100.0000% |
| 13 | Transmission Net Plant | (Line 11 - Line 29) | 267,307,504 |
| 14 | Net Plant Allocator | (Line 13 / Line 10, if line 10=0, enter 100%) | 100.0000% |

Plant Calculations

| | | | |
|---------------------------------|---|----------------------------|--------------------|
| Transmission Plant | | | |
| 15 | Transmission Plant In Service | (Note B) Attachment 5 | 224,314,675 |
| 16 | New Trans. Plant Adds. for Current Calendar Year (13 average balance) | (Note B) Attachment 6 | 7,847,209 |
| 17 | Total Transmission Plant | (Line 15 + Line 16) | 232,161,884 |
| 18 | General & Intangible | Attachment 5 | 51,349,531 |
| 19 | Total General & Intangible | (Line 18) | 51,349,531 |
| 20 | Wage & Salary Allocator | (Line 5) | 100.0000% |
| 21 | Transmission Related General and Intangible Plant | (Line 19 * Line 20) | 51,349,531 |
| 22 | Transmission Related Plant | (Line 17 + Line 21) | 283,511,415 |
| Accumulated Depreciation | | | |
| 23 | Transmission Accumulated Depreciation | (Note B) Attachment 5 | 8,023,973 |
| 24 | Accumulated General Depreciation | Attachment 5 | 287,202 |
| 25 | Accumulated Intangible Amortization | Attachment 5 | 45,527 |
| 26 | Total Accumulated General and Intangible Depreciation | (Sum Lines 24 to 25) | 332,729 |
| 27 | Wage & Salary Allocator | (Line 5) | 100.0000% |
| 28 | Transmission Related General & Intangible Accumulated Depreciation | (Line 26 * Line 27) | 332,729 |
| 29 | Total Transmission Related Accumulated Depreciation | (Line 23 + Line 28) | 8,356,702 |
| 30 | Total Transmission Related Net Property, Plant & Equipment | (Line 22 - Line 29) | 275,154,713 |

| Adjustment To Rate Base | | | |
|--|--|----------------|---|
| Accumulated Deferred Income Taxes | | | |
| 31 | ADIT net of FASB 106 and 109 | Enter Negative | Attachment 1 |
| 32 | Transmission Related Accumulated Deferred Income Taxes | | (Line 31) |
| | | | -50,904,033 |
| 33 | Transmission Related CWIP (Current Year 13 Month weighted average balances) | (Note B) | p216.b.43 as shown on Attachment 6 |
| | | | 937,980,207 |
| 34 | Transmission Related Land Held for Future Use | (Note C) | Attachment 5 |
| | | | 0 |
| Transmission Related Pre-Commercial Costs Capitalized | | | |
| 35 | Unamortized Capitalized Pre-Commercial Costs | | Attachment 5 |
| | | | 0 |
| Prepayments | | | |
| 36 | Transmission Related Prepayments | (Note A) | Attachment 5 |
| | | | 383,690 |
| Materials and Supplies | | | |
| 37 | Undistributed Stores Expense | (Note A) | Attachment 5 |
| 38 | Wage & Salary Allocator | | (Line 5) |
| | | | 100.0000% |
| 39 | Total Undistributed Stores Expense Allocated to Transmission | | (Line 37 * Line 38) |
| | | | 0 |
| 40 | Transmission Materials & Supplies | | Attachment 5 |
| | | | 0 |
| 41 | Transmission Related Materials & Supplies | | (Line 39 + Line 40) |
| | | | 0 |
| Cash Working Capital | | | |
| 42 | Operation & Maintenance Expense | | (Line 74) |
| 43 | 1/8th Rule | | 1/8 |
| | | | 12.5% |
| 44 | Transmission Related Cash Working Capital | | (Line 42 * Line 43) |
| | | | 1,263,944 |
| 45 | Total Adjustment to Rate Base | | (Lines 32 + 33 + 34 + 35+ 36 + 41 + 44) |
| | | | 888,723,808 |
| 46 | Rate Base | | (Line 30 + Line 45) |
| | | | 1,163,878,521 |

| O&M | | | |
|---|---|-------------|----------------------------------|
| Transmission O&M | | | |
| 47 | Transmission O&M | | p321.112.b |
| | | | 2,476,650 |
| 48 | Less Account 566 Misc Trans Exp listed on line 73 below.) | | (line 73) |
| | | | 394,142 |
| 49 | Less Account 565 | | p321.96.b |
| | | | 0 |
| 50 | Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565 | (Note M) | PJM Data |
| | | | 0 |
| 51 | Plus Property Under Capital Leases | | p200.4.c |
| | | | 0 |
| 52 | Transmission O&M | | (Lines 47 - 48 - 49 + 50 + 51) |
| | | | 2,082,508 |
| A&G Expenses | | | |
| 53 | Total A&G | | p323.197.b |
| | | | 7,646,165 |
| 54 | Less Property Insurance Account 924 | | p323.185.b |
| | | | 53,038 |
| 55 | Less Regulatory Commission Exp Account 928 | (Note E) | p323.189.b |
| | | | -530 |
| 56 | Less General Advertising Exp Account 930.1 | | p323.191.b |
| | | | 20,750 |
| 57 | Less PBOP Adjustment | | Attachment 5 |
| | | | 11,263 |
| 58 | Less EPRI Dues | (Note D) | p352 & 353 |
| | | | 0 |
| 59 | A&G Expenses | | (Line 53) - Sum (Lines 54 to 58) |
| | | | 7,561,644 |
| 60 | Wage & Salary Allocator | | (Line 5) |
| | | | 100.0000% |
| 61 | Transmission Related A&G Expenses | | (Line 59 * Line 60) |
| | | | 7,561,644 |
| Directly Assigned A&G | | | |
| 62 | Regulatory Commission Exp Account 928 | (Note G) | Attachment 5 |
| | | | -530 |
| 63 | General Advertising Exp Account 930.1 | (Note J) | Attachment 5 |
| | | | 20,750 |
| 64 | Subtotal - Accounts 928 and 930.1 - Transmission Related | | (Line 62 + Line 63) |
| | | | 20,220 |
| 65 | Property Insurance Account 924 | | p323.185.b |
| | | | 53,038 |
| 66 | General Advertising Exp Account 930.1 | (Note F) | Attachment 5 |
| | | | 0 |
| 67 | Total Accounts 928 and 930.1 - General | | (Line 65 + Line 66) |
| | | | 53,038 |
| 68 | Net Plant Allocator | | (Line 14) |
| | | | 100.0000% |
| 69 | A&G Directly Assigned to Transmission | | (Line 67 * Line 68) |
| | | | 53,038 |
| Account 566 Miscellaneous Transmission Expense | | | |
| 70 | Amortization Expense on Pre-Commercial Cost | Account 566 | Attachment 5 |
| | | | 0 |
| 71 | Pre-Commercial Expense | Account 566 | Attachment 5 |
| | | | 0 |
| 72 | Miscellaneous Transmission Expense | Account 566 | Attachment 5 |
| | | | 394,142 |
| 73 | Total Account 566 | | Sum (Lines 70 to 72) |
| | | | 394,142 |
| 74 | Total Transmission O&M | | (Lines 52 + 61 + 64 + 69 + 73) |
| | | | 10,111,552 |

Depreciation & Amortization Expense

| | | | |
|-----------------------------|--|------------------------|------------------|
| Depreciation Expense | | | |
| 75 | Transmission Depreciation Expense | Attachment 5 | 4,251,919 |
| 76 | General Depreciation | Attachment 5 | 309,153 |
| 77 | Intangible Amortization | (Note A) Attachment 5 | 3,271 |
| 78 | Total | (Line 76 + Line 77) | 312,424 |
| 79 | Wage & Salary Allocator | (Line 5) | 100.0000% |
| 80 | Transmission Related General Depreciation and Intangible Amortization | (Line 78 * Line 79) | 312,424 |
| 81 | Total Transmission Depreciation & Amortization | (Lines 75 + 80) | 4,564,343 |

Taxes Other than Income

| | | | |
|----|--|------------------|------------------|
| 82 | Transmission Related Taxes Other than Income | Attachment 2 | 2,004,031 |
| 83 | Total Taxes Other than Income | (Line 82) | 2,004,031 |

Return / Capitalization Calculations

| | | | | |
|-----------------------|---|------------------------------|--|----------------------|
| 84 | Preferred Dividends | enter positive | p118.29.c | 0 |
| Common Stock | | | | |
| 85 | Proprietary Capital | | p112.16.c | 416,538,090 |
| 86 | Less Accumulated Other Comprehensive Income Account 219 | | p112.15.c | 0 |
| 87 | Less Preferred Stock | | (Line 95) | 0 |
| 88 | Less Account 216.1 | | p112.12.c | 0 |
| 89 | Common Stock | | (Line 85 - 86 - 87 - 88) | 416,538,090 |
| Capitalization | | | | |
| 90 | Long Term Debt | (Note N) | | 820,000,000 |
| 91 | Less Unamortized Loss on Reacquired Debt | | p111.81.c | 9,844,260 |
| 92 | Plus Unamortized Gain on Reacquired Debt | | p113.61.c | 0 |
| 93 | Less ADIT associated with Gain or Loss | | Attachment 1 | 3,883,683 |
| 94 | Total Long Term Debt | | (Line 90 - 91 + 92 - 93) | 806,272,057 |
| 95 | Preferred Stock | | p112.3.c | 0 |
| 96 | Common Stock | | (Line 89) | 416,538,090 |
| 97 | Total Capitalization | | (Sum Lines 94 to 96) | 1,222,810,147 |
| 98 | Debt % | Total Long Term Debt | (Note N) (Line 94 / Line 97) | 59.9% |
| 99 | Preferred % | Preferred Stock | (Note N) (Line 95 / Line 97) | 0.0% |
| 100 | Common % | Common Stock | (Note N) (Line 96 / Line 97) | 40.1% |
| 101 | Debt Cost | Total Long Term Debt | | 0.049 |
| 102 | Preferred Cost | Preferred Stock | (Line 84 / Line 95) | 0.0000 |
| 103 | Common Cost | Common Stock | (Note I) The most recent FERC approved ROE | 0.1170 |
| 104 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 98 * Line 101) | 0.02930 |
| 105 | Weighted Cost of Preferred | Preferred Stock | (Line 99 * Line 102) | 0.0000 |
| 106 | Weighted Cost of Common | Common Stock | (Line 100 * Line 103) | 0.0470 |
| 107 | Rate of Return on Rate Base (ROR) | | (Sum Lines 104 to 106) | 0.07626 |
| 108 | Investment Return = Rate Base * Rate of Return | | (Line 46 * Line 107) | 88,751,741 |

Composite Income Taxes

| Income Tax Rates | | | |
|-------------------------|--|--|-------------------|
| 109 | FIT=Federal Income Tax Rate | (Note H) | 35.00% |
| 110 | SIT=State Income Tax Rate or Composite | | 8.09% |
| 111 | p | (percent of federal income tax deductible for state purpc Per State Tax Code | 0.00% |
| 112 | T | $T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$ | 40.26% |
| 113 | T / (1-T) | | 67.38% |
| 114 | Income Tax Component = | $CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$ [Line 113 * Line 108 * (1- (Line 104 / Line 107))] | 36,825,380 |
| 115 | Total Income Taxes | (Line 114) | 36,825,380 |

REVENUE REQUIREMENT

| Summary | | | |
|----------------|--|------------|----------------------|
| 116 | Net Property, Plant & Equipment | (Line 30) | 275,154,713 |
| 117 | Total Adjustment to Rate Base | (Line 45) | 888,723,808 |
| 118 | Rate Base | (Line 46) | 1,163,878,521 |
| 119 | Total Transmission O&M | (Line 74) | 10,111,552 |
| 120 | Total Transmission Depreciation & Amortization | (Line 81) | 4,564,343 |
| 121 | Taxes Other than Income | (Line 83) | 2,004,031 |
| 122 | Investment Return | (Line 108) | 88,751,741 |
| 123 | Income Taxes | (Line 115) | 36,825,380 |

| | | | |
|------------|----------------------------------|-------------------------------|--------------------|
| 124 | Gross Revenue Requirement | (Sum Lines 119 to 123) | 142,257,047 |
|------------|----------------------------------|-------------------------------|--------------------|

| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | |
|---|---|-----------------------|--------------------|
| 125 | Transmission Plant In Service | (Line 22) | 283,511,415 |
| 126 | Excluded Transmission Facilities | (Note L) Attachment 5 | 0 |
| 127 | Included Transmission Facilities | (Line 125 - Line 126) | 283,511,415 |
| 128 | Inclusion Ratio | (Line 127 / Line 125) | 100.00% |
| 129 | Gross Revenue Requirement | (Line 124) | 142,257,047 |
| 130 | Adjusted Gross Revenue Requirement | (Line 128 * Line 129) | 142,257,047 |

| Revenue Credits | | | |
|------------------------|-----------------|--------------|-----------|
| 131 | Revenue Credits | Attachment 3 | 1,926,160 |

| | | | |
|------------|--------------------------------|------------------------------|--------------------|
| 132 | Net Revenue Requirement | (Line 130 - Line 131) | 140,330,887 |
|------------|--------------------------------|------------------------------|--------------------|

| Net Plant Carrying Charge | | | |
|----------------------------------|--|---|---------------|
| 133 | Net Revenue Requirement | (Line 132) | 140,330,887 |
| 134 | Net Transmission Plant + CWIP | (Line 17 - Line 23 + Line 33) | 1,162,118,118 |
| 135 | FCR | (Line 133 / Line 134) | 12.0754% |
| 136 | FCR without Depreciation | (Line 133 - Line 75) / Line 134 | 11.7096% |
| 137 | FCR without Depreciation and Pre-Commercial Costs | (Line 133 - Line 70 - Line 71 - Line 75) / Line 134 | 11.7096% |
| 138 | FCR without Depreciation, Return, nor Income Taxes | (Line 133 - Line 75 - Line 108 - Line 115) / Line 134 | 0.9037% |

| Net Plant Carrying Charge Calculation with Incentive ROE | | | |
|---|--|---|---------------|
| 139 | Net Revenue Requirement Less Return and Taxes | (Line 132 - Line 122 - Line 123) | 14,753,766 |
| 140 | Increased Return and Taxes | Attachment 4 | 133,395,557 |
| 141 | Net Revenue Requirement with Incentive ROE | (Line 139 + Line 140) | 148,149,323 |
| 142 | Net Transmission Plant + CWIP | (Line 17 - Line 23+ Line 33) | 1,162,118,118 |
| 143 | FCR with Incentive ROE | (Line 141 / Line 142) | 12.74822% |
| 144 | FCR with Incentive ROE without Depreciation | (Line 141 - Line 75) / Line 142 | 12.3823% |
| 145 | FCR with Incentive ROE without Depreciation and Pre-Commercial | (Line 141 - Line 70 - Line 71 - Line 75) / Line 142 | 12.3823% |

| Net Revenue Requirement | | | |
|--------------------------------|---|--------------|-------------|
| 146 | Net Revenue Requirement | (Line 132) | 140,330,887 |
| 147 | Reconciliation amount | Attachment 6 | 2,542,078 |
| 148 | Plus any increased ROE calculated on Attach 7 other than PJM Sch. 12 projects not paid by other PJM trans zones | Attachment 7 | 7,176,435 |
| 149 | Facility Credits under Section 30.9 of the PJM OATT | Attachment 5 | 0 |

| | | | |
|------------|--------------------------------------|------------------------------|--------------------|
| 150 | Net Zonal Revenue Requirement | (Line 146 + 147 + 148 + 149) | 150,049,400 |
|------------|--------------------------------------|------------------------------|--------------------|

| Network Zonal Service Rate | | | |
|-----------------------------------|-------------------|-------------------|-----|
| 151 | 1 CP Peak | (Note K) PJM Data | N/A |
| 152 | Rate (\$/MW-Year) | (Line 150 / 151) | N/A |

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

Notes

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

Example:

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

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

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

| Line | Trans-Allegheny Interstate Company | | | | | | | |
|--------------------------------------|------------------------------------|--------------------------|---|-----------------------|----------------------------------|----------------------|----------------------|-------------------|
| | B1 | B2 | B3 | C | D | E | F | G |
| | <i>Beg of Year Total</i> | <i>End of Year Total</i> | <i>End of Year for Est. Average for Final Total</i> | <i>Retail Related</i> | <i>Only Transmission Related</i> | <i>Plant Related</i> | <i>Labor Related</i> | <i>Total ADIT</i> |
| 1 ADIT- 282 From Account Total Below | 21,944,661 | 16,977,821 | 19,461,241 | | 16,977,821 | - | - | 16,977,821 |
| 2 ADIT-283 From Account Total Below | 12,708,159 | 35,155,734 | 23,931,947 | | 35,155,734 | - | - | 35,155,734 |
| 3 ADIT-190 From Account Total Below | (10,525,805) | (1,565,293) | (6,045,549) | | (1,229,522) | - | - | (1,229,522) |
| 4 Subtotal | | | | | 50,904,033 | - | - | 50,904,033 |
| 5 Wages & Salary Allocator | | | | | | | 100.0000% | |
| 6 Gross Plant Allocator | | | | | | 100.0000% | | |
| 7 ADIT | | | | | 50,904,033 | - | - | 50,904,033 |

Enter Negative

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 93.
 Amount 3,883,683 < From Acct 283, below

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

A

| | B1 | B2 | B3 | C | D | E | F | G | |
|-------------------------------------|------------------------------------|------------------|------------------|----------|----------------|------------------|----------|----------|---|
| | Trans-Allegheny Interstate Company | | | | | | | | |
| | End of Year for | | | | | | | | |
| | Beg of Year | End of Year | Est. Average | Retail | Gas, Prod | Only | Plant | Labor | |
| | Balance | Balance | for Final | Related | Or Other | Transmission | Related | Related | |
| | p234.18.b | p234.18.c | Total | | Related | Related | | | JUSTIFICATION |
| Tax Interest Capitalized | 10,002,984 | - | 5,001,492 | | | - | | | Actual amount of tax interest capitalized |
| Depreciation | - | - | - | | | - | | | Book depreciation |
| Taxes Intercompany Charges AESC | - | 260,832 | 130,416 | | | 260,832 | | | Intercompany charges from the AP service company |
| Worker's Compensation | 104,674 | 120,675 | 112,675 | | | 120,675 | | | Actual amount of reserve for workers' compensation |
| Long Term Disability Accrual | 2,479 | 2,302 | 2,391 | | | 2,302 | | | Long term disability accrual |
| Excess Over/Under Prior Service | - | - | - | | | - | | | Excess over under prior service cost |
| Amortization Expense | 4,177 | - | 2,089 | | | - | | | Amortization of intangible plant |
| WV Rate Change Consolidated Benefit | (140) | (120) | (130) | | | (120) | | | Temporary difference due to change in state tax rate in West Virginia |
| CIAC - Taxable | 411,631 | - | 205,816 | | | - | | | Taxable CIAC |
| Taxes Accrued State Other | - | 7,039 | 3,520 | | | 7,039 | | | PA Sales Tax |
| Miscellaneous Other Property Tax | - | (117,532) | (58,766) | | | (117,532) | | | WV Property Tax |
| Merger Costs Capitalized | - | 335,771 | 167,886 | | 335,771 | - | | | Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement |
| Reserve for EIB | - | 869,079 | 434,540 | | | 869,079 | | | Allocated portion of total liabilities relating to captive insurance |
| Power Tax Adjustment | - | 79,357 | 39,679 | | | 79,357 | | | System adjustment to reclass balances to correct FERC accounts |
| Operating Provision Enviro Accrual | - | 7,890 | 3,945 | | | 7,890 | | | Environmental clean-up expenses |
| Subtotal | 10,525,805 | 1,565,293 | 6,045,549 | - | 335,771 | 1,229,522 | - | - | |
| Less FASB 109 included above | | | | | | | | | |
| Less FASB 106 included above | | | | | | | | | |
| Total | 10,525,805 | 1,565,293 | 6,045,549 | - | 335,771 | 1,229,522 | - | - | |

Instructions for Account 190:

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

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

| A | B1 B2 B3 C D E F G | | | | | | | | JUSTIFICATION |
|---|------------------------------------|---------------------|--|----------------|------------------------------------|-----------------------------------|-----------------------|-----------------------|--|
| | Trans-Allegheny Interstate Company | | | | | | | | |
| | Beg of Year Balance | End of Year Balance | End of Year for Est. Average for Final Total | Retail Related | Gas, Prod Or Other Related Related | Only Transmission Related Related | Plant Related Related | Labor Related Related | |
| ADIT- 282 | p274.9.b | p275.9.k | | | | | | | |
| Property Related - ABFUDC | 913,516 | 1,198,161 | 1,055,839 | | | 1,198,161 | | | Allowance for borrowed funds used during construction (ABFUDC) |
| Property Related - Tax Depreciation | 22,571,513 | 22,334,952 | 22,453,233 | | | 22,334,952 | | | Tax depreciation |
| FASB 109 Fixed Asset Adjustment | 2,918,387 | 4,184,814 | 3,551,601 | | | 4,184,814 | | | Increase in AOFDC |
| Book Depreciation Expense | (1,540,368) | (3,267,325) | (2,403,847) | | | (3,267,325) | | | Book depreciation |
| Amortization Expense - Intangible Plant | - | (4,020) | (2,010) | | | (4,020) | | | Book depreciation / amortization |
| Bonus Depreciation | - | 20,597,674 | 10,298,637 | | | 20,597,674 | | | Tax depreciation |
| CIAICS Taxable | - | (388,696) | (194,348) | | | (388,696) | | | Taxable CIAIC |
| Tax Interest Capitalized | - | (23,641,968) | (11,820,984) | | | (23,641,968) | | | Actual amount of tax interest capitalized |
| Power Tax Adjustment | - | 149,043 | 74,522 | | | 149,043 | | | System adjustment to reclass balances to correct FERC accounts |
| Subtotal | 24,863,048 | 21,162,635 | 23,012,842 | | | 21,162,635 | | | |
| Less FASB 109 included above | 2,918,387 | 4,184,814 | 3,551,601 | | | 4,184,814 | | | Increase in AOFDC |
| Less FASB 106 included above | - | - | - | | | - | | | |
| Total | 21,944,661 | 16,977,821 | 19,461,241 | | | 16,977,821 | | | |

Instructions for Account 282:

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

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

| A | B1 | B2 | B3 | C | D | E | F | G | JUSTIFICATION |
|-------------------------------------|------------------------------------|---------------------|--|----------------|----------------------------|---------------------------|---------------|---------------|--|
| | Trans-Allegheny Interstate Company | | | | | | | | |
| ADIT-283 | Beg of Year Balance | End of Year Balance | End of Year for Est. Average for Final Total | Retail Related | Gas, Prod Or Other Related | Only Transmission Related | Plant Related | Labor Related | |
| | p276.19.b | p277.19.k | | | | | | | |
| Deferred Tax Reclassification | - | - | - | | | - | | | ADIT balance sheet reclassification |
| Regulated Asset Proxy LT | 588,449 | 5,254,226 | 2,921,338 | | | 5,254,226 | | | Regulatory asset for Prexy reclassification |
| WV Rate Change Consol Benefit | - | - | - | | | - | | | Temporary difference due to change in state tax rate in West Virginia |
| Reg Asset PJM Receivable - ST | 10,629,496 | 24,358,135 | 17,493,816 | | | 24,358,135 | | | Comparison of actual to forecast revenues - non-property related |
| Reg Asset PJM Receivable - LT | 1,501,980 | 445,499 | 973,740 | | | 445,499 | | | Comparison of actual to forecast revenues - non-property related |
| WV State Property Tax | 50,475 | - | 25,238 | | | - | | | West Virginia property tax payment |
| Tax Intercompany Charge | (62,241) | - | (31,121) | | | - | | | Intercompany charges from the AP service company |
| Deferred Charge EIB | - | 1,130,290 | 565,145 | | | 1,130,290 | | | Allocated portion of total liabilities relating to captive insurance |
| Unamortized Loss on Reacquired Debt | - | 3,883,683 | 1,941,842 | | | 3,883,683 | | | Unamortized debt expenses for existing debt that is refinanced and amortized over the life of the new debt |
| Power Tax Adjustment | - | 83,901 | 41,951 | | | 83,901 | | | System adjustment to reclass balances to correct FERC accounts |
| Subtotal | 12,708,159 | 35,155,734 | 23,931,947 | | | 35,155,734 | | | |
| Less FASB 109 included above | | | | | | | | | |
| Less FASB 106 included above | | | | | | | | | |
| Total | 12,708,159 | 35,155,734 | 23,931,947 | | | 35,155,734 | | | |

Instructions for Account 283:

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

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

| Other Taxes | FERC Form No.1 page, line & Col | Amount | Allocator | Allocated Amount | |
|--|---|-------------------------------------|-------------------|---------------------|--|
| Plant Related | | Gross Plant Allocator | | | |
| 1.1 | 2009 State Property WV | p263.34(i) | 103,466 | 100.0000% | \$ 103,466 |
| 1.2 | 2010 State Property WV | p263.35(i) | 131,146 | 100.0000% | 131,146 |
| 1.3 | 2009 Local Property WV | p263.1.5(i) | 3,645 | 100.0000% | 3,645 |
| 1.4 | 2010 Local Property WV | p263.1.6(i) | 22,945 | 100.0000% | 22,945 |
| 1.5 | 2010 Local Property VA | p263.1.9(i) | 83,401 | 100.0000% | 83,401 |
| 1.6 | 2010 Local Property PA | p263.1.12(i) | 2,884 | 100.0000% | 2,884 |
| 1.7 | 2009 Local Property MD | p263.1.15(i) | 500,534 | 100.0000% | 500,534 |
| 1.8 | 2010 Local Property MD | p263.1.16(i) | 521,362 | 100.0000% | 521,362 |
| 2.1 | 2010 Capital Stock Tax/Franchise MD | p263.10(i) | 300 | 100.0000% | 300 |
| 2.2 | 2008 Capital Stock Tax/Franchise PA | p263.20(i) | -60,020 | 100.0000% | -60,020 |
| 2.3 | 2009 Capital Stock Tax/Franchise PA | p263.21(i) | 24,758 | 100.0000% | 24,758 |
| 2.4 | 2010 Capital Stock Tax/Franchise PA | p263.22(i) | 104,500 | 100.0000% | 104,500 |
| 2.5 | Capital Stock Tax/Franchise All States | p263.1.1(i) | 32 | 100.0000% | 32 |
| 3.1 | Gross Premium MD | p263.13(i) | 2,391 | 100.0000% | 2,391 |
| 3.2 | Gross Premium PA | p263.23(i) | 372 | 100.0000% | 372 |
| 4.1 | 2010 State Use Tax PA | p263.18(i) | 30,668 | 100.0000% | 30,668 |
| 4.2 | 2010 State Sales Tax PA | p263.19(i) | 17,485 | 100.0000% | 17,485 |
| 6.1 | State License WV | p263.38(i) | 30 | 100.0000% | 30 |
| 8 | Total Plant Related | | <u>1,489,899</u> | <u>100.0000%</u> | <u>1,489,899</u> |
| Labor Related | | Wages & Salary Allocator | | | |
| 9 | Accrued Federal FICA | p263.3(i) | 490,953 | | |
| 10 | Accrued Federal Unemployment | p263.4(i) | 4,708 | | |
| 11 | State Unemployment | p263.1.2(i) | 18,471 | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | Total Labor Related | | <u>514,132</u> | <u>100.0000%</u> | <u>514,132</u> |
| Other Included | | Gross Plant Allocator | | | |
| 15 | | | | | 0 |
| 16 | | | | | 0 |
| 17 | | | | | 0 |
| 18 | | | | | 0 |
| 19 | Total Other Included | | <u>0</u> | <u>100.0000%</u> | <u>0</u> |
| 20 | Total Included (Lines 8 + 14 + 19) | | <u>2,004,031</u> | | <u><u>2,004,031</u></u> Input to Appendix A, Line 82 |
| Retail Related Other Taxes to be Excluded | | | | | |
| 21 | Federal Income Tax | p263.2(i) | 6,607,208 | | |
| 22 | Corporate Net Income Tax MD | p263.9(i) | 609,228 | | |
| 23 | Corporate Net Income Tax PA | p263.17(i) | 199,134 | | |
| 24 | Corporate Net Income Tax VA | p263.27(i) | 69,819 | | |
| 25 | Corporate Net Income Tax WV | p263.33(i) | 848,971 | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | Subtotal, Excluded | | <u>8,334,360</u> | | |
| 32 | Total, Included and Excluded (Line 20 + Line 28) | | <u>10,338,391</u> | | |
| 33 | Total Other Taxes from p114.14.c | | <u>2,004,032</u> | | |
| 34 | Difference (Line 32 - Line 33) | | <u>8,334,359</u> | | |

Criteria for Allocation:

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

Trans-Allegheny Interstate Line Company

Attachment 3 - Revenue Credit Workpaper

| | | Amount | FERC Form No.1 page, line & Col |
|---|---|------------------|---|
| Account 454 - Rent from Electric Property | | | |
| 1 | Rent from Electric Property - Transmission Related (Note 3) | - | Page 300 Line: 19 Column: b |
| 2 | Total Rent Revenues (Line 1) | - | |
| Account 456 - Other Electric Revenues (Note 1) | | | |
| 3 | Schedule 1A | - | |
| 4 | Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4) | - | |
| 5 | Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner | 1,926,160 | p328-330 FootNote Data Schedule Page: 328 Line: 1 Column: m |
| 6 | PJM Transitional Revenue Neutrality (Note 1) | - | |
| 7 | PJM Transitional Market Expansion (Note 1) | - | |
| 8 | Professional Services (Note 3) | - | |
| 9 | Revenues from Directly Assigned Transmission Facility Charges (Note 2) | - | |
| 10 | Rent or Attachment Fees associated with Transmission Facilities (Note 3) | - | |
| 11 | Gross Revenue Credits (Sum Lines 2-10) | 1,926,160 | |
| 12 | Less line 14g | - | |
| 13 | Total Revenue Credits (Line 11 - Line 12) | <u>1,926,160</u> | Input to Appendix A, Line 131 |
| Revenue Adjustment to determine Revenue Credit | | | |
| 14a | Revenues associated with lines 14b-g are to be included in lines 2-10 and total of those revenues entered here | - | |
| 14b | Costs associated with revenues in line 14a | - | |
| 14c | Net Revenues (14a - 14b) | - | |
| 14d | 50% Share of Net Revenues (14c / 2) | - | |
| 14e | Costs associated with revenues in line 14a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue. | - | |
| 14f | Net Revenue Credit (14d + 14e) | - | |
| 14g | Line 14a less line 14f | - | |
| 15 | Amount offset in line 4 above | - | |
| 16 | Total Account 454 and 456 | 1,926,160 | |
| 17 | Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 178 of Appendix A. | | |
| 18 | Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates. | | |
| 19 | Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 14a - 14g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes). | | |
| 20 | Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 of the PJM OATT are not included in the total above to the extent they are credited under Schedule 12 of the PJM OATT. | | |

| | | | | |
|---|---|----------------------------------|-------------|-------------------------------|
| A | Return and Taxes at High End of the range of Reasonableness | | | |
| | Return and Taxes at High End of the range of Reasonableness | (Sum Lines 26 and 33 from below) | 133,395,557 | Input to Appendix A, Line 140 |
| B | Difference between Base ROE and Incentive ROE | | 100 | |

Return Calculation

| | | Source Reference | |
|----------------|---|------------------------------|------------------------|
| 1 | Rate Base | Appendix A, Line 46 | 1,163,878,521 |
| 2 | Preferred Dividends | enter positive | 0 |
| Common Stock | | | |
| 3 | Proprietary Capital | Appendix A, Line 85 | 416,538,090 |
| 4 | Less Accumulated Other Comprehensive Income Account 219 | Appendix A, Line 86 | 0 |
| 5 | Less Preferred Stock | Appendix A, Line 87 | 0 |
| 6 | Less Account 216.1 | Appendix A, Line 88 | 0 |
| 7 | Common Stock | Appendix A, Line 89 | 416,538,090 |
| Capitalization | | | |
| 8 | Long Term Debt | Appendix A, Line 90 | 820,000,000 |
| 9 | Less Unamortized Loss on Reacquired Debt | Appendix A, Line 91 | 9,844,260 |
| 10 | Plus Unamortized Gain on Reacquired Debt | Appendix A, Line 92 | 0 |
| 11 | Less ADIT associated with Gain or Loss | Appendix A, Line 93 | 3,883,683 |
| 12 | Total Long Term Debt | Appendix A, Line 94 | 806,272,057 |
| 13 | Preferred Stock | Appendix A, Line 95 | 0 |
| 14 | Common Stock | Appendix A, Line 96 | 416,538,090 |
| 15 | Total Capitalization | Appendix A, Line 97 | 1,222,810,147 |
| 16 | Debt % | Total Long Term Debt | 60% |
| 17 | Preferred % | Preferred Stock | 0% |
| 18 | Common % | Common Stock | 40% |
| 19 | Debt Cost | Total Long Term Debt | 0.049 |
| 20 | Preferred Cost | Preferred Stock | 0.0000 |
| 21 | Common Cost | Common Stock | 12.70% 0.1270 |
| 22 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 16 * 19) 0.02930 |
| 23 | Weighted Cost of Preferred | Preferred Stock | (Line 17 * 20) 0.0000 |
| 24 | Weighted Cost of Common | Common Stock | (Line 18 * 21) 0.0510 |
| 25 | Rate of Return on Rate Base (ROR) | (Sum Lines 22 to 24) | 0.0803 |
| 26 | Investment Return = Rate Base * Rate of Return | (Line 1 * Line 25) | 93,422,710 |

Composite Income Taxes

| | | | |
|-------------------------|---|---|-----------------------------|
| Income Tax Rates | | | |
| 27 | FIT=Federal Income Tax Rate | Appendix A, Line 109 | 35.00% |
| 28 | SIT=State Income Tax Rate or Composite | Appendix A, Line 110 | 8.09% |
| 29 | p = percent of federal income tax deductible for state purposes | Appendix A, Line 111 | 0.00% |
| 30 | T | $T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$ | Appendix A, Line 112 40.26% |
| 31 | T/ (1-T) | Appendix A, Line 113 | 67.38% |
| 32 | Income Tax Component = | $CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$ | 39,972,848 |
| 33 | Total Income Taxes | (Line 32) | 39,972,848 |

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Plant In Service Worksheet

Attachment A Line 6a, Descriptions, Notes, Point 1 Page 8a and Instructions

| | | | 13 Month Balance for Reconciliation | EOY Balance for Estimate | 13 Month Plant Balance For Reconciliation | | | | | | | | | | | | |
|---|--------------------------------------|-----------------------|-------------------------------------|--------------------------|---|-------------------|---------------------------------|-----------------------------|-----------------------------|-------------------------|------------------|-----------------------|---------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------|
| | | | Total | Total | Details | | | | | | | | | | | | |
| | | | | | Black Oak | Wyle Ridge | 502 Junction - Terrestrial Line | 500 KV Proxy - 502 Junction | 138 KV Proxy - 502 Junction | Meadowbrook Transformer | North Shenandoah | Bedington Transformer | Meadow Brook SS Capacitor | Kammer Transformers | Urbans Replacement Transformer #2 | Urbans Replacement Transformer #4 | Total |
| Calculation of Transmission Plant In Service | | | | | | | | | | | | | | | | | |
| December | p207.58.b | For 2009 | 137,773,984 | | 46,572,419 | 13,295,566 | 11,546,061 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,715,990 | 6,283,316 | 41,987,880 | - | - | 137,773,984 |
| January | company records | For 2010 | 137,970,096 | | 46,572,867 | 13,295,566 | 11,548,027 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,714,189 | 6,476,876 | 41,987,822 | - | - | 137,970,096 |
| February | company records | For 2010 | 137,887,696 | | 46,573,039 | 13,295,566 | 11,548,027 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,714,264 | 6,394,177 | 41,987,880 | - | - | 137,887,696 |
| March | company records | For 2010 | 138,076,246 | | 46,576,977 | 13,295,566 | 11,646,734 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,716,027 | 6,478,416 | 41,987,880 | - | - | 138,076,246 |
| April | company records | For 2010 | 208,081,744 | | 46,590,805 | 13,295,566 | 81,626,119 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,484,964 | 41,987,880 | - | - | 208,081,744 |
| May | company records | For 2010 | 217,918,360 | | 46,592,141 | 13,295,566 | 86,476,389 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,328 | 41,987,880 | - | - | 217,918,360 |
| June | company records | For 2010 | 216,650,110 | | 46,594,243 | 13,295,566 | 86,835,149 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,189 | 41,878,281 | - | - | 216,650,110 |
| July | company records | For 2010 | 219,831,545 | | 46,596,919 | 13,295,566 | 87,009,718 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,675,008 | - | - | 219,831,545 |
| August | company records | For 2010 | 220,459,765 | | 46,596,411 | 13,295,566 | 87,628,758 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,675,159 | - | - | 220,459,765 |
| September | company records | For 2010 | 220,839,671 | | 46,598,764 | 13,295,566 | 88,007,877 | 2,928 | 244,984 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,671,734 | - | - | 220,839,671 |
| October | company records | For 2010 | 218,712,007 | | 46,601,428 | 13,295,566 | 86,229,868 | 2,928 | 2,273 | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,557,417 | - | - | 218,712,007 |
| November | company records | For 2010 | 223,366,583 | | 46,601,973 | 13,295,566 | 86,969,243 | - | - | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,557,417 | 4,514,592 | - | 223,366,583 |
| December | p207.58.g | For 2010 | 224,314,675 | 224,314,675 | 46,602,043 | 13,295,566 | 87,313,715 | - | - | 8,202,934 | 1,923,902 | 7,721,662 | 6,496,239 | 42,557,417 | 4,526,373 | 5,674,624.02 | 224,314,675 |
| 15 | Transmission Plant In Service | | 194,191,336 | 224,314,675 | 46,590,155 | 13,295,566 | 63,415,246 | 2,477 | 188,624 | 8,202,934 | 1,923,902 | 7,719,487 | 6,468,285 | 42,253,859 | 695,459 | 3,435,344 | 194,191,336 |
| Calculation of Distribution Plant In Service | | | | | | | | | | | | | | | | | |
| December | p206.75.b | For 2009 | - | | Link to Appendix A, line 18 | | | | | | | | | | | | |
| January | company records | For 2010 | - | | | | | | | | | | | | | | |
| February | company records | For 2010 | - | | | | | | | | | | | | | | |
| March | company records | For 2010 | - | | | | | | | | | | | | | | |
| April | company records | For 2010 | - | | | | | | | | | | | | | | |
| May | company records | For 2010 | - | | | | | | | | | | | | | | |
| June | company records | For 2010 | - | | | | | | | | | | | | | | |
| July | company records | For 2010 | - | | | | | | | | | | | | | | |
| August | company records | For 2010 | - | | | | | | | | | | | | | | |
| September | company records | For 2010 | - | | | | | | | | | | | | | | |
| October | company records | For 2010 | - | | | | | | | | | | | | | | |
| November | company records | For 2010 | - | | | | | | | | | | | | | | |
| December | p207.75.g | For 2010 | - | | | | | | | | | | | | | | |
| Distribution Plant In Service | | | | | | | | | | | | | | | | | |
| Calculation of Intangible Plant In Service | | | | | | | | | | | | | | | | | |
| December | p204.5.b | For 2009 | - | | Link to Appendix A, line 18 | | | | | | | | | | | | |
| December | p205.5.g | For 2010 | 65,412.00 | 65,412.00 | | | | | | | | | | | | | |
| 18 | Intangible Plant In Service | | 65,412.00 | 65,412.00 | | | | | | | | | | | | | |
| Calculation of General Plant In Service | | | | | | | | | | | | | | | | | |
| December | p206.99.b | For 2009 | 3,881,565 | | Link to Appendix A, line 18 | | | | | | | | | | | | |
| December | p207.99.g | For 2010 | 51,284,119 | 51,284,119 | | | | | | | | | | | | | |
| 18 | General Plant In Service | | 27,682,842 | 51,284,119 | | | | | | | | | | | | | |
| Calculation of Production Plant In Service | | | | | | | | | | | | | | | | | |
| December | p204.46b | For 2009 | - | | Link to Appendix A, line 18 | | | | | | | | | | | | |
| January | company records | For 2010 | - | | | | | | | | | | | | | | |
| February | company records | For 2010 | - | | | | | | | | | | | | | | |
| March | company records | For 2010 | - | | | | | | | | | | | | | | |
| April | company records | For 2010 | - | | | | | | | | | | | | | | |
| May | company records | For 2010 | - | | | | | | | | | | | | | | |
| June | company records | For 2010 | - | | | | | | | | | | | | | | |
| July | company records | For 2010 | - | | | | | | | | | | | | | | |
| August | company records | For 2010 | - | | | | | | | | | | | | | | |
| September | company records | For 2010 | - | | | | | | | | | | | | | | |
| October | company records | For 2010 | - | | | | | | | | | | | | | | |
| November | company records | For 2010 | - | | | | | | | | | | | | | | |
| December | p205.46.g | For 2010 | - | | | | | | | | | | | | | | |
| Production Plant In Service | | | | | | | | | | | | | | | | | |
| 6 | Total Plant In Service | Sum of averages above | 221,806,884 | 275,664,206 | Link to Appendix A, line 6 | | | | | | | | | | | | |

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Accumulated Depreciation Worksheet

| Worksheet A Line 8, Depreciation Values, Form 1 Page 26 and Instructions | | | Details | | | | | | | | | | | | | | |
|--|---------------------------------------|-----------------------|-----------------------------|-------------------------------------|-------------|---------------------------------|---------------------------|---------------------------|-------------------------|-----------------|-----------------------|---------------------------|---------------------|---------------------------------|---------------------------------|-----------|-----------|
| 13 Month Balance For Reconciliation | | | EOY Balance For Estimate | 13 Month Balance For Reconciliation | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| Calculation of Transmission Accumulated Depreciation | | | Source | Black Oak | Wylie Ridge | 502 Junction - Terrestrial Line | 500 KV Proxy 502 Junction | 138 KV Proxy 502 Junction | Meadowbrook Transformer | North Shandorah | Bedington Transformer | Meadow Brook SS Capacitor | Kammer Transformers | UGBs Replacement Transformer #2 | UGBs Replacement Transformer #4 | Total | |
| December | Prior year FERC Form 1 p219.25.b | For 2009 | 3,773,948 | 2,683,134 | 558,383 | 25,235 | 113 | 88 | 255,023 | 56,638 | 105,478 | 18,655 | 71,203 | - | - | 3,773,948 | |
| January | company records | For 2010 | 4,028,856 | 2,797,215 | 580,492 | 29,245 | 118 | 92 | 269,378 | 60,054 | 118,977 | 18,655 | 144,483 | - | - | 4,028,856 | |
| February | company records | For 2010 | 4,285,061 | 2,911,296 | 603,584 | 43,513 | 123 | 95 | 283,733 | 63,371 | 132,477 | 28,708 | 218,161 | - | - | 4,285,061 | |
| March | company records | For 2010 | 4,541,936 | 3,025,377 | 626,851 | 37,107 | 128 | 100 | 298,088 | 66,738 | 145,977 | 49,929 | 291,640 | - | - | 4,541,936 | |
| April | company records | For 2010 | 4,800,194 | 3,139,471 | 650,117 | 41,281 | 133 | 103 | 312,443 | 70,165 | 159,480 | 61,841 | 365,119 | - | - | 4,800,194 | |
| May | company records | For 2010 | 5,183,350 | 3,253,584 | 673,385 | 170,387 | 138 | 107 | 326,799 | 73,472 | 172,993 | 73,887 | 438,598 | - | - | 5,183,350 | |
| June | company records | For 2010 | 5,584,048 | 3,367,699 | 697,210 | 307,895 | 143 | 111 | 341,154 | 76,839 | 186,506 | 85,944 | 512,076 | - | 8,700 | 5,584,048 | |
| July | company records | For 2010 | 5,986,634 | 3,481,818 | 720,278 | 445,709 | 148 | 115 | 355,009 | 80,295 | 211,223 | 98,019 | 585,013 | - | 18,598 | 5,986,634 | |
| August | company records | For 2010 | 6,400,090 | 3,595,939 | 743,545 | 583,888 | 154 | 119 | 369,864 | 83,572 | 224,736 | 110,093 | 659,895 | - | 28,508 | 6,400,090 | |
| September | company records | For 2010 | 6,793,483 | 3,710,062 | 766,812 | 723,161 | 159 | 123 | 384,219 | 86,939 | 227,045 | 122,168 | 734,376 | - | 30,436 | 6,793,483 | |
| October | company records | For 2010 | 7,198,725 | 3,824,189 | 790,031 | 863,124 | 164 | 127 | 398,574 | 90,306 | 240,558 | 134,243 | 809,052 | - | 48,357 | 7,198,725 | |
| November | company records | For 2010 | 7,607,330 | 3,938,321 | 813,353 | 1,006,545 | 169 | 131 | 412,929 | 93,673 | 254,071 | 148,317 | 883,527 | - | 58,294 | 7,607,330 | |
| December | p219.25.b | For 2010 | 8,023,973 | 4,052,453 | 835,808 | 1,151,215 | 31 | 74 | 427,284 | 97,560 | 267,893 | 158,408 | 959,092 | 7,001 | 69,228 | 8,023,973 | |
| 23 | Transmission Accumulated Depreciation | | 5,769,049 | 8,023,973 | 3,367,735 | 696,896 | 418,334 | 132 | 103 | 341,154 | 76,839 | 188,239 | 85,143 | 513,165 | 608 | 20,700 | 5,769,049 |
| | | | Link to Appendix A, line 23 | | | | | | | | | | | | | | |
| Calculation of Distribution Accumulated Depreciation | | | Source | | | | | | | | | | | | | | |
| December | Prior year FERC Form 1 p219.26.b | For 2009 | - | | | | | | | | | | | | | | |
| January | company records | For 2010 | - | | | | | | | | | | | | | | |
| February | company records | For 2010 | - | | | | | | | | | | | | | | |
| March | company records | For 2010 | - | | | | | | | | | | | | | | |
| April | company records | For 2010 | - | | | | | | | | | | | | | | |
| May | company records | For 2010 | - | | | | | | | | | | | | | | |
| June | company records | For 2010 | - | | | | | | | | | | | | | | |
| July | company records | For 2010 | - | | | | | | | | | | | | | | |
| August | company records | For 2010 | - | | | | | | | | | | | | | | |
| September | company records | For 2010 | - | | | | | | | | | | | | | | |
| October | company records | For 2010 | - | | | | | | | | | | | | | | |
| November | company records | For 2010 | - | | | | | | | | | | | | | | |
| December | p219.26.b | For 2010 | - | | | | | | | | | | | | | | |
| Distribution Accumulated Depreciation | | | | | | | | | | | | | | | | | |
| Calculation of Intangible Accumulated Depreciation | | | Source | | | | | | | | | | | | | | |
| December | Prior year FERC Form 1 p200.21.b | For 2009 | 10,295 | | | | | | | | | | | | | | |
| December | p200.21.b | For 2010 | 45,527 | | | | | | | | | | | | | | |
| 25 | Accumulated Intangible Depreciation | | 22,811 | 45,527 | | | | | | | | | | | | | |
| | | | Link to Appendix A, line 25 | | | | | | | | | | | | | | |
| Calculation of General Accumulated Depreciation | | | Source | | | | | | | | | | | | | | |
| December | Prior year FERC Form 1 p219.28b | For 2009 | 18,011 | | | | | | | | | | | | | | |
| December | p219.28.b | For 2010 | 287,202 | | | | | | | | | | | | | | |
| 24 | Accumulated General Depreciation | | 148,667 | 287,202 | | | | | | | | | | | | | |
| | | | Link to Appendix A, line 24 | | | | | | | | | | | | | | |
| Calculation of Production Accumulated Depreciation | | | Source | | | | | | | | | | | | | | |
| December | Prior year FERC Form 1 p219.20.b | For 2009 | - | | | | | | | | | | | | | | |
| January | company records | For 2010 | - | | | | | | | | | | | | | | |
| February | company records | For 2010 | - | | | | | | | | | | | | | | |
| March | company records | For 2010 | - | | | | | | | | | | | | | | |
| April | company records | For 2010 | - | | | | | | | | | | | | | | |
| May | company records | For 2010 | - | | | | | | | | | | | | | | |
| June | company records | For 2010 | - | | | | | | | | | | | | | | |
| July | company records | For 2010 | - | | | | | | | | | | | | | | |
| August | company records | For 2010 | - | | | | | | | | | | | | | | |
| September | company records | For 2010 | - | | | | | | | | | | | | | | |
| October | company records | For 2010 | - | | | | | | | | | | | | | | |
| November | company records | For 2010 | - | | | | | | | | | | | | | | |
| December | p219.20.b thru 219.24.b | For 2010 | - | | | | | | | | | | | | | | |
| Production Accumulated Depreciation | | | | | | | | | | | | | | | | | |
| 8 | Total Accumulated Depreciation | Sum of averages above | 5,885,566 | 8,356,702 | | | | | | | | | | | | | |
| | | | Link to Appendix A, line 8 | | | | | | | | | | | | | | |

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

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

Transmission / Non-transmission Cost Support

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

CWIP & Expensed Lease Worksheet

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | CWIP in Form 1 Amount | Expensed Lease in Form 1 Amount | Details |
|---|---------------------------------------|----------|--------------|---------------|-----------------------|---------------------------------|---------|
| | | | | Begin of year | | | |
| 6 | Plant Allocation Factors | | | | | | |
| | Electric Plant in Service | (Note B) | Attachment 5 | 141,655,549 | - | - | |
| 15 | Plant In Service | | | | | | |
| | Transmission Plant In Service | (Note B) | Attachment 5 | 137,773,984 | - | - | |
| 23 | Accumulated Depreciation | | | | | | |
| | Transmission Accumulated Depreciation | (Note B) | Attachment 5 | 3,773,948 | - | - | |

Pre-Commercial Costs Capitalized

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

EPRI Dues Cost Support

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

Regulatory Expense Related to Transmission Cost Support

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Transmission Related | Non-transmission Related | Details |
|---|---------------------------------------|----------|------------|---------------|----------------------|--------------------------|---|
| Directly Assigned A&G | | | | | | | |
| 62 | Regulatory Commission Exp Account 928 | (Note G) | p323.189.b | (530) | (530) | - | Link to Appendix A, line 62 Enter Details Here |

Safety Related Advertising Cost Support

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Safety Related | Non-safety Related | Details |
|---|---------------------------------------|----------|------------|---------------|----------------|--------------------|---|
| Directly Assigned A&G | | | | | | | |
| 66 | General Advertising Exp Account 930.1 | (Note F) | p323.191.b | 20,750 | | | Link to Appendix A, line 66 Enter Details Here |

MultiState Workpaper

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | State 1 | State 2 | State 3 | State 4 | State 5 | Details |
|---|--|----------|--|-----------------|--|----------|---------|---------|---------|
| Income Tax Rates | | | | MD 8.25% | WV 8.50% | PA 9.99% | | | |
| 110 | SIT-State Income Tax Rate or Composite | (Note H) | | Composite 8.09% | Composite is calculated based on sales, payroll and property for each jurisdiction | | | | |

Education and Out Reach Cost Support

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Education & Outreach | Other | Details |
|---|---------------------------------------|----------|------------|---------------|----------------------|-------|--------------------|
| Directly Assigned A&G | | | | | | | |
| 63 | General Advertising Exp Account 930.1 | (Note J) | p323.191.b | 20,750 | 20,750 | - | Enter Details Here |

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Excluded Plant Cost Support

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

Add more lines if necessary

Prepayments

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Beg. of year | End of Year | Average of Beginning and Ending Balances | Allocation | Transmission Related | Details |
|---|---|----------------|----------------|--|------------|----------------------|---------|
| 36 | Prepayments | | | Enter \$ | | Amount | |
| | Prepayments | 606,987 | 160,393 | 383,690 | 100% | 383,690 | |
| | Prepaid Pensions if not included in Prepayments | - | 0 | 0 | 100% | 0 | |
| | Total Prepayments | 606,987 | 160,393 | 383,690 | | 383,690 | |

Detail of Account 566 Miscellaneous Transmission Expenses

| Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Total | Summary of Pre-Commercial Expenses |
|---|---|------------|---|
| 70 | Amortization Expense on Pre-Commercial Cost | \$ - | |
| 71 | Pre-Commercial Expense | \$ - | |
| 72 | Miscellaneous Transmission Expense | \$ 394,142 | |
| | Total Account 566 Miscellaneous Transmission Expenses p.321 | \$ 394,142 | |
| | | | Cost Element Name Labor & Overhead (1) Miscellaneous (2) Outside Services Legal (3) Outside Services Other (4) Outside Services States (5) Advertising (6) Travel, Lodging and Meals (7) Total |
| | | | (1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation. (2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Fed EX fees for various meetings from Legal, Procurement, Transmission & Finance, fees for various conference calls and PJM application fee. (3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability. (4) Other services other includes fees for website development, media relations services, campaign management, open houses and research services. (5) Outside services rates includes the advice of a rate consultant regarding rate design. (6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project. (7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings. |
| | Net Revenue Requirement | | |
| 149 | Facility Credits under Section 30.9 of the PJM OATT | - | |

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Depreciation Rates

| | | Net | | Accrual | | Annual Depreciation Expense | | | | | | | | | | | Total | | | |
|--|-----------------------------------|----------|---------|--------------------------|---------|-----------------------------|--------------|---------------------------------|-----------------------------|-----------------------------|-------------------------|------------------|-----------------------|---------------------------|---------------------|----------------------------------|----------------------------------|-----------|--------------|--|
| | | Survivor | Salvage | Rate (Annual) | | | | | | | | | | | | | | | | |
| | | Life | Curve | Percent | Percent | Black Oak | Wyle Ridge | 502 Junction - Territorial Line | 506 KV Proxy - 502 Junction | 138 KV Proxy - 502 Junction | Meadowbrook Transformer | North Shenandoah | Bedington Transformer | Meadow Brook SS Capacitor | Kammer Transformers | Doubs Replacement Transformer #2 | Doubs Replacement Transformer #4 | Total | | |
| TRANSMISSION PLANT | | | | | | | | | | | | | | | | | | | | |
| 350.2 | Land & Land Rights - Easements | 70 | - | R4 | 0 | 1.40 | - | - | 8,257.43 | - | - | - | - | - | - | - | - | - | 8,257.43 | |
| 352 | Structures & Improvements | 50 | - | R3 | (10) | 2.30 | - | - | 1,450.44 | - | - | - | - | - | - | - | - | - | 1,450.44 | |
| | SVC | 35 | - | | | 2.86 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 353 | Station Equipment | | | | | | | | | | | | | | | | | | | |
| | Other | 50 | - | R2 | (5) | 2.10 | 15,599.41 | 279,207.00 | 873,359.75 | (81.39) | (63.26) | 172,261.56 | 40,401.96 | 162,105.44 | 108,760.52 | 886,799.82 | 7,900.54 | 68,223.13 | 2,614,474.48 | |
| | SVC | Note 1 | - | 80 R2 - 35-yr truncation | | 2.96 | 1,353,720.48 | - | - | - | - | - | - | - | - | - | - | - | 1,353,720.48 | |
| | SCADA | 15 | - | S3 | 0 | 6.67 | - | - | - | - | - | - | - | 9,479.34 | - | - | - | - | 9,479.34 | |
| 354 | Towers & Fixtures | 65 | - | R4 | (25) | 1.92 | - | - | 21,512.90 | - | - | - | - | - | - | - | - | - | 21,512.90 | |
| 355 | Poles & Fixtures | 55 | - | R2.5 | (20) | 2.18 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 356 | Overhead Conductors & Devices | | | | | | | | | | | | | | | | | | | |
| | Other | 55 | - | R2.5 | (40) | 2.80 | - | - | 242,782.04 | - | - | - | - | - | - | - | - | - | 242,782.04 | |
| | Clearing | 70 | - | R4 | 0 | 1.43 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 357 | Underground conduit | 55 | - | S3 | (5) | 1.91 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 358 | Underground conductor and devices | 45 | - | R3 | (5) | 2.33 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | SVC | 35 | - | | | 2.86 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Transmission Plant Depreciation | | | | | | | 1,369,319.89 | 279,207.00 | 1,147,604.56 | (81.39) | (63.26) | 172,261.56 | 40,401.96 | 162,105.44 | 118,239.86 | 886,799.82 | 7,900.54 | 68,223.13 | 4,251,919.11 | |
| Total Transmission Depreciation Expense (must tie to p336.7.f) | | | | | | | 4,251,919 | | | | | | | | | | | | | |
| Note 1: Depreciation rate is based on an 80 R2 survivor curve with a 35-year truncation. | | | | | | | | | | | | | | | | | | | | |
| GENERAL PLANT | | | | | | | | | | | | | | | | | | | | |
| 380 | Structures & Improvements | 50 | | R1 | 0 | 2.00 | - | - | - | - | - | - | - | - | - | - | - | - | 249,191 | |
| 391 | Office Furniture & Equipment | 20 | | SQ | 0 | 5.00 | - | - | - | - | - | - | - | - | - | - | - | - | 17,441 | |
| | Information Systems | 10 | | SQ | 0 | 10.00 | - | - | - | - | - | - | - | - | - | - | - | - | 578 | |
| | Data Handling | 10 | | SQ | 0 | 10.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 392 | Transportation Equipment | | | | | | | | | | | | | | | | | | | |
| | Other | 15 | | SQ | 20 | 5.33 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Autos | 7 | | S3 | 20 | 11.43 | - | - | - | - | - | - | - | - | - | - | - | - | 1,655 | |
| | Light Trucks | 11.5 | | L4 | 20 | 6.98 | - | - | - | - | - | - | - | - | - | - | - | - | 19,030 | |
| | Medium Truck | 11.5 | | L4 | 20 | 6.98 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Trailers | 18 | | L1 | 20 | 4.44 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | ATV | 15 | | SQ | 20 | 5.33 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 393 | Stores Equipment | 20 | | SQ | 0 | 5.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 394 | Tools, Shop & Garage Equipment | 20 | | SQ | 0 | 5.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 396 | Power Operated Equipment | 18 | | L1 | 25 | 4.17 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 397 | Communication Equipment | 15 | | SQ | 0 | 6.67 | - | - | - | - | - | - | - | - | - | - | - | - | 21,260 | |
| 398 | Miscellaneous Equipment | 15 | | SQ | 0 | 6.67 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total General Plant | | | | | | | 309,153 | | | | | | | | | | | | | |
| Total General Plant Depreciation Expense (must tie to p336.10.b & c) | | | | | | | 309,153 | | | | | | | | | | | | | |
| INTANGIBLE PLANT | | | | | | | | | | | | | | | | | | | | |
| 303 | Miscellaneous Intangible Plant | 5 | | SQ | 0 | 20.00 | - | - | - | - | - | - | - | - | - | - | - | - | 3,270.60 | |
| Total Intangible Plant | | | | | | | 3,270.60 | | | | | | | | | | | | | |
| Total Intangible Plant Amortization (must tie to p336.1 d & e) | | | | | | | 3,271 | | | | | | | | | | | | | |

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

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

PBOP Expenses

| | | |
|---|--|------------|
| 1 | Total PBOP expenses | 22,856,433 |
| 2 | Amount relating to retired personnel | 8,786,372 |
| 3 | Amount allocated on FTEs | 14,070,061 |
| 4 | Number of FTEs for Allegheny | 4,408 |
| 5 | Cost per FTE | 3,192 |
| 6 | TRAILCo FTEs (labor not capitalized) current year | 36,750 |
| 7 | TRAILCo PBOP Expense for base year | 114,096 |
| 8 | TRAILCo PBOP Expense in Account 926 for current year | 125,359 |
| 9 | PBOP Adjustment for Appendix A, Line 57 | (11,263) |
| Lines 1-6 cannot change absent approval or acceptance by FERC in a separate proceeding. | | |

Trans-Allegheny Interstate Line Company

Attachment 5a - Pre-Commercial Costs and CWIP

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

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

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

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

| Column A | Column B | Column C | Column D | Column E | Column F | Column G |
|--|----------------------|----------|--------------------------------------|--------------------------------|----------|----------|
| | Pre-Commercial Costs | | | CWIP | | |
| | Expensed (Estimated) | Deferred | Amount of Deferred Amortized in Year | Average of 13 Monthly Balances | | |
| Step 1 For Estimate: | | | | | | |
| Prexy - 502 Junction 138 kV (CWIP) | - | - | - | - | | |
| Prexy - 502 Junction 500 kV (CWIP) | - | - | - | - | | |
| 502 Junction - Territorial Line (CWIP) | - | - | - | 937,980,207 | | |
| Total | - | - | - | 937,980,207 | | |
| | | | | | | |
| Step 3 For Reconciliation: | | | | | | |
| | Pre-Commercial Costs | | | | | |
| | Expensed (Actual) | Deferred | Amount of Deferred Amortized in Year | | | |
| Prexy - 502 Junction 138 kV (CWIP) | | | | | | |
| 1 | - | - | - | | | |
| 2 | - | - | - | | | |
| 3 | - | - | - | | | |
| 4 | - | - | - | | | |
| ... | | | | | | |
| Total | - | - | - | | | |
| Prexy - 502 Junction 500 kV (CWIP) | | | | | | |
| 1 | - | - | - | | | |
| 2 | - | - | - | | | |
| 3 | - | - | - | | | |
| 4 | - | - | - | | | |
| ... | | | | | | |
| Total | - | - | - | | | |
| 502 Junction - Territorial Line (CWIP) | | | | | | |
| 1 | - | - | - | | | |
| 2 | - | - | - | | | |
| 3 | - | - | - | | | |
| 4 | - | - | - | | | |
| ... | | | | | | |
| Total | - | - | - | | | |
| | | | | | | |
| Total Additions to Plant In Service (sum of the above for each project) | | | | | | |
| Total Additions to Plant in Service reported on pages 204-207 of the Form No. 1 | | | | | | |
| Difference (must be zero) | | | | | | |

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

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

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

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

| Step | Month | Year | Action |
|---------------------|-------|--------|--|
| Exec Summary | | | |
| 1 | April | Year 2 | TO populates the formula with Year 1 data |
| 2 | April | Year 2 | TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2. |
| 3 | April | Year 2 | TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33) |
| 4 | May | Year 2 | Post results of Step 3 on PJM web site |
| 5 | June | Year 2 | Results of Step 3 go into effect |
| 6 | April | Year 3 | TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected to be in service in Year 3. |
| 7 | April | Year 3 | Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year). |
| 8 | April | Year 3 | Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year) |
| 9 | May | Year 3 | Post results of Step 8 on PJM web site |
| 10 | June | Year 3 | Results of Step 8 go into effect |

Reconciliation Details

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

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|------------------------------------|--------|---|---|--|--|--|--|--|---|
| | | Doubs Transformer #4 (monthly additions) (in service) | Meadow Brook SS Capacitor (monthly additions) (in service) | Bedington (monthly additions) (in service) | Kammer (monthly additions) (in service) | Black Oak (monthly additions) (in service) | 502 Junction - Territorial Line (monthly additions) CWIP | 500 kV Prexy - 502 Junction (monthly additions) CWIP | 138 kV Prexy - 502 Junction (monthly additions) CWIP |
| Dec (Prior Year CWIP) p216.b.43 | Actual | - | - | - | - | - | 550,957,894 | 9,755,230 | 12,230,784 |
| Jan 2010 | Actual | - | 193,561 | 199 | (564) | 448 | 30,629,759 | 396 | 648 |
| Feb | Actual | - | (82,700) | 75 | 59 | 168 | 40,246,923 | 7,086 | 6,881 |
| Mar | Actual | - | 84,239 | 1,663 | - | 6,942 | 49,067,580 | 9,734 | 6,989 |
| Apr | Actual | - | 6,548 | 5,735 | - | 10,828 | 40,168,805 | 8,574 | 6,964 |
| May | Budget | - | - | - | 1,422,505 | 31,614 | 35,104,182 | - | - |
| Jun | Budget | 5,299,034 | - | - | - | - | 39,855,100 | - | - |
| Jul | Budget | 36,962 | - | - | - | - | 19,559,015 | - | - |
| Aug | Budget | - | - | - | - | - | 14,807,850 | - | - |
| Sep | Budget | - | - | - | - | - | 7,917,838 | - | - |
| Oct | Budget | - | - | - | - | - | 5,060,466 | - | - |
| Nov | Budget | - | - | - | - | - | 4,298,730 | - | - |
| Dec | Budget | - | - | - | - | - | 4,390,118 | - | - |
| Total | | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 842,064,260 | 9,781,020 | 12,252,266 |

| Month End Balances | | | | | | | | | |
|---|---|---|--|--|--|--|---|---|--|
| Other Projects PIS (Monthly additions) | Doubs Transformer #4 (monthly additions) (in service) | Meadow Brook SS Capacitor (monthly additions) (in service) | Bedington (monthly additions) (in service) | Kammer (monthly additions) (in service) | Black Oak (monthly additions) (in service) | 502 Junction - Territorial Line (monthly additions) (in service) | 500 kV Prexy - 502 Junction (monthly additions) (in service) | 138 kV Prexy - 502 Junction (monthly additions) CWIP | |
| - | - | - | - | - | - | 550,957,894 | 9,755,230 | 12,230,784 | |
| - | - | 193,561 | 199 | (564) | 448 | 581,587,653 | 9,755,626 | 12,231,433 | |
| - | - | 110,861 | 274 | (505) | 616 | 621,834,575 | 9,762,712 | 12,238,313 | |
| - | - | 195,100 | 1,937 | (505) | 7,558 | 670,902,156 | 9,772,446 | 12,245,302 | |
| - | - | 201,648 | 7,672 | (505) | 18,386 | 711,070,961 | 9,781,020 | 12,252,266 | |
| - | - | 201,648 | 7,672 | 1,422,000 | 50,000 | 746,175,143 | 9,781,020 | 12,252,266 | |
| - | 5,299,034 | 201,648 | 7,672 | 1,422,000 | 50,000 | 786,030,243 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 805,589,258 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 820,397,108 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 828,314,946 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 833,375,412 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 837,674,142 | 9,781,020 | 12,252,266 | |
| - | 5,335,997 | 201,648 | 7,672 | 1,422,000 | 50,000 | 842,064,260 | 9,781,020 | 12,252,266 | |
| | 37,315,015 | 2,314,354 | 71,460 | 11,373,920 | 427,008 | 9,635,973,753 | 127,075,196 | 159,216,227 | |
| (Appendix A, Line 16) | 2,870,386 | 178,027 | 5,497 | 874,917 | 32,847 | 741,228,750 | 9,775,015 | 12,247,402 | |

| | | | |
|---|-------|--------|--|
| 3 | April | Year 2 | TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33) |
|---|-------|--------|--|

| | Doubs Transformer #2 (Monthly additions) | Doubs Transformer #4 (Monthly additions) | Meadow Brook SS Capacitor (Monthly additions) | Bedington Transformer (Monthly additions) | Kammer Transformers (Monthly additions) | Meadowbrook Transformer (Monthly additions) | North Shenandoah (Monthly additions) | Black Oak (Monthly additions) | Wylie Ridge (Monthly additions) | 502 Junction - Territorial Line (Monthly additions) | 500 kV Prexy - 502 Junction (Monthly additions) | 138 kV Prexy - 502 Junction (Monthly additions) |
|---------------------------|---|---|---|--|--|--|---|----------------------------------|------------------------------------|---|---|---|
| Total Revenue Requirement | \$ 131,758,700 | 388,458 | 890,564 | 1,135,906 | 5,862,392 | 4,283,972 | 309,340 | 7,685,069 | 2,002,955 | 108,853,463 | 1,486,624 | 1,859,956 |

| | | | |
|---|------|--------|----------------------------------|
| 5 | June | Year 2 | Results of Step 3 go into effect |
|---|------|--------|----------------------------------|

6 April Year 3

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

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
|---------------------------------|--------|---|--------------------------------------|---|-----|-----|--|--|--|
| | | Doubs Transformer #3 (monthly additions) (in service) | Cabol SS Transformer (in service) | Wylie Ridge Replace Transformer (in service) | | | 502 Junction - Territorial Line (monthly additions) CWIP | 500 kV Prexy - 502 Junction (monthly additions) CWIP | 138 kV Prexy - 502 Junction (monthly additions) CWIP |
| Dec (Prior Year CWIP) p216.b.43 | Actual | - | - | - | - | - | 883,183,797 | - | - |
| Jan 2011 | Actual | - | - | - | - | - | 24,022,753 | - | - |
| Feb | Actual | - | - | - | - | - | 8,321,933 | - | - |
| Mar | Actual | - | - | - | - | - | 7,148,372 | - | - |
| Apr | Actual | - | - | - | - | - | 4,388,172 | - | - |
| May | Budget | - | - | - | - | - | 16,171,278 | - | - |
| Jun | Budget | 4,479,647 | - | 4,654,117 | - | - | 4,803,284 | - | - |
| Jul | Budget | 540,110 | - | 26,453 | - | - | 3,534,155 | - | - |
| Aug | Budget | - | 6,919,343 | - | - | - | 2,987,820 | - | - |
| Sep | Budget | - | 20,320 | - | - | - | 2,668,772 | - | - |
| Oct | Budget | - | - | - | - | - | 2,500,868 | - | - |
| Nov | Budget | - | - | - | - | - | 2,135,670 | - | - |
| Dec | Budget | - | - | - | - | - | (24,510) | - | - |
| Total | | 5,019,756 | 6,939,663 | 4,680,570 | - | - | 961,842,364 | - | - |

New Transmission Plant Additions for Year 3 (13 month average balance)

| Month End Balances | | | | | | | | | |
|---|---|---|--|---|---|--|--|--|---|
| Other Projects PIS (Monthly additions) | Doubs Transformer #3 (monthly additions) | Cabol SS Transformer (monthly additions) | Wylie Ridge Replace Transformer (monthly additions) | | | 502 Junction - Territorial Line (monthly additions) CWIP | 500 kV Prexy - 502 Junction (monthly additions) CWIP | 138 kV Prexy - 502 Junction (monthly additions) CWIP | |
| - | - | - | - | - | - | 883,183,797 | - | - | - |
| - | - | - | - | - | - | 907,206,550 | - | - | - |
| - | - | - | - | - | - | 915,528,483 | - | - | - |
| - | - | - | - | - | - | 922,676,856 | - | - | - |
| - | - | - | - | - | - | 927,065,027 | - | - | - |
| - | - | - | - | - | - | 943,236,305 | - | - | - |
| - | 4,479,647 | - | 4,654,117 | - | - | 948,039,589 | - | - | - |
| - | 5,019,756 | - | 4,680,570 | - | - | 951,573,744 | - | - | - |
| - | 5,019,756 | 6,919,343 | 4,680,570 | - | - | 954,561,564 | - | - | - |
| - | 5,019,756 | 6,939,663 | 4,680,570 | - | - | 957,230,336 | - | - | - |
| - | 5,019,756 | 6,939,663 | 4,680,570 | - | - | 959,731,204 | - | - | - |
| - | 5,019,756 | 6,939,663 | 4,680,570 | - | - | 961,866,874 | - | - | - |
| - | 5,019,756 | 6,939,663 | 4,680,570 | - | - | 961,842,364 | - | - | - |
| - | 34,598,185 | 34,677,994 | 32,737,538 | - | - | 12,193,742,697 | - | - | - |
| - | 2,661,399 | 2,667,538 | 2,518,272 | - | - | 937,980,207 | - | - | - |

| Total Revenue Requirement | Cabol SS Transformer | Doubs Transformer #2 (Monthly additions) | Doubs Transformer #3 (Monthly additions) | Doubs Transformer #4 (Monthly additions) | Meadow Brook SS Capacitor (Monthly additions) | Bedington Transformer (Monthly additions) | Kammer Transformers (Monthly additions) | Meadowbrook Transformer (Monthly additions) | North Shenandoah (Monthly additions) | Black Oak (Monthly additions) | Wylie Ridge (Monthly additions) | 502 Junction - Territorial Line (Monthly additions) | 500 kV Prexy - 502 Junction (Monthly additions) | 138 kV Prexy - 502 Junction (Monthly additions) |
|---------------------------|----------------------|--|--|--|---|---|---|---|--------------------------------------|-------------------------------|---------------------------------|---|---|---|
| \$ 147,507,322 | 312,357 | 536,994 | 311,638 | 724,732 | 860,372 | 1,034,946 | 5,757,910 | 1,082,756 | 254,320 | 6,637,954 | 2,033,069 | 127,960,426 | (85) | (66) |

7 April Year 3

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

| | (A) | (B) | (C) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
|----------|--------|---|---|--|--|--|---|--|--|--|
| | | Doubs Transformer #4 (monthly additions) (in service) | Doubs Transformer #2 (monthly additions) (in service) | Meadow Brook SS Capacitor (Monthly additions) (in service) | Bedington Transformer (Monthly additions) (in service) | Kammer Transformers (Monthly additions) (in service) | Black Oak (monthly additions) (in service) | 502 Junction - Territorial Line (monthly additions) CWIP | 500 kV Prexy - 502 Junction (monthly additions) CWIP | 138 kV Prexy - 502 Junction (monthly additions) CWIP |
| Jan 2010 | Actual | - | - | - | - | - | - | 550,957,894 | 9,755,230 | 12,230,784 |
| Feb | Actual | - | - | - | - | - | - | 30,627,293 | 396 | 64 |
| Mar | Actual | - | - | - | - | - | - | 40,246,923 | 7,086 | 6,88 |
| Apr | Actual | - | - | - | - | - | - | 48,968,873 | 9,734 | 6,98 |
| May | Actual | - | - | - | - | - | - | (29,810,580) | 8,574 | 6,96 |
| Jun | Actual | - | - | - | - | - | - | 34,965,355 | (10,939) | (7,918) |
| Jul | Actual | - | - | - | - | - | - | 36,960,713 | - | - |
| Aug | Actual | - | - | - | - | - | - | 35,634,099 | (4,563) | (3,707) |
| Sep | Actual | - | - | - | - | - | - | 40,715,297 | (331,930) | (136,602) |
| Oct | Actual | - | - | - | - | - | - | 27,800,072 | (584) | (531) |
| Nov | Actual | - | - | - | - | - | - | 24,091,655 | - | - |
| Dec | Actual | - | - | - | - | - | - | 25,233,168 | (9,433,004) | (12,103,509) |
| Total | | - | - | - | - | - | - | 883,183,797 | (0) | (0) |

Average 13 Month Balance

| Month End Balances | | | | | | | | | |
|---|---|---|--|-------------------------------|--|--|--|---|---|
| Other Projects PIS (Monthly additions) | Doubs Transformer #4 (monthly additions) | Doubs Transformer #2 (monthly additions) | Kammer Transformers (monthly additions) | Black Oak (monthly additions) | 502 Junction - Territorial Line (monthly balance) CWIP | 500 kV Prexy - 502 Junction (monthly balance) CWIP | 138 kV Prexy - 502 Junction (monthly balance) CWIP | | |
| - | - | - | - | - | 550,957,894 | 9,755,230 | 12,230,784 | - | - |
| - | - | - | - | - | 581,585,187 | 9,755,626 | 12,231,433 | - | - |
| - | - | - | - | - | 621,832,109 | 9,762,712 | 12,238,313 | - | - |
| - | - | - | - | - | 670,800,982 | 9,772,446 | 12,245,302 | - | - |
| - | - | - | - | - | 640,990,402 | 9,781,020 | 12,252,266 | - | - |
| - | - | - | - | - | 675,955,757 | 9,770,081 | 12,244,348 | - | - |
| - | - | - | - | - | 712,916,470 | 9,770,081 | 12,244,348 | - | - |
| - | - | - | - | - | 748,550,569 | 9,765,518 | 12,240,642 | - | - |
| - | - | - | - | - | 789,265,866 | 9,433,588 | 12,104,040 | - | - |
| - | - | - | - | - | 817,065,938 | 9,433,004 | 12,103,509 | - | - |
| - | - | - | - | - | 841,157,593 | 9,433,004 | 12,103,509 | - | - |
| - | - | - | - | - | 866,390,761 | - | (0) | - | - |
| - | - | - | - | - | 883,183,797 | - | (0) | - | - |
| - | - | - | - | - | 9,400,653,326 | 106,432,311 | 134,238,494 | - | - |
| - | - | - | - | - | 723,127,179 | 8,187,101 | 10,326,038 | - | - |

Result of Formula for Reconciliation

| Total Revenue Requirement | Doubs Transformer #4 (monthly additions) | Doubs Transformer #2 (monthly additions) | Meadow Brook SS Capacitor (Monthly additions) | Bedington Transformer (Monthly additions) | Kammer Transformers (Monthly additions) | Meadowbrook Transformer (Monthly additions) | North Shenandoah (Monthly additions) | Black Oak (Monthly additions) | Wylie Ridge (Monthly additions) | 502 Junction - Territorial Line (Monthly additions) | 500 kV Prexy - 502 Junction (Monthly additions) | 138 kV Prexy - 502 Junction (Monthly additions) |
|---------------------------|--|--|---|---|---|---|--------------------------------------|-------------------------------|---------------------------------|---|---|---|
| \$ 134,216,898.55 | 99,312 | 517,437 | 957,974 | 1,152,879 | 6,378,000 | 1,206,519 | 283,392 | 7,413,997 | 1,936,626 | 111,515,713 | 1,223,709 | 1,531,340 |

8 April Year 3

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

| The Reconciliation in Step 8 | | The forecast in Prior Year | | | | |
|------------------------------|--|----------------------------|--|-----------|-----------|--|
| 134,216,899 | | 131,758,700 | | 2,458,198 | 2,458,198 | <Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect. |

| Interest on Amount of Refunds or Surcharges | | Interest 35.19a for March Current Yr | | Interest | | Surcharge (Refund) Owed | |
|---|--------|--------------------------------------|---------|----------|----------|-------------------------|--|
| Month | Yr | 1/12 of Step 9 | 0.2700% | Months | Interest | | |
| Jun | Year 1 | 204,850 | 0.2700% | 11.5 | 6,361 | 211,210 | |
| Jul | Year 1 | 204,850 | 0.2700% | 10.5 | 5,807 | 210,657 | |
| Aug | Year 1 | 204,850 | 0.2700% | 9.5 | 5,254 | 210,104 | |
| Sep | Year 1 | 204,850 | 0.2700% | 8.5 | 4,701 | 209,551 | |
| Oct | Year 1 | 204,850 | 0.2700% | 7.5 | 4,148 | 208,998 | |
| Nov | Year 1 | 204,850 | 0.2700% | 6.5 | 3,595 | 208,445 | |
| Dec | Year 1 | 204,850 | 0.2700% | 5.5 | 3,042 | 207,892 | |
| Jan | Year 2 | 204,850 | 0.2700% | 4.5 | 2,489 | 207,339 | |
| Feb | Year 2 | 204,850 | 0.2700% | 3.5 | 1,936 | 206,786 | |
| Mar | Year 2 | 204,850 | 0.2700% | 2.5 | 1,383 | 206,233 | |
| Apr | Year 2 | 204,850 | 0.2700% | 1.5 | 830 | 205,680 | |
| May | Year 2 | 204,850 | 0.2700% | 0.5 | 277 | 205,126 | |
| Total | | 2,458,198 | | | | 2,498,021 | |

| | | Balance | Interest | Amort | Balance |
|---------------------|--------|-----------|----------|-----------|-----------|
| Jun | Year 2 | 2,498,021 | 0.2700% | 211,840 | 2,292,926 |
| Jul | Year 2 | 2,292,926 | 0.2700% | 211,840 | 2,087,277 |
| Aug | Year 2 | 2,087,277 | 0.2700% | 211,840 | 1,881,073 |
| Sep | Year 2 | 1,881,073 | 0.2700% | 211,840 | 1,674,312 |
| Oct | Year 2 | 1,674,312 | 0.2700% | 211,840 | 1,466,993 |
| Nov | Year 2 | 1,466,993 | 0.2700% | 211,840 | 1,259,114 |
| Dec | Year 2 | 1,259,114 | 0.2700% | 211,840 | 1,050,674 |
| Jan | Year 3 | 1,050,674 | 0.2700% | 211,840 | 841,670 |
| Feb | Year 3 | 841,670 | 0.2700% | 211,840 | 632,103 |
| Mar | Year 3 | 632,103 | 0.2700% | 211,840 | 421,970 |
| Apr | Year 3 | 421,970 | 0.2700% | 211,840 | 211,269 |
| May | Year 3 | 211,269 | 0.2700% | 211,840 | (0) |
| Total with interest | | | | 2,542,078 | |

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest: 2,542,078 Input to Appendix A, Line 147

Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8): \$ 147,507,322

Revenue Requirement for Year 3: 150,049,400

| Reconciliation Amount by Project | | | | | | | | | | | | |
|----------------------------------|--|--|---|---|---|---|--------------------------------------|-------------------------------|---------------------------------|---|---|---|
| Total Revenue Requirement | Doubs Transformer #2 (monthly additions) | Doubs Transformer #4 (monthly additions) | Meadow Brook SS Capacitor (Monthly additions) | Bedington Transformer (Monthly additions) | Kammer Transformers (Monthly additions) | Meadowbrook Transformer (Monthly additions) | North Shenandoah (Monthly additions) | Black Oak (Monthly additions) | Wylie Ridge (Monthly additions) | 502 Junction - Territorial Line (Monthly additions) | 500 kV Prexy - 502 Junction (Monthly additions) | 138 kV Prexy - 502 Junction (Monthly additions) |
| \$ 2,542,078.29 | 102,700 | 133,380 | 69,711 | 17,553 | 533,201 | (80,096) | (26,833) | (280,322) | (68,593) | 2,753,092 | (271,886) | (339,829) |

\$ 2,542,078

9 May Year 3

Post results of Step 8 on PJM web site
\$ 150,049,400

10 June Year 3

Results of Step 8 go into effect
\$ 150,049,400

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

Revenue Requirement By Project

| Fixed Charge Rate (FCR) if not a CIAC | | | |
|---------------------------------------|--------------|--|----------|
| | Formula Line | | |
| A | 137 | FCR without Depreciation and Pre-Commercial Costs | 11.7096% |
| B | 145 | FCR with Incentive ROE without Depreciation and Pre-Commercial | 12.3823% |
| C | | Line B less Line A | 0.6728% |
| FCR if a CIAC | | | |
| D | 138 | FCR without Depreciation, Return, nor Income Taxes | 0.9037% |

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

| | | PJM Upgrade ID: b0321.2; b0321.3 | | | | | PJM Upgrade ID: b0321.1 | | | | | | |
|---------|---|---|-----------------------|--------------|---------------------|-----------------------|--|--------|-----------------------|---------------------|-----------------------|--------------|--|
| Details | | Prexy - 502 Junction 138 kV (CWIP + Plant In Service) | | | | | Prexy - 502 Junction 500 kV (CWIP+ Plant In Service) | | | | | | |
| 11 | "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | Schedule 12 (Yes or No) | Yes | | | | Yes | | | | | | |
| 12 | "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | CIAC (Yes or No) | No | | | | No | | | | | | |
| 13 | Input the allowed ROE | Allowed ROE | 12.70% | | | | 12.70% | | | | | | |
| 14 | From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | FCR without Incentive ROE | 11.7096% | | | | 11.7096% | | | | | | |
| 15 | If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7 | FCR for This Project | 12.3823% | | | | 12.3823% | | | | | | |
| 16 | forecast of CWIP or Cap Adds. | Investment | (24) | | | | (31) | | | | | | |
| 17 | reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | Investment | (63) | | | | (81) | | | | | | |
| | Annual Depreciation Exp from Attachment 5 | | | | | | | | | | | | |
| | | | Reconciliation | | | | | | Reconciliation | | | | |
| 18 | | Invest Yr | Return | Depreciation | Pre-Commercial Exp. | Reconciliation Amount | Revenue | Return | Depreciation | Pre-Commercial Exp. | Reconciliation amount | Revenue | |
| 19 | See Calculations for each item below | 2009 | (2.85) | (63.26) | 0.00 | (339,828.79) | (339,894.90) | (3.66) | (81.39) | 0.00 | (271,886.19) | (271,971.24) | |
| 20 | See Calculations for each item below | 2009 | (3.01) | (63.26) | 0.00 | (339,828.79) | (339,895.06) | (3.87) | (81.39) | 0.00 | (271,886.19) | (271,971.45) | |

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

1
 2
 3
 4
 5
 6
 7
 8
 9

| | PJM Upgrade ID: b0328.2; b0347.1; b0347.2; b0347.3; b0347.4 | PJM Upgrade ID: b0218 | PJM Upgrade ID: b0216 |
|----|--|--|--|
| 10 | 502 Junction - Territorial Line (CWIP + Plant In Service) | Wylie Ridge Transformer (Plant In Service) | Black Oak (SVC) Dynamic Reactive Device (Plant In Service) |
| 11 | "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | Yes | Yes |
| 12 | "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | No | No |
| 13 | Input the allowed ROE | 11.70% | 12.70% |
| 14 | From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | 11.7096% | 11.7096% |
| 15 | If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7 | 11.7096% | 12.3823% |
| 16 | forecast of CWIP or Cap Adds. reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | 14,978,030 | 42,549,590 |
| 17 | Annual Depreciation Exp from Attachment 5 | 279,207 | 1,369,320 |
| 18 | | Reconciliation | Reconciliation |
| 19 | See Calculations for each item below | Return Depreciation Pre-Commercial Reconciliation Revenue | Return Depreciation Reconciliation Revenue |
| 20 | See Calculations for each item below | 119,922,648.28 1,147,604.56 0.00 2,753,092.35 123,823,345.19 | 4,982,371.61 1,369,319.89 (280,321.69) 6,071,369.81 |
| | | 126,812,821.08 1,147,604.56 0.00 2,753,092.35 130,713,517.99 | 5,268,634.48 1,369,319.89 (280,321.69) 6,357,632.68 |

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

1
2
3
4
5
6
7
8
9

10
11 "Yes" if a project under PJM OATT Schedule 12, otherwise
"No"
12 "Yes" if the customer has paid a lump sum payment in the
amount of the investment on line 29, Otherwise "No"
13 Input the allowed ROE
14 From line 3 above if "No" on line 12 and From line 7 above
if "Yes" on line 12
15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
then line 3, and if line 12 is "Yes" then line 7
16 forecast of CWIP or Cap Adds.
reconciliation – Average of 13 month prior year net plant
balances plus prior year 13-mo CWIP balances.
17 Annual Depreciation Exp from Attachment 5
18
19 See Calculations for each item below
20 See Calculations for each item below

| PJM Upgrade ID: b0323 | | | | PJM Upgrade ID: b0230 | | | | PJM Upgrade ID: b0559 | | | |
|---|--------------|-------------|------------|--|--------------|-------------|--------------|--|--------------|-----------|------------|
| North Shenandoah Transformer (Plant In Service) | | | | Meadowbrook Transformer (Plant In Service) | | | | Meadow Brook SS Capacitor (Plant In Service) | | | |
| Yes | | | | Yes | | | | Yes | | | |
| No | 11.70% | | | No | 11.70% | | | No | 11.70% | | |
| | 11.7096% | | | | 11.7096% | | | | 11.7096% | | |
| | 11.7096% | | | | 11.7096% | | | | 11.7096% | | |
| | 1,826,862 | | | | 7,775,649 | | | | 6,337,831.81 | | |
| | 40,402 | | | | 172,262 | | | | 118,240 | | |
| Reconciliation | | | | Reconciliation | | | | Reconciliation | | | |
| Return | Depreciation | Amount | Revenue | Return | Depreciation | Amount | Revenue | Return | Depreciation | Amount | Revenue |
| 213,917.59 | 40,401.96 | (26,833.31) | 227,486.24 | 910,494.67 | 172,261.56 | (80,095.78) | 1,002,660.45 | 742,132.49 | 118,239.86 | 69,710.65 | 930,082.99 |
| 213,917.59 | 40,401.96 | (26,833.31) | 227,486.24 | 910,494.67 | 172,261.56 | (80,095.78) | 1,002,660.45 | 742,132.49 | 118,239.86 | 69,710.65 | 930,082.99 |

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

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

| | PJM Upgrade ID: b0229 | | | | PJM Upgrade ID: b0495 | | | | PJM Upgrade ID: b0345 | | | |
|--|--|---------------------|------------------------------|----------------|--|---------------------|------------------------------|----------------|---|---------------------|------------------------------|----------------|
| | Bedington Transformer (Plant In Service) | | | | Kammer Transformers (Plant In Service) | | | | Doubs Transformer #2 (Plant In Service) | | | |
| "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | Yes | | | | Yes | | | | Yes | | | |
| "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | No | | | | No | | | | No | | | |
| Input the allowed ROE | 11.70% | | | | 11.70% | | | | 11.70% | | | |
| From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | 11.7096% | | | | 11.7096% | | | | 11.7096% | | | |
| If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 | 11.7096% | | | | 11.7096% | | | | 11.7096% | | | |
| forecast of CWIP or Cap Adds. | | | | | | | | | | | | |
| reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | 7,454,078.82 | | | | 41,599,414.58 | | | | 4,518,472.38 | | | |
| Annual Depreciation Exp from Attachment 5 | 162,105 | | | | 886,800 | | | | 7,901 | | | |
| | Return | Depreciation | Reconciliation Amount | Revenue | Return | Depreciation | Reconciliation Amount | Revenue | Return | Depreciation | Reconciliation Amount | Revenue |
| See Calculations for each item below | 872,840.15 | 162,105.44 | 17,552.68 | 1,052,498.27 | 4,871,110.18 | 886,799.82 | 533,201.06 | 6,291,111.05 | 529,093.43 | 7,900.54 | 102,700.48 | 639,694.45 |
| See Calculations for each item below | 872,840.15 | 162,105.44 | 17,552.68 | 1,052,498.27 | 4,871,110.18 | 886,799.82 | 533,201.06 | 6,291,111.05 | 529,093.43 | 7,900.54 | 102,700.48 | 639,694.45 |

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

1
 2
 3
 4
 5
 6
 7
 8
 9

10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20

| PJM Upgrade ID: b0344 | | | | PJM Upgrade ID: b0345 | | | | PJM Upgrade ID: b0704 | | | | | | |
|--|--------------|-----------------------|------------|--|--------------|-----------------------|------------|--|--------------|-----------------------|------------|----------------|-------------------|----------------|
| Doubt Transformer #3 | | | | Doubt Transformer #4 (Plant In Service) | | | | Cabot SS Transformer | | | | | | |
| "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | | | | "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | | | | "Yes" if a project under PJM OATT Schedule 12, otherwise "No" | | | | | | |
| "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | | | | "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | | | | "Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No" | | | | | | |
| Input the allowed ROE | | | | Input the allowed ROE | | | | Input the allowed ROE | | | | | | |
| From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | | | | From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | | | | From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12 | | | | | | |
| If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 | | | | If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 | | | | If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 | | | | | | |
| forecast of CWIP or Cap Adds. | | | | forecast of CWIP or Cap Adds. | | | | forecast of CWIP or Cap Adds. | | | | | | |
| reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | | | | reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | | | | reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances. | | | | | | |
| Annual Depreciation Exp from Attachment 5 | | | | Annual Depreciation Exp from Attachment 5 | | | | Annual Depreciation Exp from Attachment 5 | | | | | | |
| Return | Depreciation | Reconciliation Amount | Revenue | Return | Depreciation | Reconciliation Amount | Revenue | Return | Depreciation | Reconciliation Amount | Revenue | Total | Incentive Charged | Revenue Credit |
| 311,638.21 | 0.00 | 0.00 | 311,638.21 | 656,508.53 | 68,223.13 | 133,379.51 | 858,111.18 | 312,357.08 | 0.00 | 0.00 | 312,357.08 | 142,872,965.13 | 150,049,400.43 | 142,872,965.13 |
| 311,638.21 | 0.00 | 0.00 | 311,638.21 | 656,508.53 | 68,223.13 | 133,379.51 | 858,111.18 | 312,357.08 | 0.00 | 0.00 | 312,357.08 | 150,049,400.43 | 150,049,400.43 | 142,872,965.13 |

7,176,435.30
 Ax A Line 150

For Plant in Service

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

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

TABLE 1: Summary Cost of Long Term Debt

CALCULATION OF COST OF DEBT/Hypothetical Example

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

t = time

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

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

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

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

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

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

| YEAR ENDED | | 12/31/2014 | | | | | | | | | | | | |
|----------------------------------|--|------------|---------------|----------------|--------------------------------|------------------|------------------------------|----------------------------------|----------------|--------------------|-------------|-----------------|---|---------|
| | (aa) | (bb) | (cc) | (dd) | (ee) | (ff) | (gg) | (hh) | (ii) | (jj) | (kk) | (ll) | | |
| | Affiliate | Issue Date | Maturity Date | Amount Issued | (Discount) Premium at Issuance | Issuance Expense | Loss/Gain on Reacquired Debt | Less Related ADIT (Attachment 1) | Net Proceeds | Net Proceeds Ratio | Coupon Rate | Annual Interest | Effective Cost Rate* (Yield to Maturity at Issuance, t = 0) | |
| <u>Long Term Debt Issuances:</u> | | | | | | | | | | | | | | |
| <u>First Mortgage Bonds</u> | | | | | | | | | | | | | | |
| (1) | 7.09%, Debenture Description, Series, Name of Issuer | No | 1/1/2014 | 8/30/2025 | \$ 300,000,000 | \$ (2,400,000) | \$ 3,000,000 | - | xxx | \$ 294,600,000 | 98.2000 | 0.07090 | \$ 21,270,000 | 7.324% |
| (2) | Coupon rate, Debenture Description, Series, Name of Issuer | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xx.xxxx |
| <u>Other Long Term Debt:</u> | | | | | | | | | | | | | | |
| (3) | 6.6%, Medium Term Notes, Series, Name of Issuer | No | 4/1/2014 | 06/30/2024 | 200,000,000 | | 2,000,000 | | xxx | \$ 198,000,000 | 99.0000 | 0.06600 | 13,200,000 | 6.735% |
| TOTALS | | | | \$ 500,000,000 | (2,400,000) | \$ 5,000,000 | - | xxx | \$ 492,600,000 | | | \$ 34,470,000 | | |

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

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

Trans-Allegheny Interstate Line Company

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

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo 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 | \$ 900,000,000 |
|-------------------|----------------|

| | |
|--------------------------------------|-----------|
| Internal Rate of Return ¹ | 4.894132% |
|--------------------------------------|-----------|

Based on following Financial Formula²:

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

| | |
|---------------------------|------------------|
| Origination Fees | 7,780,954 |
| Origination Fees | 15,125 |
| Addition Origination Fees | |
| Total Issuance Expense | <u>7,796,079</u> |

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

| | 2008 | 2008 | 2008 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|----------------|--------------|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| LIBOR Rate | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| Spread | | | | | | | | | | | |
| Interest Rate | 6.13% | 3.86% | 4.05% | 4.34% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% |
| Bond \$200M Interest Rate | | | | | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Revolver Interest Rate | \$ 450,000,000 | Draw 1 | DONE | | | 3.249% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 2, 3, 4 | DONE | | | 3.247% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 5 | DONE | | | 3.251% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 6 | DONE - Roll over Draw 1 and 4 | | | 3.316% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 7 | DONE | | | 3.361% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 8 | DONE - Roll over Draw 2, 3 and 5 | | | 3.422% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 9 | DONE | | | 3.417% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 10 | DONE | | | 3.348% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 11 | DONE - Roll over Draw 6 and 9 | | | 3.498% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 12 | DONE - Roll over Draw 10 | | | 3.418% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 13 | DONE - Roll over Draw 7 and 8 | | | 3.398% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 14 | DONE | | | 3.275% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 15 | DONE | | | 3.275% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 16 | DONE - Roll over Draw 11 | | | 3.289% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 17 | DONE | | | 3.248% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 17A | DONE - Roll over Draw 12, 14 and 15 | | | 3.286% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 18 | DONE - Roll over Draw 13 and 17 | | | 3.286% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 19 | DONE | | | | 3.283% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 20 | DONE - Roll over Draw 16 | | | | 3.304% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 21 | DONE - Roll over Draw 17A and 19 | | | | 3.312% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 22 | DONE - Roll over Draw 18 | | | | 3.312% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 23 | DONE | | | | 3.222% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 24 | Roll over Draw 20 | | | | 3.213% | 6.21% | | | |
| Revolver Interest Rate | \$ 450,000,000 | Draw 25 | Roll over Draw 21, 22 and 23 | | | | 3.174% | 6.21% | | | |

Trans-Allegheny Interstate Line Company

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

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo 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 | \$ 900,000,000 |
|-------------------|----------------|

| | |
|---|-----------|
| Internal Rate of Return ¹ | 4.894132% |
| Based on following Financial Formula ² : | |

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

| | |
|---------------------------|------------------|
| Origination Fees | 7,780,954 |
| Origination Fees | 15,125 |
| Addition Origination Fees | |
| Total Issuance Expense | <u>7,796,079</u> |

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

| | 2008 | 2008 | 2008 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|----------------|--------------|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| LIBOR Rate | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| Spread | | | | | | | | | | | |
| Interest Rate | 6.13% | 3.86% | 4.05% | 4.34% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% |
| Bond \$200M Interest Rate | | | | | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Revolver Interest Rate | \$ 450,000,000 | Draw 1 | DONE | | | 3.249% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 2, 3, 4 | DONE | | | 3.247% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 5 | DONE | | | 3.251% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 6 | DONE - Roll over Draw 1 and 4 | | | 3.316% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 7 | DONE | | | 3.361% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 8 | DONE - Roll over Draw 2, 3 and 5 | | | 3.422% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 9 | DONE | | | 3.417% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 10 | DONE | | | 3.348% | 4.50% | 6.21% | | | |

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | | |
|------------|----------------------|--------------------------------------|-------------------------|--------------------------|------------------|------------------|------------|--------------------------|----------------------------|--|
| Year | Capital Expenditures | Principle Drawn In Quarter (\$000's) | Principle Drawn To Date | Outstanding Debt Balance | Interest Expense | Origination Fees | Commitment | Net Cash Flows (D-F-G-H) | Interest at effective rate | Amortization of origination fees and commitment fees |
| 2008 | | | | | | | | | | |
| 12/24/2007 | Q4 | 68,183,000 | 10,000,000 | 10,000,000 | 10,000,000 | 734,955 | | 9,265,045 | - | - |
| 01/31/2008 | Q1 | | | 10,000,000 | 9,265,045 | 31,013 | | (31,013) | 46,204 | 46,204 |
| 02/4/2008 | Q1 | | | 10,000,000 | 9,280,236 | 69,578 | | (69,578) | 4,861 | 4,861 |
| 02/6/2008 | Q1 | | | 10,000,000 | 9,215,518 | 138 | | (138) | 2,413 | 2,413 |
| 02/29/2008 | Q1 | | | 10,000,000 | 9,217,794 | 2,960 | | (2,960) | 27,796 | 27,796 |
| 03/5/2008 | Q1 | | | 10,000,000 | 9,242,629 | 125,384 | | (125,384) | 6,052 | 6,052 |
| 3/24/2008 | Q1 | 25,543,000 | | 10,000,000 | 9,123,297 | 155,048 | | (155,048) | 22,720 | (132,327) |
| 03/31/2008 | Q1 | | | 10,000,000 | 8,990,969 | 17,011 | | (17,011) | 8,243 | 8,243 |
| 04/30/2008 | Q2 | | | 10,000,000 | 8,982,201 | 197,270 | | (197,270) | 35,345 | 35,345 |
| 05/19/2008 | Q2 | | | 10,000,000 | 8,820,276 | 109,825 | | (109,825) | 21,966 | 21,966 |
| 6/23/2008 | Q2 | 20,509,000 | | 10,000,000 | 8,732,417 | 97,477 | | (97,477) | 40,102 | (57,376) |
| 06/26/2008 | Q2 | | | 10,000,000 | 8,675,041 | 43,099 | | (43,099) | 3,408 | 3,408 |
| 06/30/2008 | Q2 | | | 10,000,000 | 8,635,350 | 13,268 | | (13,268) | 4,523 | 4,523 |
| 08/8/2008 | Q3 | | | 10,000,000 | 8,626,605 | 1,578 | | (1,578) | 44,155 | 44,155 |
| 08/13/2008 | Q3 | | | 10,000,000 | 8,669,182 | 62,777 | | (62,777) | 5,676 | 5,676 |
| 8/15/2008 | Q3 | | 55,000,000 | 65,000,000 | 8,612,081 | 59,689 | 7,780,954 | 47,159,357 | 2,255 | (57,434) |
| 8/20/2008 | Q3 | | | 65,000,000 | 55,773,693 | 530 | | (530) | 36,518 | 36,518 |
| 8/25/2008 | Q3 | | | 65,000,000 | 55,809,681 | 15,125 | | (15,125) | 36,542 | 36,542 |
| 9/3/2008 | Q3 | | | 65,000,000 | 55,831,098 | 82,655 | | (82,655) | 65,817 | 65,817 |
| 9/8/2008 | Q3 | | | 65,000,000 | 55,814,261 | 1,958 | | (1,958) | 36,545 | 36,545 |
| 9/11/2008 | Q3 | | | 65,000,000 | 55,848,848 | 41,846 | | (41,846) | 21,937 | 21,937 |
| 9/15/2008 | Q3 | | (20,000,000) | 45,000,000 | 55,828,939 | 243,199 | | (20,243,199) | 29,241 | (213,958) |
| 9/25/2008 | Q3 | | | 45,000,000 | 35,614,981 | 7,525 | | (7,525) | 46,653 | 46,653 |
| 9/29/2008 | Q3 | | | 45,000,000 | 35,654,110 | 98,058 | | (98,058) | 18,675 | 18,675 |
| 9/30/2008 | Q3 | 24,995,000 | | 45,000,000 | 35,574,726 | 18,137 | 235,521 | (253,658) | 4,657 | 4,657 |
| 10/2/2008 | Q4 | | 20,000,000 | 65,000,000 | 35,325,726 | | 78,507 | 19,921,493 | 9,250 | 9,250 |
| 10/17/2008 | Q4 | | | 65,000,000 | 55,256,469 | | 2,030 | (2,030) | 108,609 | 108,609 |
| 10/29/2008 | Q4 | | | 65,000,000 | 55,363,048 | | 267 | (267) | 87,038 | 87,038 |
| 11/19/2008 | Q4 | | | 65,000,000 | 55,449,819 | | 96,049 | (96,049) | 152,645 | 152,645 |
| 11/21/2008 | Q4 | | | 65,000,000 | 55,506,415 | | 730 | (730) | 14,534 | 14,534 |
| 12/15/2008 | Q4 | | 25,000,000 | 90,000,000 | 55,520,219 | 718,999 | | 24,281,001 | 174,707 | (544,292) |
| 1/6/2009 | Q1 | 42,068,000 | - | 90,000,000 | 79,975,927 | - | | (618,334) | 230,661 | 230,661 |
| 2/17/2009 | Q1 | | 30,000,000 | 120,000,000 | 79,588,254 | - | | 30,000,000 | 438,792 | 438,792 |
| 3/16/2009 | Q1 | 75,475,000 | 40,000,000 | 160,000,000 | 110,027,046 | 933,988 | | 39,066,013 | 389,580 | (544,407) |
| 3/25/2009 | Q1 | | - | 160,000,000 | 149,482,639 | - | | (1,100,000) | 176,220 | 176,220 |
| 4/6/2009 | Q2 | | - | 160,000,000 | 148,558,859 | - | | (549,167) | 233,554 | 233,554 |
| 5/15/2009 | Q2 | | 50,000,000 | 210,000,000 | 148,243,246 | - | | 50,000,000 | 758,778 | 758,778 |
| 6/16/2009 | Q2 | | 40,000,000 | 250,000,000 | 199,002,023 | 1,405,039 | | 38,594,961 | 835,379 | (569,661) |
| 6/30/2009 | Q2 | | - | 250,000,000 | 238,432,363 | - | | - | 437,378 | 437,378 |
| 7/31/2009 | Q3 | | - | 250,000,000 | 238,869,741 | - | | (453,194) | 971,338 | 971,338 |
| 8/3/2009 | Q3 | | 30,000,000 | 280,000,000 | 239,387,884 | - | | 30,000,000 | 94,032 | 94,032 |
| 9/4/2009 | Q3 | | 50,000,000 | 330,000,000 | 269,481,916 | - | | 50,000,000 | 1,131,242 | 1,131,242 |

(1)

Trans-Allegheny Interstate Line Company

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

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo 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 | \$ 900,000,000 |
|-------------------|----------------|

| | |
|--------------------------------------|-----------|
| Internal Rate of Return ¹ | 4.894132% |
|--------------------------------------|-----------|

Based on following Financial Formula²:

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

| | |
|---------------------------|-----------|
| Origination Fees | 7,780,954 |
| Origination Fees | 15,125 |
| Addition Origination Fees | |
| Total Issuance Expense | 7,796,079 |

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

| | 2008 | 2008 | 2008 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|----------------|--------------|----------------------------------|-------------|-------------|-----------|-----------|---------|---------------|-----------|-------------|
| LIBOR Rate | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| Spread | | | | | | | | | | | |
| Interest Rate | 6.13% | 3.86% | 4.05% | 4.34% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% |
| Bond \$200M Interest Rate | \$ 450,000,000 | | | | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Revolver Interest Rate | \$ 350,000,000 | Draw 1 | DONE | | | 3.249% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 2, 3, 4 | DONE | | | 3.247% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 5 | DONE | | | 3.251% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 6 | DONE - Roll over Draw 1 and 4 | | | 3.316% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 7 | DONE | | | 3.361% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 8 | DONE - Roll over Draw 2, 3 and 5 | | | 3.422% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 9 | DONE | | | 3.417% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 10 | DONE | | | 3.348% | 4.50% | 6.21% | | | |
| 9/16/2009 | Q3 | | - | 330,000,000 | 320,613,158 | 1,596,826 | | | (1,596,826) | 504,045 | (1,092,781) |
| 10/5/2009 | Q4 | | 45,000,000 | 375,000,000 | 319,520,377 | 207,916 | | | 44,792,084 | 795,716 | 587,800 |
| 10/16/2009 | Q4 | | | 375,000,000 | 365,108,177 | | | 321,250 | (321,250) | 526,130 | 526,130 |
| 11/5/2009 | Q4 | | 30,000,000 | 405,000,000 | 365,313,057 | | | | 30,000,000 | 957,701 | 957,701 |
| 12/4/2009 | Q4 | | 50,000,000 | 455,000,000 | 396,270,758 | | | | 50,000,000 | 1,507,233 | 1,507,233 |
| 12/16/2009 | Q4 | 73,715,000 | - | 455,000,000 | 447,777,991 | 1,374,479 | | | (1,374,479) | 703,965 | (670,514) |
| 1/4/2010 | Q1 | | | 455,000,000 | 447,107,477 | | | 138,490 | (138,490) | 1,113,452 | 1,113,452 |
| 1/5/2010 | Q1 | | 30,000,000 | 485,000,000 | 448,082,440 | 892,331 | | | 29,107,669 | 58,661 | (833,670) |
| 1/15/2010 | Q1 | | - | 485,000,000 | 477,248,770 | 440,625 | | | (440,625) | 625,165 | 184,540 |
| 1/25/2010 | Q1 | | (485,000,000) | - | 477,433,310 | 423,000 | | 18,490 | (485,441,490) | 625,407 | 202,407 |
| 1/25/2010 | Q1 | | 450,000,000 | 450,000,000 | (7,382,772) | | 4,533,000 | | 445,467,000 | - | - |
| 1/25/2010 | Q1 | | 45,000,000 | 495,000,000 | 438,084,228 | | 5,852,579 | | 39,147,421 | - | - |
| 1/27/2010 | Q1 | | | 495,000,000 | 477,231,649 | | 6,980 | | (6,980) | 124,963 | 124,963 |
| 2/3/2010 | Q1 | | | 495,000,000 | 477,349,633 | | 58,000 | | (58,000) | 437,622 | 437,622 |
| 2/3/2010 | Q1 | | | 495,000,000 | 477,729,255 | | 5,500 | | (5,500) | - | - |
| 2/5/2010 | Q1 | | | 495,000,000 | 477,723,755 | | 82,117 | | (82,117) | 125,092 | 125,092 |
| 2/12/2010 | Q1 | | 20,000,000 | 515,000,000 | 477,766,731 | | | | 20,000,000 | 438,005 | 438,005 |
| 2/24/2010 | Q1 | | | 515,000,000 | 498,204,735 | | 23,770 | | (23,770) | 783,242 | 783,242 |
| 3/10/2010 | Q1 | | 30,000,000 | 545,000,000 | 498,964,208 | | 90,000 | | 29,910,000 | 915,296 | 915,296 |
| 3/17/2010 | Q1 | | - | 545,000,000 | 529,789,503 | | 195,720 | | (195,720) | 485,698 | 485,698 |
| 3/26/2010 | Q1 | | 20,000,000 | 565,000,000 | 530,079,481 | | 17,821 | | 19,982,179 | 624,892 | 624,892 |
| 4/1/2010 | Q2 | | | 565,000,000 | 550,686,552 | | | 255,417 | (255,417) | 432,705 | 432,705 |
| 4/5/2010 | Q2 | | | 565,000,000 | 550,863,841 | | 123,661 | | (123,661) | 288,525 | 288,525 |
| 4/7/2010 | Q2 | | | 565,000,000 | 551,028,705 | | 201,250 | | (201,250) | 144,287 | 144,287 |
| 4/8/2010 | Q2 | | | 565,000,000 | 550,971,742 | | 224,588 | | (224,588) | 72,131 | 72,131 |
| 4/12/2010 | Q1 | | 30,000,000 | 595,000,000 | 550,819,286 | | | | 30,000,000 | 288,502 | 288,502 |
| 4/14/2010 | Q2 | | | 595,000,000 | 581,107,788 | | 194,135 | | (194,135) | 152,163 | 152,163 |
| 4/21/2010 | Q2 | | | 595,000,000 | 581,065,816 | | 18,977 | | (18,977) | 532,707 | 532,707 |
| 4/26/2010 | Q2 | | (65,000,000) | 530,000,000 | 581,579,545 | 369,574 | | | (65,369,574) | 380,791 | 11,218 |
| 4/26/2010 | Q2 | | 65,000,000 | 595,000,000 | 516,590,763 | 55,921 | | | 64,944,079 | - | (55,921) |
| 4/28/2010 | Q2 | | | 595,000,000 | 581,534,842 | | 2,301 | | (2,301) | 152,275 | 149,974 |
| 4/30/2010 | Q2 | | | 595,000,000 | 581,684,817 | | | 2,157 | (2,157) | 152,314 | 152,314 |
| 5/7/2010 | Q2 | | 30,000,000 | 625,000,000 | 581,834,974 | | | | 30,000,000 | 533,412 | 533,412 |
| 5/12/2010 | Q2 | | (80,000,000) | 545,000,000 | 612,368,386 | | | | (80,000,000) | 400,951 | 400,951 |
| 5/12/2010 | Q2 | | 80,000,000 | 625,000,000 | 532,769,337 | 160,694 | | | 79,839,306 | - | (160,694) |
| 5/12/2010 | Q2 | | | 625,000,000 | 612,608,642 | 81,275 | | | (81,275) | - | (81,275) |
| 5/12/2010 | Q2 | | | 625,000,000 | 612,527,367 | 170,100 | | | (170,100) | - | (170,100) |
| 5/20/2010 | Q2 | | | 625,000,000 | 612,357,267 | | 182,500 | | (182,500) | 641,635 | 641,635 |
| 5/26/2010 | Q2 | | 20,000,000 | 645,000,000 | 612,816,402 | | | | 20,000,000 | 481,524 | 481,524 |
| 6/14/2010 | Q2 | | | 645,000,000 | 633,297,927 | | 150,072 | | (150,072) | 1,577,131 | 1,577,131 |
| 7/1/2010 | Q3 | | | 645,000,000 | 634,724,986 | | | 230,764 | (230,764) | 1,414,112 | 1,414,112 |
| 7/2/2010 | Q3 | | | 645,000,000 | 635,908,334 | | 1,169 | | (1,169) | 83,251 | 83,251 |
| 7/7/2010 | Q3 | | | 680,000,000 | 635,990,416 | | | | 35,000,000 | 416,417 | 416,417 |
| 7/15/2010 | Q3 | | 35,000,000 | 680,000,000 | 671,406,833 | 8,500,000 | | | (8,500,000) | 703,508 | (7,796,492) |
| 7/26/2010 | Q3 | | (65,000,000) | 615,000,000 | 663,610,341 | | | | (65,000,000) | 956,279 | 956,279 |
| 7/26/2010 | Q3 | | (20,000,000) | 595,000,000 | 599,566,620 | | | | (20,000,000) | - | - |
| 7/26/2010 | Q3 | | 115,000,000 | 710,000,000 | 579,566,620 | | | | 115,000,000 | - | - |
| 7/26/2010 | Q3 | | | 710,000,000 | 694,566,620 | 115,798 | | | (115,798) | - | (115,798) |
| 7/26/2010 | Q2 | | | 710,000,000 | 694,450,822 | 544,837 | | | (544,837) | - | (544,837) |

Trans-Allegheny Interstate Line Company

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

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo 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 | \$ 900,000,000 |
|-------------------|----------------|

| | |
|--------------------------------------|-----------|
| Internal Rate of Return ¹ | 4.894132% |
|--------------------------------------|-----------|

Based on following Financial Formula²:

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

| | |
|---------------------------|-----------|
| Origination Fees | 7,780,954 |
| Origination Fees | |
| Addition Origination Fees | 15,125 |
| Total Issuance Expense | 7,796,079 |

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

| | 2008 | 2008 | 2008 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|----------------|---------------|----------------------------------|-------------|------------|---------|---------|------------|---------------|-----------|-------------|
| LIBOR Rate | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| Spread | - | - | - | - | - | - | - | - | - | - | - |
| Interest Rate | 6.13% | 3.86% | 4.05% | 4.34% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% |
| Bond \$200M Interest Rate | \$ 450,000,000 | | | | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Revolver Interest Rate | \$ 350,000,000 | Draw 1 | DONE | | | 3.249% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 2, 3, 4 | DONE | | | 3.247% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 5 | DONE | | | 3.251% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 6 | DONE - Roll over Draw 1 and 4 | | | 3.316% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 7 | DONE | | | 3.361% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 8 | DONE - Roll over Draw 2, 3 and 5 | | | 3.422% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 9 | DONE | | | 3.417% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 10 | DONE | | | 3.348% | 4.50% | 6.21% | | | |
| 8/9/2010 | Q3 | (35,000,000) | 675,000,000 | 693,905,984 | 107,415 | | | | (35,107,415) | 1,272,895 | 1,165,480 |
| 8/9/2010 | Q3 | 35,000,000 | 710,000,000 | 660,071,464 | - | | | | 35,000,000 | - | - |
| 8/12/2010 | Q3 | (30,000,000) | 680,000,000 | 695,071,464 | 271,681 | | | | (30,271,681) | 273,025 | 1,344 |
| 8/12/2010 | Q3 | (80,000,000) | 600,000,000 | 665,072,808 | 699,609 | | | | (80,699,609) | - | (699,609) |
| 8/12/2010 | Q3 | 110,000,000 | 710,000,000 | 584,373,199 | - | | | | 110,000,000 | - | - |
| 8/30/2010 | Q3 | | 710,000,000 | 694,373,199 | - | 407,816 | | | (407,816) | 1,638,110 | 1,638,110 |
| 9/7/2010 | Q3 | 30,000,000 | 740,000,000 | 695,603,493 | - | | | | 30,000,000 | 728,862 | 728,862 |
| 9/26/2010 | Q3 | - | 740,000,000 | 726,332,355 | - | | | | - | 1,808,819 | 1,808,819 |
| 10/1/2010 | Q4 | | 740,000,000 | 728,141,174 | - | | | 162,778 | (162,778) | 476,753 | 476,753 |
| 10/8/2010 | Q4 | 30,000,000 | 770,000,000 | 728,455,149 | - | | | | 30,000,000 | 667,830 | 667,830 |
| 10/26/2010 | Q4 | (115,000,000) | 655,000,000 | 759,122,979 | 1,028,023 | | | | (116,028,023) | 1,790,863 | 762,839 |
| 10/26/2010 | Q4 | 115,000,000 | 770,000,000 | 644,885,818 | - | | | | 115,000,000 | - | - |
| 11/5/2010 | Q4 | 30,000,000 | 800,000,000 | 759,885,818 | - | | | | 30,000,000 | 995,402 | 995,402 |
| 11/9/2010 | Q4 | (35,000,000) | 765,000,000 | 790,881,220 | 305,721.11 | | | | (35,305,721) | 414,239 | 108,518 |
| 11/9/2010 | Q4 | (30,000,000) | 735,000,000 | 755,989,738 | 171,937.50 | | | | (30,171,938) | - | (171,938) |
| 11/9/2010 | Q4 | (30,000,000) | 705,000,000 | 725,817,801 | 86,853.33 | | | | (30,086,853) | - | (86,853) |
| 11/9/2010 | Q4 | 95,000,000 | 800,000,000 | 695,730,947 | - | | | | 95,000,000 | - | - |
| 11/12/2010 | Q4 | (110,000,000) | 690,000,000 | 790,730,947 | 955,215.56 | | | | (110,955,216) | 310,600 | (644,616) |
| 11/12/2010 | Q4 | (30,000,000) | 660,000,000 | 680,086,332 | 18,946.67 | | | | (30,018,947) | - | (18,947) |
| 11/12/2010 | Q4 | 140,000,000 | 800,000,000 | 650,067,385 | 5.83 | | | | 139,999,994 | - | (6) |
| 12/6/2010 | Q4 | 20,000,000 | 820,000,000 | 790,067,379 | - | | | | 20,000,000 | 2,486,129 | 2,486,129 |
| 12/23/2010 | Q4 | | 820,000,000 | 812,553,508 | - | | 8,281 | | (8,281) | 1,810,298 | 1,810,298 |
| 1/3/2011 | Q1 | | 820,000,000 | 814,355,525 | - | | | 140,277.78 | (140,278) | 1,173,506 | 1,173,506 |
| 1/15/2011 | Q1 | - | 820,000,000 | 815,388,753 | 9,000,000 | | | | (9,000,000) | 1,281,897 | (7,718,103) |
| 1/26/2011 | Q1 | (115,000,000) | 705,000,000 | 807,670,650 | 966,601 | | | | (115,966,601) | 1,163,873 | 197,272 |
| 1/26/2011 | Q1 | 115,000,000 | 820,000,000 | 692,867,922 | - | | | | 115,000,000 | - | - |
| 2/9/2011 | Q1 | (20,000,000) | 800,000,000 | 807,867,922 | 118,552.78 | | | | (20,118,553) | 1,481,946 | 1,363,393 |
| 2/9/2011 | Q1 | (95,000,000) | 705,000,000 | 789,231,315 | 797,767.78 | | | | (95,797,768) | - | (797,768) |
| 2/9/2011 | Q1 | 115,000,000 | 820,000,000 | 693,433,547 | - | | | | 115,000,000 | - | - |
| 2/14/2011 | Q1 | (140,000,000) | 680,000,000 | 808,433,547 | 1,201,216 | | | | (141,201,216) | 529,325 | (671,891) |
| 2/14/2011 | Q1 | 140,000,000 | 820,000,000 | 667,761,657 | - | | | | 140,000,000 | - | - |
| 2/16/2011 | Q1 | | 820,000,000 | 807,761,657 | - | | 3,099 | | (3,099) | 211,512 | 211,512 |
| 4/1/2011 | Q2 | - | 820,000,000 | 807,970,070 | - | | | 97,778 | (97,778) | 4,667,294 | 4,667,294 |
| 4/14/2011 | Q2 | 10,000,000 | 830,000,000 | 812,539,587 | - | | | | 10,000,000 | 1,383,959 | 1,383,959 |
| 4/26/2011 | Q2 | (115,000,000) | 715,000,000 | 823,923,546 | 949,900 | | | | (115,949,900) | 1,295,314 | 345,414 |
| 4/26/2011 | Q2 | 115,000,000 | 830,000,000 | 709,268,961 | - | | | | 115,000,000 | - | - |
| 5/9/2011 | Q2 | (115,000,000) | 715,000,000 | 824,268,961 | 941,620 | | | | (115,941,620) | 1,403,937 | 462,317 |
| 5/9/2011 | Q2 | (140,000,000) | 575,000,000 | 709,731,278 | 1,081,920 | | | | (141,081,920) | - | (1,081,920) |
| 5/9/2011 | Q2 | (10,000,000) | 565,000,000 | 568,649,358 | 22,375 | | | | (10,022,375) | - | (22,375) |
| 5/9/2011 | Q2 | 235,000,000 | 800,000,000 | 558,626,983 | - | | | | 235,000,000 | - | - |
| 5/16/2011 | Q2 | (235,000,000) | 565,000,000 | 793,626,983 | 145,034 | | | | (235,145,034) | 727,578 | 582,543 |
| 5/16/2011 | Q2 | 235,000,000 | 800,000,000 | 559,209,527 | - | | | | 235,000,000 | - | - |
| 5/23/2011 | Q2 | (235,000,000) | 565,000,000 | 794,209,527 | 145,034 | | | | (235,145,034) | 728,112 | 583,078 |
| 5/23/2011 | Q2 | 235,000,000 | 800,000,000 | 559,792,604 | - | | | | 235,000,000 | - | - |
| 5/26/2011 | Q2 | (115,000,000) | 685,000,000 | 794,792,604 | 307,913 | | | | (115,307,913) | 312,195 | 4,283 |
| 5/30/2011 | Q2 | (235,000,000) | 450,000,000 | 679,796,887 | 145,034 | | | | (235,145,034) | 356,056 | 211,022 |
| 7/1/2011 | Q3 | 50,000,000 | 500,000,000 | 445,007,909 | - | | | 274,306 | 49,725,694 | 1,868,072 | 1,868,072 |
| 7/15/2011 | Q3 | | 500,000,000 | 496,601,675 | 9,000,000 | | | | (9,000,000) | 910,962 | (8,089,038) |
| 10/1/2011 | Q4 | | 500,000,000 | 488,512,637 | - | | | 511,111 | (511,111) | 5,013,666 | 5,013,666 |

Trans-Allegheny Interstate Line Company

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

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo 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 | \$ 900,000,000 |
|--------------------------|-----------------------|

| | |
|--|------------------|
| Internal Rate of Return¹ | 4.894132% |
|--|------------------|

Based on following Financial Formula²:

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

| | |
|-------------------------------|------------------|
| Origination Fees | |
| Origination Fees | 7,780,954 |
| Addition Origination Fees | 15,125 |
| Total Issuance Expense | 7,796,079 |

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

| | 2008 | 2008 | 2008 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|----------------|--------------|----------------------------------|-------------|-------------|-----------|---------|---------|---------------|------------|-------------|
| LIBOR Rate | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| Spread | | | | | | | | | | | |
| Interest Rate | 6.13% | 3.86% | 4.05% | 4.34% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% | 2.12% |
| Bond \$200M Interest Rate | \$ 450,000,000 | | | | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Revolver Interest Rate | \$ 350,000,000 | Draw 1 | DONE | | | 3.249% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 2, 3, 4 | DONE | | | 3.247% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 5 | DONE | | | 3.251% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 6 | DONE - Roll over Draw 1 and 4 | | | 3.316% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 7 | DONE | | | 3.361% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 8 | DONE - Roll over Draw 2, 3 and 5 | | | 3.422% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 9 | DONE | | | 3.417% | 4.50% | 6.21% | | | |
| Revolver Interest Rate | \$ 350,000,000 | Draw 10 | DONE | | | 3.348% | 4.50% | 6.21% | | | |
| 12/31/2011 | Q4 | | (50,000,000) | 450,000,000 | 493,015,192 | 806,725 | | | (50,806,725) | 5,908,224 | 5,101,499 |
| 1/1/2012 | Q1 | | | 450,000,000 | 448,116,691 | | | 511,806 | (511,806) | 58,666 | 58,666 |
| 1/15/2012 | Q1 | | | 450,000,000 | 447,663,551 | 9,000,000 | | | (9,000,000) | 821,190 | (8,178,810) |
| 7/15/2012 | Q3 | | | 450,000,000 | 439,484,741 | 9,000,000 | | | (9,000,000) | 10,596,561 | 1,596,561 |
| 1/15/2013 | Q1 | | | 450,000,000 | 441,081,302 | 9,000,000 | | | (9,000,000) | 10,753,338 | 1,753,338 |
| 7/15/2013 | Q3 | | | 450,000,000 | 442,834,640 | 9,000,000 | | | (9,000,000) | 10,617,967 | 1,617,967 |
| 1/15/2014 | Q1 | | | 450,000,000 | 444,452,607 | 9,000,000 | | | (9,000,000) | 10,835,528 | 1,835,528 |
| 7/15/2014 | Q3 | | | 450,000,000 | 446,288,135 | 9,000,000 | | | (9,000,000) | 10,700,772 | 1,700,772 |
| 1/15/2015 | Q1 | | | 450,000,000 | 447,988,907 | 9,000,000 | | | (9,000,000) | 10,921,742 | 1,921,742 |
| 1/25/2015 | Q1 | | (450,000,000) | | 449,910,649 | 500,000 | | | (450,500,000) | 589,354 | 89,354 |

(1) Commitment fees for 4th quarter 2008