

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual/Projected FERC Form 1 Data

Twelve Months Ended 2020

Ohio Power Company

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)	Total	Allocator		\$328,540,740
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	16,512,965	DA	1.00000	\$ 16,512,965
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ 4,740,372
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 316,768,147

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives)	(Worksheet J/K)	11,070,455	DA	1.00000	\$ 11,070,455
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	( (ln 1 - ln 95)/((ln 42) x 100) )				18.14%
8	Monthly Rate	(ln 7 / 12)				1.51%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	( (ln 1 - ln 95 - ln 100 ) /((ln 42) x 100) )				14.76%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	( (ln 1 - ln 95 - ln 100 - ln 125 - ln 126) /((ln 42) x 100) )				7.58%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B)	(Worksheet J/K)				
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES					
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below				6,478,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				6,478,000

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	(1)	(2)	(3)	(4)	(5)	
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>	
Line No.						
19	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A In 14.(b))	-	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	-	NA	0.00000	-
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	2,669,974,462	DA		2,669,974,462
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	(3,000)	TP	1.00000	(3,000)
23	Distribution	(Worksheet A In 14.(f))	5,597,469,077	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A In 14.(h))	576,240,385	W/S	0.11486	66,184,774
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	(776,000)	W/S	0.11486	(89,128)
27	Intangible Plant	(Worksheet A In 14.(j))	193,630,615	W/S	0.11486	22,239,674
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	9,036,535,538	GP	0.305239	2,758,306,781
				GTD=	0.32295	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A In 28.(b))	-	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	-	NA	0.00000	-
32	Transmission	(Worksheet A In 28.(d) & In 43.(c))	873,722,538	TP1=	1.00000	873,722,538
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	(3,000)	TP1=	1.00000	(3,000)
34	Distribution	(Worksheet A In 28.(f))	1,695,112,538	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A In 28.(h))	123,342,077	W/S	0.11486	14,166,601
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	(337,538)	W/S	0.11486	(38,768)
38	Intangible Plant	(Worksheet A In 28.(j))	96,228,692	W/S	0.11486	11,052,461
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	2,788,065,308			898,899,832
40	NET PLANT IN SERVICE					
41	Production	(In 19 + In 20 - In 30 - In 31)	-			-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	1,796,251,923			1,796,251,923
43	Distribution	(In 23 + In 24 - In 34 - In 35)	3,902,356,538			-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	452,459,846			51,967,813
45	Intangible Plant	(In 27 - In 38)	97,401,923			11,187,214
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	6,248,470,231	NP	0.297578	1,859,406,950
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(923,620,961)	DA		(429,149,864)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(139,370,993)	DA		(24,746,685)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	197,822,405	DA		11,457,454
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(2,604)	DA		(361)
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(865,172,153)			(442,439,457)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	5,932,000	DA		3,408,000
55	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(127,000)	W/S	0.11486	(14,587)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * In 78)	3,809,125			3,809,125
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	3,036,000	TP	1.00000	3,036,000
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	193,000	W/S	0.11486	22,167
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.30524	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	389,666,176	W/S	0.11486	44,755,571
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	5,109,949	GP	0.30524	1,559,758
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(380,938,587)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	20,875,663			53,182,622
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		5,409,978,741			1,473,543,528

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	(1)	(2)	(3)	(4)	(5)	
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission	
Line						
No.	OPERATION & MAINTENANCE EXPENSE					
69	Production	321.80.b	765,474,000			
70	Distribution	322.156.b	179,831,000			
71	Customer Related Expense	322 & 323.164,171,178.b	257,930,000			
72	Regional Marketing Expenses	322.131.b				
73	Transmission	321.112.b	443,132,000			
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	1,646,367,000			
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	6,478,000			
76	Less: Account 565	(Note H) 321.96.b	437,246,000			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	(31,065,000)			
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	30,473,000	TP	1.00000	30,473,000
79	Administrative and General	323.197.b (Notes J and M)	86,130,000			
80	Less: Acct. 924, Property Insurance	323.185.b	1,842,000			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(11,517,600)			
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(3,787,603)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	1,025,000			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	179,000			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	7,605,000			
87	Balance of A & G	(In 79 - sum In 80 to In 86)	90,784,203	W/S	0.11486	10,427,127
88	Plus: Acct. 924, Property Insurance	(In 80)	1,842,000	GP	0.30524	562,251
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	44,512	TP	1.00000	44,512
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	1.00000	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	400,088	DA	1.00000	400,088
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(33,713,769)	W/S	0.11486	(3,872,235)
93	A & G Subtotal	(sum Ins 87 to 92)	59,357,034			7,561,743
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	89,830,034			38,034,743
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		2,713,000	DA	1.00000	2,713,000
96	TOTAL O & M EXPENSE	(In 94 + In 95)	92,543,034			40,747,743
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	-	NA	0.00000	-
99	Distribution	336.8.f	197,334,000	NA	0.00000	-
100	Transmission	336.7.f	60,779,000	TP1	1.00000	60,779,000
101	General	336.10.f	15,305,000	W/S	0.11486	1,757,874
102	Intangible	336.1.f	31,958,000	W/S	0.11486	3,670,574
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+ 100+101+102) (Note N)	305,376,000			66,207,448
104	TAXES OTHER THAN INCOME					
105	Labor Related					
106	Payroll	Worksheet H In 24.(D)	6,336,158	W/S	0.11486	727,747
107	Plant Related					
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	299,445,671	DA		91,027,894
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	152,056,931	NA	0.00000	-
110	Other	Worksheet H In 24.(E)	2,989,440	GP	0.30524	912,495
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	460,828,200			92,668,135
112	INCOME TAXES	(Note O)				
113	T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)) =		21.85%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		19.42%			
115	where WCLTD=(In 154) and WACC = (In 157)					
116	and FIT, SIT & p are as given in Note O.					
117	GRCF=1 / (1 - T) = (from In 113)		1.2795			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(1,000)			
119	Excess Deferred Income Tax	(Note U)	(28,904,330)	DA		(6,901,390)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	2,792,967	DA		1,326,234
121	Income Tax Calculation	(In 114 * In 126)	81,241,429			22,128,143
122	ITC adjustment	(In 117 * In 118)	(1,280)	GP	0.30524	(391)
123	Excess Deferred Income Tax	(In 117 * In 119)	(36,984,118)			(8,830,574)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	3,573,700			1,696,964
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	47,829,731			14,994,142
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	418,258,753			113,923,272
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000	-
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-			-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-			-
130	TOTAL REVENUE REQUIREMENT (sum Ins 96, 103, 111, 125, 126, 127, 128, 129)		1,324,835,718			328,540,740

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)							2,669,974,462	
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)								-	
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)								-	
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)							2,669,974,462	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	1.00000	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
137	Production	354.20.b	41,881	72,554	114,435	NA	0.00000		-	
138	Transmission	354.21.b	487,964	12,405,094	12,893,058	TP	1.00000		12,893,058	
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-	
140	Distribution	354.23.b	58,283,037	8,722,249	67,005,286	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	18,288,734	13,952,413	32,241,147	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	77,101,616	35,152,310	112,253,926				12,893,058	
143	Transmission related amount							W/S=	0.11486	
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							119,120,000	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							2,625,108,000	
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))							-	
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))							4,916,000	
151	Less: Account 219	(Worksheet M, In. 14, col. (e))							(623,000)	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							2,620,815,000	
153										
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d)		\$	Actual	Cap Limit	Cost (Note S)			Weighted	
155	Preferred Stock (In 149)		2,428,492,231	48.10%	48.10%	4.91%			0.0236	
156	Common Stock (In 152)		-	0.00%	0.00%	-			0.0000	
157	Total (Sum Ins 154 to 156)		2,620,815,000	51.90%	51.90%	10.35%			0.0537	
			5,049,307,231					WACC=	0.0773	
158	Capital Structure Equity Limit (Note Z)	55%								

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Letter

Notes

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

- ARevenue credits include:  
1) Forfeited Discounts.  
2) Miscellaneous Service Revenues.  
3) Rental revenues earned on assets included in the rate base.  
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.  
5) Other electric revenues.  
6) Revenues for grandfathered PTP contracts included in the load divisor.  
7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.  
See Worksheet E for details.
- BThe annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.
- CTransmission Plant Balances in this study are projected or actual average of 13-month balances.
- DThe total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated.  
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(l)-(h)(6)(ii).  
RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.  
The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
- ECash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.  
2) Costs of Transmission of Electricity by Others, as described in Note H.  
3) The impact of state regulatory deferrals and amortizations, as shown on line 77  
4) All A&G Expenses, as shown on line 93.
- FConsistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
- GRemoves from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- HRemoves cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.  
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.  
The company records referenced on line 95 is the Ohio Power Company general ledger.
- IRemoves the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- JGeneral Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- KThese deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- LExpenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- MSee note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corportation. The calculation of the recoverable amount for each company is shown on Worksheet O.
- NIncludes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- OThe currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.  
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.  
Inputs Required:  
FIT =21.00%  
SIT =1.07% (State Income Tax Rate or Composite SIT. Worksheet G))  
p =0.00% (percent of federal income tax deductible for state purposes)  
The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.  
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- PRemoves plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- QRemoves transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- RIncludes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- SLong Term Debt cost rate = Long-Term Interest (In 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155).  
Common Stock cost rate (ROE) = 10.35%, per the Settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO Membership.  
The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M.  
Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- TThe Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983.  
This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above.  
The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
- UExcess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- VCash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- WThe formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- XUnder Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- YThe cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- ZPer the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet A Rate Base  
Ohio Power Company

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	-	-	2,638,222,000	3,000	5,413,323,000		540,241,000	776,000	168,384,000
2	January	-	-	2,640,719,000	3,000	5,450,419,000		545,349,000	776,000	184,314,000
3	February	-	-	2,644,339,000	3,000	5,488,885,000		545,735,000	776,000	187,753,000
4	March	-	-	2,646,761,000	3,000	5,514,003,000		550,784,000	776,000	188,669,000
5	April	-	-	2,648,375,000	3,000	5,540,185,000		568,516,000	776,000	191,850,000
6	May	-	-	2,655,247,000	3,000	5,567,133,000		574,118,000	776,000	195,100,000
7	June	-	-	2,660,439,000	3,000	5,593,398,000		579,772,000	776,000	193,685,000
8	July	-	-	2,660,341,000	3,000	5,620,092,000		583,873,000	776,000	197,335,000
9	August	-	-	2,667,666,000	3,000	5,647,162,000		588,010,000	776,000	200,953,000
10	September	-	-	2,672,927,000	3,000	5,679,132,000		592,153,000	776,000	198,774,000
11	October	-	-	2,687,108,000	3,000	5,703,804,000		596,284,000	776,000	203,410,000
12	November	-	-	2,702,986,000	3,000	5,729,541,000		600,412,000	776,000	209,096,000
13	December of Rate Year	-	-	2,784,538,000	3,000	5,820,021,000		625,878,000	776,000	197,875,000
14	Average of the 13 Monthly Balances	-	-	2,669,974,462	3,000	5,597,469,077	-	576,240,385	776,000	193,630,615

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, lns 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	-	-	868,734,000	3,000	1,647,053,000		117,429,000	320,000	90,740,000
16	January	-	-	869,633,000	3,000	1,654,673,000		118,373,000	323,000	93,094,000
17	February	-	-	870,432,000	3,000	1,662,515,000		119,329,000	326,000	95,577,000
18	March	-	-	871,237,000	3,000	1,670,459,000		120,286,000	329,000	92,622,000
19	April	-	-	872,047,000	3,000	1,678,463,000		121,253,000	332,000	95,192,000
20	May	-	-	872,855,000	3,000	1,686,536,000		122,252,000	335,000	97,815,000
21	June	-	-	873,675,000	3,000	1,694,682,000		123,261,000	338,000	95,665,000
22	July	-	-	874,505,000	3,000	1,702,890,000		124,281,000	340,000	98,329,000
23	August	-	-	875,334,000	3,000	1,711,168,000		125,309,000	343,000	101,054,000
24	September	-	-	876,178,000	3,000	1,719,519,000		126,345,000	346,000	98,067,000
25	October	-	-	877,031,000	3,000	1,727,956,000		127,389,000	349,000	100,831,000
26	November	-	-	877,911,000	3,000	1,736,458,000		128,440,000	352,000	103,671,000
27	December of Rate Year	-	-	878,821,000	3,000	1,744,091,000		129,500,000	355,000	88,316,000
28	Average of the 13 Monthly Balances	-	-	873,722,538	3,000	1,695,112,538	-	123,342,077	337,538	96,228,692

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

43

Transmission Accum Depreciation net of GSU

873,722,538

Plant Held For Future Use		Source of Data	Balance @ December 31, 2020 (c)	Balance @ December 31, 2019 (d)	Average Balance for 2020 (e)
44	Plant Held For Future Use (a)	FF1, page 214, In 47, Col. (d) (b)	5,932,000	5,932,000	5,932,000
45	Transmission Plant Held For Future Use (Included in total on line 44)	Company Records - Note 1	3,408,000	3,408,000	3,408,000

Regulatory Assets and Liabilities Approved for Recovery In Ratebase				
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.				
46				-
47				-
48				-
49				-
50				-
51	Total Regulatory Deferrals Included in Ratebase		-	-

Unfunded Reserves Summary (Company Records)				
	Description	Account		
52				
53a	Accum Prv I/D Worker's Com		127,000	127,000
53b				-
54	Total		127,000	127,000

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet B Supporting ADIT and ITC Balances  
Ohio Power Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2020</u>	<u>(D) Balance @ December 31, 2019</u>	<u>(E) Average Balance for 2020</u>
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	950,881,347	896,360,575	923,620,961
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	454,986	454,986	454,986
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	517,205,877	470,826,344	494,016,111
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	433,220,484	425,079,245	429,149,864
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	141,619,280	137,122,705	139,370,993
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	116,631,570	112,617,045	114,624,308
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	24,987,710	24,505,660	24,746,685
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	197,822,405	197,822,405	197,822,405
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	369,832	369,832	369,832
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	185,995,119	185,995,119	185,995,119
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	11,457,454	11,457,454	11,457,454
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	5,039	169	2,604
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	5,039	169	2,604
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	698	24	361

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

(DEBIT) CREDIT

20 TOTAL ACCOUNT 255

**Ohio Power Company**  
**ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only**  
**PERIOD ENDED DECEMBER 31, 2020**

DEBIT (CREDIT)

[illegible]

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet C Supporting Working Capital Rate Base Adjustments  
Ohio Power Company

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2020	Balance @ December 31, 2019	Average Balance for 2020				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	3,036,000	3,036,000	3,036,000			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	193,000	193,000	193,000			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-			

Prepayment Balance Summary (Note 1)

		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5							
6	Totals as of December 31, 2020	13,837,538	(380,938,587)	0	5,109,949	389,666,176	394,776,125
7	Totals as of December 31, 2019	<u>13,837,538</u>	<u>(380,938,587)</u>		<u>5,109,949</u>	<u>389,666,176</u>	<u>394,776,125</u>
8	<b>Average Balance</b>	<u>13,837,538</u>	<u>(380,938,587)</u>	-	<u>5,109,949</u>	<u>389,666,176</u>	<u>394,776,125</u>

Prepayments Account 165 - Balance @ 12/31/2020

	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
9									
10	1650001	Prepaid Insurance	2,327,376	-		2,327,376		2,327,376	Plant Related Insurance Policies
11	1650003	Prepaid Rents	0	-				-	
12	1650004	Prepaid Interest	0	-				-	
13	1650005	Prepaid Employee Benefits	0	-				-	
14	1650006	Other Prepayments	3,800,161	3,800,161				-	Distribution
15	1650009	Prepaid Carry Cost-Factored AR	1,287,010	1,287,010				-	AR Factoring - Retail Only
16	1650010	Prepaid Pension Benefits	313,753,100	-			313,753,100	313,753,100	Prepaid Pension Expense
17	165001218	Prepaid Use Taxes	251,522	251,522				-	Prepaid Taxes-Distribution
18	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-				-	
19	1650014	FAS 158 Qual Contra Asset	(313,753,100)	(313,753,100)				-	FAS 158 Liability
20	1650016	FAS 112 ASSETS	0	-				-	
21	1650017	Prepayments - Coal	0	-				-	
22	1650019	Prepaid Pension Expense - CG&E	0	-				-	
23	1650020	Prepaid Pension Expense - DP&L	0	-				-	
24	1650021	Prepaid Insurance - EIS	2,782,573	-		2,782,573		2,782,573	Energy EIS Services
25	1650023	Prepaid Lease	0	-				-	
26	1650030	Other Prepayments-Long Term	3,388,896	3,388,896				-	Other - Distribution
27	1650035	PRW Without Med-D Benefits	75,913,076	-			75,913,076	75,913,076	Prepaid Pension Expense
28	1650036	PRW for Med-D Benefits	0	-				-	
29	1650037	FAS158 Contra-PRW Exc Med-D	(75,913,076)	(75,913,076)	-			-	FAS 158 Liability
30		Subtotal - Form 1, p 111.57.c	13,837,538	(380,938,587)	0	5,109,949	389,666,176	394,776,125	

Prepayments Account 165 - Balance @ 12/31/ 2019

	Acc. No.	Description	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
31									
32	1650001	Prepaid Insurance	2,327,376	-		2,327,376		2,327,376	Plant Related Insurance Policies
33	1650003	Prepaid Rents	0	-				-	
34	1650004	Prepaid Interest	0	-				-	
35	1650005	Prepaid Employee Benefits	0	-				-	
36	1650006	Other Prepayments	3,800,161	3,800,161				-	Distribution
37	1650009	Prepaid Carry Cost-Factored AR	1,287,010	1,287,010				-	AR Factoring - Retail Only
38	1650010	Prepaid Pension Benefits	313,753,100	-			313,753,100	313,753,100	Prepaid Pension Expense
39	165001218	Prepaid Use Taxes	251,522	251,522				-	Prepaid Taxes-Distribution
40	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-				-	
41	1650014	FAS 158 Qual Contra Asset	(313,753,100)	(313,753,100)				-	FAS 158 Liability
42	1650016	FAS 112 ASSETS	0	-				-	
43	1650017	Prepayments - Coal	0	-				-	
44	1650019	Prepaid Pension Expense - CG&E	0	-				-	
45	1650020	Prepaid Pension Expense - DP&L	0	-				-	
46	1650021	Prepaid Insurance - EIS	2,782,573	-		2,782,573		2,782,573	Energy EIS Services
47	1650023	Prepaid Lease	0	-				-	
48	1650030	Other Prepayments-Long Term	3,388,896	3,388,896				-	Other - Distribution
49	1650035	PRW Without Med-D Benefits	75,913,076	-			75,913,076	75,913,076	Prepaid Pension Expense
50	1650036	PRW for Med-D Benefits	0	-				-	
51	1650037	FAS158 Contra-PRW Exc Med-D	(75,913,076)	(75,913,076)	-			-	FAS 158 Liability
52		Subtotal - Form 1, p 111.57.d	13,837,538	(380,938,587)		5,109,949	389,666,176	394,776,125	

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

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet D Supporting IPP Credits  
Ohio Power Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2020</u>
1	Net Funds from IPP Customers 12/31/2019 (2020 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
3	Revenue Credits to Generators (Company Records - Note 1)	
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	
6		-
7	Net Funds from IPP Customers 12/31/2020 (2020 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	-

Note 1 On this worksheet Company Records refers to Ohio Power Company's general ledger.

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet E Supporting Revenue Credits  
Ohio Power Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	2,700,000	2,700,000	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	8,400,000	7,980,000	420,000
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	43,987,000	28,591,635	15,395,365
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	3,488,000	2,790,400	697,600
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	62,970,000	62,970,000	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	121,545,000	105,032,035	16,512,965
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	121,545,000	105,032,035	16,512,965

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or Ohio Power Company's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

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

9 Facility Credits under PJM OATT Section 30.9

4,740,372

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses  
Ohio Power Company

	(A)	(B)	(C)	(D)	(E)	(F)
Line			2020	100%	100%	
Number	Item No.	Description	Expense	Non-Transmission	Transmission Specific	Explanation
Regulatory O&M Deferrals & Amortizations						
1	5660005	Misc Transmission Expense	(31,065,000)			
2						
3						
4		Total	(31,065,000)			
Detail of Account 561 Per FERC Form 1						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	296			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	5,347,436			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	0			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	1,130,119			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	150			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	0			
14		Total of Account 561	6,478,000			
Account 928						
15	9280000	Regulatory Commission Exp	15,239	15,239	-	
16	9280001	Regulatory Commission Exp-Adm	162,159	162,159	-	
17	9280002	Regulatory Commission Exp-Case	803,583	803,583	-	
18	9280005	Reg Com Exp-FERC Trans Cases	44,512	-	44,512	
19						
20		Total (FERC Form 1 p.323.189.b)	1,025,493	980,981	44,512	
Account 930.1						
21	9301000	General Advertising Expenses	10,234	10,234	-	
22	9301001	Newspaper Advertising Space	281	281	-	
23	9301006	Spec Corporate Comm Info Proj	45	45	-	
24	9301007	Special Adv Space & Prod Exp	6,461	6,461	-	
25	9301009	Fairs, Shows, and Exhibits	273	273	-	
26	9301010	Publicity	66	66	-	
27	9301011	Dedications, Tours, & Openings	58	58	-	
28	9301012	Public Opinion Surveys	5,815	5,815	-	
29	9301015	Other Corporate Comm Exp	156,255	156,255	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37		Total (FERC Form 1 p.323.191.b)	179,486	179,486	-	
Account 930.2						
38	9302000	Misc General Expenses	5,423,859	5,423,859		
39	9302003	Corporate & Fiscal Expenses	263,743	263,743		
40	9302004	Research, Develop&Demonstr Exp	22,648	22,648		
41	9302006	Assoc Business Development Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	1,894,954	1,494,865	400,088	
43		Total (FERC Form 1 p.323.192.b)	7,605,203	7,205,115	400,088	

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 Ohio Power Company

West Virginia Corporate Income Tax	6.5000%	
Apportionment Factor - Note 2	0.4038%	
Effective State Tax Rate		0.03%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 2	0.4018%	
Effective State Tax Rate		0.04%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0181%	
Effective State Tax Rate		0.00%
Kentucky Business Income Tax	5.0000%	
Apportionment Factor - Note 2	0.0503%	
Effective State Tax Rate		0.00%
Ohio Municipal Net Income Tax	1.0169%	
Apportionment Factor - Note 2	98.7000%	
Effective State Tax Rate		1.00%
Ohio Franchise Tax Rate	0.0000%	
Phase-out Factor Note 1	0.0000%	
Apportionment Factor - Note 2	0.0000%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u>1.0717%</u>

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

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet H Supporting Taxes Other than Income  
Ohio Power Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	152,056,931				152,056,931
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Ohio	296,451,214	296,451,214			
5	Real and Personal Property - Other Jurisdictions	1,136,496	1,136,496			
6	Real and Personal Property - Tennessee	1,857,961	1,857,961			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	6,336,158		6,336,158		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<b>Production Taxes</b>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	2,989,440			2,989,440	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis	460,828,200	299,445,671	6,336,158	2,989,440	152,056,931

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

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

Functional Property Tax Allocation						
	Production	Transmsission	Distribution	General	Total	
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	-	1,796,251,923	3,902,356,538	452,459,846	6,151,068,308
OHIO JURISDICTION						
26	Percentage of Plant in OHIO JURISDICTION	0.00%	95.74%	100.00%	99.06%	
27	Net Plant in OHIO JURISDICTION (Ln 25 * Ln 26)	-	1,719,731,591	3,902,356,538	448,206,724	6,070,294,853
28	Less: Net Value of Exempted Generation Plant	-				
29	Taxable Property Basis (Ln 27 - Ln 28)	-	1,719,731,591	3,902,356,538	448,206,724	6,070,294,853
30	Relative Valuation Factor	24%	85%	85%	24%	
31	Weighted Net Plant (Ln 29 * Ln 30)	-	1,461,771,852	3,317,003,058	107,569,614	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	30.59%	69.41%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	-	32,904,298	74,665,316	(107,569,614)	-
34	Weighted OHIO JURISDICTION Plant (Ln 31 + 33)	-	1,494,676,150	3,391,668,374	(0)	4,886,344,524
35	Functional Percentage (Ln 34/Total Ln 34)	0.00%	30.59%	69.41%		
WEST VA JURISDICTION						
36	Net Plant in WEST VA JURISDICTION (Ln 25 - Ln 27)	-	76,520,332	-	4,253,123	80,773,454
37	Less: Net Value of Exempted Generation Plant	-				
38	Taxable Property Basis (Ln 36 - Ln 37)	-	76,520,332	-	4,253,123	80,773,454
39	Relative Valuation Factor	100%	100%	100%	100%	
40	Weighted Net Plant (Ln 38 * Ln 39)	-	76,520,332	-	4,253,123	
41	General Plant Allocator (Ln 40 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
42	Functionalized General Plant (Ln 41 * General Plant)	-	4,253,123	-	(4,253,123)	-
43	Weighted WEST VA JURISDICTION Plant (Ln 40 + 42)	-	80,773,454	-	(0)	80,773,454
44	Functional Percentage (Ln 43/Total Ln 43)	0.00%	100.00%	0.00%		

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H  
Ohio Power Company

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

1 Revenue Taxes  
2 Gross Receipts Tax

152,056,931

152,170,895  
(113,964)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)

3 Real Estate and Personal Property Taxes Total  
(Ln 4 + Ln 5 + Ln 6 + Ln 7)

299,445,671

91,027,894

4 Real and Personal Property - Ohio

2020

296,451,214

296,451,214

30.59%

90,680,990

90,680,990

-

-

-

-

5 Real and Personal Property - W VA

2020

1,136,496

1,136,496

30.52%

346,903

346,903

-

-

-

-

-

-

-

6 Real and Personal Property - Other

1,857,961

1,857,961

-

-

-

-

-

7 Real and Personal Property - Other Jurisdictions

-

-

-

-

-

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

8 Payroll Taxes

9 Federal Insurance Contribution (FICA )

6,336,158

6,336,158

10 Federal Unemployment Tax

-

-

11 State Unemployment Insurance

-

-

12 Production Taxes

13 State Severance Taxes

-

14 Miscellaneous Taxes

15 State Business & Occupation Tax

-

16 State Public Service Commission Fees

2,989,440

2,989,440

17 State Franchise Taxes

-

18 State Lic/Registration Fee

-

19 Misc. State and Local Tax

-

20 Sales & Use

-

21 Federal Excise Tax

-

22 Michigan Single Business Tax

-

23 Total Taxes by Allocable Basis

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

460,828,200

460,828,200

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

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

AEP East Companies  
Cost of Service Formula Rate Using 2020 FF1 Balances  
Worksheet I RESERVED FOR FUTURE USE  
Ohio Power Company

AEP East Companies  
Cost of Service Formula Rate Using 2020 FF1 Balances  
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
Ohio Power Company

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			
ROE with additional basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)			
	%	Cost	Weighted cost
Long Term Debt	48.10%	4.91%	2.359%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	51.90%	10.35%	5.372%
		R =	7.731%

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

Rate Base (TCOS, ln 68)	1,473,543,528
R (from A. above)	7.731%
Return (Rate Base x R)	113,923,272

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

Return (from B. above)	113,923,272
Effective Tax Rate (TCOS, ln 114)	19.42%
Income Tax Calculation (Return x CIT)	22,128,143
ITC Adjustment	(391)
Excess Deferred Income Tax	(8,830,574)
Tax Affect of Permanent Differences	1,696,964
Income Taxes	14,994,142

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS		REVENUE REQUIREMENTS		
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2020	11,070,455	11,070,455	\$ -

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical basis point ROE increase.

A. Determine Annual Revenue Requirement less return and Income Taxes.

Annual Revenue Requirement (TCOS, ln 1)	328,540,740
Lease Payments (TCOS, ln 95)	2,713,000
Return (TCOS, ln 126)	113,923,272
Income Taxes (TCOS, ln 125)	14,994,142
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	196,910,326

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	196,910,326
Return (from I.B. above)	113,923,272
Income Taxes (from I.C. above)	14,994,142
Annual Revenue Requirement, with Basis Point ROE increase	325,827,740
Depreciation (TCOS, ln 100)	60,779,000
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	265,048,740

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	1,796,251,923
Annual Revenue Requirement, with Basis Point ROE increase	325,827,740
FCR with Basis Point increase in ROE	18.14%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	265,048,740
FCR with Basis Point ROE increase, less Depreciation	14.76%
FCR less Depreciation (TCOS, ln 10)	14.76%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2020 (TCOS, ln 21)	2,669,974,462
Annual Depreciation and Amortization Expense (TCOS, ln 100)	60,779,000
Composite Depreciation Rate	2.28%
Depreciable Life for Composite Depreciation Rate	43.93
Round to nearest whole year	44

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b504 (765 kV circuit breaker installations at Hanging Rock)

Current Projected Year ARR	736,885
Current Projected Year ARR w/ Incentive	736,885
Current Projected Year Incentive ARR	-

Details						
Investment	5,559,037	Current Year				2020
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	3	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				126,342
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2009	5,559,037	94,756	5,464,281	908,038	908,038	\$ -
2010	5,464,281	126,342	5,337,939	923,311	923,311	\$ -
2011	5,337,939	126,342	5,211,597	904,668	904,668	\$ -
2012	5,211,597	126,342	5,085,255	886,026	886,026	\$ -
2013	5,085,255	126,342	4,958,914	867,383	867,383	\$ -
2014	4,958,914	126,342	4,832,572	848,741	848,741	\$ -
2015	4,832,572	126,342	4,706,230	830,098	830,098	\$ -
2016	4,706,230	126,342	4,579,888	811,456	811,456	\$ -
2017	4,579,888	126,342	4,453,547	792,813	792,813	\$ -
2018	4,453,547	126,342	4,327,205	774,170	774,170	\$ -
2019	4,327,205	126,342	4,200,863	755,528	755,528	\$ -
2020	4,200,863	126,342	4,074,521	736,885	736,885	\$ -
2021	4,074,521	126,342	3,948,180	718,243	718,243	\$ -
2022	3,948,180	126,342	3,821,838	699,600	699,600	\$ -
2023	3,821,838	126,342	3,695,496	680,958	680,958	\$ -
2024	3,695,496	126,342	3,569,154	662,315	662,315	\$ -
2025	3,569,154	126,342	3,442,813	643,673	643,673	\$ -
2026	3,442,813	126,342	3,316,471	625,030	625,030	\$ -
2027	3,316,471	126,342	3,190,129	606,387	606,387	\$ -
2028	3,190,129	126,342	3,063,787	587,745	587,745	\$ -
2029	3,063,787	126,342	2,937,446	569,102	569,102	\$ -
2030	2,937,446	126,342	2,811,104	550,460	550,460	\$ -
2031	2,811,104	126,342	2,684,762	531,817	531,817	\$ -
2032	2,684,762	126,342	2,558,420	513,175	513,175	\$ -
2033	2,558,420	126,342	2,432,079	494,532	494,532	\$ -
2034	2,432,079	126,342	2,305,737	475,890	475,890	\$ -
2035	2,305,737	126,342	2,179,395	457,247	457,247	\$ -
2036	2,179,395	126,342	2,053,053	438,605	438,605	\$ -
2037	2,053,053	126,342	1,926,712	419,962	419,962	\$ -
2038	1,926,712	126,342	1,800,370	401,319	401,319	\$ -
2039	1,800,370	126,342	1,674,028	382,677	382,677	\$ -
2040	1,674,028	126,342	1,547,686	364,034	364,034	\$ -
2041	1,547,686	126,342	1,421,345	345,392	345,392	\$ -
2042	1,421,345	126,342	1,295,003	326,749	326,749	\$ -
2043	1,295,003	126,342	1,168,661	308,107	308,107	\$ -
2044	1,168,661	126,342	1,042,319	289,464	289,464	\$ -
2045	1,042,319	126,342	915,978	270,822	270,822	\$ -
2046	915,978	126,342	789,636	252,179	252,179	\$ -
2047	789,636	126,342	663,294	233,536	233,536	\$ -
2048	663,294	126,342	536,952	214,894	214,894	\$ -
2049	536,952	126,342	410,611	196,251	196,251	\$ -
2050	410,611	126,342	284,269	177,609	177,609	\$ -
2051	284,269	126,342	157,927	158,966	158,966	\$ -
2052	157,927	126,342	31,585	140,324	140,324	\$ -
2053	31,585	31,585	-	33,916	33,916	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
Project Totals				23,810,096	23,810,096	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 894,796		\$ 894,796		
\$ 1,094,271		\$ 1,094,271		
\$ 1,210,680		\$ 1,210,680		
\$ 1,057,666		\$ 1,057,666		
\$ 1,051,933		\$ 1,051,933		
\$ 1,050,369		\$ 1,050,369		
\$ 1,028,335		\$ 1,028,335		
\$ 989,594		\$ 989,594		
\$ 996,311		\$ 996,311		
\$ 790,538		\$ 790,538		
\$ 766,759		\$ 766,759		

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

### A. Base Plan Facilities

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

**Project Description:** RTEP ID: B1231 (Replace the existing 138/69-12 kV transformer at West Moulton Station with a 138/69 kV transformer and a 69/12 kV transformer)

Current Projected Year ARR	945,781
Current Projected Year ARR w/ Incentive	945,781
Current Projected Year Incentive ARR	-

Details						
Investment	6,529,259	Current Year				2020
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				148,392
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2012	6,529,259	12,366	6,516,893	974,889	974,889	\$ -
2013	6,516,893	148,392	6,368,501	1,099,054	1,099,054	\$ -
2014	6,368,501	148,392	6,220,108	1,077,158	1,077,158	\$ -
2015	6,220,108	148,392	6,071,716	1,055,262	1,055,262	\$ -
2016	6,071,716	148,392	5,923,324	1,033,366	1,033,366	\$ -
2017	5,923,324	148,392	5,774,932	1,011,469	1,011,469	\$ -
2018	5,774,932	148,392	5,626,539	989,573	989,573	\$ -
2019	5,626,539	148,392	5,478,147	967,677	967,677	\$ -
2020	5,478,147	148,392	5,329,755	945,781	945,781	\$ -
2021	5,329,755	148,392	5,181,363	923,884	923,884	\$ -
2022	5,181,363	148,392	5,032,970	901,988	901,988	\$ -
2023	5,032,970	148,392	4,884,578	880,092	880,092	\$ -
2024	4,884,578	148,392	4,736,186	858,196	858,196	\$ -
2025	4,736,186	148,392	4,587,794	836,299	836,299	\$ -
2026	4,587,794	148,392	4,439,401	814,403	814,403	\$ -
2027	4,439,401	148,392	4,291,009	792,507	792,507	\$ -
2028	4,291,009	148,392	4,142,617	770,611	770,611	\$ -
2029	4,142,617	148,392	3,994,225	748,714	748,714	\$ -
2030	3,994,225	148,392	3,845,832	726,818	726,818	\$ -
2031	3,845,832	148,392	3,697,440	704,922	704,922	\$ -
2032	3,697,440	148,392	3,549,048	683,026	683,026	\$ -
2033	3,549,048	148,392	3,400,656	661,129	661,129	\$ -
2034	3,400,656	148,392	3,252,263	639,233	639,233	\$ -
2035	3,252,263	148,392	3,103,871	617,337	617,337	\$ -
2036	3,103,871	148,392	2,955,479	595,441	595,441	\$ -
2037	2,955,479	148,392	2,807,087	573,544	573,544	\$ -
2038	2,807,087	148,392	2,658,694	551,648	551,648	\$ -
2039	2,658,694	148,392	2,510,302	529,752	529,752	\$ -
2040	2,510,302	148,392	2,361,910	507,856	507,856	\$ -
2041	2,361,910	148,392	2,213,518	485,959	485,959	\$ -
2042	2,213,518	148,392	2,065,125	464,063	464,063	\$ -
2043	2,065,125	148,392	1,916,733	442,167	442,167	\$ -
2044	1,916,733	148,392	1,768,341	420,271	420,271	\$ -
2045	1,768,341	148,392	1,619,949	398,374	398,374	\$ -
2046	1,619,949	148,392	1,471,556	376,478	376,478	\$ -
2047	1,471,556	148,392	1,323,164	354,582	354,582	\$ -
2048	1,323,164	148,392	1,174,772	332,686	332,686	\$ -
2049	1,174,772	148,392	1,026,380	310,789	310,789	\$ -
2050	1,026,380	148,392	877,987	288,893	288,893	\$ -
2051	877,987	148,392	729,595	266,997	266,997	\$ -
2052	729,595	148,392	581,203	245,101	245,101	\$ -
2053	581,203	148,392	432,811	223,204	223,204	\$ -
2054	432,811	148,392	284,418	201,308	201,308	\$ -
2055	284,418	148,392	136,026	179,412	179,412	\$ -
2056	136,026	136,026	-	146,062	146,062	\$ -
2057	-	-	-	-	-	\$ -

[illegible]

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

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

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

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

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

## A. Base Plan Facilities

### Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

**RTEP ID: b0570 (Reconductor EAST LIMA-STERLING 138 KV LINE)**

Current Projected Year ARR	137,674
Current Projected Year ARR w/ Incentive	137,674
Current Projected Year Incentive ARR	-

Details						
Investment	937,776	Current Year			2020	
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)			-	
Service Month (1-12)	6	FCR w/o incentives, less depreciation			14.76%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.			14.76%	
CIAC (Yes or No)	No	Annual Depreciation Expense			21,313	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	937,776	10,657	927,119	148,245	148,245	\$ -
2014	927,119	21,313	905,806	156,543	156,543	\$ -
2015	905,806	21,313	884,493	153,398	153,398	\$ -
2016	884,493	21,313	863,180	150,253	150,253	\$ -
2017	863,180	21,313	841,867	147,109	147,109	\$ -
2018	841,867	21,313	820,554	143,964	143,964	\$ -
2019	820,554	21,313	799,241	140,819	140,819	\$ -
2020	799,241	21,313	777,928	137,674	137,674	\$ -
2021	777,928	21,313	756,615	134,529	134,529	\$ -
2022	756,615	21,313	735,302	131,384	131,384	\$ -
2023	735,302	21,313	713,989	128,239	128,239	\$ -
2024	713,989	21,313	692,675	125,094	125,094	\$ -
2025	692,675	21,313	671,362	121,949	121,949	\$ -
2026	671,362	21,313	650,049	118,805	118,805	\$ -
2027	650,049	21,313	628,736	115,660	115,660	\$ -
2028	628,736	21,313	607,423	112,515	112,515	\$ -
2029	607,423	21,313	586,110	109,370	109,370	\$ -
2030	586,110	21,313	564,797	106,225	106,225	\$ -
2031	564,797	21,313	543,484	103,080	103,080	\$ -
2032	543,484	21,313	522,171	99,935	99,935	\$ -
2033	522,171	21,313	500,858	96,790	96,790	\$ -
2034	500,858	21,313	479,545	93,645	93,645	\$ -
2035	479,545	21,313	458,231	90,501	90,501	\$ -
2036	458,231	21,313	436,918	87,356	87,356	\$ -
2037	436,918	21,313	415,605	84,211	84,211	\$ -
2038	415,605	21,313	394,292	81,066	81,066	\$ -
2039	394,292	21,313	372,979	77,921	77,921	\$ -
2040	372,979	21,313	351,666	74,776	74,776	\$ -
2041	351,666	21,313	330,353	71,631	71,631	\$ -
2042	330,353	21,313	309,040	68,486	68,486	\$ -
2043	309,040	21,313	287,727	65,341	65,341	\$ -
2044	287,727	21,313	266,414	62,197	62,197	\$ -
2045	266,414	21,313	245,101	59,052	59,052	\$ -
2046	245,101	21,313	223,787	55,907	55,907	\$ -
2047	223,787	21,313	202,474	52,762	52,762	\$ -
2048	202,474	21,313	181,161	49,617	49,617	\$ -
2049	181,161	21,313	159,848	46,472	46,472	\$ -
2050	159,848	21,313	138,535	43,327	43,327	\$ -
2051	138,535	21,313	117,222	40,182	40,182	\$ -
2052	117,222	21,313	95,909	37,038	37,038	\$ -
2053	95,909	21,313	74,596	33,893	33,893	\$ -
2054	74,596	21,313	53,283	30,748	30,748	\$ -
2055	53,283	21,313	31,970	27,603	27,603	\$ -
2056	31,970	21,313	10,657	24,458	24,458	\$ -
2057	10,657	10,657	-	11,443	11,443	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				4,051,213	4,051,213	

## Project Totals

4,051,213

4,051,213

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**CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:**

## CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR

TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE

## LIFE OF THE PROJECT

[illegible]

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

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

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

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	845,618
Current Projected Year ARR w/ Incentive	845,618
Current Projected Year Incentive ARR	-

Details						
Investment	5,705,686	Current Year	2020			
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	11	FCR w/o incentives, less depreciation	14.76%			
Useful life	44	FCR w/incentives approved for these facilities, less dep.	14.76%			
CIAC (Yes or No)	No	Annual Depreciation Expense	129,675			
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	5,705,686	10,806	5,694,880	851,920	851,920	\$ -
2014	5,694,880	129,675	5,565,205	960,424	960,424	\$ -
2015	5,565,205	129,675	5,435,530	941,290	941,290	\$ -
2016	5,435,530	129,675	5,305,856	922,156	922,156	\$ -
2017	5,305,856	129,675	5,176,181	903,021	903,021	\$ -
2018	5,176,181	129,675	5,046,506	883,887	883,887	\$ -
2019	5,046,506	129,675	4,916,832	864,753	864,753	\$ -
2020	4,916,832	129,675	4,787,157	845,618	845,618	\$ -
2021	4,787,157	129,675	4,657,482	826,484	826,484	\$ -
2022	4,657,482	129,675	4,527,808	807,350	807,350	\$ -
2023	4,527,808	129,675	4,398,133	788,215	788,215	\$ -
2024	4,398,133	129,675	4,268,458	769,081	769,081	\$ -
2025	4,268,458	129,675	4,138,784	749,946	749,946	\$ -
2026	4,138,784	129,675	4,009,109	730,812	730,812	\$ -
2027	4,009,109	129,675	3,879,434	711,678	711,678	\$ -
2028	3,879,434	129,675	3,749,760	692,543	692,543	\$ -
2029	3,749,760	129,675	3,620,085	673,409	673,409	\$ -
2030	3,620,085	129,675	3,490,410	654,275	654,275	\$ -
2031	3,490,410	129,675	3,360,736	635,140	635,140	\$ -
2032	3,360,736	129,675	3,231,061	616,006	616,006	\$ -
2033	3,231,061	129,675	3,101,386	596,872	596,872	\$ -
2034	3,101,386	129,675	2,971,711	577,737	577,737	\$ -
2035	2,971,711	129,675	2,842,037	558,603	558,603	\$ -
2036	2,842,037	129,675	2,712,362	539,469	539,469	\$ -
2037	2,712,362	129,675	2,582,687	520,334	520,334	\$ -
2038	2,582,687	129,675	2,453,013	501,200	501,200	\$ -
2039	2,453,013	129,675	2,323,338	482,066	482,066	\$ -
2040	2,323,338	129,675	2,193,663	462,931	462,931	\$ -
2041	2,193,663	129,675	2,063,989	443,797	443,797	\$ -
2042	2,063,989	129,675	1,934,314	424,663	424,663	\$ -
2043	1,934,314	129,675	1,804,639	405,528	405,528	\$ -
2044	1,804,639	129,675	1,674,965	386,394	386,394	\$ -
2045	1,674,965	129,675	1,545,290	367,260	367,260	\$ -
2046	1,545,290	129,675	1,415,615	348,125	348,125	\$ -
2047	1,415,615	129,675	1,285,941	328,991	328,991	\$ -
2048	1,285,941	129,675	1,156,266	309,856	309,856	\$ -
2049	1,156,266	129,675	1,026,591	290,722	290,722	\$ -
2050	1,026,591	129,675	896,917	271,588	271,588	\$ -
2051	896,917	129,675	767,242	252,453	252,453	\$ -
2052	767,242	129,675	637,567	233,319	233,319	\$ -
2053	637,567	129,675	507,893	214,185	214,185	\$ -
2054	507,893	129,675	378,218	195,050	195,050	\$ -
2055	378,218	129,675	248,543	175,916	175,916	\$ -
2056	248,543	129,675	118,868	156,782	156,782	\$ -
2057	118,868	118,868	-	127,638	127,638	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				24,999,488	24,999,488	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 528,784		\$ 528,784		
\$ 1,017,894		\$ 1,017,894		
\$ 953,651		\$ 953,651		
\$ 919,468		\$ 919,468		
\$ 929,340		\$ 929,340		
\$ 902,942		\$ 902,942		
\$ 877,873		\$ 877,873		



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

### A. Base Plan Facilities

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

**Project Description:** RTEP ID: b1864.1 (Add two additional 345/138 kV transformers at Kammer)

Current Projected Year ARR	863,948
Current Projected Year ARR w/ Incentive	863,948
Current Projected Year Incentive ARR	-

Details						
Investment	5,507,426	Current Year			2020	
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)			-	
Service Month (1-12)	6	FCR w/o incentives, less depreciation			14.76%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.			14.76%	
CIAC (Yes or No)	No	Annual Depreciation Expense			125,169	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	5,507,426	62,584	5,444,842	870,624	870,624	\$ -
2017	5,444,842	125,169	5,319,673	919,356	919,356	\$ -
2018	5,319,673	125,169	5,194,504	900,887	900,887	\$ -
2019	5,194,504	125,169	5,069,335	882,417	882,417	\$ -
2020	5,069,335	125,169	4,944,167	863,948	863,948	\$ -
2021	4,944,167	125,169	4,818,998	845,478	845,478	\$ -
2022	4,818,998	125,169	4,693,829	827,009	827,009	\$ -
2023	4,693,829	125,169	4,568,660	808,539	808,539	\$ -
2024	4,568,660	125,169	4,443,491	790,070	790,070	\$ -
2025	4,443,491	125,169	4,318,323	771,600	771,600	\$ -
2026	4,318,323	125,169	4,193,154	753,131	753,131	\$ -
2027	4,193,154	125,169	4,067,985	734,661	734,661	\$ -
2028	4,067,985	125,169	3,942,816	716,192	716,192	\$ -
2029	3,942,816	125,169	3,817,648	697,722	697,722	\$ -
2030	3,817,648	125,169	3,692,479	679,253	679,253	\$ -
2031	3,692,479	125,169	3,567,310	660,783	660,783	\$ -
2032	3,567,310	125,169	3,442,141	642,314	642,314	\$ -
2033	3,442,141	125,169	3,316,972	623,845	623,845	\$ -
2034	3,316,972	125,169	3,191,804	605,375	605,375	\$ -
2035	3,191,804	125,169	3,066,635	586,906	586,906	\$ -
2036	3,066,635	125,169	2,941,466	568,436	568,436	\$ -
2037	2,941,466	125,169	2,816,297	549,967	549,967	\$ -
2038	2,816,297	125,169	2,691,129	531,497	531,497	\$ -
2039	2,691,129	125,169	2,565,960	513,028	513,028	\$ -
2040	2,565,960	125,169	2,440,791	494,558	494,558	\$ -
2041	2,440,791	125,169	2,315,622	476,089	476,089	\$ -
2042	2,315,622	125,169	2,190,454	457,619	457,619	\$ -
2043	2,190,454	125,169	2,065,285	439,150	439,150	\$ -
2044	2,065,285	125,169	1,940,116	420,680	420,680	\$ -
2045	1,940,116	125,169	1,814,947	402,211	402,211	\$ -
2046	1,814,947	125,169	1,689,778	383,741	383,741	\$ -
2047	1,689,778	125,169	1,564,610	365,272	365,272	\$ -
2048	1,564,610	125,169	1,439,441	346,802	346,802	\$ -
2049	1,439,441	125,169	1,314,272	328,333	328,333	\$ -
2050	1,314,272	125,169	1,189,103	309,863	309,863	\$ -
2051	1,189,103	125,169	1,063,935	291,394	291,394	\$ -
2052	1,063,935	125,169	938,766	272,925	272,925	\$ -
2053	938,766	125,169	813,597	254,455	254,455	\$ -
2054	813,597	125,169	688,428	235,986	235,986	\$ -
2055	688,428	125,169	563,259	217,516	217,516	\$ -
2056	563,259	125,169	438,091	199,047	199,047	\$ -
2057	438,091	125,169	312,922	180,577	180,577	\$ -
2058	312,922	125,169	187,753	162,108	162,108	\$ -
2059	187,753	125,169	62,584	143,638	143,638	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals				23,725,002	23,725,002	-

[illegible]

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

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

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

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	597,311
Current Projected Year ARR w/ Incentive	597,311
Current Projected Year Incentive ARR	-

Details						
Investment	4,037,882	Current Year				2020
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				91,770
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	4,037,882	15,295	4,022,587	609,983	609,983	\$ -
2014	4,022,587	91,770	3,930,817	678,558	678,558	\$ -
2015	3,930,817	91,770	3,839,047	665,017	665,017	\$ -
2016	3,839,047	91,770	3,747,277	651,476	651,476	\$ -
2017	3,747,277	91,770	3,655,507	637,935	637,935	\$ -
2018	3,655,507	91,770	3,563,737	624,393	624,393	\$ -
2019	3,563,737	91,770	3,471,967	610,852	610,852	\$ -
2020	3,471,967	91,770	3,380,197	597,311	597,311	\$ -
2021	3,380,197	91,770	3,288,427	583,770	583,770	\$ -
2022	3,288,427	91,770	3,196,657	570,228	570,228	\$ -
2023	3,196,657	91,770	3,104,887	556,687	556,687	\$ -
2024	3,104,887	91,770	3,013,116	543,146	543,146	\$ -
2025	3,013,116	91,770	2,921,346	529,604	529,604	\$ -
2026	2,921,346	91,770	2,829,576	516,063	516,063	\$ -
2027	2,829,576	91,770	2,737,806	502,522	502,522	\$ -
2028	2,737,806	91,770	2,646,036	488,981	488,981	\$ -
2029	2,646,036	91,770	2,554,266	475,439	475,439	\$ -
2030	2,554,266	91,770	2,462,496	461,898	461,898	\$ -
2031	2,462,496	91,770	2,370,726	448,357	448,357	\$ -
2032	2,370,726	91,770	2,278,956	434,816	434,816	\$ -
2033	2,278,956	91,770	2,187,186	421,274	421,274	\$ -
2034	2,187,186	91,770	2,095,416	407,733	407,733	\$ -
2035	2,095,416	91,770	2,003,646	394,192	394,192	\$ -
2036	2,003,646	91,770	1,911,876	380,651	380,651	\$ -
2037	1,911,876	91,770	1,820,106	367,109	367,109	\$ -
2038	1,820,106	91,770	1,728,336	353,568	353,568	\$ -
2039	1,728,336	91,770	1,636,566	340,027	340,027	\$ -
2040	1,636,566	91,770	1,544,796	326,485	326,485	\$ -
2041	1,544,796	91,770	1,453,026	312,944	312,944	\$ -
2042	1,453,026	91,770	1,361,256	299,403	299,403	\$ -
2043	1,361,256	91,770	1,269,486	285,862	285,862	\$ -
2044	1,269,486	91,770	1,177,716	272,320	272,320	\$ -
2045	1,177,716	91,770	1,085,946	258,779	258,779	\$ -
2046	1,085,946	91,770	994,175	245,238	245,238	\$ -
2047	994,175	91,770	902,405	231,697	231,697	\$ -
2048	902,405	91,770	810,635	218,155	218,155	\$ -
2049	810,635	91,770	718,865	204,614	204,614	\$ -
2050	718,865	91,770	627,095	191,073	191,073	\$ -
2051	627,095	91,770	535,325	177,531	177,531	\$ -
2052	535,325	91,770	443,555	163,990	163,990	\$ -
2053	443,555	91,770	351,785	150,449	150,449	\$ -
2054	351,785	91,770	260,015	136,908	136,908	\$ -
2055	260,015	91,770	168,245	123,366	123,366	\$ -
2056	168,245	91,770	76,475	109,825	109,825	\$ -
2057	76,475	76,475	-	82,117	82,117	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				17,642,346	17,642,346	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 0		\$ 0		
\$ 7,389,592		\$ 7,389,592		
\$ 583,939		\$ 583,939		
\$ 662,503		\$ 662,503		
\$ 750,034		\$ 750,034		
\$ 633,061		\$ 633,061		
\$ 682,446		\$ 682,446		

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	17,207
Current Projected Year ARR w/ Incentive	17,207
Current Projected Year Incentive ARR	-

Details						
Investment	118,332	Current Year		2020		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	1	FCR w/o incentives, less depreciation		14.76%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.		14.76%		
CIAC (Yes or No)	No	Annual Depreciation Expense		2,689		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	118,332	2,465	115,867	19,744	19,744	\$ -
2014	115,867	2,689	113,177	19,588	19,588	\$ -
2015	113,177	2,689	110,488	19,191	19,191	\$ -
2016	110,488	2,689	107,799	18,794	18,794	\$ -
2017	107,799	2,689	105,109	18,397	18,397	\$ -
2018	105,109	2,689	102,420	18,001	18,001	\$ -
2019	102,420	2,689	99,731	17,604	17,604	\$ -
2020	99,731	2,689	97,041	17,207	17,207	\$ -
2021	97,041	2,689	94,352	16,810	16,810	\$ -
2022	94,352	2,689	91,662	16,413	16,413	\$ -
2023	91,662	2,689	88,973	16,016	16,016	\$ -
2024	88,973	2,689	86,284	15,620	15,620	\$ -
2025	86,284	2,689	83,594	15,223	15,223	\$ -
2026	83,594	2,689	80,905	14,826	14,826	\$ -
2027	80,905	2,689	78,216	14,429	14,429	\$ -
2028	78,216	2,689	75,526	14,032	14,032	\$ -
2029	75,526	2,689	72,837	13,635	13,635	\$ -
2030	72,837	2,689	70,148	13,239	13,239	\$ -
2031	70,148	2,689	67,458	12,842	12,842	\$ -
2032	67,458	2,689	64,769	12,445	12,445	\$ -
2033	64,769	2,689	62,079	12,048	12,048	\$ -
2034	62,079	2,689	59,390	11,651	11,651	\$ -
2035	59,390	2,689	56,701	11,254	11,254	\$ -
2036	56,701	2,689	54,011	10,858	10,858	\$ -
2037	54,011	2,689	51,322	10,461	10,461	\$ -
2038	51,322	2,689	48,633	10,064	10,064	\$ -
2039	48,633	2,689	45,943	9,667	9,667	\$ -
2040	45,943	2,689	43,254	9,270	9,270	\$ -
2041	43,254	2,689	40,565	8,873	8,873	\$ -
2042	40,565	2,689	37,875	8,477	8,477	\$ -
2043	37,875	2,689	35,186	8,080	8,080	\$ -
2044	35,186	2,689	32,496	7,683	7,683	\$ -
2045	32,496	2,689	29,807	7,286	7,286	\$ -
2046	29,807	2,689	27,118	6,889	6,889	\$ -
2047	27,118	2,689	24,428	6,492	6,492	\$ -
2048	24,428	2,689	21,739	6,096	6,096	\$ -
2049	21,739	2,689	19,050	5,699	5,699	\$ -
2050	19,050	2,689	16,360	5,302	5,302	\$ -
2051	16,360	2,689	13,671	4,905	4,905	\$ -
2052	13,671	2,689	10,982	4,508	4,508	\$ -
2053	10,982	2,689	8,292	4,111	4,111	\$ -
2054	8,292	2,689	5,603	3,715	3,715	\$ -
2055	5,603	2,689	2,913	3,318	3,318	\$ -
2056	2,913	2,689	224	2,921	2,921	\$ -
2057	224	-	-	241	241	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				503,922	503,922	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ -		\$ -		
\$ 25,862		\$ 25,862		
\$ 17,942		\$ 17,942		
\$ 22,706		\$ 22,706		
\$ 22,935		\$ 22,935		
\$ 18,387		\$ 18,387		
\$ 17,870		\$ 17,870		

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	528,210
Current Projected Year ARR w/ Incentive	528,210
Current Projected Year Incentive ARR	-

Details						
Investment	3,459,640	Current Year				2020
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	3	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				78,628
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	3,459,640	58,971	3,400,669	565,113	565,113	\$ -
2016	3,400,669	78,628	3,322,041	574,618	574,618	\$ -
2017	3,322,041	78,628	3,243,413	563,016	563,016	\$ -
2018	3,243,413	78,628	3,164,784	551,414	551,414	\$ -
2019	3,164,784	78,628	3,086,156	539,812	539,812	\$ -
2020	3,086,156	78,628	3,007,528	528,210	528,210	\$ -
2021	3,007,528	78,628	2,928,900	516,608	516,608	\$ -
2022	2,928,900	78,628	2,850,272	505,005	505,005	\$ -
2023	2,850,272	78,628	2,771,643	493,403	493,403	\$ -
2024	2,771,643	78,628	2,693,015	481,801	481,801	\$ -
2025	2,693,015	78,628	2,614,387	470,199	470,199	\$ -
2026	2,614,387	78,628	2,535,759	458,597	458,597	\$ -
2027	2,535,759	78,628	2,457,131	446,995	446,995	\$ -
2028	2,457,131	78,628	2,378,503	435,393	435,393	\$ -
2029	2,378,503	78,628	2,299,874	423,791	423,791	\$ -
2030	2,299,874	78,628	2,221,246	412,189	412,189	\$ -
2031	2,221,246	78,628	2,142,618	400,587	400,587	\$ -
2032	2,142,618	78,628	2,063,990	388,984	388,984	\$ -
2033	2,063,990	78,628	1,985,362	377,382	377,382	\$ -
2034	1,985,362	78,628	1,906,733	365,780	365,780	\$ -
2035	1,906,733	78,628	1,828,105	354,178	354,178	\$ -
2036	1,828,105	78,628	1,749,477	342,576	342,576	\$ -
2037	1,749,477	78,628	1,670,849	330,974	330,974	\$ -
2038	1,670,849	78,628	1,592,221	319,372	319,372	\$ -
2039	1,592,221	78,628	1,513,593	307,770	307,770	\$ -
2040	1,513,593	78,628	1,434,964	296,168	296,168	\$ -
2041	1,434,964	78,628	1,356,336	284,566	284,566	\$ -
2042	1,356,336	78,628	1,277,708	272,963	272,963	\$ -
2043	1,277,708	78,628	1,199,080	261,361	261,361	\$ -
2044	1,199,080	78,628	1,120,452	249,759	249,759	\$ -
2045	1,120,452	78,628	1,041,823	238,157	238,157	\$ -
2046	1,041,823	78,628	963,195	226,555	226,555	\$ -
2047	963,195	78,628	884,567	214,953	214,953	\$ -
2048	884,567	78,628	805,939	203,351	203,351	\$ -
2049	805,939	78,628	727,311	191,749	191,749	\$ -
2050	727,311	78,628	648,683	180,147	180,147	\$ -
2051	648,683	78,628	570,054	168,544	168,544	\$ -
2052	570,054	78,628	491,426	156,942	156,942	\$ -
2053	491,426	78,628	412,798	145,340	145,340	\$ -
2054	412,798	78,628	334,170	133,738	133,738	\$ -
2055	334,170	78,628	255,542	122,136	122,136	\$ -
2056	255,542	78,628	176,913	110,534	110,534	\$ -
2057	176,913	78,628	98,285	98,932	98,932	\$ -
2058	98,285	78,628	19,657	87,330	87,330	\$ -
2059	19,657	19,657	-	21,107	21,107	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				14,818,099	14,818,099	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 652,736		\$ 652,736		
\$ 666,514		\$ 666,514		
\$ 674,329		\$ 674,329		
\$ 563,359		\$ 563,359		
\$ 548,044		\$ 548,044		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1034.7 (Replace all obsolete 138kV circuit breakers at the Torrey and Wagenhals stations)

Current Projected Year ARR	660,577
Current Projected Year ARR w/ Incentive	660,577
Current Projected Year Incentive ARR	-

Details						
Investment	4,474,020	Current Year				2020
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				101,682
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	4,474,020	25,421	4,448,599	683,716	683,716	\$ -
2014	4,448,599	101,682	4,346,917	750,600	750,600	\$ -
2015	4,346,917	101,682	4,245,235	735,596	735,596	\$ -
2016	4,245,235	101,682	4,143,553	720,593	720,593	\$ -
2017	4,143,553	101,682	4,041,870	705,589	705,589	\$ -
2018	4,041,870	101,682	3,940,188	690,585	690,585	\$ -
2019	3,940,188	101,682	3,838,506	675,581	675,581	\$ -
2020	3,838,506	101,682	3,736,824	660,577	660,577	\$ -
2021	3,736,824	101,682	3,635,141	645,573	645,573	\$ -
2022	3,635,141	101,682	3,533,459	630,569	630,569	\$ -
2023	3,533,459	101,682	3,431,777	615,565	615,565	\$ -
2024	3,431,777	101,682	3,330,094	600,561	600,561	\$ -
2025	3,330,094	101,682	3,228,412	585,558	585,558	\$ -
2026	3,228,412	101,682	3,126,730	570,554	570,554	\$ -
2027	3,126,730	101,682	3,025,048	555,550	555,550	\$ -
2028	3,025,048	101,682	2,923,365	540,546	540,546	\$ -
2029	2,923,365	101,682	2,821,683	525,542	525,542	\$ -
2030	2,821,683	101,682	2,720,001	510,538	510,538	\$ -
2031	2,720,001	101,682	2,618,319	495,534	495,534	\$ -
2032	2,618,319	101,682	2,516,636	480,530	480,530	\$ -
2033	2,516,636	101,682	2,414,954	465,526	465,526	\$ -
2034	2,414,954	101,682	2,313,272	450,523	450,523	\$ -
2035	2,313,272	101,682	2,211,589	435,519	435,519	\$ -
2036	2,211,589	101,682	2,109,907	420,515	420,515	\$ -
2037	2,109,907	101,682	2,008,225	405,511	405,511	\$ -
2038	2,008,225	101,682	1,906,543	390,507	390,507	\$ -
2039	1,906,543	101,682	1,804,860	375,503	375,503	\$ -
2040	1,804,860	101,682	1,703,178	360,499	360,499	\$ -
2041	1,703,178	101,682	1,601,496	345,495	345,495	\$ -
2042	1,601,496	101,682	1,499,814	330,492	330,492	\$ -
2043	1,499,814	101,682	1,398,131	315,488	315,488	\$ -
2044	1,398,131	101,682	1,296,449	300,484	300,484	\$ -
2045	1,296,449	101,682	1,194,767	285,480	285,480	\$ -
2046	1,194,767	101,682	1,093,084	270,476	270,476	\$ -
2047	1,093,084	101,682	991,402	255,472	255,472	\$ -
2048	991,402	101,682	889,720	240,468	240,468	\$ -
2049	889,720	101,682	788,038	225,464	225,464	\$ -
2050	788,038	101,682	686,355	210,460	210,460	\$ -
2051	686,355	101,682	584,673	195,457	195,457	\$ -
2052	584,673	101,682	482,991	180,453	180,453	\$ -
2053	482,991	101,682	381,309	165,449	165,449	\$ -
2054	381,309	101,682	279,626	150,445	150,445	\$ -
2055	279,626	101,682	177,944	135,441	135,441	\$ -
2056	177,944	101,682	76,262	120,437	120,437	\$ -
2057	76,262	76,262	-	81,888	81,888	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				19,492,909	19,492,909	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 0		\$ 0		
\$ 95,797		\$ 95,797		
\$ 660,744		\$ 660,744		
\$ 821,901		\$ 821,901		
\$ 828,442		\$ 828,442		
\$ 652,807		\$ 652,807		
\$ 685,825		\$ 685,825		

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

### A. Base Plan Facilities

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

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

Current Projected Year ARR	-
Current Projected Year ARR w/ Incentive	-
Current Projected Year Incentive ARR	-

Details						
Investment	-	Current Year	2020			
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.76%			
Useful life	44	FCR w/incentives approved for these facilities, less dep.	14.76%			
CIAC (Yes or No)	No	Annual Depreciation Expense	-			
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	-	-	-	-	-	\$ -
2015	-	-	-	-	-	\$ -
2016	-	-	-	-	-	\$ -
2017	-	-	-	-	-	\$ -
2018	-	-	-	-	-	\$ -
2019	-	-	-	-	-	\$ -
2020	-	-	-	-	-	\$ -
2021	-	-	-	-	-	\$ -
2022	-	-	-	-	-	\$ -
2023	-	-	-	-	-	\$ -
2024	-	-	-	-	-	\$ -
2025	-	-	-	-	-	\$ -
2026	-	-	-	-	-	\$ -
2027	-	-	-	-	-	\$ -
2028	-	-	-	-	-	\$ -
2029	-	-	-	-	-	\$ -
2030	-	-	-	-	-	\$ -
2031	-	-	-	-	-	\$ -
2032	-	-	-	-	-	\$ -
2033	-	-	-	-	-	\$ -
2034	-	-	-	-	-	\$ -
2035	-	-	-	-	-	\$ -
2036	-	-	-	-	-	\$ -
2037	-	-	-	-	-	\$ -
2038	-	-	-	-	-	\$ -
2039	-	-	-	-	-	\$ -
2040	-	-	-	-	-	\$ -
2041	-	-	-	-	-	\$ -
2042	-	-	-	-	-	\$ -
2043	-	-	-	-	-	\$ -
2044	-	-	-	-	-	\$ -
2045	-	-	-	-	-	\$ -
2046	-	-	-	-	-	\$ -
2047	-	-	-	-	-	\$ -
2048	-	-	-	-	-	\$ -
2049	-	-	-	-	-	\$ -
2050	-	-	-	-	-	\$ -
2051	-	-	-	-	-	\$ -
2052	-	-	-	-	-	\$ -
2053	-	-	-	-	-	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals						

[illegible]

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

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

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

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	1,092,679
Current Projected Year ARR w/ Incentive	1,092,679
Current Projected Year Incentive ARR	-

Details						
Investment	7,169,898	Current Year				2020
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	2	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				162,952
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	7,169,898	135,794	7,034,104	1,183,740	1,183,740	\$ -
2016	7,034,104	162,952	6,871,152	1,188,858	1,188,858	\$ -
2017	6,871,152	162,952	6,708,200	1,164,813	1,164,813	\$ -
2018	6,708,200	162,952	6,545,248	1,140,769	1,140,769	\$ -
2019	6,545,248	162,952	6,382,296	1,116,724	1,116,724	\$ -
2020	6,382,296	162,952	6,219,343	1,092,679	1,092,679	\$ -
2021	6,219,343	162,952	6,056,391	1,068,635	1,068,635	\$ -
2022	6,056,391	162,952	5,893,439	1,044,590	1,044,590	\$ -
2023	5,893,439	162,952	5,730,487	1,020,545	1,020,545	\$ -
2024	5,730,487	162,952	5,567,534	996,501	996,501	\$ -
2025	5,567,534	162,952	5,404,582	972,456	972,456	\$ -
2026	5,404,582	162,952	5,241,630	948,411	948,411	\$ -
2027	5,241,630	162,952	5,078,678	924,367	924,367	\$ -
2028	5,078,678	162,952	4,915,726	900,322	900,322	\$ -
2029	4,915,726	162,952	4,752,773	876,277	876,277	\$ -
2030	4,752,773	162,952	4,589,821	852,233	852,233	\$ -
2031	4,589,821	162,952	4,426,869	828,188	828,188	\$ -
2032	4,426,869	162,952	4,263,917	804,143	804,143	\$ -
2033	4,263,917	162,952	4,100,964	780,099	780,099	\$ -
2034	4,100,964	162,952	3,938,012	756,054	756,054	\$ -
2035	3,938,012	162,952	3,775,060	732,009	732,009	\$ -
2036	3,775,060	162,952	3,612,108	707,965	707,965	\$ -
2037	3,612,108	162,952	3,449,155	683,920	683,920	\$ -
2038	3,449,155	162,952	3,286,203	659,875	659,875	\$ -
2039	3,286,203	162,952	3,123,251	635,831	635,831	\$ -
2040	3,123,251	162,952	2,960,299	611,786	611,786	\$ -
2041	2,960,299	162,952	2,797,347	587,741	587,741	\$ -
2042	2,797,347	162,952	2,634,394	563,697	563,697	\$ -
2043	2,634,394	162,952	2,471,442	539,652	539,652	\$ -
2044	2,471,442	162,952	2,308,490	515,607	515,607	\$ -
2045	2,308,490	162,952	2,145,538	491,563	491,563	\$ -
2046	2,145,538	162,952	1,982,585	467,518	467,518	\$ -
2047	1,982,585	162,952	1,819,633	443,473	443,473	\$ -
2048	1,819,633	162,952	1,656,681	419,429	419,429	\$ -
2049	1,656,681	162,952	1,493,729	395,384	395,384	\$ -
2050	1,493,729	162,952	1,330,777	371,339	371,339	\$ -
2051	1,330,777	162,952	1,167,824	347,295	347,295	\$ -
2052	1,167,824	162,952	1,004,872	323,250	323,250	\$ -
2053	1,004,872	162,952	841,920	299,205	299,205	\$ -
2054	841,920	162,952	678,968	275,161	275,161	\$ -
2055	678,968	162,952	516,015	251,116	251,116	\$ -
2056	516,015	162,952	353,063	227,071	227,071	\$ -
2057	353,063	162,952	190,111	203,027	203,027	\$ -
2058	190,111	162,952	27,159	178,982	178,982	\$ -
2059	27,159	27,159	-	29,162	29,162	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				30,621,465	30,621,465	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 250,071		\$ 250,071		
\$ 77,068		\$ 77,068		
\$ 123,326		\$ 123,326		
\$ 1,165,473		\$ 1,165,473		
\$ 1,133,749		\$ 1,133,749		



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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	474,754
Current Projected Year ARR w/ Incentive	474,754
Current Projected Year Incentive ARR	-

Details						
Investment	3,059,126	Current Year				2020
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				69,526
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	3,059,126	-	3,059,126	451,394	451,394	\$ -
2016	3,059,126	69,526	2,989,600	515,790	515,790	\$ -
2017	2,989,600	69,526	2,920,075	505,531	505,531	\$ -
2018	2,920,075	69,526	2,850,549	495,272	495,272	\$ -
2019	2,850,549	69,526	2,781,024	485,013	485,013	\$ -
2020	2,781,024	69,526	2,711,498	474,754	474,754	\$ -
2021	2,711,498	69,526	2,641,972	464,495	464,495	\$ -
2022	2,641,972	69,526	2,572,447	454,236	454,236	\$ -
2023	2,572,447	69,526	2,502,921	443,978	443,978	\$ -
2024	2,502,921	69,526	2,433,396	433,719	433,719	\$ -
2025	2,433,396	69,526	2,363,870	423,460	423,460	\$ -
2026	2,363,870	69,526	2,294,345	413,201	413,201	\$ -
2027	2,294,345	69,526	2,224,819	402,942	402,942	\$ -
2028	2,224,819	69,526	2,155,293	392,683	392,683	\$ -
2029	2,155,293	69,526	2,085,768	382,424	382,424	\$ -
2030	2,085,768	69,526	2,016,242	372,165	372,165	\$ -
2031	2,016,242	69,526	1,946,717	361,906	361,906	\$ -
2032	1,946,717	69,526	1,877,191	351,647	351,647	\$ -
2033	1,877,191	69,526	1,807,665	341,388	341,388	\$ -
2034	1,807,665	69,526	1,738,140	331,129	331,129	\$ -
2035	1,738,140	69,526	1,668,614	320,870	320,870	\$ -
2036	1,668,614	69,526	1,599,089	310,611	310,611	\$ -
2037	1,599,089	69,526	1,529,563	300,352	300,352	\$ -
2038	1,529,563	69,526	1,460,037	290,093	290,093	\$ -
2039	1,460,037	69,526	1,390,512	279,834	279,834	\$ -
2040	1,390,512	69,526	1,320,986	269,575	269,575	\$ -
2041	1,320,986	69,526	1,251,461	259,316	259,316	\$ -
2042	1,251,461	69,526	1,181,935	249,057	249,057	\$ -
2043	1,181,935	69,526	1,112,409	238,798	238,798	\$ -
2044	1,112,409	69,526	1,042,884	228,539	228,539	\$ -
2045	1,042,884	69,526	973,358	218,280	218,280	\$ -
2046	973,358	69,526	903,833	208,022	208,022	\$ -
2047	903,833	69,526	834,307	197,763	197,763	\$ -
2048	834,307	69,526	764,782	187,504	187,504	\$ -
2049	764,782	69,526	695,256	177,245	177,245	\$ -
2050	695,256	69,526	625,730	166,986	166,986	\$ -
2051	625,730	69,526	556,205	156,727	156,727	\$ -
2052	556,205	69,526	486,679	146,468	146,468	\$ -
2053	486,679	69,526	417,154	136,209	136,209	\$ -
2054	417,154	69,526	347,628	125,950	125,950	\$ -
2055	347,628	69,526	278,102	115,691	115,691	\$ -
2056	278,102	69,526	208,577	105,432	105,432	\$ -
2057	208,577	69,526	139,051	95,173	95,173	\$ -
2058	139,051	69,526	69,526	84,914	84,914	\$ -
2059	69,526	69,526	0	74,655	74,655	\$ -
2060	0	0	-	0	0	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				13,441,190	13,441,190	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 559,098		\$ 559,098		
\$ 620,362		\$ 620,362		
\$ 646,844		\$ 646,844		
\$ 506,029		\$ 506,029		
\$ 492,430		\$ 492,340		

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	336,641
Current Projected Year ARR w/ Incentive	336,641
Current Projected Year Incentive ARR	-

Details						
Investment	2,169,182	Current Year				2020
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				49,300
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	2,169,182	-	2,169,182	320,077	320,077	\$ -
2016	2,169,182	49,300	2,119,882	365,739	365,739	\$ -
2017	2,119,882	49,300	2,070,583	358,465	358,465	\$ -
2018	2,070,583	49,300	2,021,283	351,190	351,190	\$ -
2019	2,021,283	49,300	1,971,984	343,916	343,916	\$ -
2020	1,971,984	49,300	1,922,684	336,641	336,641	\$ -
2021	1,922,684	49,300	1,873,384	329,367	329,367	\$ -
2022	1,873,384	49,300	1,824,085	322,093	322,093	\$ -
2023	1,824,085	49,300	1,774,785	314,818	314,818	\$ -
2024	1,774,785	49,300	1,725,486	307,544	307,544	\$ -
2025	1,725,486	49,300	1,676,186	300,269	300,269	\$ -
2026	1,676,186	49,300	1,626,887	292,995	292,995	\$ -
2027	1,626,887	49,300	1,577,587	285,720	285,720	\$ -
2028	1,577,587	49,300	1,528,287	278,446	278,446	\$ -
2029	1,528,287	49,300	1,478,988	271,171	271,171	\$ -
2030	1,478,988	49,300	1,429,688	263,897	263,897	\$ -
2031	1,429,688	49,300	1,380,389	256,622	256,622	\$ -
2032	1,380,389	49,300	1,331,089	249,348	249,348	\$ -
2033	1,331,089	49,300	1,281,789	242,073	242,073	\$ -
2034	1,281,789	49,300	1,232,490	234,799	234,799	\$ -
2035	1,232,490	49,300	1,183,190	227,524	227,524	\$ -
2036	1,183,190	49,300	1,133,891	220,250	220,250	\$ -
2037	1,133,891	49,300	1,084,591	212,975	212,975	\$ -
2038	1,084,591	49,300	1,035,291	205,701	205,701	\$ -
2039	1,035,291	49,300	985,992	198,426	198,426	\$ -
2040	985,992	49,300	936,692	191,152	191,152	\$ -
2041	936,692	49,300	887,393	183,877	183,877	\$ -
2042	887,393	49,300	838,093	176,603	176,603	\$ -
2043	838,093	49,300	788,793	169,328	169,328	\$ -
2044	788,793	49,300	739,494	162,054	162,054	\$ -
2045	739,494	49,300	690,194	154,780	154,780	\$ -
2046	690,194	49,300	640,895	147,505	147,505	\$ -
2047	640,895	49,300	591,595	140,231	140,231	\$ -
2048	591,595	49,300	542,296	132,956	132,956	\$ -
2049	542,296	49,300	492,996	125,682	125,682	\$ -
2050	492,996	49,300	443,696	118,407	118,407	\$ -
2051	443,696	49,300	394,397	111,133	111,133	\$ -
2052	394,397	49,300	345,097	103,858	103,858	\$ -
2053	345,097	49,300	295,798	96,584	96,584	\$ -
2054	295,798	49,300	246,498	89,309	89,309	\$ -
2055	246,498	49,300	197,198	82,035	82,035	\$ -
2056	197,198	49,300	147,899	74,760	74,760	\$ -
2057	147,899	49,300	98,599	67,486	67,486	\$ -
2058	98,599	49,300	49,300	60,211	60,211	\$ -
2059	49,300	49,300	0	52,937	52,937	\$ -
2060	0	0	-	0	0	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				9,530,953	9,530,953	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 265,269		\$ 265,269		
\$ 405,050		\$ 405,050		
\$ 419,228		\$ 419,228		
\$ 326,706		\$ 326,706		
\$ 349,175		\$ 349,175		

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

### A. Base Plan Facilities

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

<b>Project Description:</b>	<b>RTEP ID: b1962 (Add four 765 kV breakers at Kammer)</b>
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Current Projected Year ARR	96,337
Current Projected Year ARR w/ Incentive	96,337
Current Projected Year Incentive ARR	-

Details						
Investment	620,757	Current Year				2020
Service Year (yyyy)	2,015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				14,108
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	620,757	-	620,757	91,597	91,597	\$ -
2016	620,757	14,108	606,649	104,664	104,664	\$ -
2017	606,649	14,108	592,541	102,582	102,582	\$ -
2018	592,541	14,108	578,433	100,501	100,501	\$ -
2019	578,433	14,108	564,325	98,419	98,419	\$ -
2020	564,325	14,108	550,216	96,337	96,337	\$ -
2021	550,216	14,108	536,108	94,255	94,255	\$ -
2022	536,108	14,108	522,000	92,174	92,174	\$ -
2023	522,000	14,108	507,892	90,092	90,092	\$ -
2024	507,892	14,108	493,784	88,010	88,010	\$ -
2025	493,784	14,108	479,676	85,928	85,928	\$ -
2026	479,676	14,108	465,568	83,847	83,847	\$ -
2027	465,568	14,108	451,460	81,765	81,765	\$ -
2028	451,460	14,108	437,352	79,683	79,683	\$ -
2029	437,352	14,108	423,243	77,601	77,601	\$ -
2030	423,243	14,108	409,135	75,520	75,520	\$ -
2031	409,135	14,108	395,027	73,438	73,438	\$ -
2032	395,027	14,108	380,919	71,356	71,356	\$ -
2033	380,919	14,108	366,811	69,274	69,274	\$ -
2034	366,811	14,108	352,703	67,193	67,193	\$ -
2035	352,703	14,108	338,595	65,111	65,111	\$ -
2036	338,595	14,108	324,487	63,029	63,029	\$ -
2037	324,487	14,108	310,379	60,947	60,947	\$ -
2038	310,379	14,108	296,270	58,866	58,866	\$ -
2039	296,270	14,108	282,162	56,784	56,784	\$ -
2040	282,162	14,108	268,054	54,702	54,702	\$ -
2041	268,054	14,108	253,946	52,620	52,620	\$ -
2042	253,946	14,108	239,838	50,539	50,539	\$ -
2043	239,838	14,108	225,730	48,457	48,457	\$ -
2044	225,730	14,108	211,622	46,375	46,375	\$ -
2045	211,622	14,108	197,514	44,293	44,293	\$ -
2046	197,514	14,108	183,405	42,212	42,212	\$ -
2047	183,405	14,108	169,297	40,130	40,130	\$ -
2048	169,297	14,108	155,189	38,048	38,048	\$ -
2049	155,189	14,108	141,081	35,966	35,966	\$ -
2050	141,081	14,108	126,973	33,885	33,885	\$ -
2051	126,973	14,108	112,865	31,803	31,803	\$ -
2052	112,865	14,108	98,757	29,721	29,721	\$ -
2053	98,757	14,108	84,649	27,639	27,639	\$ -
2054	84,649	14,108	70,541	25,558	25,558	\$ -
2055	70,541	14,108	56,432	23,476	23,476	\$ -
2056	56,432	14,108	42,324	21,394	21,394	\$ -
2057	42,324	14,108	28,216	19,312	19,312	\$ -
2058	28,216	14,108	14,108	17,231	17,231	\$ -
2059	14,108	14,108	-	15,149	15,149	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				2,727,483	2,727,483	

[illegible]

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

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

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

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	1,063,519
Current Projected Year ARR w/ Incentive	1,063,519
Current Projected Year Incentive ARR	-

Details						
Investment	6,852,888	Current Year		2020		
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation		14.76%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.		14.76%		
CIAC (Yes or No)	No	Annual Depreciation Expense		155,747		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	6,852,888	-	6,852,888	1,011,189	1,011,189	\$ -
2016	6,852,888	155,747	6,697,141	1,155,445	1,155,445	\$ -
2017	6,697,141	155,747	6,541,393	1,132,464	1,132,464	\$ -
2018	6,541,393	155,747	6,385,646	1,109,482	1,109,482	\$ -
2019	6,385,646	155,747	6,229,898	1,086,501	1,086,501	\$ -
2020	6,229,898	155,747	6,074,151	1,063,519	1,063,519	\$ -
2021	6,074,151	155,747	5,918,403	1,040,537	1,040,537	\$ -
2022	5,918,403	155,747	5,762,656	1,017,556	1,017,556	\$ -
2023	5,762,656	155,747	5,606,908	994,574	994,574	\$ -
2024	5,606,908	155,747	5,451,161	971,593	971,593	\$ -
2025	5,451,161	155,747	5,295,413	948,611	948,611	\$ -
2026	5,295,413	155,747	5,139,666	925,630	925,630	\$ -
2027	5,139,666	155,747	4,983,919	902,648	902,648	\$ -
2028	4,983,919	155,747	4,828,171	879,667	879,667	\$ -
2029	4,828,171	155,747	4,672,424	856,685	856,685	\$ -
2030	4,672,424	155,747	4,516,676	833,703	833,703	\$ -
2031	4,516,676	155,747	4,360,929	810,722	810,722	\$ -
2032	4,360,929	155,747	4,205,181	787,740	787,740	\$ -
2033	4,205,181	155,747	4,049,434	764,759	764,759	\$ -
2034	4,049,434	155,747	3,893,686	741,777	741,777	\$ -
2035	3,893,686	155,747	3,737,939	718,796	718,796	\$ -
2036	3,737,939	155,747	3,582,191	695,814	695,814	\$ -
2037	3,582,191	155,747	3,426,444	672,832	672,832	\$ -
2038	3,426,444	155,747	3,270,697	649,851	649,851	\$ -
2039	3,270,697	155,747	3,114,949	626,869	626,869	\$ -
2040	3,114,949	155,747	2,959,202	603,888	603,888	\$ -
2041	2,959,202	155,747	2,803,454	580,906	580,906	\$ -
2042	2,803,454	155,747	2,647,707	557,925	557,925	\$ -
2043	2,647,707	155,747	2,491,959	534,943	534,943	\$ -
2044	2,491,959	155,747	2,336,212	511,962	511,962	\$ -
2045	2,336,212	155,747	2,180,464	488,980	488,980	\$ -
2046	2,180,464	155,747	2,024,717	465,998	465,998	\$ -
2047	2,024,717	155,747	1,868,969	443,017	443,017	\$ -
2048	1,868,969	155,747	1,713,222	420,035	420,035	\$ -
2049	1,713,222	155,747	1,557,475	397,054	397,054	\$ -
2050	1,557,475	155,747	1,401,727	374,072	374,072	\$ -
2051	1,401,727	155,747	1,245,980	351,091	351,091	\$ -
2052	1,245,980	155,747	1,090,232	328,109	328,109	\$ -
2053	1,090,232	155,747	934,485	305,128	305,128	\$ -
2054	934,485	155,747	778,737	282,146	282,146	\$ -
2055	778,737	155,747	622,990	259,164	259,164	\$ -
2056	622,990	155,747	467,242	236,183	236,183	\$ -
2057	467,242	155,747	311,495	213,201	213,201	\$ -
2058	311,495	155,747	155,747	190,220	190,220	\$ -
2059	155,747	155,747	0	167,238	167,238	\$ -
2060	0	0	-	0	0	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				30,110,224	30,110,224	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 1,039,339		\$ 1,039,339		
\$ 1,387,490		\$ 1,387,490		
\$ 1,411,523		\$ 1,411,523		
\$ 1,133,578		\$ 1,133,578		
\$ 1,103,114		\$ 1,103,114		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2017 (Reconductor or rebuild Sporn - Waterford - Muskingum River 345 kV line)

Current Projected Year ARR	914,070
Current Projected Year ARR w/ Incentive	914,070
Current Projected Year Incentive ARR	-

Details						
Investment	5,965,093	Current Year		2020		
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	5	FCR w/o incentives, less depreciation		14.76%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.		14.76%		
CIAC (Yes or No)	No	Annual Depreciation Expense		135,570		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	5,965,093	79,083	5,886,010	953,437	953,437	\$ -
2016	5,886,010	135,570	5,750,440	994,088	994,088	\$ -
2017	5,750,440	135,570	5,614,870	974,083	974,083	\$ -
2018	5,614,870	135,570	5,479,299	954,079	954,079	\$ -
2019	5,479,299	135,570	5,343,729	934,075	934,075	\$ -
2020	5,343,729	135,570	5,208,159	914,070	914,070	\$ -
2021	5,208,159	135,570	5,072,589	894,066	894,066	\$ -
2022	5,072,589	135,570	4,937,018	874,062	874,062	\$ -
2023	4,937,018	135,570	4,801,448	854,058	854,058	\$ -
2024	4,801,448	135,570	4,665,878	834,053	834,053	\$ -
2025	4,665,878	135,570	4,530,307	814,049	814,049	\$ -
2026	4,530,307	135,570	4,394,737	794,045	794,045	\$ -
2027	4,394,737	135,570	4,259,167	774,040	774,040	\$ -
2028	4,259,167	135,570	4,123,596	754,036	754,036	\$ -
2029	4,123,596	135,570	3,988,026	734,032	734,032	\$ -
2030	3,988,026	135,570	3,852,456	714,028	714,028	\$ -
2031	3,852,456	135,570	3,716,886	694,023	694,023	\$ -
2032	3,716,886	135,570	3,581,315	674,019	674,019	\$ -
2033	3,581,315	135,570	3,445,745	654,015	654,015	\$ -
2034	3,445,745	135,570	3,310,175	634,010	634,010	\$ -
2035	3,310,175	135,570	3,174,604	614,006	614,006	\$ -
2036	3,174,604	135,570	3,039,034	594,002	594,002	\$ -
2037	3,039,034	135,570	2,903,464	573,998	573,998	\$ -
2038	2,903,464	135,570	2,767,894	553,993	553,993	\$ -
2039	2,767,894	135,570	2,632,323	533,989	533,989	\$ -
2040	2,632,323	135,570	2,496,753	513,985	513,985	\$ -
2041	2,496,753	135,570	2,361,183	493,980	493,980	\$ -
2042	2,361,183	135,570	2,225,612	473,976	473,976	\$ -
2043	2,225,612	135,570	2,090,042	453,972	453,972	\$ -
2044	2,090,042	135,570	1,954,472	433,968	433,968	\$ -
2045	1,954,472	135,570	1,818,901	413,963	413,963	\$ -
2046	1,818,901	135,570	1,683,331	393,959	393,959	\$ -
2047	1,683,331	135,570	1,547,761	373,955	373,955	\$ -
2048	1,547,761	135,570	1,412,191	353,950	353,950	\$ -
2049	1,412,191	135,570	1,276,620	333,946	333,946	\$ -
2050	1,276,620	135,570	1,141,050	313,942	313,942	\$ -
2051	1,141,050	135,570	1,005,480	293,938	293,938	\$ -
2052	1,005,480	135,570	869,909	273,933	273,933	\$ -
2053	869,909	135,570	734,339	253,929	253,929	\$ -
2054	734,339	135,570	598,769	233,925	233,925	\$ -
2055	598,769	135,570	463,199	213,920	213,920	\$ -
2056	463,199	135,570	327,628	193,916	193,916	\$ -
2057	327,628	135,570	192,058	173,912	173,912	\$ -
2058	192,058	135,570	56,488	153,908	153,908	\$ -
2059	56,488	56,488	-	60,655	60,655	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				25,695,986	25,695,986	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 805,154		\$ 805,154		
\$ 1,159,062		\$ 1,159,062		
\$ 1,177,370		\$ 1,177,370		
\$ 974,758		\$ 974,758		
\$ 948,328		\$ 948,328		

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

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

### A. Base Plan Facilities

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

**Project Description:** RTEP ID: b1032.3 (Convert Ross - Circleville 69kV to 138kV)

Current Projected Year ARR	-
Current Projected Year ARR w/ Incentive	-
Current Projected Year Incentive ARR	-

Details						
Investment	-	Current Year				2020
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				-
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	-	-	-	-	-	\$ -
2016	-	-	-	-	-	\$ -
2017	-	-	-	-	-	\$ -
2018	-	-	-	-	-	\$ -
2019	-	-	-	-	-	\$ -
2020	-	-	-	-	-	\$ -
2021	-	-	-	-	-	\$ -
2022	-	-	-	-	-	\$ -
2023	-	-	-	-	-	\$ -
2024	-	-	-	-	-	\$ -
2025	-	-	-	-	-	\$ -
2026	-	-	-	-	-	\$ -
2027	-	-	-	-	-	\$ -
2028	-	-	-	-	-	\$ -
2029	-	-	-	-	-	\$ -
2030	-	-	-	-	-	\$ -
2031	-	-	-	-	-	\$ -
2032	-	-	-	-	-	\$ -
2033	-	-	-	-	-	\$ -
2034	-	-	-	-	-	\$ -
2035	-	-	-	-	-	\$ -
2036	-	-	-	-	-	\$ -
2037	-	-	-	-	-	\$ -
2038	-	-	-	-	-	\$ -
2039	-	-	-	-	-	\$ -
2040	-	-	-	-	-	\$ -
2041	-	-	-	-	-	\$ -
2042	-	-	-	-	-	\$ -
2043	-	-	-	-	-	\$ -
2044	-	-	-	-	-	\$ -
2045	-	-	-	-	-	\$ -
2046	-	-	-	-	-	\$ -
2047	-	-	-	-	-	\$ -
2048	-	-	-	-	-	\$ -
2049	-	-	-	-	-	\$ -
2050	-	-	-	-	-	\$ -
2051	-	-	-	-	-	\$ -
2052	-	-	-	-	-	\$ -
2053	-	-	-	-	-	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				-	-	

[illegible]

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

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

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

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

### A. Base Plan Facilities

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

**Project Description:** RTEP ID: b1032.2 (Two 138kV outlets to Delano and Camp Sherman)

Current Projected Year ARR	97,920
Current Projected Year ARR w/ Incentive	97,920
Current Projected Year Incentive ARR	-

Details						
Investment	598,619	Current Year				2020
Service Year (yyyy)	2018	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				13,605
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2018	598,619	6,802	591,817	94,631	94,631	\$ -
2019	591,817	13,605	578,212	99,928	99,928	\$ -
2020	578,212	13,605	564,607	97,920	97,920	\$ -
2021	564,607	13,605	551,002	95,913	95,913	\$ -
2022	551,002	13,605	537,397	93,905	93,905	\$ -
2023	537,397	13,605	523,792	91,898	91,898	\$ -
2024	523,792	13,605	510,187	89,890	89,890	\$ -
2025	510,187	13,605	496,582	87,883	87,883	\$ -
2026	496,582	13,605	482,977	85,875	85,875	\$ -
2027	482,977	13,605	469,372	83,868	83,868	\$ -
2028	469,372	13,605	455,767	81,860	81,860	\$ -
2029	455,767	13,605	442,162	79,853	79,853	\$ -
2030	442,162	13,605	428,557	77,845	77,845	\$ -
2031	428,557	13,605	414,952	75,838	75,838	\$ -
2032	414,952	13,605	401,347	73,830	73,830	\$ -
2033	401,347	13,605	387,742	71,823	71,823	\$ -
2034	387,742	13,605	374,137	69,815	69,815	\$ -
2035	374,137	13,605	360,532	67,808	67,808	\$ -
2036	360,532	13,605	346,927	65,800	65,800	\$ -
2037	346,927	13,605	333,322	63,793	63,793	\$ -
2038	333,322	13,605	319,717	61,785	61,785	\$ -
2039	319,717	13,605	306,112	59,778	59,778	\$ -
2040	306,112	13,605	292,507	57,770	57,770	\$ -
2041	292,507	13,605	278,902	55,763	55,763	\$ -
2042	278,902	13,605	265,297	53,755	53,755	\$ -
2043	265,297	13,605	251,692	51,748	51,748	\$ -
2044	251,692	13,605	238,087	49,740	49,740	\$ -
2045	238,087	13,605	224,482	47,733	47,733	\$ -
2046	224,482	13,605	210,877	45,725	45,725	\$ -
2047	210,877	13,605	197,272	43,718	43,718	\$ -
2048	197,272	13,605	183,667	41,710	41,710	\$ -
2049	183,667	13,605	170,062	39,703	39,703	\$ -
2050	170,062	13,605	156,457	37,695	37,695	\$ -
2051	156,457	13,605	142,852	35,688	35,688	\$ -
2052	142,852	13,605	129,247	33,680	33,680	\$ -
2053	129,247	13,605	115,642	31,673	31,673	\$ -
2054	115,642	13,605	102,037	29,665	29,665	\$ -
2055	102,037	13,605	88,432	27,658	27,658	\$ -
2056	88,432	13,605	74,827	25,650	25,650	\$ -
2057	74,827	13,605	61,222	23,642	23,642	\$ -
2058	61,222	13,605	47,617	21,635	21,635	\$ -
2059	47,617	13,605	34,012	19,627	19,627	\$ -
2060	34,012	13,605	20,407	17,620	17,620	\$ -
2061	20,407	13,605	6,802	15,612	15,612	\$ -
2062	6,802	6,802	-	7,304	7,304	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
2077	-	-	-	-	-	\$ -
Project Totals				2,586,047	2,586,047	

[illegible]

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

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

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

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

### A. Base Plan Facilities

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

<b>Project Description:</b>	RTEP ID: b1818 (Expand Allen w/ 345/138 kV xfmr. and cut in double circuit tower line
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Current Projected Year ARR	37,965
Current Projected Year ARR w/ Incentive	37,965
Current Projected Year Incentive ARR	-

Details						
Investment	242,015	Current Year				2020
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				5,500
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	242,015	2,750	239,265	38,258	38,258	\$ -
2017	239,265	5,500	233,764	40,400	40,400	\$ -
2018	233,764	5,500	228,264	39,588	39,588	\$ -
2019	228,264	5,500	222,764	38,776	38,776	\$ -
2020	222,764	5,500	217,263	37,965	37,965	\$ -
2021	217,263	5,500	211,763	37,153	37,153	\$ -
2022	211,763	5,500	206,263	36,342	36,342	\$ -
2023	206,263	5,500	200,762	35,530	35,530	\$ -
2024	200,762	5,500	195,262	34,718	34,718	\$ -
2025	195,262	5,500	189,762	33,907	33,907	\$ -
2026	189,762	5,500	184,261	33,095	33,095	\$ -
2027	184,261	5,500	178,761	32,284	32,284	\$ -
2028	178,761	5,500	173,261	31,472	31,472	\$ -
2029	173,261	5,500	167,760	30,660	30,660	\$ -
2030	167,760	5,500	162,260	29,849	29,849	\$ -
2031	162,260	5,500	156,760	29,037	29,037	\$ -
2032	156,760	5,500	151,259	28,225	28,225	\$ -
2033	151,259	5,500	145,759	27,414	27,414	\$ -
2034	145,759	5,500	140,259	26,602	26,602	\$ -
2035	140,259	5,500	134,758	25,791	25,791	\$ -
2036	134,758	5,500	129,258	24,979	24,979	\$ -
2037	129,258	5,500	123,758	24,167	24,167	\$ -
2038	123,758	5,500	118,257	23,356	23,356	\$ -
2039	118,257	5,500	112,757	22,544	22,544	\$ -
2040	112,757	5,500	107,257	21,733	21,733	\$ -
2041	107,257	5,500	101,756	20,921	20,921	\$ -
2042	101,756	5,500	96,256	20,109	20,109	\$ -
2043	96,256	5,500	90,756	19,298	19,298	\$ -
2044	90,756	5,500	85,255	18,486	18,486	\$ -
2045	85,255	5,500	79,755	17,675	17,675	\$ -
2046	79,755	5,500	74,255	16,863	16,863	\$ -
2047	74,255	5,500	68,754	16,051	16,051	\$ -
2048	68,754	5,500	63,254	15,240	15,240	\$ -
2049	63,254	5,500	57,754	14,428	14,428	\$ -
2050	57,754	5,500	52,253	13,616	13,616	\$ -
2051	52,253	5,500	46,753	12,805	12,805	\$ -
2052	46,753	5,500	41,253	11,993	11,993	\$ -
2053	41,253	5,500	35,752	11,182	11,182	\$ -
2054	35,752	5,500	30,252	10,370	10,370	\$ -
2055	30,252	5,500	24,752	9,558	9,558	\$ -
2056	24,752	5,500	19,251	8,747	8,747	\$ -
2057	19,251	5,500	13,751	7,935	7,935	\$ -
2058	13,751	5,500	8,251	7,124	7,124	\$ -
2059	8,251	5,500	2,750	6,312	6,312	\$ -
2060	2,750	2,750	-	2,953	2,953	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals				1,045,510	1,045,510	

Project Totals

1,045,510

1,045,510

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

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

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

[illegible]

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

### A. Base Plan Facilities

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

<b>Project Description:</b>	<b>RTEP ID: b1870 (Replace the Ohio Central transformer #1 450 MVA for 675 MVA transformer)</b>
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Current Projected Year ARR	2,796
Current Projected Year ARR w/ Incentive	2,796
Current Projected Year Incentive ARR	-

Details						
Investment	18,587	Current Year				2020
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	7	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				422
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	18,587	176	18,411	2,906	2,906	\$ -
2015	18,411	422	17,989	3,108	3,108	\$ -
2016	17,989	422	17,566	3,046	3,046	\$ -
2017	17,566	422	17,144	2,983	2,983	\$ -
2018	17,144	422	16,721	2,921	2,921	\$ -
2019	16,721	422	16,299	2,859	2,859	\$ -
2020	16,299	422	15,876	2,796	2,796	\$ -
2021	15,876	422	15,454	2,734	2,734	\$ -
2022	15,454	422	15,032	2,672	2,672	\$ -
2023	15,032	422	14,609	2,609	2,609	\$ -
2024	14,609	422	14,187	2,547	2,547	\$ -
2025	14,187	422	13,764	2,485	2,485	\$ -
2026	13,764	422	13,342	2,422	2,422	\$ -
2027	13,342	422	12,919	2,360	2,360	\$ -
2028	12,919	422	12,497	2,298	2,298	\$ -
2029	12,497	422	12,075	2,235	2,235	\$ -
2030	12,075	422	11,652	2,173	2,173	\$ -
2031	11,652	422	11,230	2,111	2,111	\$ -
2032	11,230	422	10,807	2,048	2,048	\$ -
2033	10,807	422	10,385	1,986	1,986	\$ -
2034	10,385	422	9,962	1,924	1,924	\$ -
2035	9,962	422	9,540	1,861	1,861	\$ -
2036	9,540	422	9,117	1,799	1,799	\$ -
2037	9,117	422	8,695	1,737	1,737	\$ -
2038	8,695	422	8,273	1,674	1,674	\$ -
2039	8,273	422	7,850	1,612	1,612	\$ -
2040	7,850	422	7,428	1,550	1,550	\$ -
2041	7,428	422	7,005	1,487	1,487	\$ -
2042	7,005	422	6,583	1,425	1,425	\$ -
2043	6,583	422	6,160	1,363	1,363	\$ -
2044	6,160	422	5,738	1,300	1,300	\$ -
2045	5,738	422	5,316	1,238	1,238	\$ -
2046	5,316	422	4,893	1,176	1,176	\$ -
2047	4,893	422	4,471	1,113	1,113	\$ -
2048	4,471	422	4,048	1,051	1,051	\$ -
2049	4,048	422	3,626	989	989	\$ -
2050	3,626	422	3,203	926	926	\$ -
2051	3,203	422	2,781	864	864	\$ -
2052	2,781	422	2,359	802	802	\$ -
2053	2,359	422	1,936	739	739	\$ -
2054	1,936	422	1,514	677	677	\$ -
2055	1,514	422	1,091	615	615	\$ -
2056	1,091	422	669	552	552	\$ -
2057	669	422	246	490	490	\$ -
2058	246	246	-	265	265	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals	80,525			80,525	80,525	

[illegible]

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

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

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

### A. Base Plan Facilities

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

<b>Project Description:</b>	RTEP ID: b2833 (Reconductor the Maddox Creek - East Lima 345 kV circuit)
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Current Projected Year ARR	1,123,919
Current Projected Year ARR w/ Incentive	1,123,919
Current Projected Year Incentive ARR	-

Details						
Investment	6,721,611	Current Year				2020
Service Year (yyyy)	2019	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	7	FCR w/o incentives, less depreciation				14.76%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				14.76%
CIAC (Yes or No)	No	Annual Depreciation Expense				152,764
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2019	6,721,611	63,652	6,657,959	1,050,773	1,050,773	\$ -
2020	6,657,959	152,764	6,505,195	1,123,919	1,123,919	\$ -
2021	6,505,195	152,764	6,352,432	1,101,377	1,101,377	\$ -
2022	6,352,432	152,764	6,199,668	1,078,836	1,078,836	\$ -
2023	6,199,668	152,764	6,046,904	1,056,295	1,056,295	\$ -
2024	6,046,904	152,764	5,894,140	1,033,754	1,033,754	\$ -
2025	5,894,140	152,764	5,741,376	1,011,212	1,011,212	\$ -
2026	5,741,376	152,764	5,588,612	988,671	988,671	\$ -
2027	5,588,612	152,764	5,435,848	966,130	966,130	\$ -
2028	5,435,848	152,764	5,283,084	943,588	943,588	\$ -
2029	5,283,084	152,764	5,130,321	921,047	921,047	\$ -
2030	5,130,321	152,764	4,977,557	898,506	898,506	\$ -
2031	4,977,557	152,764	4,824,793	875,964	875,964	\$ -
2032	4,824,793	152,764	4,672,029	853,423	853,423	\$ -
2033	4,672,029	152,764	4,519,265	830,882	830,882	\$ -
2034	4,519,265	152,764	4,366,501	808,340	808,340	\$ -
2035	4,366,501	152,764	4,213,737	785,799	785,799	\$ -
2036	4,213,737	152,764	4,060,973	763,258	763,258	\$ -
2037	4,060,973	152,764	3,908,209	740,716	740,716	\$ -
2038	3,908,209	152,764	3,755,446	718,175	718,175	\$ -
2039	3,755,446	152,764	3,602,682	695,634	695,634	\$ -
2040	3,602,682	152,764	3,449,918	673,093	673,093	\$ -
2041	3,449,918	152,764	3,297,154	650,551	650,551	\$ -
2042	3,297,154	152,764	3,144,390	628,010	628,010	\$ -
2043	3,144,390	152,764	2,991,626	605,469	605,469	\$ -
2044	2,991,626	152,764	2,838,862	582,927	582,927	\$ -
2045	2,838,862	152,764	2,686,098	560,386	560,386	\$ -
2046	2,686,098	152,764	2,533,334	537,845	537,845	\$ -
2047	2,533,334	152,764	2,380,571	515,303	515,303	\$ -
2048	2,380,571	152,764	2,227,807	492,762	492,762	\$ -
2049	2,227,807	152,764	2,075,043	470,221	470,221	\$ -
2050	2,075,043	152,764	1,922,279	447,679	447,679	\$ -
2051	1,922,279	152,764	1,769,515	425,138	425,138	\$ -
2052	1,769,515	152,764	1,616,751	402,597	402,597	\$ -
2053	1,616,751	152,764	1,463,987	380,055	380,055	\$ -
2054	1,463,987	152,764	1,311,223	357,514	357,514	\$ -
2055	1,311,223	152,764	1,158,459	334,973	334,973	\$ -
2056	1,158,459	152,764	1,005,696	312,432	312,432	\$ -
2057	1,005,696	152,764	852,932	289,890	289,890	\$ -
2058	852,932	152,764	700,168	267,349	267,349	\$ -
2059	700,168	152,764	547,404	244,808	244,808	\$ -
2060	547,404	152,764	394,640	222,266	222,266	\$ -
2061	394,640	152,764	241,876	199,725	199,725	\$ -
2062	241,876	152,764	89,112	177,184	177,184	\$ -
2063	89,112	89,112	-	95,687	95,687	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
2077	-	-	-	-	-	\$ -
2078	-	-	-	-	-	\$ -
Project Totals				29,120,162	29,120,162	-

Project Totals

29,120,162

29,120,162

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

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

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

[illegible]

AEP East Companies  
Cost of Service Formula Rate Using 2020 FF1 Balances  
Worksheet L Reserved for Future Use  
Ohio Power Company

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital  
Ohio Power Company

Line No		Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
			Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1)	Less AOCI (Acct 219.1)	
					(d)	(e)	
		(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year		2,546,679,000		4,916,000	(168,000)	2,541,931,000
2	January		2,572,582,000		4,916,000	(244,000)	2,567,910,000
3	February		2,571,195,000		4,916,000	(319,000)	2,566,598,000
4	March		2,592,955,000		4,916,000	(395,000)	2,588,434,000
5	April		2,607,106,000		4,916,000	(471,000)	2,602,661,000
6	May		2,602,189,000		4,916,000	(547,000)	2,597,820,000
7	June		2,619,800,000		4,916,000	(623,000)	2,615,507,000
8	July		2,643,979,000		4,916,000	(698,000)	2,639,761,000
9	August		2,646,507,000		4,916,000	(774,000)	2,642,365,000
10	September		2,663,007,000		4,916,000	(850,000)	2,658,941,000
11	October		2,680,395,000		4,916,000	(926,000)	2,676,405,000
12	November		2,677,558,000		4,916,000	(1,002,000)	2,673,644,000
13	December of Rate Year		2,702,456,000		4,916,000	(1,077,000)	2,698,617,000
14	Average of the 13 Monthly Balances		2,625,108,000	-	4,916,000	(623,000)	2,620,814,923

		Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-( c)+(d)+( e)-(f)
Line No	Month (a)	Acct 221	Less: Acct 222	LT Advances from	Acct 224	Less: Fair Value	
		Bonds (b)	Reacquired Bonds (c)	Assoc. Companies (d)	Senior Unsecured Notes (e)	Hedges (f)	
(Note A)		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	(345,400,000)		32,245,000	2,510,878,000		
16	January	(345,400,000)		32,245,000	2,510,878,000		
17	February	(345,400,000)		32,245,000	2,510,878,000		
18	March	(345,400,000)		32,245,000	2,810,878,000		
19	April	(345,400,000)		32,245,000	2,810,878,000		
20	May	(345,400,000)		32,245,000	2,810,878,000		
21	June	(345,400,000)		32,245,000	2,810,878,000		
22	July	(345,400,000)		32,245,000	2,810,878,000		
23	August	(345,400,000)		32,245,000	2,810,878,000		
24	September	(345,400,000)		32,245,000	2,810,878,000		
25	October	(345,400,000)		32,245,000	2,810,878,000		
26	November	(345,400,000)		32,245,000	2,810,878,000		
27	December of Rate Year	(345,400,000)		32,245,000	2,810,878,000		
28	Average of the 13 Monthly Balances	(345,400,000)	-	32,245,000	2,741,647,000	-	

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2020						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			117,294,000			
	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			(1,679,212)			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(1,679,212)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			1,225,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			601,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			119,120,000			
38	Average Cost of Debt for 2020 (Ln 37/ Ln 28 (g))			4.91%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39 NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of the underlying debt issuances. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. Amounts related to the ineffective portion of pre-issuance hedges, cash settlements of fair value hedges issued on Long Term Debt, post-issuance cash flow hedges, and cash flow hedges of variable rate debt issuances are not recoverable in this formula and are to be recorded in the "Excludable" column below.

				Amortization Period			
HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)		Total Hedge (Gain)/Loss for 2020	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40	SUN Cash Flow Hedge - 6.000%	-	0	-	(0)	Jun-06	Jun-16
41	SUN Cash Flow Hedge - 5.375%	(1,679,212)	0	(1,679,212)	(1,189,442)	Sep-09	Sep-19
42				-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49					(1,189,442)		
50	Total Hedge Amortization	(1,679,212)	-				
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,679,212)			
52	Total Average Capital Structure Balance for 2020 (TCOS, Ln 157)			5,049,307,231			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			2,524,654			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(1,679,212)			

Development of Cost of Preferred Stock

Preferred Stock				Average
56	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	
57	0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -	
58	0% Series - 0 - Shares O/S (p.250-251)	-	-	
59	0% Series - 0 - Monetary Value (Ln 57 * Ln 58)	-	-	-
60	0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)	-	-	-
61	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	
62	0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -	
63	0% Series - 0 - Shares O/S (p.250-251)	-	-	
64	0% Series - 0 - Monetary Value (Ln 62 * Ln 63)	-	-	-
65	0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)	-	-	-
66	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	
67	0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -	
68	0% Series - 0 - Shares O/S (p.250-251)	-	-	
69	0% Series - 0 - Monetary Value (Ln 67 * Ln 68)	-	-	-
70	0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)	-	-	-
71	Balance of Preferred Stock (Lns 59, 64, 69)	-	-	- Year End Total Agrees to FF1 p.112, Ln 3, col (c ) & (d)
72	Dividends on Preferred Stock (Lns 60, 65, 70)	-	-	-
73	Average Cost of Preferred Stock (Ln 72/71)	0.00%	0.00%	0.00%

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use**  
**Ohio Power Company**

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	Date	Property Description	Function (T) or (G) T = Transmission G = General	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functionalized Proceeds (Gain) / Loss	FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2020		-		-	

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service  
Ohio Power Company

1 Total AEP East Operating Company PBOP Settlement Amount (127,041,505)

**Allocation of PBOP Settlement Amount for 2020**

		Total Company Amount						
Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2020	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(21,243,233)	36.83%	(46,793,855)	9.272%	(1,969,696)	(4,338,779)	2,369,082
3	I&M	(14,970,273)	25.96%	(32,975,997)	4.367%	(653,716)	(1,439,983)	786,267
4	KPCo	(4,775,930)	8.28%	(10,520,253)	7.919%	(378,188)	(833,058)	454,871
5	KNGP	(455,895)	0.79%	(1,004,230)	12.123%	(55,270)	(121,748)	66,477
6	OPCo	(15,305,203)	26.54%	(33,713,769)	11.486%	(1,757,897)	(3,872,235)	2,114,338
7	WPCo	(923,113)	1.60%	(2,033,401)	2.686%	(24,793)	(54,613)	29,820
8	Sum of Lines 2 to 7	(57,673,647)		(127,041,505)		(4,839,561)	(10,660,416)	5,820,855

**Detail of Actual PBOP Expenses to be Removed in Cost of Service**

	<u>APCo</u>	<u>I&amp;M</u>	<u>KPCo</u>	<u>KNGSPT</u>	<u>OPCo</u>	<u>WPCo</u>	<u>AEP East Total</u>
9 Direct Charged PBOP Expense per Actuarial Report	(16,451,990)	(12,482,067)	(3,951,629)	(344,539)	(11,517,600)	(427,831)	(45,175,656)
10 Additional PBOP Ledger Entries (from Company Records)	460,632	518,852	427,533			(385,001)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,991,358)	(11,963,215)	(3,524,096)	(344,539)	(11,517,600)	(812,832)	(44,153,640)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,251,875)	(3,007,058)	(1,251,834)	(111,356)	(3,787,603)	(110,281)	(13,520,007)
14 Company PBOP Expense (Ln 12 + Ln 13)	(21,243,233)	(14,970,273)	(4,775,930)	(455,895)	(15,305,203)	(923,113)	(57,673,647)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF 3/6/2019  
FOR MULTIPLE JURISDICTION COMPANIES  
Appalachian Power Company

VIRGINIA				WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY
(1)				(2)			(3)			(4)			
PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
<b>TRANSMISSION PLANT</b>													
Land Rights - Va.	350.1	0.66%	1.000000										0.66%
Energy Storage Equip	351.0			14.22%	1.000000	14.22%							14.22%
Structures & Improvements	352.0	1.55%	0.492648	1.62%	0.414603	0.67%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.63%
Station Equipment	353.0	1.95%	0.492648	2.37%	0.414603	0.98%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.14%
Towers & Fixtures	354.0	1.14%	0.492648	1.59%	0.414603	0.66%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.42%
Poles & Fixtures	355.0	2.77%	0.492648	2.71%	0.414603	1.12%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.68%
Overhead Conductor	356.0	1.01%	0.492648	1.53%	0.414603	0.63%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.33%
Underground Conduit	351.0	1.23%	0.492648	3.71%	0.414603	1.54%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.35%
Underground Conductors	351.0	3.18%	0.492648	5.24%	0.414603	2.17%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	3.94%
<b>GENERAL PLANT</b>													
Structures & Improvements	390.0	1.50%	0.519557	1.91%	0.425935	0.81%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.78%
Office Furniture & Equipment	391.0	2.78%	0.519557	3.17%	0.425935	1.35%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.98%
Transportation Equipment	392.0	0.00%	0.519557	3.40%	0.425935	1.45%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.64%
Stores Equipment	393.0	1.60%	0.519557	1.80%	0.425935	0.77%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.79%
Tools Shop & Garage Equipment	394.0	2.07%	0.519557	2.57%	0.425935	1.09%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.36%
Laboratory Equipment	395.0	1.53%	0.519557	4.01%	0.425935	1.71%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.69%
Power Operated Equipment	396.0	0.00%	0.519557	3.90%	0.425935	1.66%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.85%
Communication Equipment	397.0	3.27%	0.519557	4.98%	0.425935	2.12%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	4.01%
Miscellaneous Equipment	398.0	2.51%	0.519557	2.70%	0.425935	1.15%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.64%

(1) As approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011.  
Depreciation rates were made effective on January 1, 2012.

(2) Approved by PSC of WV Order dated May 26, 2015 in  
Case No. 14-1151-E-D effective June 1, 2015.

(3) Approved by FERC March 2, 1990 in Docket ER90-132.

(4) Approved by FERC March 2, 1990 in Docket ER90-133.

(5) Transmission allocation factors are changed annually in January based on  
September factors as per the PJM tariff approved in FERC Docket ER08-1329  
Attachment H-14B, Part II, pg. 15 of 21.

(6) Energy Storage Equipment is a new account established per FERC Order 784.

**GENERAL NOTES:**

The rates for each AEP company have been approved by their respective regulatory commissions.  
APCo falls under the authority of Virginia, West Virginia and the FERC. Therefore, APCo's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.  
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF October 31, 2018  
FOR MULTIPLE JURISDICTION COMPANIES  
INDIANA MICHIGAN POWER COMPANY

INDIANA					MICHIGAN			FERC WHOLESALE			COMPANY
(1)					(2)			(3)			
PLANT ACCT.	IURC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE		MPSC APPROVED RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
<b>TRANSMISSION PLANT</b>											
Land Improvements	350.1	1.4800%	0.652103	0.9651%	1.4400%	0.144206	0.2077%	1.4400%	0.203691	0.2933%	1.47%
Structures & Improvements	352.0	1.5500%	0.652103	1.0108%	1.5000%	0.144206	0.2163%	1.5000%	0.203691	0.3055%	1.53%
Station Equipment	353.0	1.8600%	0.652103	1.2129%	1.8400%	0.144206	0.2653%	1.8400%	0.203691	0.3748%	1.85%
Towers & Fixtures	354.0	1.6900%	0.652103	1.1021%	1.5700%	0.144206	0.2264%	1.5700%	0.203691	0.3198%	1.65%
Poles & Fixtures	355.0	2.8500%	0.652103	1.8585%	2.8300%	0.144206	0.4081%	2.8300%	0.203691	0.5764%	2.84%
Overhead Conductors	356.0	1.9700%	0.652103	1.2846%	1.8900%	0.144206	0.2725%	1.8900%	0.203691	0.3850%	1.94%
Underground Conduit	357.0	1.8600%	0.652103	1.2129%	1.7700%	0.144206	0.2552%	1.7700%	0.203691	0.3605%	1.83%
Underground Conductors	358.0	1.7000%	0.652103	1.1086%	1.6600%	0.144206	0.2394%	1.6600%	0.203691	0.3381%	1.69%
Trails & Roads	359.0	1.5000%	0.652103	0.9782%	1.4800%	0.144206	0.2134%	1.4800%	0.203691	0.3015%	1.49%

(1) As approved in Indiana Case No. 44967.  
(2) As approved in MICHIGAN Case No. U18370.  
(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.  
(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

**GENERAL NOTES:**  
The rates for each AEP company have been approved by their respective regulatory commissions.  
I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.  
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 09/1/2016  
FOR SINGLE JURISDICTION COMPANIES  
KINGSPORT POWER COMPANY

	PLANT ACCT.	RATES Note 1
<b>TRANSMISSION PLANT</b>		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
<b>Composite Transmission Depreciation Rate</b>		<b>1.46%</b>
<b>GENERAL PLANT</b>		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipment	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
<b>Total General Plant</b>		<b>3.25%</b>

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.

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Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved for these plant accounts.

**General Note**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 07/1/2015  
FOR SINGLE JURISDICTION COMPANIES  
KENTUCKY POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

Note 1: Rates Approved in KPSC Case No. 2014-00396.

**General Note**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 1/1/2012  
FOR SINGLE JURISDICTION COMPANIES  
OHIO POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

Note 1: These are the weighted average of the depreciation rates in effect for Columbus Southern Power and Ohio Power prior to the merger of Columbus Southern into Ohio Power.

**General Note:**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 3/6/2019  
FOR SINGLE JURISDICTION COMPANIES  
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
<b>TRANSMISSION PLANT</b>		
Structures & Improvements	352.0	1.15%
Station Equipment	353.0	2.22%
Towers & Fixtures	354.0	2.65%
Poles & Fixtures	355.0	2.41%
Overhead Conductors	356.0	1.32%
Underground Conduit	351.0	9.94%
Underground Conductors	351.0	13.98%
Trails & Roads	359.0	-
<b>GENERAL PLANT</b>		
Structures & Improvements	390.0	1.08%
Office Furniture & Equipment	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools Shop & Garage Equipment	394.0	1.65%
Communication Equipment	397.0	5.09%
Miscellaneous Equipment	398.0	2.76%

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

**General Note:**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Forecasted Revenue Requirement For Year 2018	=	True-up Adjustment - Over (Under) Recovery
\$286,912,675		\$288,837,122		\$1,924,447

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.4095%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020							
<u>Calculation of Interest</u>					Monthly		
January	Year 2018	160,371	0.4095%	12	(7,881)		(168,251)
February	Year 2018	160,371	0.4095%	11	(7,224)		(167,594)
March	Year 2018	160,371	0.4095%	10	(6,567)		(166,938)
April	Year 2018	160,371	0.4095%	9	(5,910)		(166,281)
May	Year 2018	160,371	0.4095%	8	(5,254)		(165,624)
June	Year 2018	160,371	0.4095%	7	(4,597)		(164,968)
July	Year 2018	160,371	0.4095%	6	(3,940)		(164,311)
August	Year 2018	160,371	0.4095%	5	(3,284)		(163,654)
September	Year 2018	160,371	0.4095%	4	(2,627)		(162,997)
October	Year 2018	160,371	0.4095%	3	(1,970)		(162,341)
November	Year 2018	160,371	0.4095%	2	(1,313)		(161,684)
December	Year 2018	160,371	0.4095%	1	(657)		(161,027)
					(51,224)		(1,975,671)
					Annual		
January through December	Year 2019	(1,975,671)	0.4095%	12	(97,084)		(2,072,755)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2020	2,072,755	0.4095%		(8,488)	177,362	(1,903,882)
February	Year 2020	1,903,882	0.4095%		(7,796)	177,362	(1,734,316)
March	Year 2020	1,734,316	0.4095%		(7,102)	177,362	(1,564,057)
April	Year 2020	1,564,057	0.4095%		(6,405)	177,362	(1,393,100)
May	Year 2020	1,393,100	0.4095%		(5,705)	177,362	(1,221,443)
June	Year 2020	1,221,443	0.4095%		(5,002)	177,362	(1,049,083)
July	Year 2020	1,049,083	0.4095%		(4,296)	177,362	(876,017)
August	Year 2020	876,017	0.4095%		(3,587)	177,362	(702,243)
September	Year 2020	702,243	0.4095%		(2,876)	177,362	(527,757)
October	Year 2020	527,757	0.4095%		(2,161)	177,362	(352,556)
November	Year 2020	352,556	0.4095%		(1,444)	177,362	(176,638)
December	Year 2020	176,638	0.4095%		(723)	177,362	(0)
					(55,585)		
True-Up Adjustment with Interest						(2,128,340)	
Less Over (Under) Recovery						1,924,447	
Total Interest						(203,893)	

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

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Forecasted Revenue Requirement For Year 2018	=	True-up Adjustment - Over (Under) Recovery
\$10,854,219		\$9,536,856		(\$1,317,363)

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4095%				

An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020

Calculation of Interest					Monthly	
January	Year 2018	(109,780)	0.4095%	12	5,395	115,175
February	Year 2018	(109,780)	0.4095%	11	4,945	114,725
March	Year 2018	(109,780)	0.4095%	10	4,496	114,276
April	Year 2018	(109,780)	0.4095%	9	4,046	113,826
May	Year 2018	(109,780)	0.4095%	8	3,596	113,377
June	Year 2018	(109,780)	0.4095%	7	3,147	112,927
July	Year 2018	(109,780)	0.4095%	6	2,697	112,478
August	Year 2018	(109,780)	0.4095%	5	2,248	112,028
September	Year 2018	(109,780)	0.4095%	4	1,798	111,578
October	Year 2018	(109,780)	0.4095%	3	1,349	111,129
November	Year 2018	(109,780)	0.4095%	2	899	110,679
December	Year 2018	(109,780)	0.4095%	1	450	110,230
					35,065	1,352,428

January through December	Year 2019	1,352,428	0.4095%	12	Annual 66,458	1,418,886
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Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2020	(1,418,886)	0.4095%		5,810	1,303,285
February	Year 2020	(1,303,285)	0.4095%		5,337	1,187,211
March	Year 2020	(1,187,211)	0.4095%		4,862	1,070,661
April	Year 2020	(1,070,661)	0.4095%		4,384	953,634
May	Year 2020	(953,634)	0.4095%		3,905	836,128
June	Year 2020	(836,128)	0.4095%		3,424	718,140
July	Year 2020	(718,140)	0.4095%		2,941	599,670
August	Year 2020	(599,670)	0.4095%		2,456	480,714
September	Year 2020	(480,714)	0.4095%		1,969	361,271
October	Year 2020	(361,271)	0.4095%		1,479	241,339
November	Year 2020	(241,339)	0.4095%		988	120,916
December	Year 2020	(120,916)	0.4095%		495	0
					38,050	

True-Up Adjustment with Interest	1,456,936
Less Over (Under) Recovery	(1,317,363)
Total Interest	139,573

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

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019		2018 Forecasted Revenue Requirement For Year 2018		True-up Adjustment - Over (Under) Recovery
\$28,674	-	\$5,045,477	=	\$5,016,803

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate 0.4095%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020

Calculation of Interest					Monthly	
January	Year 2018	418,067	0.4095%	12	(20,544)	(438,611)
February	Year 2018	418,067	0.4095%	11	(18,832)	(436,899)
March	Year 2018	418,067	0.4095%	10	(17,120)	(435,187)
April	Year 2018	418,067	0.4095%	9	(15,408)	(433,475)
May	Year 2018	418,067	0.4095%	8	(13,696)	(431,763)
June	Year 2018	418,067	0.4095%	7	(11,984)	(430,051)
July	Year 2018	418,067	0.4095%	6	(10,272)	(428,339)
August	Year 2018	418,067	0.4095%	5	(8,560)	(426,627)
September	Year 2018	418,067	0.4095%	4	(6,848)	(424,915)
October	Year 2018	418,067	0.4095%	3	(5,136)	(423,203)
November	Year 2018	418,067	0.4095%	2	(3,424)	(421,491)
December	Year 2018	418,067	0.4095%	1	(1,712)	(419,779)
					(133,535)	(5,150,338)

		Annual	
January through December	Year 2019	(5,150,338)	(5,403,425)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2020	5,403,425	0.4095%		(22,127)	(4,963,192)
February	Year 2020	4,963,192	0.4095%		(20,324)	(4,521,155)
March	Year 2020	4,521,155	0.4095%		(18,514)	(4,077,309)
April	Year 2020	4,077,309	0.4095%		(16,697)	(3,631,645)
May	Year 2020	3,631,645	0.4095%		(14,872)	(3,184,155)
June	Year 2020	3,184,155	0.4095%		(13,039)	(2,734,834)
July	Year 2020	2,734,834	0.4095%		(11,199)	(2,283,672)
August	Year 2020	2,283,672	0.4095%		(9,352)	(1,830,663)
September	Year 2020	1,830,663	0.4095%		(7,497)	(1,375,799)
October	Year 2020	1,375,799	0.4095%		(5,634)	(919,072)
November	Year 2020	919,072	0.4095%		(3,764)	(460,475)
December	Year 2020	460,475	0.4095%		(1,886)	0
					(144,903)	

True-Up Adjustment with Interest	(5,548,329)
Less Over (Under) Recovery	5,016,803
Total Interest	(531,526)

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