

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Actual/Projected FERC Form 1 Data  
**AEP Indiana Michigan Transmission Company**

For Twelve Months Ended **2018**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 113)			\$180,844,016
2	REVENUE CREDITS	(Worksheet E, In 8) (Note A)	-	DA 1.00000	\$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, In 9) (Note X)			0
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)			\$ 180,844,016

**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)		46,775,498	DA 1.00000	\$ 46,775,498
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1 - In 80)/(In 33 x 100))			12.29%
8	Monthly Rate	(In 7 / 12)			1.02%
9	NET PLANT CARRYING CHARGE ON LINE 7, w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 80 - In 83)/(In 33 x 100))			10.30%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 80 - In 83 - In 108 - In 109)/(In 33 x 100))			2.52%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				-
14	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below			568,746
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)			568,746

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	(1)	(2)	(3)	(4)	(5)
	<b>RATE BASE CALCULATION</b>	<b>Data Sources (See "General Notes")</b>	<b>TO Total NOTE C</b>	<b>Allocator</b>	<b>Total Transmission</b>
Line No.					
19	GROSS PLANT IN SERVICE				
19	Transmission	(Worksheet A In 14.(d) & Ln 117)	1,519,119,326	DA 1.00000	1,517,046,860
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP 0.99864	-
21	General Plant	(Worksheet A In 14.(h))	14,517,076	W/S 0.99864	14,497,271
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S 0.99864	-
23	Intangible Plant	(Worksheet A In 14.(j))	12,141,142	W/S 0.99864	12,124,579
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	1,545,777,544	<b>GP= 0.998636</b>	1,543,668,709
				<b>GTD= 0.99864</b>	
25	ACCUMULATED DEPRECIATION AND AMORTIZATION				
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	45,254,786	TP1= 1.00000	45,254,786
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1= 1.00000	-
28	General Plant	(Worksheet A In 28.(h))	226,900	W/S 0.99864	226,590
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S 0.99864	-
30	Intangible Plant	(Worksheet A In 28.(j))	3,648,386	W/S 0.99864	3,643,408.32
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	49,130,072		49,124,785
32	NET PLANT IN SERVICE				
33	Transmission	(In 19 + In 20 - In 26 - In 27)	1,473,864,539		1,471,792,073
34	General Plant	(In 21 + In 22 - In 28 - In 29)	14,290,176		14,270,681
35	Intangible Plant	(In 23 - In 30)	8,492,757		8,481,170
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	1,496,647,472	<b>NP= 0.998594</b>	1,494,543,924
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
38	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(271,904,155)	DA	(271,904,155)
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(16,104,870)	DA	(16,104,870)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	7,951,687	DA	7,951,687
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(280,057,337)		(280,057,337)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	-	DA	-
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))		W/S 0.99864	
47	WORKING CAPITAL	(Note E)			
48	Cash Working Capital	(1/8 * In 66)	1,997,752		1,995,026
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	1,874	TP 0.99864	1,871
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S 0.99864	-
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP 0.99864	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S 0.99864	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	311,672	GP 0.99864	311,247
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA 1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA 0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	2,311,298		2,308,145
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA 1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		1,218,901,433		1,216,794,732

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	(1)	(2)	(3)	(4)	(5)
	<b>EXPENSE, TAXES, RETURN &amp; REVENUE REQUIREMENTS CALCULATION</b>	<b>Data Sources (See "General Notes")</b>	<b>TO Total</b>	<b>Allocator</b>	<b>Total Transmission</b>
Line No.	OPERATION & MAINTENANCE EXPENSE				
59	Customer Related Expense	322 & 323.164,171,178.b	-		
60	Regional Marketing Expenses	322.131.b	-		
61	Transmission	321.112.b	16,550,761		
62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)	16,550,761		
63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	568,746		
64	Less: Account 565	(Note H) 321.96.b	-		
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	15,982,015	TP 0.99864	15,960,212
67	Administrative and General	323.197.b (Notes J & M)	7,194,485		
68	Less: Acct. 924, Property Insurance	323.185.b	547,689		
69	Acct. 928, Reg. Com. Exp.	323.189.b	62,028		
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	1,438		
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	149,602		
72	Balance of A & G	(In 67 - sum In 68 to In 71)	6,433,728	W/S 0.99864	6,424,951
73	Plus: Acct. 924, Property Insurance	(In 68)	547,689	GP(h) 0.99864	546,942
74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	58,590	TP 0.99864	58,510
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP 0.99864	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	1,797	DA 1.00000	1,797
77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	581,590	W/S 0.99864	580,797
78	A & G Subtotal	(sum Ins 72 to 77)	7,623,394		7,612,996
79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)	23,605,409		23,573,208
80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
81	TOTAL O & M EXPENSE	(In 79 + In 80)	23,605,409		23,573,208
82	DEPRECIATION AND AMORTIZATION EXPENSE				
83	Transmission	336.7.f	29,280,733	TP1 1.00000	29,280,733
84	General	336.10.f	311,247	W/S 0.99864	310,822
85	Intangible	336.1.f	1,932,964	W/S 0.99864	1,930,327
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	31,524,944		31,521,882
87	TAXES OTHER THAN INCOME	(Note N)			
88	Labor Related				
89	Payroll	Worksheet H In 23.(D)	-	W/S 0.99864	-
90	Plant Related				
91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	11,299,620	DA 1.00000	11,299,620
92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	(23)	NA 0.00000	-
93	Other	Worksheet H In 23.(E)	25	GP 0.99864	25
94	TOTAL OTHER TAXES	(sum Ins 89 to 93)	11,299,622		11,299,645
95	INCOME TAXES	(Note O)			
96	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		25.76%		
97	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		26.41%		
98	where WCLTD=(In 136) and WACC = (In 139)				
99	and FIT, SIT & p are as given in Note O.				
100	$GRCF=1 / (1 - T) =$ (from In 96)		1.3470		
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
102	Excess Deferred Income Tax	(Note T)	625,612	NP(h) 0.99859	624,733
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	428,400	NP(h) 0.99859	427,798
104	Income Tax Calculation	(In 97 * In 109)	23,654,347		23,613,463
105	ITC adjustment	(In 100 * In 101)	-	NP(h) 0.99859	-
106	Excess Deferred Income Tax	(In 100 * In 102)	842,731		841,546
107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)	577,076		576,265
108	TOTAL INCOME TAXES	(sum Ins 104 to 107)	25,074,153		25,031,275
109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)	89,572,821		89,418,007
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)		-		-
113	TOTAL REVENUE REQUIREMENT	(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)	181,076,949		180,844,016

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**SUPPORTING CALCULATIONS**

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
114	Total transmission plant	(In 19)					1,519,119,326	
115	Less transmission plant excluded from PJM Tariff	(Worksheet A, In 42.(d)) (Note P)					2,072,466	
116	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 42, Col. (b)) (Note Q)					-	
117	Transmission plant included in PJM Tariff	(In 114 - In 115 - In 116)					1,517,046,860	
118	Percent of transmission plant in PJM Tariff	(In 117 / In 114)					<b>TP=</b>	<b>0.99864</b>
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
120	<i>Line Deliberately Left Blank</i>							
121	Transmission	354.21.b	-	4,865,176	4,865,176	TP	0.99864	4,858,539
122	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000	-
123	<i>Line Deliberately Left Blank</i>							
124	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000	-
125	Total	(sum Ins 121, 122, & 124)	-	4,865,176	4,865,176			4,858,539
126	Transmission related amount						<b>W/S=</b>	<b>0.99864</b>
127	<b>Actual (Uncapped) Capital Structure</b>							
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
128	Long Term Interest	(Worksheet M, In.36, col.(d))						27,208,865
129	Preferred Dividends	(Worksheet M, In. 45, col.(d))						-
130	<u>Development of Common Stock:</u>							
131	Proprietary Capital	(Worksheet M, In. 14, col.(b))						836,722,942
132	Less: Preferred Stock	(Worksheet M, In. 14, col.(c))						-
133	Less: Account 216.1	(Worksheet M, In. 14, col.(d))						-
134	Less: Account 219	(Worksheet M, In. 14, col.(e))						-
135	Common Stock	(In 131 - In 132 - In 133 - In 134)						836,722,942
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d)							
137	Preferred Stock (In 132)							0.0176
138	Common Stock (In 135)							0.0000
139	Total (Sum Ins 136 to 138)							0.0559
140	Capital Structure Equity Limit (Note Z)	55.00%					<b>WACC=</b>	<b>0.073487</b>

Capital Structure Percentages			Cap Limit	Cost (Note S)	Weighted
\$	%				
711,992,308	45.97%	45.97%	3.82%		
-	0.00%	0.00%	0.00%		
836,722,942	54.03%	54.03%	10.35%		
1,548,715,249	100.00%				

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**Letter**

**Notes**

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

- A** Revenue credits include:  
1) Forfeited Discounts.  
2) Miscellaneous Service Revenues.  
3) Rental revenues earned on assets included in the rate base.  
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.  
5) Other electric revenues.  
6) Revenues for grandfathered PTP contracts included in the load divisor.  
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
- B** The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
- C** Transmission Plant Balances in this study are projected or actual average 13 month balances.
- D** The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E** Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.  
2) Costs of Transmission of Electricity by Others, as described in Note H.  
3) The impact of state regulatory deferrals and amortizations, as shown on line 65  
4) All A&G Expenses, as shown on line 78.
- F** Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
- G** Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H** Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.  
  
The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.  
  
The company records referenced on line80 is the AEP Indiana Michigan Transmission Company general ledger.
- I** Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J** General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K** The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L** Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M** See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N** Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O** The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 101) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.  
Inputs Required:  
FIT = 21.00%  
SIT = 6.03% (State Income Tax Rate or Composite SIT, Worksheet G)  
p = 0.00% (percent of federal income tax deductible for state purposes)
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P** Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q** Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R** Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S** Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (Ln 137).  
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- T**
- U** Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other
- V** The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- W** AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.  
  
Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration 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.
- X** The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- Y**
- Z** Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

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

		Gross Plant In Service				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	1,412,645,396	-	12,177,516	-	10,274,641
2	January	1,418,977,037	-	14,017,971	-	10,564,718
3	February	1,424,237,546	-	14,135,621	-	10,857,203
4	March	1,434,431,314	-	14,179,471	-	11,222,082
5	April	1,451,328,443	-	14,268,411	-	11,519,230
6	May	1,507,615,547	-	14,293,891	-	11,913,161
7	June	1,505,950,197	-	14,412,151	-	12,423,659
8	July	1,535,211,909	-	14,431,726	-	13,151,655
9	August	1,538,126,918	-	14,425,873	-	12,252,217
10	September	1,545,869,434	-	14,510,778	-	12,508,635
11	October	1,565,589,295	-	14,520,688	-	13,091,081
12	November	1,601,147,862	-	14,510,177	-	13,451,646
13	December of Rate Year	1,807,420,338	-	18,837,709	-	14,604,921
14	Average of the 13 Monthly Balances	1,519,119,326	-	14,517,076	-	12,141,142

		Accumulated Depreciation				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	34,413,043	-	75,691	-	2,693,927
16	January	36,460,697	-	97,090	-	2,855,583
17	February	38,564,889	-	121,407	-	3,022,074
18	March	40,777,236	-	145,978	-	3,193,439
19	April	42,847,424	-	170,642	-	3,370,886
20	May	45,307,438	-	197,952	-	3,553,285
21	June	40,794,964	-	224,962	-	3,742,250
22	July	43,123,832	-	251,858	-	3,939,723
23	August	45,779,100	-	278,787	-	3,810,183
24	September	48,531,520	-	305,727	-	4,004,799
25	October	51,179,428	-	332,790	-	4,203,688
26	November	53,762,805	-	359,873	-	4,412,285
27	December of Rate Year	66,769,847	-	386,938	-	4,626,891
28	Average of the 13 Monthly Balances	45,254,786	-	226,900	-	3,648,386

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	<b>(Note A)</b>	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January	-	-	-	-
31	February	-	-	-	-
32	March	-	-	-	-
33	April	-	-	-	-
34	May	-	-	-	-
35	June	-	-	-	-
36	July	-	-	-	-
37	August	-	-	-	-
38	September	-	-	-	-
39	October	-	-	-	-
40	November	-	-	-	-
41	December of Rate Year	-	-	26,942,059	-
42	Average of the 13 Monthly Balances	-	-	2,072,466	-

43 Transmission Accumulated Depreciation net of GSU 45,254,786

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2018</u>	<u>Balance @ December 31, 2017</u>	<u>Average Balance for 2018</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1	-	-	-

**Regulatory Assets and Liabilities Approved for Recovery In Ratebase**

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

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

**Unfunded Reserves Summary (Company Records)**

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

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

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2018</u>	<u>(D) Balance @ December 31, 2017</u>	<u>(E) Average Balance for 2018</u>
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	284,516,243	259,292,066	271,904,155
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	-	-	-
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	284,516,243	259,292,066	271,904,155
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	15,419,189	16,790,550	16,104,870
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	-	-	-
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	15,419,189	16,790,550	16,104,870
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	5,986,490	9,916,884	7,951,687
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	-	-	-
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	5,986,490	9,916,884	7,951,687
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-1(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.





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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
<b>Materials &amp; Supplies</b>									
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2018</u>	<u>Balance @ December 31, 2017</u>	<u>Average Balance for 2018</u>					
1									
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	2,470	1,278	1,874				
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-				
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-				

**Prepayment Balance Summary (Note 1)**

	<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, 2018	354,113	0	0	354,113	0
7	Totals as of December 31, 2017	269,231	0	0	269,231	0
8	<b>Average Balance</b>	<b>311,672</b>	<b>-</b>	<b>-</b>	<b>311,672</b>	<b>-</b>

**Prepayments Account 165 - Balance @ 12/31/2018**

	<u>2018 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>	<u>Explanation</u>
9							
10	1650001 Prepaid Insurance	205,967	-	205,967		205,967	
11	1650021 Prepaid Insurance - EIS	98,733	-	98,733		98,733	
12	1650023 Prepaid Lease	49,412	-	49,412		49,412	
13	1650003 Prepaid Rents	0	-	-		-	
14	165001217 Prepaid Use Tax	0	-	-		-	
15	1650005 Prepaid Employee Benefits	0	-	-		-	
16	1650006 Other Prepayments	0	-	-		-	
17	1650009 Prepaid Carry Cost-Factored AR	0	-	-		-	
18	1650010 Prepaid Pension Benefits	0	-	-		-	
19	1650014 FAS 158 Qual Contra Asset	0	-	-		-	
20	1650016 FAS 112 ASSETS	0	-	-		-	
21	1650031 Prepaid OCIP Work Comp	0	-	-		-	
22	1650032 Prepaid OCIP Work Comp LT	0	-	-		-	
23	1650033 Prepaid OCIP Work Comp - Aff	0	-	-		-	
24	1650034 Prepaid OCIP Work Comp LT - Aff	0	-	-		-	
25	<b>Subtotal - Form 1, p 111.57.c</b>	<b>354,113</b>	<b>0</b>	<b>0</b>	<b>354,113</b>	<b>0</b>	

**Prepayments Account 165 - Balance @ 12/31/2017**

	<u>2017 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>	<u>Explanation</u>
26							
27	1650001 Prepaid Insurance	181,125	-	181,125		181,125	
28	1650021 Prepaid Insurance - EIS	50,401	-	50,401		50,401	
29	1650023 Prepaid Lease	37,705	-	37,705		37,705	
30	1650003 Prepaid Rents	0	-	-		-	
31	165001217 Prepaid Use Tax	0	-	-		-	
32	1650005 Prepaid Employee Benefits	0	-	-		-	
33	1650006 Other Prepayments	0	-	-		-	
34	1650009 Prepaid Carry Cost-Factored AR	0	-	-		-	
35	1650010 Prepaid Pension Benefits	0	-	-		-	
36	1650014 FAS 158 Qual Contra Asset	0	-	-		-	
37	1650016 FAS 112 ASSETS	0	-	-		-	
38	1650031 Prepaid OCIP Work Comp	0	-	-		-	
39	1650032 Prepaid OCIP Work Comp LT	0	-	-		-	
40	1650033 Prepaid OCIP Work Comp - Aff	0	-	-		-	
41	1650034 Prepaid OCIP Work Comp LT - Aff	0	-	-		-	
	<b>Subtotal - Form 1, p 111.57.d</b>	<b>269,231</b>	<b>0</b>	<b>0</b>	<b>269,231</b>	<b>0</b>	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2018</u>
1	Net Funds from IPP Customers 12/31/2017 (2018 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2018 (2018 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column ((In 1 + In 7)/2)	-

Note 1 On this worksheet Company Records refers to AEP Indiana Michigan Transmission Company's general ledger.

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	180,051,170	180,051,170	
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))	180,051,170	180,051,170	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	180,051,170	180,051,170	-
9	Facility Credits under PJM OATT Section 30.9			

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

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

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

Line Number	(A) Item No.	(B) Description	(C) 2018 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>						
1						
2						
3						
4		<b>Total</b>	-			
<b>Detail of Account 561 Per FERC Form 1</b>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	76			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	387,042			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	181,619			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	9			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		<b>Total of Account 561</b>	568,746			
<b>Account 928</b>						
15	9280000	Regulatory Commission Exp	942	942	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	2,495	2,495	-	
18	9280005	Reg Com Exp-FERC Trans Cases	58,590	-	58,590	
19				-	-	
20				-	-	
21		<b>Total (FERC Form 1 p.323.189.b)</b>	62,028	3,437	58,590	
<b>Account 930.1</b>						
22	9301000	General Advertising Expenses	0	0	-	
23	9301001	Newspaper Advertising Space	74	74	-	
24	9301010	Publicity	488	488	-	
25	9301012	Public Opinion Surveys	70	70	-	
26	9301015	Other Corporate Comm Exp	806	806	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		<b>Total (FERC Form 1 p.323.191.b)</b>	1,438	1,438	-	
<b>Account 930.2</b>						
39	9302000	Misc General Expenses	109,472	109,472	-	
40	9302003	Corporate & Fiscal Expenses	38,335	38,335	-	
41	9302006	Assoc Bus Dev - Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	1,797	-	1,797	
43		<b>Total (FERC Form 1 p.323.192.b)</b>	149,604	147,807	1,797	

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 AEP Indiana Michigan Transmission Company

1	Indiana State Tax Rate	5.88%	
	Apportionment Factor - Note 1	0.52%	
	Effective State Tax Rate		0.03%
2	Michigan Tax Rate	6.00%	
	Apportionment Factor - Note 1	100.00%	
	Effective State Tax Rate		6.00%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>6.03%</u>

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	5				5
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Michigan	4,873,055	4,873,055			
5	Real and Personal Property - Indiana	6,426,565	6,426,565			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	25			25	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	(28)				(28)
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	11,299,622	11,299,620	-	25	(23)

(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**

Line No.	Account	Lines 24-58 Column (B) Deliberately Left Blank		Lines 24-58 Column (D) Deliberately Left Blank		Total
		Transmission	General	Transmission	General	
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	14,290,176	-	14,290,176	1,488,154,715
	<b>MICHIGAN JURISDICTION</b>					
25	Percentage of Plant in MICHIGAN JURISDICTION					
26	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
	<b>INDIANA JURISDICTION</b>					
35	Net Plant in INDIANA JURISDICTION (Ln 24 - Ln 26)	-	1,473,864,539	-	14,290,176	1,488,154,715
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	1,473,864,539	-	14,290,176	1,488,154,715
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	-
42	Weighted INDIANA JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
1	<b>Revenue Taxes</b>						
2	Gross Receipts Tax	5	2 3 -	P.263 In 23 (i) P.263 In 24 (i) P.263.2 In 4 (i)			
<hr/>							
Line No.	(A) "Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
<b>Real Estate and Personal Property Taxes Total</b>							
3	<b>(Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>		11,299,620				11,299,620
4	Real and Personal Property - Michigan		4,873,055				4,873,055
		2016		239,155	P.263 In 17 (i)	100.00%	239,155
		2017		4,633,900	P.263 In 18 (i)	100.00%	4,633,900
							-
							-
5	Real and Personal Property - Indiana		6,426,565				6,426,565
		2017		665	P.263 In 20 (i)	100.00%	665
		2018		6,425,900	P.263 In 21 (i)	100.00%	6,425,900
							-
							-
6	Real and Personal Property - Tennessee		-				-
							-
7	Real and Personal Property - Other Jurisdictions		-				-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	<b>Payroll Taxes</b>			
9	Federal Insurance Contribution (FICA )	-		P.263 In 6 (i)
10	Federal Unemployment Tax	-		P.263 In 9 (i)
11	State Unemployment Insurance	-		P.263.1 In 23 (i) P.263.2 In 33 (i) P.263.3 In 16 (i)
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	<b>Miscellaneous Taxes</b>			
15	State Business & Occupation Tax	-		P.263 In 21 (i) P.263 In 22 (i)
16	State Public Service Commission Fees	-		P.263 In 26 (i) P.263 In 27 (i) P.263.3 In 20 (i)
17	State Franchise Taxes	-		P.263 In 12 (i) P.263 In 13 (i) P.263.1 In 34 (i) P.263.2 In 10 (i) P.263.2 In 11 (i) P.263.2 In 38 (i) P.263.2 In 39 (i) P.263.3 In 27 (i) P.263.3 In 28 (i) P.263.4 In 20 (i) P.263.4 In 27 (i)
18	State Lic/Registration Fee	25	25	P.263.1 In 13 (i) P.263.2 In 13 (i) P.263.3 In 8 (i) P.263.4 In 21 (i)
19	Misc. State and Local Tax	-		P.263.1 In 12 (i)
20	Sales & Use	(28)	(28)	P.263 In 10 (i) P.263 In 31(i) P.263.2 In 16 (i) P.263.2 In 17 (i) P.263.3 In 21 (i)
21	Federal Excise Tax	-		P.263 In 13 (i) P.263 In 14 (i)
22	Michigan Single Business Tax	-		
23	<b>Total Taxes by Allocable Basis</b> (Total Company Amount Ties to FFI p.114, Ln 14.(c))	11,299,620	11,299,622	

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

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

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

Reserved for Future Use

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

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

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

ROE w/o incentives (TCOS, In 138)			10.35%
Project ROE Incentive Adder		0	
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, Ins 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	45.97%	3.82%	1.757%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	54.03%	10.35%	5.592%
		R =	7.349%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR		Rev Require	W Incentives	Incentive Amounts
	As Projected in Prior Year WS J	\$ 43,334,962	\$ 43,334,962	\$ -
	Actual After True-up	\$ 46,775,498	\$ 46,775,498	\$ -
	True-up of ARR For 2018	3,440,536	3,440,536	-

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

Rate Base (True-Up TCOS, In 58)	1,216,794,732
R (from A. above)	7.349%
Return (Rate Base x R)	89,418,007

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

Return (from B. above)	89,418,007
Effective Tax Rate (TCOS, In 97)	26.41%
Income Tax Calculation (Return x CIT)	23,613,463
ITC Adjustment	-
Excess Deferred Income Tax	841,546
Tax Affect of Permanent Differences	576,265
Income Taxes	25,031,275

**II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point ROE increase.**

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

Annual Revenue Requirement (TCOS, In 1)	180,844,016
Lease Payments (TCOS, Lns 80)	-
Return (TCOS, In 109)	89,418,007
Income Taxes (TCOS, In 108)	25,031,275
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	66,394,735

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	66,394,735
Return (from I.B. above)	89,418,007
Income Taxes (from I.C. above)	25,031,275
Annual Revenue Requirement, with 0 Basis Point ROE increase	180,844,016
Depreciation (TCOS, In 83)	29,280,733
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	151,563,283

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

Net Transmission Plant (Projected TCOS, In 33)	1,471,792,073
Annual Revenue Requirement, with 0 Basis Point ROE increase	180,844,016
FCR with 0 Basis Point increase in ROE	12.29%
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Dep.	151,563,283
FCR with 0 Basis Point ROE increase, less Depreciation	10.30%
FCR less Depreciation (TCOS, In 10)	10.30%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

**III. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for 2018 TCOS, In 19	1,517,046,860
Annual Depreciation and Amortization Expense (TCOS, In 83)	29,280,733
Composite Depreciation Rate	1.93%
Depreciable Life for Composite Depreciation Rate	51.81
Average Life in Whole Years	52

Note 1: Until AEP Indiana Michigan Transmission Company establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP Indiana Michigan Transmission Company is shown on Worksheet P.





















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

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	696,712,002				696,712,002
2	January	738,193,145				738,193,145
3	February	745,197,498				745,197,498
4	March	754,173,173				754,173,173
5	April	761,244,642				761,244,642
6	May	797,747,788				797,747,788
7	June	827,808,749				827,808,749
8	July	834,359,764				834,359,764
9	August	899,874,868				899,874,868
10	September	920,230,722				920,230,722
11	October	961,381,001				961,381,001
12	November	967,406,239				967,406,239
13	December of Rate Year	973,068,651				973,068,651
14	Average of the 13 Monthly Balances	836,722,942	-	-	-	836,722,942

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: Recquired Bonds (c)	LT Advances from Assoc. Companies (d)	Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year			680,800,000			680,800,000
16	January			680,800,000			680,800,000
17	February			680,800,000			680,800,000
18	March			680,800,000			680,800,000
19	April			680,800,000			680,800,000
20	May			680,800,000			680,800,000
21	June			680,800,000			680,800,000
22	July			680,800,000			680,800,000
23	August			680,800,000			680,800,000
24	September			786,800,000			786,800,000
25	October			786,800,000			786,800,000
26	November			777,550,000			777,550,000
27	December of Rate Year			777,550,000			777,550,000
28	Average of the 13 Monthly Balances	-	-	711,992,308	-	-	711,992,308

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

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	<b>Annual Interest Expense for 2018</b>						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			26,769,329			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			470,396			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			30,860			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	<b>Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)</b>			<b>27,208,865</b>			
37	<b>Average Cost of Debt for 2018 (Ln 36/ Ln 28 (g))</b>			<b>3.82%</b>			

**CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS**

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

	Amortization Period				
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2018	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	<b>Net (Gain)/Loss Hedge Amortization To Be Removed</b>	-	-	-	-

**Development of Cost of Preferred Stock**

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

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

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

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

AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service  
Worksheet O - PBOP Support  
AEP Indiana Michigan Transmission Company

PBOP	(A)	(B)
1	<b><u>Calculation of PBOP Expenses</u></b>	
2	<b><u>AEP System PBOP Rate</u></b>	
3	Total AEP System PBOP expenses	-\$101,323,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$101,323,000
6	Total AEP System Direct Labor Expense	\$1,411,118,585
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.072
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	6,541,274
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$281,275
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$862,865
15	Actual PBOP Expense (Sum Lines 11-14)	-\$862,865
16	PBOP Adjustment Line 10 less Line 15	\$581,590

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

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

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

AEP Indiana Michigan Transmission Company

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

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

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

**Note:** AEP INDIANA MICHIGAN TRANSMISSION COMPANY shall initially use the composite depreciation rate FOR INDIANA AND MICHIGAN shown above to estimate depreciation expense for transmission projects in Worksheets J and K until a composite depreciation rate based on transmission plant in service and depreciation expenses recorded by AEP INDIANA MICHIGAN TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP INDIANA MICHIGAN TRANSMISSION COMPANY's the first Annual Update including a True-up TCOS.







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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018 <div style="border: 1px solid black; background-color: #e0f0ff; text-align: center; padding: 2px;">\$0</div>	-	2017 Forecasted Revenue Requirement For Year 2017 <div style="border: 1px solid black; background-color: #e0f0ff; text-align: center; padding: 2px;">\$0</div>	=	True-up Adjustment - Over (Under) Recovery <div style="border: 1px solid black; background-color: #e0f0ff; text-align: center; padding: 2px;">\$0</div>
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Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorate over 2019

<u>Calculation of Interest</u>				Monthly		
January	Year 2017	-	0.3420%	12	-	-
February	Year 2017	-	0.3420%	11	-	-
March	Year 2017	-	0.3420%	10	-	-
April	Year 2017	-	0.3420%	9	-	-
May	Year 2017	-	0.3420%	8	-	-
June	Year 2017	-	0.3420%	7	-	-
July	Year 2017	-	0.3420%	6	-	-
August	Year 2017	-	0.3420%	5	-	-
September	Year 2017	-	0.3420%	4	-	-
October	Year 2017	-	0.3420%	3	-	-
November	Year 2017	-	0.3420%	2	-	-
December	Year 2017	-	0.3420%	1	-	-
					-----	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January through December	Year 2018	-	0.3420%	12	-	-

January	Year 2019	-	0.3420%		-	-
February	Year 2019	-	0.3420%		-	-
March	Year 2019	-	0.3420%		-	-
April	Year 2019	-	0.3420%		-	-
May	Year 2019	-	0.3420%		-	-
June	Year 2019	-	0.3420%		-	-
July	Year 2019	-	0.3420%		-	-
August	Year 2019	-	0.3420%		-	-
September	Year 2019	-	0.3420%		-	-
October	Year 2019	-	0.3420%		-	-
November	Year 2019	-	0.3420%		-	-
December	Year 2019	-	0.3420%		-	-
					-----	-

True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

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

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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018	-	2017 Forecasted Revenue Requirement For Year 2017	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019

<u>Calculation of Interest</u>					Monthly	
January	Year 2017	-	0.3420%	12	-	-
February	Year 2017	-	0.3420%	11	-	-
March	Year 2017	-	0.3420%	10	-	-
April	Year 2017	-	0.3420%	9	-	-
May	Year 2017	-	0.3420%	8	-	-
June	Year 2017	-	0.3420%	7	-	-
July	Year 2017	-	0.3420%	6	-	-
August	Year 2017	-	0.3420%	5	-	-
September	Year 2017	-	0.3420%	4	-	-
October	Year 2017	-	0.3420%	3	-	-
November	Year 2017	-	0.3420%	2	-	-
December	Year 2017	-	0.3420%	1	-	-
					-	-

January through December	Year 2018	-	0.3420%	12	Annual	-
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<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly	
January	Year 2019	-	0.3420%		-	-
February	Year 2019	-	0.3420%		-	-
March	Year 2019	-	0.3420%		-	-
April	Year 2019	-	0.3420%		-	-
May	Year 2019	-	0.3420%		-	-
June	Year 2019	-	0.3420%		-	-
July	Year 2019	-	0.3420%		-	-
August	Year 2019	-	0.3420%		-	-
September	Year 2019	-	0.3420%		-	-
October	Year 2019	-	0.3420%		-	-
November	Year 2019	-	0.3420%		-	-
December	Year 2019	-	0.3420%		-	-
					-	-

True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

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