

Twelve Months Ended 2017

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

OHIO POWER COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 143)				\$343,581,620
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	13,202,389	DA 1.00000	\$	13,202,389
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9)(Note X)			\$	-
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)			\$	330,379,231

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)	12,195,900	DA	1.00000	\$	12,195,900
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)						
7	Annual Rate	((ln 1 - ln 107)/((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))					23.17%
8	Monthly Rate	(ln 7 / 12)					1.93%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)						
10	Annual Rate	((ln 1 - ln 107 - ln 112) /((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))					19.53%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)						
12	Annual Rate	((ln 1 - ln 107 - ln 112 - ln 138 - ln 139) /((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))					9.89%
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 86 Below					6,213,516
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)					6,213,516

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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				
20	Production	(Worksheet A In 1.E)	-	NA	0.00000
21	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	-	NA	0.00000
22	Transmission	(Worksheet A In 3.E & Ln 147)	2,376,735,531	DA	2,376,735,531
23	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E)	(3,120)	TP	(3,120)
24	Line Deliberately Left Blank		N/A	NA	0.00000
25	Line Deliberately Left Blank		N/A	NA	0.00000
26	Distribution	(Worksheet A In 5.E)	4,637,310,281	NA	0.00000
27	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000
28	General Plant	(Worksheet A In 7.E)	321,514,725	W/S	0.15466
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	(613,206)	W/S	0.15466
30	Intangible Plant	(Worksheet A In 9.E)	113,993,796	W/S	0.15466
31	TOTAL GROSS PLANT	(sum Ins 19 to 29)	7,448,938,006	GP(h)=	0.328099
32	ACCUMULATED DEPRECIATION AND AMORTIZATION			GTD=	0.33885
33	Production	(Worksheet A In 12.E)	-	NA	0.00000
34	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	-	NA	0.00000
35	Transmission	(Worksheet A In 14.E & 28.E)	902,319,019	TP1=	1.00000
36	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	(3,120)	TP1=	1.00000
37	Line Deliberately Left Blank		N/A	DA	0.00000
38	Line Deliberately Left Blank		N/A	DA	0.00000
39	Line Deliberately Left Blank		N/A	TP	0.00000
40	Line Deliberately Left Blank		N/A	W/S	0.00000
41	Distribution	(Worksheet A In 16.E)	1,585,044,708	DA	0.00000
42	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA	0.00000
43	General Plant	(Worksheet A In 18.E)	105,753,830	W/S	0.15466
44	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	(227,736)	W/S	0.15466
45	Intangible Plant	(Worksheet A In 20.E)	66,063,027	W/S	0.15466
46	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 32 to 45)	2,658,949,727		
47	NET PLANT IN SERVICE				
48	Production	(In 19 + In 20 - In 32 - In 33)	-		
49	Transmission	(In 21 + In 22 - In 34 - In 35)	1,474,416,512		
50	Line Deliberately Left Blank		N/A		
51	Line Deliberately Left Blank		N/A		
52	Line Deliberately Left Blank		N/A		
53	Line Deliberately Left Blank		N/A		
54	Line Deliberately Left Blank		N/A		
55	Distribution	(In 25 + In 26 - In 41 - In 42)	3,052,265,573		
56	General Plant	(In 27 + In 28 - In 43 - In 44)	215,375,425		
57	Intangible Plant	(In 29 - In 45)	47,930,769		
58	TOTAL NET PLANT IN SERVICE	(sum Ins 48 to 57)	4,789,988,279	NP(h)=	0.316314
59	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
60	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
61	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,135,212,209)	DA	(338,051,472)
62	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(473,329,129)	DA	(23,673,832)
63	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	232,375,837	DA	21,657,499
64	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	7,416	DA	(11,952)
65	TOTAL ADJUSTMENTS	(sum Ins 60 to 64)	(1,376,158,085)		(340,079,757)
66	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	7,860,062	DA	3,713,861
67	REGULATORY ASSETS	(Worksheet A In 36.E)	-	DA	-
68	WORKING CAPITAL	(Note E)			
69	Cash Working Capital	(1/8 * In 89)	6,247,625		
70	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	3,185,902	TP	1.00000
71	A&G Materials & Supplies	(Worksheet C, In 3.(F))	238,728	W/S	0.15466
72	Stores Expense	(Worksheet C, In 4.(F))	-	GP(h)	0.32810
73	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	267,834,366	W/S	0.15466
74	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	2,480,894	GP(h)	0.32810
75	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	112,209	DA	1.00000
76	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(258,748,468)	NA	0.00000
77	TOTAL WORKING CAPITAL	(sum Ins 69 to 76)	21,351,257		
78	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(2,632,492)	DA	1.00000
79	RATE BASE (sum Ins 58, 65, 66, 67, 77, 78)		3,440,409,021		

1,227,959,054

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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					
80	Production	321.80.b	862,923,454			
81	Distribution	322.156.b	141,375,931			
82	Customer Related Expense	322 & 323.164,171,178.b	167,136,183			
83	Regional Marketing Expenses	322.131.b	-			
84	Transmission	321.112.b	291,871,176			
85	TOTAL O&M EXPENSES	(sum Ins 80 to 84)	1,463,306,744			
86	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	6,213,516			
87	Less: Account 565	(Note H) 321.96.b	235,676,659			
88	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-			
89	Total O&M Allocable to Transmission	(Ins 84 - 86 - 87 - 88)	49,981,001	TP	1.00000	49,981,001
90	Administrative and General	323.197.b (Note J)	82,630,748			
91	Less: Acct. 924, Property Insurance	323.185.b	723,110			
92	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(10,902,779)			
93	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
94	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(1,061,680)			
95	Acct. 928, Reg. Com. Exp.	323.189.b	2,278,863			
96	Acct. 930.1, Gen. Advert. Exp.	323.191.b	310,520			
97	Acct. 930.2, Misc. Gen. Exp.	323.192.b	3,486,390			
98	Balance of A & G	(In 90 - sum In 91 to In 97)	87,796,324	W/S	0.15466	13,578,264
99	Plus: Acct. 924, Property Insurance	(In 91)	723,110	GP(h)	0.32810	237,252
100	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	-	TP	1.00000	-
101	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 36.(E) (Note L)	-	TP	1.00000	-
102	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 44.(E) (Note L)	980,388	DA	1.00000	980,388
103	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 3, (Note M)	-	W/S	0.15466	-
104	A & G Subtotal	(sum Ins 98 to 103)	89,499,822			14,795,904
105	O & M EXPENSE SUBTOTAL	(In 89 + In 104)	139,480,823			64,776,905
106	Line Deliberately Left Blank					
107	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		1,996,019	DA	1.00000	1,996,019
108	TOTAL O & M EXPENSE	(In 105 + In 107)	141,476,842			66,772,924
109	DEPRECIATION AND AMORTIZATION EXPENSE					
110	Production	336.2-6.f	-	NA	0.00000	-
111	Distribution	336.8.f	169,698,388	NA	0.00000	-
112	Transmission	336.7.f	53,610,086	TP1	1.00000	53,610,086
113	Line Deliberately Left Blank		N/A			N/A
114	General	336.10.f	8,426,695	W/S	0.15466	1,303,242
115	Intangible	336.1.f	21,767,974	W/S	0.15466	3,366,557
116	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 110+111+ 112+113+114+115)	253,503,143			58,279,885
117	TAXES OTHER THAN INCOME	(Note N)				
118	Labor Related					
119	Payroll	Worksheet H In 21.(D)	5,544,503	W/S	0.15466	857,493
120	Plant Related					
121	Property	Worksheet H In 21.(C) & In 45.(C)	235,252,265	DA		73,876,847
122	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	141,437,048	NA	0.00000	-
123	Other	Worksheet H In 21.(E)	4,083,600	GP(h)	0.32810	1,339,827
124	TOTAL OTHER TAXES	(sum Ins 119 to 123)	386,317,416			76,074,166
125	INCOME TAXES	(Note O)				
126	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		35.69%			
127	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		47.43%			
128	where WCLTD=(In 167) and WACC = (In 170)					
129	and FIT, SIT & p are as given in Note O.					
130	GRCF=1 / (1 - T) = (from In 126)		1.5550			
131	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(77,802)			
132	Excess Deferred Income Tax	(Note U)	(28,800)	DA		(28,800)
133	Tax Affect of Permanent Differences	(Note U)	2,644,023	DA		3,251,586
134	Income Tax Calculation	(In 127 * In 139)	123,616,271			44,121,416
135	ITC adjustment	(In 130 * In 131)	(120,979)	NP(h)	0.31631	(38,267)
136	Excess Deferred Income Tax	(In 130 * In 132)	(44,783)			(44,783)
137	Tax Affect of Permanent Differences	(In 130 * In 133)	4,111,353			5,056,090
138	TOTAL INCOME TAXES	(sum Ins 134 to 137)	127,561,862			49,094,456
139	RETURN ON RATE BASE (Rate Base*WACC)	(In 79 * In 170)	260,628,678			93,024,214
140	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		335,974	DA	1.00000	335,974
141	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-			-
142	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 141 * In127)		-			-
143	TOTAL REVENUE REQUIREMENT		1,169,823,915			343,581,620
	(sum Ins 108, 116, 124, 138, 139, 140, 141, 142)					

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
144	Total transmission plant	(In 21)								2,376,735,531
145	Less transmission plant excluded from PJM Tariff (Note P)									-
146	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (E)) (Note Q)									-
147	Transmission plant included in PJM Tariff	(In 144 - In 145 - In 146)								2,376,735,531
148	Percent of transmission plant in PJM Tariff	(In 147 / In 144)						TP=		1.00000
149	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
150	Production	354.20.b	199,940	0	199,940	NA	0.00000			-
151	Transmission	354.21.b	446,271	15,106,212	15,552,483	TP	1.00000		15,552,483	
152	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000			-
153	Distribution	354.23.b	45,131,408	7,755,627	52,887,035	NA	0.00000			-
154	Other (Excludes A&G)	354.24,25,26.b	16,745,088	15,176,969	31,922,057	NA	0.00000			-
155	Total	(sum Ins 150 to 154)	62,522,707	38,038,808	100,561,515					15,552,483
156	Transmission related amount							W/S=		0.15466
157	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
158	Long Term Interest	(Worksheet M, In. 21, col. (E))								42,463,637
159	Preferred Dividends	(Worksheet M, In. 55, col. (E))								-
160	Development of Common Stock:									
161	Proprietary Capital	(Worksheet M, In. 1, col. (E))								2,175,700,566
162	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))								-
163	Less: Account 216.1	(Worksheet M, In. 3, col. (E))								-
164	Less: Account 219	(Worksheet M, In. 4, col. (E))								2,561,226
165	Common Stock	(In 161 - In 162 - In 163 - In 164)								2,173,139,341
166			\$	%		Cost (Note S)			Weighted	
167	Long Term Debt (Note T) Worksheet M, In 11, In 22, col.)		1,683,461,479	43.65%		0.0252			0.0110	
168	Preferred Stock (In 162)		-	0.00%		-			0.0000	
169	Common Stock (In 165)		2,173,139,341	56.35%		11.49%			0.0647	
170	Total (Sum Ins 167 to 169)		3,856,600,820					WACC=		0.0758

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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 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.
- 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 Q 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 beginning of year end of year 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 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.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 89. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 86.
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 88
4) All A&G Expenses, as shown on line 104.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 78 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 140.
- 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 89. 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 107 to determine the total O&M collected in the formula. The amounts on line 107 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 107 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 107 is the OHIO POWER 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 These deductions on lines 92 through 94 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.
- L Expenses 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.
- M See 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 Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. 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 131) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required:
FIT = 35.00%
SIT= 1.06% (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 158) / average long term debt (ln 167). Preferred Stock cost rate = preferred dividends (ln 159) / preferred outstanding (ln 168). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. 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.
- T The 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 167 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.
- U Tax effect of permanent differences captures the differences in the income taxes due under the Federal and State calculatins that are not the result of timing differences.Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- V 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 prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- W The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- X 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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Supporting Plant Balances
OHIO POWER COMPANY

Line	(A)	(B)	(C)	(D)	(E)
Number	Rate Base Item & Supporting Balance	Source of Data	Balance @ December 31, 2017	Balance @ December 31, 2016	Average Balance for 2017
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	-	-	-
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	-	-	-
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	2,404,136,414	2,349,334,647	2,376,735,531
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	3,120	3,120	3,120
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	4,788,582,875	4,486,037,687	4,637,310,281
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	331,501,659	311,527,790	321,514,725
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	613,206	613,206	613,206
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	126,187,099	101,800,492	113,993,796
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	7,650,408,047	7,248,700,616	7,449,554,332
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	616,326	616,326	616,326
Accumulated Depreciation & Amortization Balances					
12	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)	-	-	-
13	Production ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	916,813,671	887,824,366	902,319,019
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	3,120	3,120	3,120
16	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)	1,626,123,860	1,543,965,556	1,585,044,708
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	108,253,350	103,254,309	105,753,830
19	General ARO Accumulated Depreciation	Company Records - Note 1	227,736	227,736	227,736
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	72,750,553	59,375,500	66,063,027
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	2,723,941,434	2,594,419,731	2,659,180,583
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	230,856	230,856	230,856
Generation Step-Up Units					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	916,813,671	887,824,366	902,319,019
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	916,813,671	887,824,366	902,319,019
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)	7,860,062	7,860,062	7,860,062
30	Transmission Plant Held For Future	Company Records - Note 1	3,713,861	3,713,861	3,713,861
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.					
31					-
32					-
33					-
34					-
35					-
36	Total Regulatory Deferrals Included in Ratebase		-	-	-

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

NOTE: 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)</u> <u>Description</u>	<u>(B)</u> <u>Source</u>	<u>(C)</u> <u>Balance @ December 31,</u> <u>2017</u>	<u>(D)</u> <u>Balance @ December 31,</u> <u>2016</u>	<u>(E)</u> <u>Average Balance for</u> <u>2017</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	1,159,906,486	1,110,517,931	1,135,212,209
8	Less: ARO Related Deferrals	Company Records - Note 1	580,593	580,593	580,593
9	Less: Other Excluded Deferrals	Company Records - Note 1	817,557,304	775,602,984	796,580,144
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	341,768,590	334,334,354	338,051,472
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	482,508,564	464,149,694	473,329,129
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	458,499,108	440,811,486	449,655,297
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	24,009,456	23,338,208	23,673,832
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	232,375,837	232,375,837	232,375,837
18	Less: ARO Related Deferrals	Company Records - Note 1	497,910	497,910	497,910
19	Less: Other Excluded Deferrals	Company Records - Note 1	210,220,428	210,220,428	210,220,428
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	21,657,499	21,657,499	21,657,499
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	6,853	21,113	13,983
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	21,399	21,399	21,399
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	(14,546)	(286)	(7,416)
25	Transmission Related Deferrals	Company Records - Note 1	11,952	11,952	11,952

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger. Projected ending balances reflect proration required by IRS Letter Rule Section I.I67(l)-l(h)(6)(ii).

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

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, 2017	Balance @ December 31, 2016	Average Balance for 2017				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	3,185,902	3,185,902	3,185,902			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	238,728	238,728	238,728			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

		<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, 2017	11,679,001	(258,748,468)	112,209	2,480,894	267,834,366	270,427,469
7	Totals as of December 31, 2016	<u>11,679,000</u>	<u>(258,748,468)</u>	<u>112,209</u>	<u>2,480,894</u>	<u>267,834,366</u>	<u>270,427,469</u>
8	Average Balance	<u>11,679,001</u>	<u>(258,748,468)</u>	<u>112,209</u>	<u>2,480,894</u>	<u>267,834,366</u>	<u>270,427,469</u>

Prepayments Account 165 - Balance @ 12/31/2017

	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
9	Acc. No.	Description					
10	1650001	Prepaid Insurance	1,521,898	-	1,521,898	1,521,898	Plant Related Insurance Policies
11	1650003	Prepaid Rents	0	-	-	-	
12	1650004	Prepaid Interest	0	-	-	-	
13	1650005	Prepaid Employee Benefits	294,829	-	-	294,829	Health Savings
14	1650006	Other Prepayments	7,729,029	7,729,029	-	-	Distribution
15	1650009	Prepaid Carry Cost-Factored AR	845,237	845,237	-	-	AR Factoring - Retail Only
16	1650010	Prepaid Pension Benefits	242,682,422	-	-	242,682,422	Prepaid Pension Expense
17	165001215	Prepaid Taxes	104,746	104,746	-	-	Prepaid Taxes-Distribution
18	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	
19	1650014	FAS 158 Qual Contra Asset	(242,682,422)	(242,682,422)	-	-	FAS 158 Liability
20	1650016	FAS 112 ASSETS	0	-	-	-	
21	1650017	Prepayments - Coal	0	-	-	-	
22	1650019	Prepaid Pension Expense - CG&E	92,186	92,186	-	92,186	Prepaid Pension Expense
23	1650020	Prepaid Pension Expense - DP&L	20,023	20,023	-	20,023	Prepaid Pension Expense
24	1650021	Prepaid Insurance - EIS	958,996	-	958,996	958,996	Energy EIS Services
25	1650023	Prepaid Lease	112,056	112,056	-	-	Distribution Lease
26	1650035	PRW Without Med-D Benefits	24,857,115	-	24,857,115	24,857,115	Prepaid Pension Expense
27	1650036	PRW for Med-D Benefits	0	-	-	-	
28	1650037	FAS158 Contra-PRW Exc Med-D	(24,857,115)	(24,857,115)	-	-	FAS 158 Liability
	Subtotal - Form 1, p 111.57.c	11,679,001	(258,748,468)	112,209	2,480,894	267,834,366	270,427,469

Prepayments Account 165 - Balance @ 12/31/ 2016

	2016 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
29	Acc. No.	Description					
30	1650001	Prepaid Insurance	1,521,898	-	1,521,898	1,521,898	Plant Related Insurance Policies
31	1650003	Prepaid Rents	0	-	-	-	
32	1650004	Prepaid Interest	0	-	-	-	
33	1650005	Prepaid Employee Benefits	294,829	-	-	294,829	Health Savings
34	1650006	Other Prepayments	7,729,029	7,729,029	-	-	Distribution
35	1650009	Prepaid Carry Cost-Factored AR	845,237	845,237	-	-	AR Factoring - Retail Only
36	1650010	Prepaid Pension Benefits	242,682,422	-	-	242,682,422	Prepaid Pension Expense
37	165001215	Prepaid Taxes	104,746	104,746	-	-	Prepaid Taxes-Distribution
38	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	
39	1650014	FAS 158 Qual Contra Asset	(242,682,422)	(242,682,422)	-	-	FAS 158 Liability
40	1650016	FAS 112 ASSETS	0	-	-	-	
41	1650017	Prepayments - Coal	0	-	-	-	
42	1650019	Prepaid Pension Expense - CG&E	92,186	92,186	-	92,186	Prepaid Pension Expense
43	1650020	Prepaid Pension Expense - DP&L	20,023	20,023	-	20,023	Prepaid Pension Expense
44	1650021	Prepaid Insurance - EIS	958,996	-	958,996	958,996	Energy EIS Services
45	1650023	Prepaid Lease	112,056	112,056	-	-	Distribution Lease
46	1650035	PRW Without Med-D Benefits	24,857,115	-	24,857,115	24,857,115	Prepaid Pension Expense
47	1650036	PRW for Med-D Benefits	0	-	-	-	
48	1650037	FAS158 Contra-PRW Exc Med-D	(24,857,115)	(24,857,115)	-	-	FAS 158 Liability
	Subtotal - Form 1, p 111.57.d	11,679,000	(258,748,468)	112,209	2,480,894	267,834,366	270,427,469

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) 2017</u>
1	Net Funds from IPP Customers 12/31/2016 (2017 FORM 1, P269, line 24.b)	(2,464,505)
2	Interest Accrual (Company Records - Note 1)	(335,974)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2017 (2017 FORM 1, P269, line 24.f)	(2,800,479)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(2,632,492)

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

Formula Rate
OPC WS E Rev Credits
Page 10 of 65

<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)	3,370,213	3,370,213	-
2	Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	7,745,919	7,647,093	98,826
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	40,054,179	29,148,780	10,905,399
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	3,969,000	2,896,948	1,072,052
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	70,397,334	69,271,223	1,126,111
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	125,536,645	112,334,256	13,202,389
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	125,536,645	112,334,256	13,202,389

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.

9	Facility Credits under PJM OATT Section 30.9			-
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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)
<u>Line</u>	<u>Item No.</u>	<u>Description</u>	<u>2017</u>	<u>100%</u>	<u>100%</u>	
<u>Number</u>			<u>Expense</u>	<u>Non-Transmission</u>	<u>Transmission</u>	<u>Explanation</u>
					<u>Specific</u>	
Regulatory O&M Deferrals & Amortizations						
1	5660005	Misc Transmission Expense	-			
2						
3						
4		Total	0			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	6,213,516			
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	0			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
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 Serv	0			
14		Total of Account 561	6,213,516			
Account 928						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	2,278,863	2,278,863	-	
18	9280003	Rate Case Amortization	-	-	-	
19	9280004		-	-	-	
20	9280005		-	-	-	
21		Total	2,278,863	2,278,863	-	
Account 930.1						
22	9301000	General Advertising Expenses	310,520	310,520	-	
23	9301001	Newspaper Advertising Space	-	-	-	
24	9301002	Radio Station Advertising Time	-	-	-	
25	9301003	TV Station Advertising Time	-	-	-	
26	9301006	Spec Corporate Comm Info Proj	-	-	-	
27	9301007	Special Adv Space & Prod Exp	-	-	-	
28	9301008	Direct Mail and Handouts	-	-	-	
29	9301009	Fairs, Shows, and Exhibits	-	-	-	
30	9301010	Publicity	-	-	-	
31	9301011	Dedications, Tours, & Openings	-	-	-	
32	9301012	Public Opinion Surveys	-	-	-	
33	9301013	Movies Slide Films & Speeches	-	-	-	
34	9301014	Video Communications	-	-	-	
35	9301015	Other Corporate Comm Exp	-	-	-	
36		Total	310,520	310,520	-	
Account 930.2						
37	9302000	Misc General Expenses	1,179,086	1,179,086		
38	9302003	Corporate & Fiscal Expenses	0	0		
39	9302004	Research, Develop&Demonstr Exp	0	0		
40	9302006	Assoc Business Development Materials Sold	0	0	0	
41	9302007	Assoc Business Development Exp	2,307,304	1,326,916	980,388	
42	9302019	gSMART-Ov/Und Misc Gen Exp	0	0		
43	9302458	AEPSC nonaffiliated expense	0	0		
44		Total	3,486,390	2,506,002	980,388	

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	0.4267%	
Effective State Tax Rate		0.03%
Illinois Corporation Income Tax	7.7500%	
Apportionment Factor - Note 2	0.3238%	
Effective State Tax Rate		0.03%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0148%	
Effective State Tax Rate		0.00%
Kentucky Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0430%	
Effective State Tax Rate		0.00%
Ohio Municipal Net Income Tax	1.0169%	
Apportionment Factor - Note 2	98.8100%	
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>1.061%</u>

Note 1 The Ohio State Income Tax is being phased-out prorata over a 5 year period from 2005 through 2009. The taxable portion of income is 0% in 2009. The phase-out factors can be found in the Ohio Revised Code at 5733.01(G)2(a)(v). This tax has been replaced with a Commercial Activities Tax that is included in Schedule H and H-1.

Note 2 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	Revenue Taxes					
2	Gross Receipts Tax	141,437,048				141,437,048
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Ohio	235,138,575	235,138,575			
5	Real and Personal Property - West Va	-	-			
6	Real and Personal Property - Other	113,690	113,690			
7	Payroll Taxes					
8	Federal Insurance Contribution (FICA)	5,427,412		5,427,412		
9	Federal Unemployment Tax	34,878		34,878		
10	State Unemployment Insurance	82,213		82,213		
11	Payroll Taxes	-		-		
11	Production Taxes					
12	State Severance Taxes	-				-
13	Miscellaneous Taxes					
14	State Public Service Commission Fees	4,083,600			4,083,600	-
15	State Franchise Taxes	-			-	
16	State Lic/Registration Fee	-			-	
17	Misc. State and Local Tax	-			-	
18	Sales & Use	-				-
19	Federal Excise Tax	-				-
20	State B&O Taxes	-				-
21	Total Taxes by Allocable Basis (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.	386,317,416	235,252,265	5,544,503	4,083,600	141,437,048
Functional Property Tax Allocation						
		<u>Production</u>	<u>Transmsission</u>	<u>Distribution</u>	<u>General</u>	<u>Total</u>
22	Functionalized Net Plant (Hist. TCOS, Lns 48 thru 58)	-	1,474,416,512	3,052,265,573	215,375,425	4,742,057,510
	OHIO JURISDICTION					
23	Percentage of Plant in OHIO JURISDICTION	0.00%	94.77%	100.00%	98.93%	
24	Net Plant in OHIO JURISDICTION (Ln 22 * Ln 23)	-	1,397,304,528	3,052,265,573	213,070,908	4,662,641,009
25	Less: Net Value of Exempted Generation Plant	-				
26	Taxable Property Basis (Ln 24 - Ln 25)	-	1,397,304,528	3,052,265,573	213,070,908	4,662,641,009
27	Relative Valuation Factor	24%	85%	85%	24%	
28	Weighted Net Plant (Ln 26 * Ln 27)	-	1,187,708,849	2,594,425,737	51,137,018	
29	General Plant Allocator (Ln 28 / (Total - General Plant))	0.00%	31.40%	68.60%	-100.00%	
30	Functionalized General Plant (Ln 29 * General Plant)	-	16,058,627	35,078,391	(51,137,018)	-
31	Weighted OHIO JURISDICTION Plant (Ln 28 + 30)	-	1,203,767,476	2,629,504,128	(0)	3,833,271,604
32	Functional Percentage (Ln 31/Total Ln 31)	0.00%	31.40%	68.60%		
33	Functionalized Expense in OHIO JURISDICTION	-	73,840,885	161,297,690		235,138,575
	WEST VA JURISDICTION					
34	Net Plant in WEST VA JURISDICTION (Ln 22 - Ln 24)	-	77,111,984	-	2,304,517	79,416,501
35	Less: Net Value of Exempted Generation Plant	-				
36	Taxable Property Basis (Ln 34 - Ln 35)	-	77,111,984	-	2,304,517	79,416,501
37	Relative Valuation Factor	100%	100%	100%	100%	
38	Weighted Net Plant (Ln 36 * Ln 37)	-	77,111,984	-	2,304,517	
39	General Plant Allocator (Ln 38 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
40	Functionalized General Plant (Ln 39 * General Plant)	-	2,304,517	-	(2,304,517)	-
41	Weighted WEST VA JURISDICTION Plant (Ln 38 + 40)	-	79,416,501	-	0	79,416,501
42	Functional Percentage (Ln 41/Total Ln 41)	0.00%	100.00%	0.00%		
43	Functionalized Expense in WEST VA JURISDICTION	-	-	-		-
44	Total Other Jurisdictions: (Line 6 * Net Plant Allocator)		35,962			113,690
45	Total Func. Property Taxes (Sum Lns 33, 43 44)	-	73,876,847	161,297,690		235,252,265

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	<u>Revenue Taxes</u>			
2	Gross Receipts Tax	141,437,048	141,437,048	
			-	
			-	
3	<u>Real Estate and Personal Property Taxes</u>			
4	Real and Personal Property - Ohio	235,138,575	234,618,575	
			520,000	
			-	
			-	
			-	
			-	
			-	
			-	
			-	
5	Real and Personal Property - West VA.	-	-	
			-	
6	Real and Personal Property - Other Jurisdictions	113,690	113,690	
			-	
			-	
			-	
7	<u>Payroll Taxes</u>			
8	Federal Insurance Contribution (FICA)	5,427,412	5,427,412	P.263 ln 3 (i)
9	Federal Unemployment Tax	34,878	34,878	P.263 ln 4 (i)
10	State Unemployment Insurance	82,213	82,213	P.263 ln 16 (i)
			-	P.263 ln 30 (i)
11	Payroll Taxes	-	-	P.263.2 ln 6 (i)
11	<u>Production Taxes</u>	-		
12	State Severance Taxes	-	-	
13	<u>Miscellaneous Taxes</u>			
14	State Public Service Commission Fees	4,083,600	4,083,600	
15	State Franchise Taxes	-	-	P.263 ln 28 (i)
			-	P.263.1 ln 39 (i)
16	State Lic/Registration Fee	-		
17	Misc. State and Local Tax	-	-	P.263.2 ln 4 (i)
18	Sales & Use	-	-	P.263 ln 15 (i)
19	Federal Excise Tax	-	-	
20	Michigan Single Business Tax	-	-	
21	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	386,317,416	386,317,416	

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 of the Ferc Form 1.

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
OHIO POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
OHIO POWER COMPANY

Page 1 of 22

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 169)				11.49%
Project ROE Incentive Adder				
ROE with additional basis point incentive				11.49%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 167 through169)				
	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>	
Long Term Debt	43.65%	2.52%	1.101%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	56.35%	11.49%	<u>6.474%</u>	
		R =	7.576%	

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

Rate Base (TCOS, ln 79)	1,227,959,054
R (from A. above)	7.576%
Return (Rate Base x R)	93,024,214

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

Return (from B. above)	93,024,214
Effective Tax Rate (TCOS, ln 127)	47.43%
Income Tax Calculation (Return x CIT)	44,121,416
ITC Adjustment	(38,267)
Excess Deferred Income Tax	(44,783)
Tax Affect of Permanent Differences	<u>5,056,090</u>
Income Taxes	49,094,456

SUMMARY OF PROJECTED ANNUAL RTEP		REVENUE REQUIREMENTS		
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2017	12,195,900	12,195,900	\$ -

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)	343,581,620
Lease Payments (TCOS, Ln 107)	1,996,019
Return (TCOS, ln 139)	93,024,214
Income Taxes (TCOS, ln 138)	<u>49,094,456</u>
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	199,466,931

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	199,466,931
Return (from I.B. above)	93,024,214
Income Taxes (from I.C. above)	<u>49,094,456</u>
Annual Revenue Requirement, with Basis Point ROE increase	341,585,601
Depreciation (TCOS, ln 112)	<u>53,610,086</u>
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	287,975,515

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 49)	1,474,416,512
Annual Revenue Requirement, with Basis Point ROE increase	341,585,601
FCR with Basis Point increase in ROE	23.17%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	287,975,515
FCR with Basis Point ROE increase, less Depreciation	19.53%
FCR less Depreciation (TCOS, ln 10)	<u>19.53%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2017) (P. 206, Ln 58(b)):	2,349,334,647
Transmission Plant @ End of Rate Year (2017) (P 207, Ln 58(g)):	<u>2,404,136,414</u>
Subtotal	4,753,471,061
Average Transmission Plant Balance for 2017	2,376,735,531
Annual Depreciation and Amortization Expense (TCOS, ln 112)	53,610,086
Composite Depreciation Rate	2.26%
Depreciable Life for Composite Depreciation Rate	44.33
Round to nearest whole year	44

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	996,311
Current Projected Year ARR w/ Incentive	996,311
Current Projected Year Incentive ARR	-

Details						
Investment	5,491,718	Current Year				2017
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	3	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				124,812
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	5,491,718	93,609	5,398,109	1,157,082	1,157,082	\$ -
2010	5,398,109	124,812	5,273,297	1,166,954	1,166,954	\$ -
2011	5,273,297	124,812	5,148,486	1,142,577	1,142,577	\$ -
2012	5,148,486	124,812	5,023,674	1,118,199	1,118,199	\$ -
2013	5,023,674	124,812	4,898,862	1,093,821	1,093,821	\$ -
2014	4,898,862	124,812	4,774,050	1,069,444	1,069,444	\$ -
2015	4,774,050	124,812	4,649,239	1,045,066	1,045,066	\$ -
2016	4,649,239	124,812	4,524,427	1,020,689	1,020,689	\$ -
2017	4,524,427	124,812	4,399,615	996,311	996,311	\$ -
2018	4,399,615	124,812	4,274,803	971,933	971,933	\$ -
2019	4,274,803	124,812	4,149,991	947,556	947,556	\$ -
2020	4,149,991	124,812	4,025,180	923,178	923,178	\$ -
2021	4,025,180	124,812	3,900,368	898,801	898,801	\$ -
2022	3,900,368	124,812	3,775,556	874,423	874,423	\$ -
2023	3,775,556	124,812	3,650,744	850,045	850,045	\$ -
2024	3,650,744	124,812	3,525,933	825,668	825,668	\$ -
2025	3,525,933	124,812	3,401,121	801,290	801,290	\$ -
2026	3,401,121	124,812	3,276,309	776,913	776,913	\$ -
2027	3,276,309	124,812	3,151,497	752,535	752,535	\$ -
2028	3,151,497	124,812	3,026,685	728,157	728,157	\$ -
2029	3,026,685	124,812	2,901,874	703,780	703,780	\$ -
2030	2,901,874	124,812	2,777,062	679,402	679,402	\$ -
2031	2,777,062	124,812	2,652,250	655,025	655,025	\$ -
2032	2,652,250	124,812	2,527,438	630,647	630,647	\$ -
2033	2,527,438	124,812	2,402,627	606,269	606,269	\$ -
2034	2,402,627	124,812	2,277,815	581,892	581,892	\$ -
2035	2,277,815	124,812	2,153,003	557,514	557,514	\$ -
2036	2,153,003	124,812	2,028,191	533,137	533,137	\$ -
2037	2,028,191	124,812	1,903,380	508,759	508,759	\$ -
2038	1,903,380	124,812	1,778,568	484,381	484,381	\$ -
2039	1,778,568	124,812	1,653,756	460,004	460,004	\$ -
2040	1,653,756	124,812	1,528,944	435,626	435,626	\$ -
2041	1,528,944	124,812	1,404,132	411,249	411,249	\$ -
2042	1,404,132	124,812	1,279,321	386,871	386,871	\$ -
2043	1,279,321	124,812	1,154,509	362,493	362,493	\$ -
2044	1,154,509	124,812	1,029,697	338,116	338,116	\$ -
2045	1,029,697	124,812	904,885	313,738	313,738	\$ -
2046	904,885	124,812	780,074	289,361	289,361	\$ -
2047	780,074	124,812	655,262	264,983	264,983	\$ -
2048	655,262	124,812	530,450	240,605	240,605	\$ -
2049	530,450	124,812	405,638	216,228	216,228	\$ -
2050	405,638	124,812	280,826	191,850	191,850	\$ -
2051	280,826	124,812	156,015	167,473	167,473	\$ -
2052	156,015	124,812	31,203	143,095	143,095	\$ -
2053	31,203	31,203	-	34,250	34,250	\$ -
2054	-	-	-	-	-	\$ -

[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: 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	1,245,646
Current Projected Year ARR w/ Incentive	1,245,646
Current Projected Year Incentive ARR	-

Details						
Investment	6,300,788	Current Year				2017
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				143,200
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	6,300,788	11,933	6,288,855	1,241,406	1,241,406	\$ -
2013	6,288,855	143,200	6,145,655	1,357,522	1,357,522	\$ -
2014	6,145,655	143,200	6,002,455	1,329,553	1,329,553	\$ -
2015	6,002,455	143,200	5,859,256	1,301,584	1,301,584	\$ -
2016	5,859,256	143,200	5,716,056	1,273,615	1,273,615	\$ -
2017	5,716,056	143,200	5,572,856	1,245,646	1,245,646	\$ -
2018	5,572,856	143,200	5,429,656	1,217,677	1,217,677	\$ -
2019	5,429,656	143,200	5,286,457	1,189,708	1,189,708	\$ -
2020	5,286,457	143,200	5,143,257	1,161,739	1,161,739	\$ -
2021	5,143,257	143,200	5,000,057	1,133,770	1,133,770	\$ -
2022	5,000,057	143,200	4,856,857	1,105,801	1,105,801	\$ -
2023	4,856,857	143,200	4,713,658	1,077,832	1,077,832	\$ -
2024	4,713,658	143,200	4,570,458	1,049,863	1,049,863	\$ -
2025	4,570,458	143,200	4,427,258	1,021,894	1,021,894	\$ -
2026	4,427,258	143,200	4,284,059	993,925	993,925	\$ -
2027	4,284,059	143,200	4,140,859	965,956	965,956	\$ -
2028	4,140,859	143,200	3,997,659	937,987	937,987	\$ -
2029	3,997,659	143,200	3,854,459	910,018	910,018	\$ -
2030	3,854,459	143,200	3,711,260	882,049	882,049	\$ -
2031	3,711,260	143,200	3,568,060	854,080	854,080	\$ -
2032	3,568,060	143,200	3,424,860	826,110	826,110	\$ -
2033	3,424,860	143,200	3,281,660	798,141	798,141	\$ -
2034	3,281,660	143,200	3,138,461	770,172	770,172	\$ -
2035	3,138,461	143,200	2,995,261	742,203	742,203	\$ -
2036	2,995,261	143,200	2,852,061	714,234	714,234	\$ -
2037	2,852,061	143,200	2,708,862	686,265	686,265	\$ -
2038	2,708,862	143,200	2,565,662	658,296	658,296	\$ -
2039	2,565,662	143,200	2,422,462	630,327	630,327	\$ -
2040	2,422,462	143,200	2,279,262	602,358	602,358	\$ -
2041	2,279,262	143,200	2,136,063	574,389	574,389	\$ -
2042	2,136,063	143,200	1,992,863	546,420	546,420	\$ -
2043	1,992,863	143,200	1,849,663	518,451	518,451	\$ -
2044	1,849,663	143,200	1,706,463	490,482	490,482	\$ -
2045	1,706,463	143,200	1,563,264	462,513	462,513	\$ -
2046	1,563,264	143,200	1,420,064	434,544	434,544	\$ -
2047	1,420,064	143,200	1,276,864	406,575	406,575	\$ -
2048	1,276,864	143,200	1,133,665	378,606	378,606	\$ -
2049	1,133,665	143,200	990,465	350,637	350,637	\$ -
2050	990,465	143,200	847,265	322,668	322,668	\$ -
2051	847,265	143,200	704,065	294,699	294,699	\$ -
2052	704,065	143,200	560,866	266,730	266,730	\$ -
2053	560,866	143,200	417,666	238,761	238,761	\$ -
2054	417,666	143,200	274,466	210,792	210,792	\$ -
2055	274,466	143,200	131,266	182,823	182,823	\$ -
2056	131,266	131,266	-	144,086	144,086	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
Project Totals				34,502,904	34,502,904	

[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: b0570 (Reconductor EAST LIMA-STERLING 138 KV LINE)

Current Projected Year ARR	222,274
Current Projected Year ARR w/ Incentive	222,274
Current Projected Year Incentive ARR	-

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

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	929,340
Current Projected Year ARR w/ Incentive	929,340
Current Projected Year Incentive ARR	-

Details						
Investment	4,597,599	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				104,491
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	4,597,599	8,708	4,588,891	905,837	905,837	\$ -
2014	4,588,891	104,491	4,484,401	990,565	990,565	\$ -
2015	4,484,401	104,491	4,379,910	970,157	970,157	\$ -
2016	4,379,910	104,491	4,275,419	949,748	949,748	\$ -
2017	4,275,419	104,491	4,170,928	929,340	929,340	\$ -
2018	4,170,928	104,491	4,066,437	908,931	908,931	\$ -
2019	4,066,437	104,491	3,961,946	888,522	888,522	\$ -
2020	3,961,946	104,491	3,857,455	868,114	868,114	\$ -
2021	3,857,455	104,491	3,752,964	847,705	847,705	\$ -
2022	3,752,964	104,491	3,648,473	827,296	827,296	\$ -
2023	3,648,473	104,491	3,543,983	806,888	806,888	\$ -
2024	3,543,983	104,491	3,439,492	786,479	786,479	\$ -
2025	3,439,492	104,491	3,335,001	766,071	766,071	\$ -
2026	3,335,001	104,491	3,230,510	745,662	745,662	\$ -
2027	3,230,510	104,491	3,126,019	725,253	725,253	\$ -
2028	3,126,019	104,491	3,021,528	704,845	704,845	\$ -
2029	3,021,528	104,491	2,917,037	684,436	684,436	\$ -
2030	2,917,037	104,491	2,812,546	664,027	664,027	\$ -
2031	2,812,546	104,491	2,708,055	643,619	643,619	\$ -
2032	2,708,055	104,491	2,603,565	623,210	623,210	\$ -
2033	2,603,565	104,491	2,499,074	602,802	602,802	\$ -
2034	2,499,074	104,491	2,394,583	582,393	582,393	\$ -
2035	2,394,583	104,491	2,290,092	561,984	561,984	\$ -
2036	2,290,092	104,491	2,185,601	541,576	541,576	\$ -
2037	2,185,601	104,491	2,081,110	521,167	521,167	\$ -
2038	2,081,110	104,491	1,976,619	500,758	500,758	\$ -
2039	1,976,619	104,491	1,872,128	480,350	480,350	\$ -
2040	1,872,128	104,491	1,767,637	459,941	459,941	\$ -
2041	1,767,637	104,491	1,663,147	439,533	439,533	\$ -
2042	1,663,147	104,491	1,558,656	419,124	419,124	\$ -
2043	1,558,656	104,491	1,454,165	398,715	398,715	\$ -
2044	1,454,165	104,491	1,349,674	378,307	378,307	\$ -
2045	1,349,674	104,491	1,245,183	357,898	357,898	\$ -
2046	1,245,183	104,491	1,140,692	337,489	337,489	\$ -
2047	1,140,692	104,491	1,036,201	317,081	317,081	\$ -
2048	1,036,201	104,491	931,710	296,672	296,672	\$ -
2049	931,710	104,491	827,220	276,263	276,263	\$ -
2050	827,220	104,491	722,729	255,855	255,855	\$ -
2051	722,729	104,491	618,238	235,446	235,446	\$ -
2052	618,238	104,491	513,747	215,038	215,038	\$ -
2053	513,747	104,491	409,256	194,629	194,629	\$ -
2054	409,256	104,491	304,765	174,220	174,220	\$ -
2055	304,765	104,491	200,274	153,812	153,812	\$ -
2056	200,274	104,491	95,783	133,403	133,403	\$ -
2057	95,783	95,783	-	105,137	105,137	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				25,176,298	25,176,298	

[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: b1034.6 (138kV circuit breakers at South Canton Station)

Current Projected Year ARR	367,158
Current Projected Year ARR w/ Incentive	367,158
Current Projected Year Incentive ARR	-

Details						
Investment	1,813,074	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				41,206
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	1,813,074	-	1,813,074	354,120	354,120	\$ -
2014	1,813,074	41,206	1,771,868	391,303	391,303	\$ -
2015	1,771,868	41,206	1,730,662	383,254	383,254	\$ -
2016	1,730,662	41,206	1,689,455	375,206	375,206	\$ -
2017	1,689,455	41,206	1,648,249	367,158	367,158	\$ -
2018	1,648,249	41,206	1,607,043	359,110	359,110	\$ -
2019	1,607,043	41,206	1,565,837	351,062	351,062	\$ -
2020	1,565,837	41,206	1,524,630	343,013	343,013	\$ -
2021	1,524,630	41,206	1,483,424	334,965	334,965	\$ -
2022	1,483,424	41,206	1,442,218	326,917	326,917	\$ -
2023	1,442,218	41,206	1,401,012	318,869	318,869	\$ -
2024	1,401,012	41,206	1,359,806	310,821	310,821	\$ -
2025	1,359,806	41,206	1,318,599	302,772	302,772	\$ -
2026	1,318,599	41,206	1,277,393	294,724	294,724	\$ -
2027	1,277,393	41,206	1,236,187	286,676	286,676	\$ -
2028	1,236,187	41,206	1,194,981	278,628	278,628	\$ -
2029	1,194,981	41,206	1,153,774	270,580	270,580	\$ -
2030	1,153,774	41,206	1,112,568	262,531	262,531	\$ -
2031	1,112,568	41,206	1,071,362	254,483	254,483	\$ -
2032	1,071,362	41,206	1,030,156	246,435	246,435	\$ -
2033	1,030,156	41,206	988,949	238,387	238,387	\$ -
2034	988,949	41,206	947,743	230,339	230,339	\$ -
2035	947,743	41,206	906,537	222,291	222,291	\$ -
2036	906,537	41,206	865,331	214,242	214,242	\$ -
2037	865,331	41,206	824,125	206,194	206,194	\$ -
2038	824,125	41,206	782,918	198,146	198,146	\$ -
2039	782,918	41,206	741,712	190,098	190,098	\$ -
2040	741,712	41,206	700,506	182,050	182,050	\$ -
2041	700,506	41,206	659,300	174,001	174,001	\$ -
2042	659,300	41,206	618,093	165,953	165,953	\$ -
2043	618,093	41,206	576,887	157,905	157,905	\$ -
2044	576,887	41,206	535,681	149,857	149,857	\$ -
2045	535,681	41,206	494,475	141,809	141,809	\$ -
2046	494,475	41,206	453,268	133,760	133,760	\$ -
2047	453,268	41,206	412,062	125,712	125,712	\$ -
2048	412,062	41,206	370,856	117,664	117,664	\$ -
2049	370,856	41,206	329,650	109,616	109,616	\$ -
2050	329,650	41,206	288,444	101,568	101,568	\$ -
2051	288,444	41,206	247,237	93,519	93,519	\$ -
2052	247,237	41,206	206,031	85,471	85,471	\$ -
2053	206,031	41,206	164,825	77,423	77,423	\$ -
2054	164,825	41,206	123,619	69,375	69,375	\$ -
2055	123,619	41,206	82,412	61,327	61,327	\$ -
2056	82,412	41,206	41,206	53,279	53,279	\$ -
2057	41,206	41,206	-	45,230	45,230	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals			9,957,842	9,957,842	9,957,842	

[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: b1864.1 (Add two additional 345/138 kV transformers at Kammer)

Current Projected Year ARR	41,186
Current Projected Year ARR w/ Incentive	41,186
Current Projected Year Incentive ARR	-

Details						
Investment	192,816	Current Year				2017
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				4,382
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	192,816	2,191	190,625	39,637	39,637	\$ -
2017	190,625	4,382	186,243	41,186	41,186	\$ -
2018	186,243	4,382	181,861	40,330	40,330	\$ -
2019	181,861	4,382	177,478	39,474	39,474	\$ -
2020	177,478	4,382	173,096	38,618	38,618	\$ -
2021	173,096	4,382	168,714	37,762	37,762	\$ -
2022	168,714	4,382	164,332	36,907	36,907	\$ -
2023	164,332	4,382	159,950	36,051	36,051	\$ -
2024	159,950	4,382	155,567	35,195	35,195	\$ -
2025	155,567	4,382	151,185	34,339	34,339	\$ -
2026	151,185	4,382	146,803	33,483	33,483	\$ -
2027	146,803	4,382	142,421	32,627	32,627	\$ -
2028	142,421	4,382	138,039	31,771	31,771	\$ -
2029	138,039	4,382	133,657	30,915	30,915	\$ -
2030	133,657	4,382	129,274	30,059	30,059	\$ -
2031	129,274	4,382	124,892	29,203	29,203	\$ -
2032	124,892	4,382	120,510	28,348	28,348	\$ -
2033	120,510	4,382	116,128	27,492	27,492	\$ -
2034	116,128	4,382	111,746	26,636	26,636	\$ -
2035	111,746	4,382	107,363	25,780	25,780	\$ -
2036	107,363	4,382	102,981	24,924	24,924	\$ -
2037	102,981	4,382	98,599	24,068	24,068	\$ -
2038	98,599	4,382	94,217	23,212	23,212	\$ -
2039	94,217	4,382	89,835	22,356	22,356	\$ -
2040	89,835	4,382	85,453	21,500	21,500	\$ -
2041	85,453	4,382	81,070	20,644	20,644	\$ -
2042	81,070	4,382	76,688	19,788	19,788	\$ -
2043	76,688	4,382	72,306	18,933	18,933	\$ -
2044	72,306	4,382	67,924	18,077	18,077	\$ -
2045	67,924	4,382	63,542	17,221	17,221	\$ -
2046	63,542	4,382	59,159	16,365	16,365	\$ -
2047	59,159	4,382	54,777	15,509	15,509	\$ -
2048	54,777	4,382	50,395	14,653	14,653	\$ -
2049	50,395	4,382	46,013	13,797	13,797	\$ -
2050	46,013	4,382	41,631	12,941	12,941	\$ -
2051	41,631	4,382	37,249	12,085	12,085	\$ -
2052	37,249	4,382	32,866	11,229	11,229	\$ -
2053	32,866	4,382	28,484	10,374	10,374	\$ -
2054	28,484	4,382	24,102	9,518	9,518	\$ -
2055	24,102	4,382	19,720	8,662	8,662	\$ -
2056	19,720	4,382	15,338	7,806	7,806	\$ -
2057	15,338	4,382	10,955	6,950	6,950	\$ -
2058	10,955	4,382	6,573	6,094	6,094	\$ -
2059	6,573	4,382	2,191	5,238	5,238	\$ -
2060	2,191	2,191	-	2,405	2,405	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals				1,040,162	1,040,162	

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 **		

** 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	750,034
Current Projected Year ARR w/ Incentive	750,034
Current Projected Year Incentive ARR	-

Details						
Investment	3,717,346	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				84,485
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	3,717,346	14,081	3,703,265	738,759	738,759	\$ -
2014	3,703,265	84,485	3,618,780	799,537	799,537	\$ -
2015	3,618,780	84,485	3,534,295	783,036	783,036	\$ -
2016	3,534,295	84,485	3,449,810	766,535	766,535	\$ -
2017	3,449,810	84,485	3,365,325	750,034	750,034	\$ -
2018	3,365,325	84,485	3,280,839	733,533	733,533	\$ -
2019	3,280,839	84,485	3,196,354	717,031	717,031	\$ -
2020	3,196,354	84,485	3,111,869	700,530	700,530	\$ -
2021	3,111,869	84,485	3,027,384	684,029	684,029	\$ -
2022	3,027,384	84,485	2,942,899	667,528	667,528	\$ -
2023	2,942,899	84,485	2,858,414	651,027	651,027	\$ -
2024	2,858,414	84,485	2,773,929	634,525	634,525	\$ -
2025	2,773,929	84,485	2,689,444	618,024	618,024	\$ -
2026	2,689,444	84,485	2,604,958	601,523	601,523	\$ -
2027	2,604,958	84,485	2,520,473	585,022	585,022	\$ -
2028	2,520,473	84,485	2,435,988	568,521	568,521	\$ -
2029	2,435,988	84,485	2,351,503	552,019	552,019	\$ -
2030	2,351,503	84,485	2,267,018	535,518	535,518	\$ -
2031	2,267,018	84,485	2,182,533	519,017	519,017	\$ -
2032	2,182,533	84,485	2,098,048	502,516	502,516	\$ -
2033	2,098,048	84,485	2,013,562	486,014	486,014	\$ -
2034	2,013,562	84,485	1,929,077	469,513	469,513	\$ -
2035	1,929,077	84,485	1,844,592	453,012	453,012	\$ -
2036	1,844,592	84,485	1,760,107	436,511	436,511	\$ -
2037	1,760,107	84,485	1,675,622	420,010	420,010	\$ -
2038	1,675,622	84,485	1,591,137	403,508	403,508	\$ -
2039	1,591,137	84,485	1,506,652	387,007	387,007	\$ -
2040	1,506,652	84,485	1,422,166	370,506	370,506	\$ -
2041	1,422,166	84,485	1,337,681	354,005	354,005	\$ -
2042	1,337,681	84,485	1,253,196	337,504	337,504	\$ -
2043	1,253,196	84,485	1,168,711	321,002	321,002	\$ -
2044	1,168,711	84,485	1,084,226	304,501	304,501	\$ -
2045	1,084,226	84,485	999,741	288,000	288,000	\$ -
2046	999,741	84,485	915,256	271,499	271,499	\$ -
2047	915,256	84,485	830,771	254,998	254,998	\$ -
2048	830,771	84,485	746,285	238,496	238,496	\$ -
2049	746,285	84,485	661,800	221,995	221,995	\$ -
2050	661,800	84,485	577,315	205,494	205,494	\$ -
2051	577,315	84,485	492,830	188,993	188,993	\$ -
2052	492,830	84,485	408,345	172,492	172,492	\$ -
2053	408,345	84,485	323,860	155,990	155,990	\$ -
2054	323,860	84,485	239,375	139,489	139,489	\$ -
2055	239,375	84,485	154,889	122,988	122,988	\$ -
2056	154,889	84,485	70,404	106,487	106,487	\$ -
2057	70,404	70,404	-	77,280	77,280	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				20,295,558	20,295,558	

[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: b2032 (Rebuild 138 kV Elliott Tap-Poston line)

Current Projected Year ARR	22,935
Current Projected Year ARR w/ Incentive	22,935
Current Projected Year Incentive ARR	-

Details						
Investment	115,580	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	1	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				2,627
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	115,580	2,408	113,172	24,747	24,747	\$ -
2014	113,172	2,627	110,545	24,474	24,474	\$ -
2015	110,545	2,627	107,918	23,961	23,961	\$ -
2016	107,918	2,627	105,292	23,448	23,448	\$ -
2017	105,292	2,627	102,665	22,935	22,935	\$ -
2018	102,665	2,627	100,038	22,422	22,422	\$ -
2019	100,038	2,627	97,411	21,909	21,909	\$ -
2020	97,411	2,627	94,784	21,396	21,396	\$ -
2021	94,784	2,627	92,158	20,883	20,883	\$ -
2022	92,158	2,627	89,531	20,370	20,370	\$ -
2023	89,531	2,627	86,904	19,857	19,857	\$ -
2024	86,904	2,627	84,277	19,344	19,344	\$ -
2025	84,277	2,627	81,650	18,831	18,831	\$ -
2026	81,650	2,627	79,023	18,318	18,318	\$ -
2027	79,023	2,627	76,397	17,805	17,805	\$ -
2028	76,397	2,627	73,770	17,292	17,292	\$ -
2029	73,770	2,627	71,143	16,779	16,779	\$ -
2030	71,143	2,627	68,516	16,266	16,266	\$ -
2031	68,516	2,627	65,889	15,753	15,753	\$ -
2032	65,889	2,627	63,263	15,239	15,239	\$ -
2033	63,263	2,627	60,636	14,726	14,726	\$ -
2034	60,636	2,627	58,009	14,213	14,213	\$ -
2035	58,009	2,627	55,382	13,700	13,700	\$ -
2036	55,382	2,627	52,755	13,187	13,187	\$ -
2037	52,755	2,627	50,128	12,674	12,674	\$ -
2038	50,128	2,627	47,502	12,161	12,161	\$ -
2039	47,502	2,627	44,875	11,648	11,648	\$ -
2040	44,875	2,627	42,248	11,135	11,135	\$ -
2041	42,248	2,627	39,621	10,622	10,622	\$ -
2042	39,621	2,627	36,994	10,109	10,109	\$ -
2043	36,994	2,627	34,368	9,596	9,596	\$ -
2044	34,368	2,627	31,741	9,083	9,083	\$ -
2045	31,741	2,627	29,114	8,570	8,570	\$ -
2046	29,114	2,627	26,487	8,057	8,057	\$ -
2047	26,487	2,627	23,860	7,544	7,544	\$ -
2048	23,860	2,627	21,233	7,031	7,031	\$ -
2049	21,233	2,627	18,607	6,517	6,517	\$ -
2050	18,607	2,627	15,980	6,004	6,004	\$ -
2051	15,980	2,627	13,353	5,491	5,491	\$ -
2052	13,353	2,627	10,726	4,978	4,978	\$ -
2053	10,726	2,627	8,099	4,465	4,465	\$ -
2054	8,099	2,627	5,473	3,952	3,952	\$ -
2055	5,473	2,627	2,846	3,439	3,439	\$ -
2056	2,846	2,627	219	2,926	2,926	\$ -
2057	219	219	-	240	240	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -

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

Current Projected Year ARR	674,329
Current Projected Year ARR w/ Incentive	674,329
Current Projected Year Incentive ARR	-

Details						
Investment	3,241,116	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	3	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				73,662
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	3,241,116	55,246	3,185,870	682,889	682,889	\$ -
2016	3,185,870	73,662	3,112,208	688,716	688,716	\$ -
2017	3,112,208	73,662	3,038,546	674,329	674,329	\$ -
2018	3,038,546	73,662	2,964,885	659,941	659,941	\$ -
2019	2,964,885	73,662	2,891,223	645,554	645,554	\$ -
2020	2,891,223	73,662	2,817,561	631,167	631,167	\$ -
2021	2,817,561	73,662	2,743,899	616,780	616,780	\$ -
2022	2,743,899	73,662	2,670,238	602,393	602,393	\$ -
2023	2,670,238	73,662	2,596,576	588,005	588,005	\$ -
2024	2,596,576	73,662	2,522,914	573,618	573,618	\$ -
2025	2,522,914	73,662	2,449,252	559,231	559,231	\$ -
2026	2,449,252	73,662	2,375,591	544,844	544,844	\$ -
2027	2,375,591	73,662	2,301,929	530,456	530,456	\$ -
2028	2,301,929	73,662	2,228,267	516,069	516,069	\$ -
2029	2,228,267	73,662	2,154,606	501,682	501,682	\$ -
2030	2,154,606	73,662	2,080,944	487,295	487,295	\$ -
2031	2,080,944	73,662	2,007,282	472,907	472,907	\$ -
2032	2,007,282	73,662	1,933,620	458,520	458,520	\$ -
2033	1,933,620	73,662	1,859,959	444,133	444,133	\$ -
2034	1,859,959	73,662	1,786,297	429,746	429,746	\$ -
2035	1,786,297	73,662	1,712,635	415,359	415,359	\$ -
2036	1,712,635	73,662	1,638,973	400,971	400,971	\$ -
2037	1,638,973	73,662	1,565,312	386,584	386,584	\$ -
2038	1,565,312	73,662	1,491,650	372,197	372,197	\$ -
2039	1,491,650	73,662	1,417,988	357,810	357,810	\$ -
2040	1,417,988	73,662	1,344,327	343,422	343,422	\$ -
2041	1,344,327	73,662	1,270,665	329,035	329,035	\$ -
2042	1,270,665	73,662	1,197,003	314,648	314,648	\$ -
2043	1,197,003	73,662	1,123,341	300,261	300,261	\$ -
2044	1,123,341	73,662	1,049,680	285,873	285,873	\$ -
2045	1,049,680	73,662	976,018	271,486	271,486	\$ -
2046	976,018	73,662	902,356	257,099	257,099	\$ -
2047	902,356	73,662	828,694	242,712	242,712	\$ -
2048	828,694	73,662	755,033	228,324	228,324	\$ -
2049	755,033	73,662	681,371	213,937	213,937	\$ -
2050	681,371	73,662	607,709	199,550	199,550	\$ -
2051	607,709	73,662	534,048	185,163	185,163	\$ -
2052	534,048	73,662	460,386	170,776	170,776	\$ -
2053	460,386	73,662	386,724	156,388	156,388	\$ -
2054	386,724	73,662	313,062	142,001	142,001	\$ -
2055	313,062	73,662	239,401	127,614	127,614	\$ -
2056	239,401	73,662	165,739	113,227	113,227	\$ -
2057	165,739	73,662	92,077	98,839	98,839	\$ -
2058	92,077	73,662	18,415	84,452	84,452	\$ -
2059	18,415	18,415	-	20,214	20,214	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				17,326,217	17,326,217	

[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: b1034.7 (Replace all obsolete 138kV circuit breakers at the Torrey and Wagenhals stations)

Current Projected Year ARR	828,442
Current Projected Year ARR w/ Incentive	828,442
Current Projected Year Incentive ARR	-

Details						
Investment	4,113,498	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				93,489
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	4,113,498	23,372	4,090,126	824,517	824,517	\$ -
2014	4,090,126	93,489	3,996,637	883,221	883,221	\$ -
2015	3,996,637	93,489	3,903,149	864,962	864,962	\$ -
2016	3,903,149	93,489	3,809,660	846,702	846,702	\$ -
2017	3,809,660	93,489	3,716,171	828,442	828,442	\$ -
2018	3,716,171	93,489	3,622,683	810,182	810,182	\$ -
2019	3,622,683	93,489	3,529,194	791,923	791,923	\$ -
2020	3,529,194	93,489	3,435,706	773,663	773,663	\$ -
2021	3,435,706	93,489	3,342,217	755,403	755,403	\$ -
2022	3,342,217	93,489	3,248,729	737,144	737,144	\$ -
2023	3,248,729	93,489	3,155,240	718,884	718,884	\$ -
2024	3,155,240	93,489	3,061,751	700,624	700,624	\$ -
2025	3,061,751	93,489	2,968,263	682,364	682,364	\$ -
2026	2,968,263	93,489	2,874,774	664,105	664,105	\$ -
2027	2,874,774	93,489	2,781,286	645,845	645,845	\$ -
2028	2,781,286	93,489	2,687,797	627,585	627,585	\$ -
2029	2,687,797	93,489	2,594,308	609,326	609,326	\$ -
2030	2,594,308	93,489	2,500,820	591,066	591,066	\$ -
2031	2,500,820	93,489	2,407,331	572,806	572,806	\$ -
2032	2,407,331	93,489	2,313,843	554,546	554,546	\$ -
2033	2,313,843	93,489	2,220,354	536,287	536,287	\$ -
2034	2,220,354	93,489	2,126,865	518,027	518,027	\$ -
2035	2,126,865	93,489	2,033,377	499,767	499,767	\$ -
2036	2,033,377	93,489	1,939,888	481,508	481,508	\$ -
2037	1,939,888	93,489	1,846,400	463,248	463,248	\$ -
2038	1,846,400	93,489	1,752,911	444,988	444,988	\$ -
2039	1,752,911	93,489	1,659,422	426,728	426,728	\$ -
2040	1,659,422	93,489	1,565,934	408,469	408,469	\$ -
2041	1,565,934	93,489	1,472,445	390,209	390,209	\$ -
2042	1,472,445	93,489	1,378,957	371,949	371,949	\$ -
2043	1,378,957	93,489	1,285,468	353,690	353,690	\$ -
2044	1,285,468	93,489	1,191,980	335,430	335,430	\$ -
2045	1,191,980	93,489	1,098,491	317,170	317,170	\$ -
2046	1,098,491	93,489	1,005,002	298,910	298,910	\$ -
2047	1,005,002	93,489	911,514	280,651	280,651	\$ -
2048	911,514	93,489	818,025	262,391	262,391	\$ -
2049	818,025	93,489	724,537	244,131	244,131	\$ -
2050	724,537	93,489	631,048	225,872	225,872	\$ -
2051	631,048	93,489	537,559	207,612	207,612	\$ -
2052	537,559	93,489	444,071	189,352	189,352	\$ -
2053	444,071	93,489	350,582	171,092	171,092	\$ -
2054	350,582	93,489	257,094	152,833	152,833	\$ -
2055	257,094	93,489	163,605	134,573	134,573	\$ -
2056	163,605	93,489	70,116	116,313	116,313	\$ -
2057	70,116	70,116	-	76,964	76,964	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals				22,391,473	22,391,473	-

[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: b1970 (Reconductor 13 miles of Kammer-West Bellaire 345 kV line)

Current Projected Year ARR	176,014
Current Projected Year ARR w/ Incentive	176,014
Current Projected Year Incentive ARR	-

Details						
Investment	850,534	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				19,330
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	850,534	-	850,534	166,122	166,122	\$ -
2015	850,534	19,330	831,204	183,565	183,565	\$ -
2016	831,204	19,330	811,873	179,789	179,789	\$ -
2017	811,873	19,330	792,543	176,014	176,014	\$ -
2018	792,543	19,330	773,213	172,238	172,238	\$ -
2019	773,213	19,330	753,882	168,463	168,463	\$ -
2020	753,882	19,330	734,552	164,687	164,687	\$ -
2021	734,552	19,330	715,222	160,912	160,912	\$ -
2022	715,222	19,330	695,891	157,136	157,136	\$ -
2023	695,891	19,330	676,561	153,361	153,361	\$ -
2024	676,561	19,330	657,231	149,585	149,585	\$ -
2025	657,231	19,330	637,900	145,810	145,810	\$ -
2026	637,900	19,330	618,570	142,034	142,034	\$ -
2027	618,570	19,330	599,240	138,259	138,259	\$ -
2028	599,240	19,330	579,910	134,483	134,483	\$ -
2029	579,910	19,330	560,579	130,708	130,708	\$ -
2030	560,579	19,330	541,249	126,932	126,932	\$ -
2031	541,249	19,330	521,919	123,157	123,157	\$ -
2032	521,919	19,330	502,588	119,381	119,381	\$ -
2033	502,588	19,330	483,258	115,606	115,606	\$ -
2034	483,258	19,330	463,928	111,830	111,830	\$ -
2035	463,928	19,330	444,597	108,055	108,055	\$ -
2036	444,597	19,330	425,267	104,279	104,279	\$ -
2037	425,267	19,330	405,937	100,504	100,504	\$ -
2038	405,937	19,330	386,606	96,728	96,728	\$ -
2039	386,606	19,330	367,276	92,953	92,953	\$ -
2040	367,276	19,330	347,946	89,177	89,177	\$ -
2041	347,946	19,330	328,615	85,402	85,402	\$ -
2042	328,615	19,330	309,285	81,626	81,626	\$ -
2043	309,285	19,330	289,955	77,851	77,851	\$ -
2044	289,955	19,330	270,624	74,075	74,075	\$ -
2045	270,624	19,330	251,294	70,300	70,300	\$ -
2046	251,294	19,330	231,964	66,524	66,524	\$ -
2047	231,964	19,330	212,633	62,749	62,749	\$ -
2048	212,633	19,330	193,303	58,973	58,973	\$ -
2049	193,303	19,330	173,973	55,198	55,198	\$ -
2050	173,973	19,330	154,643	51,422	51,422	\$ -
2051	154,643	19,330	135,312	47,647	47,647	\$ -
2052	135,312	19,330	115,982	43,871	43,871	\$ -
2053	115,982	19,330	96,652	40,096	40,096	\$ -
2054	96,652	19,330	77,321	36,320	36,320	\$ -
2055	77,321	19,330	57,991	32,545	32,545	\$ -
2056	57,991	19,330	38,661	28,769	28,769	\$ -
2057	38,661	19,330	19,330	24,994	24,994	\$ -
2058	19,330	19,330	-	21,218	21,218	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals				4,671,339	4,671,339	

[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	123,326
Current Projected Year ARR w/ Incentive	123,326
Current Projected Year Incentive ARR	-

Details						
Investment	593,815	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	2	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				13,496
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	593,815	11,246	582,569	126,129	126,129	\$ -
2016	582,569	13,496	569,073	125,962	125,962	\$ -
2017	569,073	13,496	555,577	123,326	123,326	\$ -
2018	555,577	13,496	542,081	120,690	120,690	\$ -
2019	542,081	13,496	528,585	118,054	118,054	\$ -
2020	528,585	13,496	515,090	115,418	115,418	\$ -
2021	515,090	13,496	501,594	112,782	112,782	\$ -
2022	501,594	13,496	488,098	110,147	110,147	\$ -
2023	488,098	13,496	474,602	107,511	107,511	\$ -
2024	474,602	13,496	461,106	104,875	104,875	\$ -
2025	461,106	13,496	447,611	102,239	102,239	\$ -
2026	447,611	13,496	434,115	99,603	99,603	\$ -
2027	434,115	13,496	420,619	96,967	96,967	\$ -
2028	420,619	13,496	407,123	94,331	94,331	\$ -
2029	407,123	13,496	393,627	91,695	91,695	\$ -
2030	393,627	13,496	380,132	89,059	89,059	\$ -
2031	380,132	13,496	366,636	86,423	86,423	\$ -
2032	366,636	13,496	353,140	83,787	83,787	\$ -
2033	353,140	13,496	339,644	81,151	81,151	\$ -
2034	339,644	13,496	326,148	78,515	78,515	\$ -
2035	326,148	13,496	312,653	75,879	75,879	\$ -
2036	312,653	13,496	299,157	73,244	73,244	\$ -
2037	299,157	13,496	285,661	70,608	70,608	\$ -
2038	285,661	13,496	272,165	67,972	67,972	\$ -
2039	272,165	13,496	258,669	65,336	65,336	\$ -
2040	258,669	13,496	245,174	62,700	62,700	\$ -
2041	245,174	13,496	231,678	60,064	60,064	\$ -
2042	231,678	13,496	218,182	57,428	57,428	\$ -
2043	218,182	13,496	204,686	54,792	54,792	\$ -
2044	204,686	13,496	191,190	52,156	52,156	\$ -
2045	191,190	13,496	177,695	49,520	49,520	\$ -
2046	177,695	13,496	164,199	46,884	46,884	\$ -
2047	164,199	13,496	150,703	44,248	44,248	\$ -
2048	150,703	13,496	137,207	41,612	41,612	\$ -
2049	137,207	13,496	123,711	38,976	38,976	\$ -
2050	123,711	13,496	110,216	36,341	36,341	\$ -
2051	110,216	13,496	96,720	33,705	33,705	\$ -
2052	96,720	13,496	83,224	31,069	31,069	\$ -
2053	83,224	13,496	69,728	28,433	28,433	\$ -
2054	69,728	13,496	56,232	25,797	25,797	\$ -
2055	56,232	13,496	42,737	23,161	23,161	\$ -
2056	42,737	13,496	29,241	20,525	20,525	\$ -
2057	29,241	13,496	15,745	17,889	17,889	\$ -
2058	15,745	13,496	2,249	15,253	15,253	\$ -
2059	2,249	2,249	-	2,469	2,469	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -

[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: b1032.4 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)

Current Projected Year ARR	219,628
Current Projected Year ARR w/ Incentive	219,628
Current Projected Year Incentive ARR	-

Details						
Investment	1,050,027	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				23,864
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	1,050,027	11,932	1,038,095	215,853	215,853	\$ -
2016	1,038,095	23,864	1,014,231	224,289	224,289	\$ -
2017	1,014,231	23,864	990,366	219,628	219,628	\$ -
2018	990,366	23,864	966,502	214,967	214,967	\$ -
2019	966,502	23,864	942,638	210,306	210,306	\$ -
2020	942,638	23,864	918,774	205,645	205,645	\$ -
2021	918,774	23,864	894,909	200,984	200,984	\$ -
2022	894,909	23,864	871,045	196,323	196,323	\$ -
2023	871,045	23,864	847,181	191,662	191,662	\$ -
2024	847,181	23,864	823,317	187,001	187,001	\$ -
2025	823,317	23,864	799,452	182,340	182,340	\$ -
2026	799,452	23,864	775,588	177,679	177,679	\$ -
2027	775,588	23,864	751,724	173,018	173,018	\$ -
2028	751,724	23,864	727,860	168,357	168,357	\$ -
2029	727,860	23,864	703,995	163,696	163,696	\$ -
2030	703,995	23,864	680,131	159,035	159,035	\$ -
2031	680,131	23,864	656,267	154,373	154,373	\$ -
2032	656,267	23,864	632,403	149,712	149,712	\$ -
2033	632,403	23,864	608,538	145,051	145,051	\$ -
2034	608,538	23,864	584,674	140,390	140,390	\$ -
2035	584,674	23,864	560,810	135,729	135,729	\$ -
2036	560,810	23,864	536,946	131,068	131,068	\$ -
2037	536,946	23,864	513,081	126,407	126,407	\$ -
2038	513,081	23,864	489,217	121,746	121,746	\$ -
2039	489,217	23,864	465,353	117,085	117,085	\$ -
2040	465,353	23,864	441,489	112,424	112,424	\$ -
2041	441,489	23,864	417,624	107,763	107,763	\$ -
2042	417,624	23,864	393,760	103,102	103,102	\$ -
2043	393,760	23,864	369,896	98,441	98,441	\$ -
2044	369,896	23,864	346,032	93,780	93,780	\$ -
2045	346,032	23,864	322,167	89,119	89,119	\$ -
2046	322,167	23,864	298,303	84,458	84,458	\$ -
2047	298,303	23,864	274,439	79,797	79,797	\$ -
2048	274,439	23,864	250,575	75,136	75,136	\$ -
2049	250,575	23,864	226,710	70,475	70,475	\$ -
2050	226,710	23,864	202,846	65,814	65,814	\$ -
2051	202,846	23,864	178,982	61,153	61,153	\$ -
2052	178,982	23,864	155,118	56,492	56,492	\$ -
2053	155,118	23,864	131,253	51,831	51,831	\$ -
2054	131,253	23,864	107,389	47,169	47,169	\$ -
2055	107,389	23,864	83,525	42,508	42,508	\$ -
2056	83,525	23,864	59,661	37,847	37,847	\$ -
2057	59,661	23,864	35,796	33,186	33,186	\$ -
2058	35,796	23,864	11,932	28,525	28,525	\$ -
2059	11,932	11,932	-	13,097	13,097	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				5,664,460	5,664,460	

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

Current Projected Year ARR	646,844
Current Projected Year ARR w/ Incentive	646,844
Current Projected Year Incentive ARR	-

Details						
Investment	3,060,046	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				69,547
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	3,060,046	-	3,060,046	597,673	597,673	\$ -
2016	3,060,046	69,547	2,990,500	660,427	660,427	\$ -
2017	2,990,500	69,547	2,920,953	646,844	646,844	\$ -
2018	2,920,953	69,547	2,851,407	633,260	633,260	\$ -
2019	2,851,407	69,547	2,781,860	619,677	619,677	\$ -
2020	2,781,860	69,547	2,712,314	606,093	606,093	\$ -
2021	2,712,314	69,547	2,642,767	592,510	592,510	\$ -
2022	2,642,767	69,547	2,573,221	578,927	578,927	\$ -
2023	2,573,221	69,547	2,503,674	565,343	565,343	\$ -
2024	2,503,674	69,547	2,434,128	551,760	551,760	\$ -
2025	2,434,128	69,547	2,364,581	538,176	538,176	\$ -
2026	2,364,581	69,547	2,295,035	524,593	524,593	\$ -
2027	2,295,035	69,547	2,225,488	511,009	511,009	\$ -
2028	2,225,488	69,547	2,155,942	497,426	497,426	\$ -
2029	2,155,942	69,547	2,086,395	483,842	483,842	\$ -
2030	2,086,395	69,547	2,016,849	470,259	470,259	\$ -
2031	2,016,849	69,547	1,947,302	456,675	456,675	\$ -
2032	1,947,302	69,547	1,877,756	443,092	443,092	\$ -
2033	1,877,756	69,547	1,808,209	429,508	429,508	\$ -
2034	1,808,209	69,547	1,738,663	415,925	415,925	\$ -
2035	1,738,663	69,547	1,669,116	402,341	402,341	\$ -
2036	1,669,116	69,547	1,599,570	388,758	388,758	\$ -
2037	1,599,570	69,547	1,530,023	375,175	375,175	\$ -
2038	1,530,023	69,547	1,460,477	361,591	361,591	\$ -
2039	1,460,477	69,547	1,390,930	348,008	348,008	\$ -
2040	1,390,930	69,547	1,321,384	334,424	334,424	\$ -
2041	1,321,384	69,547	1,251,837	320,841	320,841	\$ -
2042	1,251,837	69,547	1,182,291	307,257	307,257	\$ -
2043	1,182,291	69,547	1,112,744	293,674	293,674	\$ -
2044	1,112,744	69,547	1,043,198	280,090	280,090	\$ -
2045	1,043,198	69,547	973,651	266,507	266,507	\$ -
2046	973,651	69,547	904,105	252,923	252,923	\$ -
2047	904,105	69,547	834,558	239,340	239,340	\$ -
2048	834,558	69,547	765,012	225,756	225,756	\$ -
2049	765,012	69,547	695,465	212,173	212,173	\$ -
2050	695,465	69,547	625,919	198,589	198,589	\$ -
2051	625,919	69,547	556,372	185,006	185,006	\$ -
2052	556,372	69,547	486,826	171,423	171,423	\$ -
2053	486,826	69,547	417,279	157,839	157,839	\$ -
2054	417,279	69,547	347,733	144,256	144,256	\$ -
2055	347,733	69,547	278,186	130,672	130,672	\$ -
2056	278,186	69,547	208,640	117,089	117,089	\$ -
2057	208,640	69,547	139,093	103,505	103,505	\$ -
2058	139,093	69,547	69,547	89,922	89,922	\$ -
2059	69,547	69,547	-	76,338	76,338	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				16,806,515	16,806,515	

[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: b1957 (Terminate Transformer #2 at SW Lima in new bay position)

Current Projected Year ARR	419,228
Current Projected Year ARR w/ Incentive	419,228
Current Projected Year Incentive ARR	-

Details						
Investment	1,983,254	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				45,074
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	1,983,254	-	1,983,254	387,359	387,359	\$ -
2016	1,983,254	45,074	1,938,180	428,031	428,031	\$ -
2017	1,938,180	45,074	1,893,106	419,228	419,228	\$ -
2018	1,893,106	45,074	1,848,032	410,424	410,424	\$ -
2019	1,848,032	45,074	1,802,958	401,620	401,620	\$ -
2020	1,802,958	45,074	1,757,884	392,817	392,817	\$ -
2021	1,757,884	45,074	1,712,810	384,013	384,013	\$ -
2022	1,712,810	45,074	1,667,736	375,210	375,210	\$ -
2023	1,667,736	45,074	1,622,662	366,406	366,406	\$ -
2024	1,622,662	45,074	1,577,588	357,602	357,602	\$ -
2025	1,577,588	45,074	1,532,514	348,799	348,799	\$ -
2026	1,532,514	45,074	1,487,441	339,995	339,995	\$ -
2027	1,487,441	45,074	1,442,367	331,191	331,191	\$ -
2028	1,442,367	45,074	1,397,293	322,388	322,388	\$ -
2029	1,397,293	45,074	1,352,219	313,584	313,584	\$ -
2030	1,352,219	45,074	1,307,145	304,781	304,781	\$ -
2031	1,307,145	45,074	1,262,071	295,977	295,977	\$ -
2032	1,262,071	45,074	1,216,997	287,173	287,173	\$ -
2033	1,216,997	45,074	1,171,923	278,370	278,370	\$ -
2034	1,171,923	45,074	1,126,849	269,566	269,566	\$ -
2035	1,126,849	45,074	1,081,775	260,763	260,763	\$ -
2036	1,081,775	45,074	1,036,701	251,959	251,959	\$ -
2037	1,036,701	45,074	991,627	243,155	243,155	\$ -
2038	991,627	45,074	946,553	234,352	234,352	\$ -
2039	946,553	45,074	901,479	225,548	225,548	\$ -
2040	901,479	45,074	856,405	216,744	216,744	\$ -
2041	856,405	45,074	811,331	207,941	207,941	\$ -
2042	811,331	45,074	766,257	199,137	199,137	\$ -
2043	766,257	45,074	721,183	190,334	190,334	\$ -
2044	721,183	45,074	676,109	181,530	181,530	\$ -
2045	676,109	45,074	631,035	172,726	172,726	\$ -
2046	631,035	45,074	585,961	163,923	163,923	\$ -
2047	585,961	45,074	540,887	155,119	155,119	\$ -
2048	540,887	45,074	495,813	146,316	146,316	\$ -
2049	495,813	45,074	450,740	137,512	137,512	\$ -
2050	450,740	45,074	405,666	128,708	128,708	\$ -
2051	405,666	45,074	360,592	119,905	119,905	\$ -
2052	360,592	45,074	315,518	111,101	111,101	\$ -
2053	315,518	45,074	270,444	102,297	102,297	\$ -
2054	270,444	45,074	225,370	93,494	93,494	\$ -
2055	225,370	45,074	180,296	84,690	84,690	\$ -
2056	180,296	45,074	135,222	75,887	75,887	\$ -
2057	135,222	45,074	90,148	67,083	67,083	\$ -
2058	90,148	45,074	45,074	58,279	58,279	\$ -
2059	45,074	45,074	-	49,476	49,476	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				10,892,512	10,892,512	-

[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: b1962 (Add four 765 kV breakers at Kammer)
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Current Projected Year ARR	28,232
Current Projected Year ARR w/ Incentive	28,232
Current Projected Year Incentive ARR	-

Details						
Investment	133,557	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				3,035
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	133,557	-	133,557	26,086	26,086	\$ -
2016	133,557	3,035	130,522	28,825	28,825	\$ -
2017	130,522	3,035	127,486	28,232	28,232	\$ -
2018	127,486	3,035	124,451	27,639	27,639	\$ -
2019	124,451	3,035	121,415	27,046	27,046	\$ -
2020	121,415	3,035	118,380	26,453	26,453	\$ -
2021	118,380	3,035	115,345	25,860	25,860	\$ -
2022	115,345	3,035	112,309	25,267	25,267	\$ -
2023	112,309	3,035	109,274	24,675	24,675	\$ -
2024	109,274	3,035	106,239	24,082	24,082	\$ -
2025	106,239	3,035	103,203	23,489	23,489	\$ -
2026	103,203	3,035	100,168	22,896	22,896	\$ -
2027	100,168	3,035	97,132	22,303	22,303	\$ -
2028	97,132	3,035	94,097	21,710	21,710	\$ -
2029	94,097	3,035	91,062	21,118	21,118	\$ -
2030	91,062	3,035	88,026	20,525	20,525	\$ -
2031	88,026	3,035	84,991	19,932	19,932	\$ -
2032	84,991	3,035	81,955	19,339	19,339	\$ -
2033	81,955	3,035	78,920	18,746	18,746	\$ -
2034	78,920	3,035	75,885	18,153	18,153	\$ -
2035	75,885	3,035	72,849	17,560	17,560	\$ -
2036	72,849	3,035	69,814	16,968	16,968	\$ -
2037	69,814	3,035	66,778	16,375	16,375	\$ -
2038	66,778	3,035	63,743	15,782	15,782	\$ -
2039	63,743	3,035	60,708	15,189	15,189	\$ -
2040	60,708	3,035	57,672	14,596	14,596	\$ -
2041	57,672	3,035	54,637	14,003	14,003	\$ -
2042	54,637	3,035	51,602	13,410	13,410	\$ -
2043	51,602	3,035	48,566	12,818	12,818	\$ -
2044	48,566	3,035	45,531	12,225	12,225	\$ -
2045	45,531	3,035	42,495	11,632	11,632	\$ -
2046	42,495	3,035	39,460	11,039	11,039	\$ -
2047	39,460	3,035	36,425	10,446	10,446	\$ -
2048	36,425	3,035	33,389	9,853	9,853	\$ -
2049	33,389	3,035	30,354	9,260	9,260	\$ -
2050	30,354	3,035	27,318	8,668	8,668	\$ -
2051	27,318	3,035	24,283	8,075	8,075	\$ -
2052	24,283	3,035	21,248	7,482	7,482	\$ -
2053	21,248	3,035	18,212	6,889	6,889	\$ -
2054	18,212	3,035	15,177	6,296	6,296	\$ -
2055	15,177	3,035	12,142	5,703	5,703	\$ -
2056	12,142	3,035	9,106	5,110	5,110	\$ -
2057	9,106	3,035	6,071	4,518	4,518	\$ -
2058	6,071	3,035	3,035	3,925	3,925	\$ -
2059	3,035	3,035	-	3,332	3,332	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				733,527	733,527	

[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: b2019 (Establish Burger 345/138 kV station)
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Current Projected Year ARR	1,411,523
Current Projected Year ARR w/ Incentive	1,411,523
Current Projected Year Incentive ARR	-

Details						
Investment	6,677,538	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				151,762
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	6,677,538	-	6,677,538	1,304,223	1,304,223	\$ -
2016	6,677,538	151,762	6,525,776	1,441,164	1,441,164	\$ -
2017	6,525,776	151,762	6,374,014	1,411,523	1,411,523	\$ -
2018	6,374,014	151,762	6,222,251	1,381,881	1,381,881	\$ -
2019	6,222,251	151,762	6,070,489	1,352,240	1,352,240	\$ -
2020	6,070,489	151,762	5,918,727	1,322,598	1,322,598	\$ -
2021	5,918,727	151,762	5,766,965	1,292,957	1,292,957	\$ -
2022	5,766,965	151,762	5,615,202	1,263,316	1,263,316	\$ -
2023	5,615,202	151,762	5,463,440	1,233,674	1,233,674	\$ -
2024	5,463,440	151,762	5,311,678	1,204,033	1,204,033	\$ -
2025	5,311,678	151,762	5,159,916	1,174,391	1,174,391	\$ -
2026	5,159,916	151,762	5,008,154	1,144,750	1,144,750	\$ -
2027	5,008,154	151,762	4,856,391	1,115,109	1,115,109	\$ -
2028	4,856,391	151,762	4,704,629	1,085,467	1,085,467	\$ -
2029	4,704,629	151,762	4,552,867	1,055,826	1,055,826	\$ -
2030	4,552,867	151,762	4,401,105	1,026,184	1,026,184	\$ -
2031	4,401,105	151,762	4,249,342	996,543	996,543	\$ -
2032	4,249,342	151,762	4,097,580	966,901	966,901	\$ -
2033	4,097,580	151,762	3,945,818	937,260	937,260	\$ -
2034	3,945,818	151,762	3,794,056	907,619	907,619	\$ -
2035	3,794,056	151,762	3,642,293	877,977	877,977	\$ -
2036	3,642,293	151,762	3,490,531	848,336	848,336	\$ -
2037	3,490,531	151,762	3,338,769	818,694	818,694	\$ -
2038	3,338,769	151,762	3,187,007	789,053	789,053	\$ -
2039	3,187,007	151,762	3,035,245	759,411	759,411	\$ -
2040	3,035,245	151,762	2,883,482	729,770	729,770	\$ -
2041	2,883,482	151,762	2,731,720	700,129	700,129	\$ -
2042	2,731,720	151,762	2,579,958	670,487	670,487	\$ -
2043	2,579,958	151,762	2,428,196	640,846	640,846	\$ -
2044	2,428,196	151,762	2,276,433	611,204	611,204	\$ -
2045	2,276,433	151,762	2,124,671	581,563	581,563	\$ -
2046	2,124,671	151,762	1,972,909	551,921	551,921	\$ -
2047	1,972,909	151,762	1,821,147	522,280	522,280	\$ -
2048	1,821,147	151,762	1,669,385	492,639	492,639	\$ -
2049	1,669,385	151,762	1,517,622	462,997	462,997	\$ -
2050	1,517,622	151,762	1,365,860	433,356	433,356	\$ -
2051	1,365,860	151,762	1,214,098	403,714	403,714	\$ -
2052	1,214,098	151,762	1,062,336	374,073	374,073	\$ -
2053	1,062,336	151,762	910,573	344,431	344,431	\$ -
2054	910,573	151,762	758,811	314,790	314,790	\$ -
2055	758,811	151,762	607,049	285,149	285,149	\$ -
2056	607,049	151,762	455,287	255,507	255,507	\$ -
2057	455,287	151,762	303,524	225,866	225,866	\$ -
2058	303,524	151,762	151,762	196,224	196,224	\$ -
2059	151,762	151,762	-	166,583	166,583	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				36,674,659	36,674,659	

[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: b2017 (Reconductor or rebuild Sporn - Waterford - Muskingum River 345 kV line)

Current Projected Year ARR	1,177,370
Current Projected Year ARR w/ Incentive	1,177,370
Current Projected Year Incentive ARR	-

Details						
Investment	5,638,899	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	5	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAIC (Yes or No)	No	Annual Depreciation Expense				128,157
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	5,638,899	74,758	5,564,141	1,168,818	1,168,818	\$ -
2016	5,564,141	128,157	5,435,984	1,202,401	1,202,401	\$ -
2017	5,435,984	128,157	5,307,827	1,177,370	1,177,370	\$ -
2018	5,307,827	128,157	5,179,670	1,152,339	1,152,339	\$ -
2019	5,179,670	128,157	5,051,514	1,127,308	1,127,308	\$ -
2020	5,051,514	128,157	4,923,357	1,102,277	1,102,277	\$ -
2021	4,923,357	128,157	4,795,200	1,077,246	1,077,246	\$ -
2022	4,795,200	128,157	4,667,043	1,052,215	1,052,215	\$ -
2023	4,667,043	128,157	4,538,887	1,027,184	1,027,184	\$ -
2024	4,538,887	128,157	4,410,730	1,002,153	1,002,153	\$ -
2025	4,410,730	128,157	4,282,573	977,123	977,123	\$ -
2026	4,282,573	128,157	4,154,416	952,092	952,092	\$ -
2027	4,154,416	128,157	4,026,259	927,061	927,061	\$ -
2028	4,026,259	128,157	3,898,103	902,030	902,030	\$ -
2029	3,898,103	128,157	3,769,946	876,999	876,999	\$ -
2030	3,769,946	128,157	3,641,789	851,968	851,968	\$ -
2031	3,641,789	128,157	3,513,632	826,937	826,937	\$ -
2032	3,513,632	128,157	3,385,475	801,906	801,906	\$ -
2033	3,385,475	128,157	3,257,319	776,875	776,875	\$ -
2034	3,257,319	128,157	3,129,162	751,844	751,844	\$ -
2035	3,129,162	128,157	3,001,005	726,813	726,813	\$ -
2036	3,001,005	128,157	2,872,848	701,782	701,782	\$ -
2037	2,872,848	128,157	2,744,691	676,751	676,751	\$ -
2038	2,744,691	128,157	2,616,535	651,720	651,720	\$ -
2039	2,616,535	128,157	2,488,378	626,690	626,690	\$ -
2040	2,488,378	128,157	2,360,221	601,659	601,659	\$ -
2041	2,360,221	128,157	2,232,064	576,628	576,628	\$ -
2042	2,232,064	128,157	2,103,907	551,597	551,597	\$ -
2043	2,103,907	128,157	1,975,751	526,566	526,566	\$ -
2044	1,975,751	128,157	1,847,594	501,535	501,535	\$ -
2045	1,847,594	128,157	1,719,437	476,504	476,504	\$ -
2046	1,719,437	128,157	1,591,280	451,473	451,473	\$ -
2047	1,591,280	128,157	1,463,123	426,442	426,442	\$ -
2048	1,463,123	128,157	1,334,967	401,411	401,411	\$ -
2049	1,334,967	128,157	1,206,810	376,380	376,380	\$ -
2050	1,206,810	128,157	1,078,653	351,349	351,349	\$ -
2051	1,078,653	128,157	950,496	326,318	326,318	\$ -
2052	950,496	128,157	822,339	301,287	301,287	\$ -
2053	822,339	128,157	694,183	276,256	276,256	\$ -
2054	694,183	128,157	566,026	251,226	251,226	\$ -
2055	566,026	128,157	437,869	226,195	226,195	\$ -
2056	437,869	128,157	309,712	201,164	201,164	\$ -
2057	309,712	128,157	181,555	176,133	176,133	\$ -
2058	181,555	128,157	53,399	151,102	151,102	\$ -
2059	53,399	53,399	-	58,613	58,613	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				30,327,741	30,327,741	-

** 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		

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	1,027,649
Current Projected Year ARR w/ Incentive	1,027,649
Current Projected Year Incentive ARR	-

Details						
Investment	4,913,120	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				111,662
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	4,913,120	55,831	4,857,289	1,009,984	1,009,984	\$ -
2016	4,857,289	111,662	4,745,627	1,049,458	1,049,458	\$ -
2017	4,745,627	111,662	4,633,965	1,027,649	1,027,649	\$ -
2018	4,633,965	111,662	4,522,304	1,005,840	1,005,840	\$ -
2019	4,522,304	111,662	4,410,642	984,030	984,030	\$ -
2020	4,410,642	111,662	4,298,980	962,221	962,221	\$ -
2021	4,298,980	111,662	4,187,318	940,412	940,412	\$ -
2022	4,187,318	111,662	4,075,656	918,603	918,603	\$ -
2023	4,075,656	111,662	3,963,995	896,794	896,794	\$ -
2024	3,963,995	111,662	3,852,333	874,984	874,984	\$ -
2025	3,852,333	111,662	3,740,671	853,175	853,175	\$ -
2026	3,740,671	111,662	3,629,009	831,366	831,366	\$ -
2027	3,629,009	111,662	3,517,347	809,557	809,557	\$ -
2028	3,517,347	111,662	3,405,685	787,748	787,748	\$ -
2029	3,405,685	111,662	3,294,024	765,938	765,938	\$ -
2030	3,294,024	111,662	3,182,362	744,129	744,129	\$ -
2031	3,182,362	111,662	3,070,700	722,320	722,320	\$ -
2032	3,070,700	111,662	2,959,038	700,511	700,511	\$ -
2033	2,959,038	111,662	2,847,376	678,701	678,701	\$ -
2034	2,847,376	111,662	2,735,715	656,892	656,892	\$ -
2035	2,735,715	111,662	2,624,053	635,083	635,083	\$ -
2036	2,624,053	111,662	2,512,391	613,274	613,274	\$ -
2037	2,512,391	111,662	2,400,729	591,465	591,465	\$ -
2038	2,400,729	111,662	2,289,067	569,655	569,655	\$ -
2039	2,289,067	111,662	2,177,405	547,846	547,846	\$ -
2040	2,177,405	111,662	2,065,744	526,037	526,037	\$ -
2041	2,065,744	111,662	1,954,082	504,228	504,228	\$ -
2042	1,954,082	111,662	1,842,420	482,419	482,419	\$ -
2043	1,842,420	111,662	1,730,758	460,609	460,609	\$ -
2044	1,730,758	111,662	1,619,096	438,800	438,800	\$ -
2045	1,619,096	111,662	1,507,435	416,991	416,991	\$ -
2046	1,507,435	111,662	1,395,773	395,182	395,182	\$ -
2047	1,395,773	111,662	1,284,111	373,372	373,372	\$ -
2048	1,284,111	111,662	1,172,449	351,563	351,563	\$ -
2049	1,172,449	111,662	1,060,787	329,754	329,754	\$ -
2050	1,060,787	111,662	949,125	307,945	307,945	\$ -
2051	949,125	111,662	837,464	286,136	286,136	\$ -
2052	837,464	111,662	725,802	264,326	264,326	\$ -
2053	725,802	111,662	614,140	242,517	242,517	\$ -
2054	614,140	111,662	502,478	220,708	220,708	\$ -
2055	502,478	111,662	390,816	198,899	198,899	\$ -
2056	390,816	111,662	279,155	177,089	177,089	\$ -
2057	279,155	111,662	167,493	155,280	155,280	\$ -
2058	167,493	111,662	55,831	133,471	133,471	\$ -
2059	55,831	55,831	-	61,283	61,283	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals				26,504,245	26,504,245	-

** 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	836,737
Current Projected Year ARR w/ Incentive	836,737
Current Projected Year Incentive ARR	-

Details						
Investment	4,284,043	Current Year				2017
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense				97,365
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2017	4,284,043	-	4,284,043	836,737	836,737	\$ -
2018	4,284,043	97,365	4,186,678	924,594	924,594	\$ -
2019	4,186,678	97,365	4,089,314	905,577	905,577	\$ -
2020	4,089,314	97,365	3,991,949	886,560	886,560	\$ -
2021	3,991,949	97,365	3,894,585	867,543	867,543	\$ -
2022	3,894,585	97,365	3,797,220	848,527	848,527	\$ -
2023	3,797,220	97,365	3,699,855	829,510	829,510	\$ -
2024	3,699,855	97,365	3,602,491	810,493	810,493	\$ -
2025	3,602,491	97,365	3,505,126	791,476	791,476	\$ -
2026	3,505,126	97,365	3,407,761	772,460	772,460	\$ -
2027	3,407,761	97,365	3,310,397	753,443	753,443	\$ -
2028	3,310,397	97,365	3,213,032	734,426	734,426	\$ -
2029	3,213,032	97,365	3,115,668	715,409	715,409	\$ -
2030	3,115,668	97,365	3,018,303	696,393	696,393	\$ -
2031	3,018,303	97,365	2,920,938	677,376	677,376	\$ -
2032	2,920,938	97,365	2,823,574	658,359	658,359	\$ -
2033	2,823,574	97,365	2,726,209	639,342	639,342	\$ -
2034	2,726,209	97,365	2,628,845	620,326	620,326	\$ -
2035	2,628,845	97,365	2,531,480	601,309	601,309	\$ -
2036	2,531,480	97,365	2,434,115	582,292	582,292	\$ -
2037	2,434,115	97,365	2,336,751	563,275	563,275	\$ -
2038	2,336,751	97,365	2,239,386	544,258	544,258	\$ -
2039	2,239,386	97,365	2,142,022	525,242	525,242	\$ -
2040	2,142,022	97,365	2,044,657	506,225	506,225	\$ -
2041	2,044,657	97,365	1,947,292	487,208	487,208	\$ -
2042	1,947,292	97,365	1,849,928	468,191	468,191	\$ -
2043	1,849,928	97,365	1,752,563	449,175	449,175	\$ -
2044	1,752,563	97,365	1,655,198	430,158	430,158	\$ -
2045	1,655,198	97,365	1,557,834	411,141	411,141	\$ -
2046	1,557,834	97,365	1,460,469	392,124	392,124	\$ -
2047	1,460,469	97,365	1,363,105	373,108	373,108	\$ -
2048	1,363,105	97,365	1,265,740	354,091	354,091	\$ -
2049	1,265,740	97,365	1,168,375	335,074	335,074	\$ -
2050	1,168,375	97,365	1,071,011	316,057	316,057	\$ -
2051	1,071,011	97,365	973,646	297,041	297,041	\$ -
2052	973,646	97,365	876,282	278,024	278,024	\$ -
2053	876,282	97,365	778,917	259,007	259,007	\$ -
2054	778,917	97,365	681,552	239,990	239,990	\$ -
2055	681,552	97,365	584,188	220,974	220,974	\$ -
2056	584,188	97,365	486,823	201,957	201,957	\$ -
2057	486,823	97,365	389,458	182,940	182,940	\$ -
2058	389,458	97,365	292,094	163,923	163,923	\$ -
2059	292,094	97,365	194,729	144,907	144,907	\$ -
2060	194,729	97,365	97,365	125,890	125,890	\$ -
2061	97,365	97,365	-	106,873	106,873	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
Project Totals				23,529,004	23,529,004	

[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: b1818 (Expand Allen w/ 345/138 kV xfmr. and cut in double circuit tower line)
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Current Projected Year ARR	51,695
Current Projected Year ARR w/ Incentive	51,695
Current Projected Year Incentive ARR	-

Details						
Investment	242,015	Current Year				2017
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%
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	49,751	49,751	\$ -
2017	239,265	5,500	233,764	51,695	51,695	\$ -
2018	233,764	5,500	228,264	50,621	50,621	\$ -
2019	228,264	5,500	222,764	49,547	49,547	\$ -
2020	222,764	5,500	217,263	48,472	48,472	\$ -
2021	217,263	5,500	211,763	47,398	47,398	\$ -
2022	211,763	5,500	206,263	46,324	46,324	\$ -
2023	206,263	5,500	200,762	45,249	45,249	\$ -
2024	200,762	5,500	195,262	44,175	44,175	\$ -
2025	195,262	5,500	189,762	43,101	43,101	\$ -
2026	189,762	5,500	184,261	42,026	42,026	\$ -
2027	184,261	5,500	178,761	40,952	40,952	\$ -
2028	178,761	5,500	173,261	39,878	39,878	\$ -
2029	173,261	5,500	167,760	38,804	38,804	\$ -
2030	167,760	5,500	162,260	37,729	37,729	\$ -
2031	162,260	5,500	156,760	36,655	36,655	\$ -
2032	156,760	5,500	151,259	35,581	35,581	\$ -
2033	151,259	5,500	145,759	34,506	34,506	\$ -
2034	145,759	5,500	140,259	33,432	33,432	\$ -
2035	140,259	5,500	134,758	32,358	32,358	\$ -
2036	134,758	5,500	129,258	31,284	31,284	\$ -
2037	129,258	5,500	123,758	30,209	30,209	\$ -
2038	123,758	5,500	118,257	29,135	29,135	\$ -
2039	118,257	5,500	112,757	28,061	28,061	\$ -
2040	112,757	5,500	107,257	26,986	26,986	\$ -
2041	107,257	5,500	101,756	25,912	25,912	\$ -
2042	101,756	5,500	96,256	24,838	24,838	\$ -
2043	96,256	5,500	90,756	23,763	23,763	\$ -
2044	90,756	5,500	85,255	22,689	22,689	\$ -
2045	85,255	5,500	79,755	21,615	21,615	\$ -
2046	79,755	5,500	74,255	20,541	20,541	\$ -
2047	74,255	5,500	68,754	19,466	19,466	\$ -
2048	68,754	5,500	63,254	18,392	18,392	\$ -
2049	63,254	5,500	57,754	17,318	17,318	\$ -
2050	57,754	5,500	52,253	16,243	16,243	\$ -
2051	52,253	5,500	46,753	15,169	15,169	\$ -
2052	46,753	5,500	41,253	14,095	14,095	\$ -
2053	41,253	5,500	35,752	13,020	13,020	\$ -
2054	35,752	5,500	30,252	11,946	11,946	\$ -
2055	30,252	5,500	24,752	10,872	10,872	\$ -
2056	24,752	5,500	19,251	9,798	9,798	\$ -
2057	19,251	5,500	13,751	8,723	8,723	\$ -
2058	13,751	5,500	8,251	7,649	7,649	\$ -
2059	8,251	5,500	2,750	6,575	6,575	\$ -
2060	2,750	2,750	-	3,019	3,019	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals				1,305,571	1,305,571	

[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.

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
OHIO POWER 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, ln 169)		11.49%	
Project ROE Incentive Adder		0	
ROE with additional 0 basis point incentive		11.49%	
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 167 through169)			
	%	Cost	Weighted cost
Long Term Debt	43.65%	2.52%	1.101%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	56.35%	11.49%	6.474%
R =		7.576%	

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2017	Rev Require	W Incentives	Incentive Amounts
	As Projected in Prior Year WS J	\$ -	\$ -	\$ -
	Actual after True-up	\$ 10,086,864	\$ 10,086,864	\$ -
	True-up of ARR For 2017	10,086,864	10,086,864	-

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

Rate Base (TCOS, ln 79)	1,227,959,054
R (from A. above)	7.576%
Return (Rate Base x R)	93,024,214

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

Return (from B. above)	93,024,214
Effective Tax Rate (TCOS, ln 127)	47.43%
Income Tax Calculation (Return x CIT)	44,121,416
ITC Adjustment	(38,267)
Excess Deferred Income Tax	(44,783)
Tax Affect of Permanent Differences	5,056,090
Income Taxes	49,094,456

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, ln 1)	343,581,620
Lease Payments (TCOS, ln 107)	1,996,019
Return (TCOS, ln 139)	93,024,214
Income Taxes (TCOS, ln 138)	49,094,456
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	199,466,931

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	199,466,931
Return (from I.B. above)	93,024,214
Income Taxes (from I.C. above)	49,094,456
Annual Revenue Requirement, with 0 Basis Point ROE increase	341,585,601
Depreciation (TCOS, ln 112)	53,610,086
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	287,975,515

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

Net Transmission Plant (TCOS, ln 49)	1,474,416,512
Annual Revenue Requirement, with 0 Basis Point ROE increase	341,585,601
FCR with 0 Basis Point increase in ROE	23.17%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	287,975,515
FCR with 0 Basis Point ROE increase, less Depreciation	19.53%
FCR less Depreciation (TCOS, ln 10)	19.53%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2017) (P. 206, ln 58(b)):	2,349,334,647
Transmission Plant @ End of Rate Year (2017) (P. 207, ln 58(g)):	2,404,136,414
Subtotal	4,753,471,061
Average Transmission Plant Balance for 2017	2,376,735,531
Annual Depreciation and Amortization Expense (TCOS, ln 112)	53,610,086
Composite Depreciation Rate	2.26%
Depreciable Life for Composite Depreciation Rate	44.33
Round to nearest whole year	44

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,020,689	1,020,689	-
True-Up Adjustment	1,020,689	1,020,689	-

Details			
Investment	5,491,719	Current Year	2016
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	3	FCR w/o incentives, less depreciation	19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense	124,812

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2009	5,491,719	93,609	5,398,110	5,444,915	1,157,082	1,157,082	\$ -	\$ 894,796	\$ 262,286	\$ 894,796	\$ 262,286	\$ -
2010	5,398,110	124,812	5,273,298	5,335,704	1,166,954	1,166,954	\$ -	\$ 1,094,271	\$ 72,683	\$ 1,094,271	\$ 72,683	\$ -
2011	5,273,298	124,812	5,148,487	5,210,892	1,142,577	1,142,577	\$ -	\$ 1,210,680	\$ (68,103)	\$ 1,210,680	\$ (68,103)	\$ -
2012	5,148,487	124,812	5,023,675	5,086,081	1,118,199	1,118,199	\$ -	\$ 1,057,666	\$ 60,533	\$ 1,057,666	\$ 60,533	\$ -
2013	5,023,675	124,812	4,898,863	4,961,269	1,093,822	1,093,822	\$ -	\$ 1,051,933	\$ 41,889	\$ 1,051,933	\$ 41,889	\$ -
2014	4,898,863	124,812	4,774,051	4,836,457	1,069,444	1,069,444	\$ -	\$ 1,050,369	\$ 19,075	\$ 1,050,369	\$ 19,075	\$ -
2015	4,774,051	124,812	4,649,239	4,711,645	1,045,066	1,045,066	\$ -	\$ 1,028,335	\$ 16,731	\$ 1,028,335	\$ 16,731	\$ -
2016	4,649,239	124,812	4,524,428	4,586,833	1,020,689	1,020,689	\$ -		\$ -		\$ -	\$ -
2017	4,524,428	124,812	4,399,616	4,462,022	996,311	996,311	\$ -		\$ -		\$ -	\$ -
2018	4,399,616	124,812	4,274,804	4,337,210	971,934	971,934	\$ -		\$ -		\$ -	\$ -
2019	4,274,804	124,812	4,149,992	4,212,398	947,556	947,556	\$ -		\$ -		\$ -	\$ -
2020	4,149,992	124,812	4,025,180	4,087,586	923,178	923,178	\$ -		\$ -		\$ -	\$ -
2021	4,025,180	124,812	3,900,369	3,962,775	898,801	898,801	\$ -		\$ -		\$ -	\$ -
2022	3,900,369	124,812	3,775,557	3,837,963	874,423	874,423	\$ -		\$ -		\$ -	\$ -
2023	3,775,557	124,812	3,650,745	3,713,151	850,045	850,045	\$ -		\$ -		\$ -	\$ -
2024	3,650,745	124,812	3,525,933	3,588,339	825,668	825,668	\$ -		\$ -		\$ -	\$ -
2025	3,525,933	124,812	3,401,121	3,463,527	801,290	801,290	\$ -		\$ -		\$ -	\$ -
2026	3,401,121	124,812	3,276,310	3,338,716	776,913	776,913	\$ -		\$ -		\$ -	\$ -
2027	3,276,310	124,812	3,151,498	3,213,904	752,535	752,535	\$ -		\$ -		\$ -	\$ -
2028	3,151,498	124,812	3,026,686	3,089,092	728,157	728,157	\$ -		\$ -		\$ -	\$ -
2029	3,026,686	124,812	2,901,874	2,964,280	703,780	703,780	\$ -		\$ -		\$ -	\$ -
2030	2,901,874	124,812	2,777,062	2,839,468	679,402	679,402	\$ -		\$ -		\$ -	\$ -
2031	2,777,062	124,812	2,652,251	2,714,657	655,025	655,025	\$ -		\$ -		\$ -	\$ -
2032	2,652,251	124,812	2,527,439	2,589,845	630,647	630,647	\$ -		\$ -		\$ -	\$ -
2033	2,527,439	124,812	2,402,627	2,465,033	606,269	606,269	\$ -		\$ -		\$ -	\$ -
2034	2,402,627	124,812	2,277,815	2,340,221	581,892	581,892	\$ -		\$ -		\$ -	\$ -
2035	2,277,815	124,812	2,153,003	2,215,409	557,514	557,514	\$ -		\$ -		\$ -	\$ -
2036	2,153,003	124,812	2,028,192	2,090,598	533,137	533,137	\$ -		\$ -		\$ -	\$ -
2037	2,028,192	124,812	1,903,380	1,965,786	508,759	508,759	\$ -		\$ -		\$ -	\$ -
2038	1,903,380	124,812	1,778,568	1,840,974	484,381	484,381	\$ -		\$ -		\$ -	\$ -
2039	1,778,568	124,812	1,653,756	1,716,162	460,004	460,004	\$ -		\$ -		\$ -	\$ -
2040	1,653,756	124,812	1,528,944	1,591,350	435,626	435,626	\$ -		\$ -		\$ -	\$ -
2041	1,528,944	124,812	1,404,133	1,466,539	411,249	411,249	\$ -		\$ -		\$ -	\$ -
2042	1,404,133	124,812	1,279,321	1,341,727	386,871	386,871	\$ -		\$ -		\$ -	\$ -
2043	1,279,321	124,812	1,154,509	1,216,915	362,493	362,493	\$ -		\$ -		\$ -	\$ -
2044	1,154,509	124,812	1,029,697	1,092,103	338,116	338,116	\$ -		\$ -		\$ -	\$ -
2045	1,029,697	124,812	904,886	967,291	313,738	313,738	\$ -		\$ -		\$ -	\$ -
2046	904,886	124,812	780,074	842,480	289,361	289,361	\$ -		\$ -		\$ -	\$ -
2047	780,074	124,812	655,262	717,668	264,983	264,983	\$ -		\$ -		\$ -	\$ -
2048	655,262	124,812	530,450	592,856	240,605	240,605	\$ -		\$ -		\$ -	\$ -
2049	530,450	124,812	405,638	468,044	216,228	216,228	\$ -		\$ -		\$ -	\$ -
2050	405,638	124,812	280,827	343,232	191,850	191,850	\$ -		\$ -		\$ -	\$ -
2051	280,827	124,812	156,015	218,421	167,473	167,473	\$ -		\$ -		\$ -	\$ -
2052	156,015	124,812	31,203	93,609	143,095	143,095	\$ -		\$ -		\$ -	\$ -
2053	31,203	31,203	-	15,601	34,250	34,250	\$ -		\$ -		\$ -	\$ -
2054	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2055	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2056	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2057	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2058	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2059	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2060	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2061	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2062	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2063	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2065	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2068	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -

** 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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,273,615	1,273,615	-
True-Up Adjustment	1,273,615	1,273,615	-

Details							
Investment	6,300,788	Current Year				2016	
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	11	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				143,200	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2012	6,300,788	11,933.31	6,288,855	6,294,821	1,241,406	1,241,406	\$ -
2013	6,288,855	143,200	6,145,655	6,217,255	1,357,522	1,357,522	\$ -
2014	6,145,655	143,200	6,002,455	6,074,055	1,329,553	1,329,553	\$ -
2015	6,002,455	143,200	5,859,256	5,930,855	1,301,584	1,301,584	\$ -
2016	5,859,256	143,200	5,716,056	5,787,656	1,273,615	1,273,615	\$ -
2017	5,716,056	143,200	5,572,856	5,644,456	1,245,646	1,245,646	\$ -
2018	5,572,856	143,200	5,429,656	5,501,256	1,217,677	1,217,677	\$ -
2019	5,429,656	143,200	5,286,457	5,358,056	1,189,708	1,189,708	\$ -
2020	5,286,457	143,200	5,143,257	5,214,857	1,161,739	1,161,739	\$ -
2021	5,143,257	143,200	5,000,057	5,071,657	1,133,770	1,133,770	\$ -
2022	5,000,057	143,200	4,856,857	4,928,457	1,105,801	1,105,801	\$ -
2023	4,856,857	143,200	4,713,658	4,785,258	1,077,832	1,077,832	\$ -
2024	4,713,658	143,200	4,570,458	4,642,058	1,049,863	1,049,863	\$ -
2025	4,570,458	143,200	4,427,258	4,498,858	1,021,894	1,021,894	\$ -
2026	4,427,258	143,200	4,284,059	4,355,658	993,925	993,925	\$ -
2027	4,284,059	143,200	4,140,859	4,212,459	965,956	965,956	\$ -
2028	4,140,859	143,200	3,997,659	4,069,259	937,987	937,987	\$ -
2029	3,997,659	143,200	3,854,459	3,926,059	910,018	910,018	\$ -
2030	3,854,459	143,200	3,711,260	3,782,859	882,049	882,049	\$ -
2031	3,711,260	143,200	3,568,060	3,639,660	854,080	854,080	\$ -
2032	3,568,060	143,200	3,424,860	3,496,460	826,110	826,110	\$ -
2033	3,424,860	143,200	3,281,660	3,353,260	798,141	798,141	\$ -
2034	3,281,660	143,200	3,138,461	3,210,061	770,172	770,172	\$ -
2035	3,138,461	143,200	2,995,261	3,066,861	742,203	742,203	\$ -
2036	2,995,261	143,200	2,852,061	2,923,661	714,234	714,234	\$ -
2037	2,852,061	143,200	2,708,862	2,780,461	686,265	686,265	\$ -
2038	2,708,862	143,200	2,565,662	2,637,262	658,296	658,296	\$ -
2039	2,565,662	143,200	2,422,462	2,494,062	630,327	630,327	\$ -
2040	2,422,462	143,200	2,279,262	2,350,862	602,358	602,358	\$ -
2041	2,279,262	143,200	2,136,063	2,207,662	574,389	574,389	\$ -
2042	2,136,063	143,200	1,992,863	2,064,463	546,420	546,420	\$ -
2043	1,992,863	143,200	1,849,663	1,921,263	518,451	518,451	\$ -
2044	1,849,663	143,200	1,706,463	1,778,063	490,482	490,482	\$ -
2045	1,706,463	143,200	1,563,264	1,634,864	462,513	462,513	\$ -
2046	1,563,264	143,200	1,420,064	1,491,664	434,544	434,544	\$ -
2047	1,420,064	143,200	1,276,864	1,348,464	406,575	406,575	\$ -
2048	1,276,864	143,200	1,133,665	1,205,264	378,606	378,606	\$ -
2049	1,133,665	143,200	990,465	1,062,065	350,637	350,637	\$ -</

[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.

OPCo Worksheet K - ATRR TRUE-UP 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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	83,998	83,998	-
True-Up Adjustment	83,998	83,998	-

Details							
Investment	410,296	Current Year					2016
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	6	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					9,325
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	410,296	4,662	405,634	407,965	84,344	84,344	\$ -
2014	405,634	9,325	396,309	400,971	87,641	87,641	\$ -
2015	396,309	9,325	386,984	391,646	85,819	85,819	\$ -
2016	386,984	9,325	377,659	382,321	83,998	83,998	\$ -
2017	377,659	9,325	368,334	372,996	82,177	82,177	\$ -
2018	368,334	9,325	359,009	363,671	80,355	80,355	\$ -
2019	359,009	9,325	349,684	354,347	78,534	78,534	\$ -
2020	349,684	9,325	340,359	345,022	76,713	76,713	\$ -
2021	340,359	9,325	331,034	335,697	74,891	74,891	\$ -
2022	331,034	9,325	321,709	326,372	73,070	73,070	\$ -
2023	321,709	9,325	312,384	317,047	71,249	71,249	\$ -
2024	312,384	9,325	303,060	307,722	69,428	69,428	\$ -
2025	303,060	9,325	293,735	298,397	67,606	67,606	\$ -
2026	293,735	9,325	284,410	289,072	65,785	65,785	\$ -
2027	284,410	9,325	275,085	279,747	63,964	63,964	\$ -
2028	275,085	9,325	265,760	270,422	62,142	62,142	\$ -
2029	265,760	9,325	256,435	261,097	60,321	60,321	\$ -
2030	256,435	9,325	247,110	251,773	58,500	58,500	\$ -
2031	247,110	9,325	237,785	242,448	56,679	56,679	\$ -
2032	237,785	9,325	228,460	233,123	54,857	54,857	\$ -
2033	228,460	9,325	219,135	223,798	53,036	53,036	\$ -
2034	219,135	9,325	209,810	214,473	51,215	51,215	\$ -
2035	209,810	9,325	200,486	205,148	49,393	49,393	\$ -
2036	200,486	9,325	191,161	195,823	47,572	47,572	\$ -
2037	191,161	9,325	181,836	186,498	45,751	45,751	\$ -
2038	181,836	9,325	172,511	177,173	43,929	43,929	\$ -
2039	172,511	9,325	163,186	167,848	42,108	42,108	\$ -
2040	163,186	9,325	153,861	158,523	40,287	40,287	\$ -
2041	153,861	9,325	144,536	149,199	38,466	38,466	\$ -
2042	144,536	9,325	135,211	139,874	36,644	36,644	\$ -
2043	135,211	9,325	125,886	130,549	34,823	34,823	\$ -
2044	125,886	9,325	116,561	121,224	33,002	33,002	\$ -
2045	116,561	9,325	107,236	111,899	31,180	31,180	\$ -
2046	107,236	9,325	97,912	102,574	29,359	29,359	\$ -
2047	97,912	9,325	88,587	93,249	27,538	27,538	\$ -
2048	88,587	9,325	79,262	83,924	25,717	25,717	\$ -
2049	79,262	9,325	69,937	74,599	23,895	23,895	\$ -
2050	69,937	9,325	60,612	65,274	22,074	22,074	\$ -
2051	60,612	9,325	51,287	55,949	20,253	20,253	\$ -
2052	51,287	9,325	41,962	46,625	18,431	18,431	\$ -
2053	41,962	9,325	32,637	37,300	16,610	16,610	\$ -
2054	32,637	9,325	23,312	27,975	14,789	14,789	\$ -
2055	23,312	9,325	13,987	18,650	12,967	12,967	\$ -
2056	13,987	9,325	4,662	9,325	11,146	11,146	\$ -
2057	4,662	4,662	-	2,331	5,118	5,118	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
Project Totals					2,213,377	2,213,377	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	949,748	949,748	-
True-Up Adjustment	949,748	949,748	-

Details							
Investment	4,597,599	Current Year				2016	
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	11	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				104,491	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	4,597,599	8,708	4,588,891	4,593,245	905,837	905,837	\$ -
2014	4,588,891	104,491	4,484,401	4,536,646	990,565	990,565	\$ -
2015	4,484,401	104,491	4,379,910	4,432,155	970,157	970,157	\$ -
2016	4,379,910	104,491	4,275,419	4,327,664	949,748	949,748	\$ -
2017	4,275,419	104,491	4,170,928	4,223,173	929,340	929,340	\$ -
2018	4,170,928	104,491	4,066,437	4,118,682	908,931	908,931	\$ -
2019	4,066,437	104,491	3,961,946	4,014,192	888,522	888,522	\$ -
2020	3,961,946	104,491	3,857,455	3,909,701	868,114	868,114	\$ -
2021	3,857,455	104,491	3,752,964	3,805,210	847,705	847,705	\$ -
2022	3,752,964	104,491	3,648,473	3,700,719	827,296	827,296	\$ -
2023	3,648,473	104,491	3,543,983	3,596,228	806,888	806,888	\$ -
2024	3,543,983	104,491	3,439,492	3,491,737	786,479	786,479	\$ -
2025	3,439,492	104,491	3,335,001	3,387,246	766,071	766,071	\$ -
2026	3,335,001	104,491	3,230,510	3,282,755	745,662	745,662	\$ -
2027	3,230,510	104,491	3,126,019	3,178,264	725,253	725,253	\$ -
2028	3,126,019	104,491	3,021,528	3,073,774	704,845	704,845	\$ -
2029	3,021,528	104,491	2,917,037	2,969,283	684,436	684,436	\$ -
2030	2,917,037	104,491	2,812,546	2,864,792	664,027	664,027	\$ -
2031	2,812,546	104,491	2,708,055	2,760,301	643,619	643,619	\$ -
2032	2,708,055	104,491	2,603,565	2,655,810	623,210	623,210	\$ -
2033	2,603,565	104,491	2,499,074	2,551,319	602,802	602,802	\$ -
2034	2,499,074	104,491	2,394,583	2,446,828	582,393	582,393	\$ -
2035	2,394,583	104,491	2,290,092	2,342,337	561,984	561,984	\$ -
2036	2,290,092	104,491	2,185,601	2,237,846	541,576	541,576	\$ -
2037	2,185,601	104,491	2,081,110	2,133,356	521,167	521,167	\$ -
2038	2,081,110	104,491	1,976,619	2,028,865	500,758	500,758	\$ -
2039	1,976,619	104,491	1,872,128	1,924,374	480,350	480,350	\$ -
2040	1,872,128	104,491	1,767,637	1,819,883	459,941	459,941	\$ -
2041	1,767,637	104,491	1,663,147	1,715,392	439,533	439,533	\$ -
2042	1,663,147	104,491	1,558,656	1,610,901	419,124	419,124	\$ -
2043	1,558,656	104,491	1,454,165	1,506,410	398,715	398,715	\$ -
2044	1,454,165	104,491	1,349,674	1,401,919	378,307	378,307	\$ -
2045	1,349,674	104,491	1,245,183	1,297,429	357,898	357,898	\$ -
2046	1,245,183	104,491	1,140,692	1,192,938	337,489	337,489	\$ -
2047	1,140,692	104,491	1,036,201	1,088,447	317,081	317,081	\$ -
2048	1,036,201	104,491	931,710	983,956	296,672	296,672	\$ -
2049	931,710	104,491	827,220	879,465	276,263	276,263	\$ -
2050	827,220	104,491	722,729	774,974	255,855	255,855	\$ -
2051	722,729	104,491	618,238	670,483	235,446	235,446	\$ -
2052	618,238	104,491	513,747	565,992	215,038	215,038	\$ -
2053	513,747	104,491	409,256	461,501	194,629	194,629	\$ -
2054	409,256	104,491	304,765	357,011	174,220	174,220	\$ -
2055	304,765	104,491	200,274	252,520	153,812	153,812	\$ -
2056	200,274	104,491	95,783	148,029	133,403	133,403	\$ -
2057	95,783	95,783	-	47,892	105,137	105,137	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
Project Totals					25,176,298	25,176,298	-

[illegible]

Project Totals

25,176,298

25,176,298

10

** 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.

A. Base Plan Facilities

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	375,206	375,206	-
True-Up Adjustment	375,206	375,206	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment	-	Current Year					2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	12	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIA/C (Yes or No)	No	Annual Depreciation Expense					-
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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	-	-	-	-	-	-	\$ -

[illegible]

Project Totals

** 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.

OPCo Worksheet K - ATRR TRUE-UP 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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	660,832	660,832	-
True-Up Adjustment	660,832	660,832	-

Details		Current Year	2016
Investment	3,204,736	ROE increase accepted by FERC (Basis Points)	-
Service Year (yyyy)	2013	FCR w/o incentives, less depreciation	19.53%
Service Month (1-12)	10	FCR w/incentives approved for these facilities, less dep.	19.53%
Useful life	44	Annual Depreciation Expense	72,835
CIAC (Yes or No)	No		

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:			
CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:			
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR			
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE LIFE OF THE PROJECT.			

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	3,204,736	12,139	3,192,597	3,198,666	636,886	636,886	\$ -
2014	3,192,597	72,835	3,119,762	3,156,179	689,284	689,284	\$ -
2015	3,119,762	72,835	3,046,927	3,083,344	675,058	675,058	\$ -
2016	3,046,927	72,835	2,974,092	3,010,510	660,832	660,832	\$ -
2017	2,974,092	72,835	2,901,257	2,937,675	646,607	646,607	\$ -
2018	2,901,257	72,835	2,828,422	2,864,840	632,381	632,381	\$ -
2019	2,828,422	72,835	2,755,587	2,792,005	618,155	618,155	\$ -
2020	2,755,587	72,835	2,682,752	2,719,170	603,929	603,929	\$ -
2021	2,682,752	72,835	2,609,918	2,646,335	589,704	589,704	\$ -
2022	2,609,918	72,835	2,537,083	2,573,500	575,478	575,478	\$ -
2023	2,537,083	72,835	2,464,248	2,500,665	561,252	561,252	\$ -
2024	2,464,248	72,835	2,391,413	2,427,830	547,026	547,026	\$ -
2025	2,391,413	72,835	2,318,578	2,354,995	532,801	532,801	\$ -
2026	2,318,578	72,835	2,245,743	2,282,160	518,575	518,575	\$ -
2027	2,245,743	72,835	2,172,908	2,209,326	504,349	504,349	\$ -
2028	2,172,908	72,835	2,100,073	2,136,491	490,123	490,123	\$ -
2029	2,100,073	72,835	2,027,238	2,063,656	475,898	475,898	\$ -
2030	2,027,238	72,835	1,954,403	1,990,821	461,672	461,672	\$ -
2031	1,954,403	72,835	1,881,568	1,917,986	447,446	447,446	\$ -
2032	1,881,568	72,835	1,808,734	1,845,151	433,220	433,220	\$ -
2033	1,808,734	72,835	1,735,899	1,772,316	418,995	418,995	\$ -
2034	1,735,899	72,835	1,663,064	1,699,481	404,769	404,769	\$ -
2035	1,663,064	72,835	1,590,229	1,626,646	390,543	390,543	\$ -
2036	1,590,229	72,835	1,517,394	1,553,811	376,317	376,317	\$ -
2037	1,517,394	72,835	1,444,559	1,480,976	362,092	362,092	\$ -
2038	1,444,559	72,835	1,371,724	1,408,142	347,866	347,866	\$ -
2039	1,371,724	72,835	1,298,889	1,335,307	333,640	333,640	\$ -
2040	1,298,889	72,835	1,226,054	1,262,472	319,414	319,414	\$ -
2041	1,226,054	72,835	1,153,219	1,189,637	305,189	305,189	\$ -
2042	1,153,219	72,835	1,080,384	1,116,802	290,963	290,963	\$ -
2043	1,080,384	72,835	1,007,550	1,043,967	276,737	276,737	\$ -
2044	1,007,550	72,835	934,715	971,132	262,511	262,511	\$ -
2045	934,715	72,835	861,880	898,297	248,286	248,286	\$ -
2046	861,880	72,835	789,045	825,462	234,060	234,060	\$ -
2047	789,045	72,835	716,210	752,627	219,834	219,834	\$ -
2048	716,210	72,835	643,375	679,792	205,609	205,609	\$ -
2049	643,375	72,835	570,540	606,958	191,383	191,383	\$ -
2050	570,540	72,835	497,705	534,123	177,157	177,157	\$ -
2051	497,705	72,835	424,870	461,288	162,931	162,931	\$ -
2052	424,870	72,835	352,035	388,453	148,706	148,706	\$ -
2053	352,035	72,835	279,200	315,618	134,480	134,480	\$ -
2054	279,200	72,835	206,366	242,783	120,254	120,254	\$ -
2055	206,366	72,835	133,531	169,948	106,028	106,028	\$ -
2056	133,531	72,835	60,696	97,113	91,803	91,803	\$ -
2057	60,696	60,696	-	30,348	66,623	66,623	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -

Project Totals					17,496,866	17,496,866	-
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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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	23,448	23,448	-
True-Up Adjustment	23,448	23,448	-

Details							
Investment	115,580	Current Year					2016
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	1	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					2,627
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	115,580	2,408	113,172	114,376	24,747	24,747	\$ -
2014	113,172	2,627	110,545	111,859	24,474	24,474	\$ -
2015	110,545	2,627	107,918	109,232	23,961	23,961	\$ -
2016	107,918	2,627	105,292	106,605	23,448	23,448	\$ -
2017	105,292	2,627	102,665	103,978	22,935	22,935	\$ -
2018	102,665	2,627	100,038	101,351	22,422	22,422	\$ -
2019	100,038	2,627	97,411	98,725	21,909	21,909	\$ -
2020	97,411	2,627	94,784	96,098	21,396	21,396	\$ -
2021	94,784	2,627	92,158	93,471	20,883	20,883	\$ -
2022	92,158	2,627	89,531	90,844	20,370	20,370	\$ -
2023	89,531	2,627	86,904	88,217	19,857	19,857	\$ -
2024	86,904	2,627	84,277	85,590	19,344	19,344	\$ -
2025	84,277	2,627	81,650	82,964	18,831	18,831	\$ -
2026	81,650	2,627	79,023	80,337	18,318	18,318	\$ -
2027	79,023	2,627	76,397	77,710	17,805	17,805	\$ -
2028	76,397	2,627	73,770	75,083	17,292	17,292	\$ -
2029	73,770	2,627	71,143	72,466	16,779	16,779	\$ -
2030	71,143	2,627	68,516	69,830	16,266	16,266	\$ -
2031	68,516	2,627	65,889	67,203	15,753	15,753	\$ -
2032	65,889	2,627	63,263	64,576	15,239	15,239	\$ -
2033	63,263	2,627	60,636	61,949	14,726	14,726	\$ -
2034	60,636	2,627	58,009	59,322	14,213	14,213	\$ -
2035	58,009	2,627	55,382	56,695	13,700	13,700	\$ -
2036	55,382	2,627	52,755	54,069	13,187	13,187	\$ -
2037	52,755	2,627	50,128	51,442	12,674	12,674	\$ -
2038	50,128	2,627	47,502	48,815	12,161	12,161	\$ -
2039	47,502	2,627	44,875	46,188	11,648	11,648	\$ -
2040	44,875	2,627	42,248	43,561	11,135	11,135	\$ -
2041	42,248	2,627	39,621	40,935	10,622	10,622	\$ -
2042	39,621	2,627	36,994	38,308	10,109	10,109	\$ -
2043	36,994	2,627	34,368	35,681	9,596	9,596	\$ -
2044	34,368	2,627	31,741	33,054	9,083	9,083	\$ -
2045	31,741	2,627	29,114	30,427	8,570	8,570	\$ -
2046	29,114	2,627	26,487	27,800	8,057	8,057	\$ -
2047	26,487	2,627	23,860	25,174	7,544	7,544	\$ -
2048	23,860	2,627	21,233	22,547	7,031	7,031	\$ -
2049	21,233	2,627	18,607	19,920	6,517	6,517	\$ -
2050	18,607	2,627	15,980	17,293	6,004	6,004	\$ -
2051	15,980	2,627	13,353	14,666	5,491	5,491	\$ -
2052	13,353	2,627	10,726	12,040	4,978	4,978	\$ -
2053	10,726	2,627	8,099	9,413	4,465	4,465	\$ -
2054	8,099	2,627	5,473	6,786	3,952	3,952	\$ -
2055	5,473	2,627	2,846	4,159	3,439	3,439	\$ -
2056	2,846	2,627	219	1,532	2,926	2,926	\$ -
2057	219	219	-	109	240	240	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
Project Totals					614,100	614,100	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	688,716	688,716	-
True-Up Adjustment	688,716	688,716	-

Details									
Investment		3,241,116	Current Year					2016	
Service Year (yyyy)		2015	ROE increase accepted by FERC (Basis Points)					-	
Service Month (1-12)		3	FCR w/o incentives, less depreciation					19.53%	
Useful life		44	FCR w/incentives approved for these facilities, less dep.					19.53%	
CIAC (Yes or No)		No	Annual Depreciation Expense					73,662	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #		
2015	3,241,116	55,246	3,185,870	3,213,493	682,889	682,889	\$	-	
2016	3,185,870	73,662	3,112,208	3,149,039	688,716	688,716	\$	-	
2017	3,112,208	73,662	3,038,546	3,075,377	674,329	674,329	\$	-	
2018	3,038,546	73,662	2,964,885	3,001,715	659,941	659,941	\$	-	
2019	2,964,885	73,662	2,891,223	2,928,054	645,554	645,554	\$	-	
2020	2,891,223	73,662	2,817,561	2,854,392	631,167	631,167	\$	-	
2021	2,817,561	73,662	2,743,899	2,780,730	616,780	616,780	\$	-	
2022	2,743,899	73,662	2,670,238	2,707,068	602,393	602,393	\$	-	
2023	2,670,238	73,662	2,596,576	2,633,407	588,005	588,005	\$	-	
2024	2,596,576	73,662	2,522,914	2,559,745	573,618	573,618	\$	-	
2025	2,522,914	73,662	2,449,252	2,486,083	559,231	559,231	\$	-	
2026	2,449,252	73,662	2,375,591	2,412,422	544,844	544,844	\$	-	
2027	2,375,591	73,662	2,301,929	2,338,760	530,456	530,456	\$	-	
2028	2,301,929	73,662	2,228,267	2,265,098	516,069	516,069	\$	-	
2029	2,228,267	73,662	2,154,606	2,191,436	501,682	501,682	\$	-	
2030	2,154,606	73,662	2,080,944	2,117,775	487,295	487,295	\$	-	
2031	2,080,944	73,662	2,007,282	2,044,113	472,907	472,907	\$	-	
2032	2,007,282	73,662	1,933,620	1,970,451	458,520	458,520	\$	-	
2033	1,933,620	73,662	1,859,959	1,896,789	444,133	444,133	\$	-	
2034	1,859,959	73,662	1,786,297	1,823,128	429,746	429,746	\$	-	
2035	1,786,297	73,662	1,712,635	1,749,466	415,359	415,359	\$	-	
2036	1,712,635	73,662	1,638,973	1,675,804	400,971	400,971	\$	-	
2037	1,638,973	73,662	1,565,312	1,602,143	386,584	386,584	\$	-	
2038	1,565,312	73,662	1,491,650	1,528,481	372,197	372,197	\$	-	
2039	1,491,650	73,662	1,417,988	1,454,819	357,810	357,810	\$	-	
2040	1,417,988	73,662	1,344,327	1,381,157	343,422	343,422	\$	-	
2041	1,344,327	73,662	1,270,665	1,307,496	329,035	329,035	\$	-	
2042	1,270,665	73,662	1,197,003	1,233,834	314,648	314,648	\$	-	
2043	1,197,003	73,662	1,123,341	1,160,172	300,261	300,261	\$	-	
2044	1,123,341	73,662	1,049,680	1,086,510	285,873	285,873	\$	-	
2045	1,049,680	73,662	976,018	1,012,849	271,486	271,486	\$	-	
2046	976,018	73,662	902,356	939,187	257,099	257,099	\$	-	
2047	902,356	73,662	828,694	865,525	242,712	242,712	\$	-	
2048	828,694	73,662	755,033	791,864	228,324	228,324	\$	-	
2049	755,033	73,662	681,371	718,202	213,937	213,937	\$	-	
2050	681,371	73,662	607,709	644,540	199,550	199,550	\$	-	
2051	607,709	73,662	534,048	570,878	185,163	185,163	\$	-	
2052	534,048	73,662	460,386	497,217	170,776	170,776	\$	-	
2053	460,386	73,662	386,724	423,555	156,388	156,388	\$	-	
2054	386,724	73,662	313,062	349,893	142,001	142,001	\$	-	
2055	313,062	73,662	239,401	276,231	127,614	127,614	\$	-	
2056	239,401	73,662	165,739	202,570	113,227	113,227	\$	-	
2057	165,739	73,662	92,077	128,908	98,839	98,839	\$	-	
2058	92,077	73,662	18,415	55,246	84,452	84,452	\$	-	
2059	18,415	18,415	-	9,208	20,214	20,214	\$	-	
2060	-	-	-	-	-	-	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
2073	-	-	-	-	-	-	\$	-	
2074	-	-	-	-	-	-	\$	-	
Project Totals					17,326,217	17,326,217	-		

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	836,296	836,296	-
True-Up Adjustment	836,296	836,296	-

Details									
Investment	4,062,944	Current Year					2016		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)					-		
Service Month (1-12)	9	FCR w/o incentives, less depreciation					19.53%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%		
CIAC (Yes or No)	No	Annual Depreciation Expense					92,340		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##		
2013	4,062,944	23,085	4,039,859	4,051,402	814,384	814,384	\$	-	
2014	4,039,859	92,340	3,947,519	3,993,689	872,367	872,367	\$	-	
2015	3,947,519	92,340	3,855,180	3,901,350	854,331	854,331	\$	-	
2016	3,855,180	92,340	3,762,840	3,809,010	836,296	836,296	\$	-	
2017	3,762,840	92,340	3,670,501	3,716,670	818,261	818,261	\$	-	
2018	3,670,501	92,340	3,578,161	3,624,331	800,225	800,225	\$	-	
2019	3,578,161	92,340	3,485,821	3,531,991	782,190	782,190	\$	-	
2020	3,485,821	92,340	3,393,482	3,439,651	764,155	764,155	\$	-	
2021	3,393,482	92,340	3,301,142	3,347,312	746,120	746,120	\$	-	
2022	3,301,142	92,340	3,208,802	3,254,972	728,084	728,084	\$	-	
2023	3,208,802	92,340	3,116,463	3,162,633	710,049	710,049	\$	-	
2024	3,116,463	92,340	3,024,123	3,070,293	692,014	692,014	\$	-	
2025	3,024,123	92,340	2,931,783	2,977,953	673,978	673,978	\$	-	
2026	2,931,783	92,340	2,839,444	2,885,614	655,943	655,943	\$	-	
2027	2,839,444	92,340	2,747,104	2,793,274	637,908	637,908	\$	-	
2028	2,747,104	92,340	2,654,765	2,700,934	619,872	619,872	\$	-	
2029	2,654,765	92,340	2,562,425	2,608,595	601,837	601,837	\$	-	
2030	2,562,425	92,340	2,470,085	2,516,255	583,802	583,802	\$	-	
2031	2,470,085	92,340	2,377,746	2,423,915	565,766	565,766	\$	-	
2032	2,377,746	92,340	2,285,406	2,331,576	547,731	547,731	\$	-	
2033	2,285,406	92,340	2,193,066	2,239,236	529,696	529,696	\$	-	
2034	2,193,066	92,340	2,100,727	2,146,897	511,661	511,661	\$	-	
2035	2,100,727	92,340	2,008,387	2,054,557	493,625	493,625	\$	-	
2036	2,008,387	92,340	1,916,047	1,962,217	475,590	475,590	\$	-	
2037	1,916,047	92,340	1,823,708	1,869,878	457,555	457,555	\$	-	
2038	1,823,708	92,340	1,731,368	1,777,538	439,519	439,519	\$	-	
2039	1,731,368	92,340	1,639,029	1,685,198	421,484	421,484	\$	-	
2040	1,639,029	92,340	1,546,689	1,592,859	403,449	403,449	\$	-	
2041	1,546,689	92,340	1,454,349	1,500,519	385,413	385,413	\$	-	
2042	1,454,349	92,340	1,362,010	1,408,179	367,378	367,378	\$	-	
2043	1,362,010	92,340	1,269,670	1,315,840	349,343	349,343	\$	-	
2044	1,269,670	92,340	1,177,330	1,223,500	331,307	331,307	\$	-	
2045	1,177,330	92,340	1,084,991	1,131,161	313,272	313,272	\$	-	
2046	1,084,991	92,340	992,651	1,038,821	295,237	295,237	\$	-	
2047	992,651	92,340	900,311	946,481	277,202	277,202	\$	-	
2048	900,311	92,340	807,972	854,142	259,166	259,166	\$	-	
2049	807,972	92,340	715,632	761,802	241,131	241,131	\$	-	
2050	715,632	92,340	623,293	669,462	223,096	223,096	\$	-	
2051	623,293	92,340	530,953	577,123	205,060	205,060	\$	-	
2052	530,953	92,340	438,613	484,783	187,025	187,025	\$	-	
2053	438,613	92,340	346,274	392,443	168,990	168,990	\$	-	
2054	346,274	92,340	253,934	300,104	150,954	150,954	\$	-	
2055	253,934	92,340	161,594	207,764	132,919	132,919	\$	-	
2056	161,594	92,340	69,255	115,425	114,884	114,884	\$	-	
2057	69,255	69,255	-	34,627	76,018	76,018	\$	-	
2058	-	-	-	-	-	-	\$	-	
2059	-	-	-	-	-	-	\$	-	
2060	-	-	-	-	-	-	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
Project Totals					22,116,286	22,116,286	-		

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	179,789	179,789	-
True-Up Adjustment	179,789	179,789	-

Details							
Investment	850,534	Current Year					2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	12	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					19,330
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	850,534	-	850,534	850,534	166,122	166,122	\$ -
2015	850,534	19,330	831,204	840,869	183,565	183,565	\$ -
2016	831,204	19,330	811,873	821,539	179,789	179,789	\$ -
2017	811,873	19,330	792,543	802,208	176,014	176,014	\$ -
2018	792,543	19,330	773,213	782,878	172,238	172,238	\$ -
2019	773,213	19,330	753,882	763,548	168,463	168,463	\$ -
2020	753,882	19,330	734,552	744,217	164,687	164,687	\$ -
2021	734,552	19,330	715,222	724,887	160,912	160,912	\$ -
2022	715,222	19,330	695,891	705,557	157,136	157,136	\$ -
2023	695,891	19,330	676,561	686,226	153,361	153,361	\$ -
2024	676,561	19,330	657,231	666,896	149,585	149,585	\$ -
2025	657,231	19,330	637,900	647,566	145,810	145,810	\$ -
2026	637,900	19,330	618,570	628,235	142,034	142,034	\$ -
2027	618,570	19,330	599,240	608,905	138,259	138,259	\$ -
2028	599,240	19,330	579,910	589,575	134,483	134,483	\$ -
2029	579,910	19,330	560,579	570,244	130,708	130,708	\$ -
2030	560,579	19,330	541,249	550,914	126,932	126,932	\$ -
2031	541,249	19,330	521,919	531,584	123,157	123,157	\$ -
2032	521,919	19,330	502,588	512,253	119,381	119,381	\$ -
2033	502,588	19,330	483,258	492,923	115,606	115,606	\$ -
2034	483,258	19,330	463,928	473,593	111,830	111,830	\$ -
2035	463,928	19,330	444,597	454,262	108,055	108,055	\$ -
2036	444,597	19,330	425,267	434,932	104,279	104,279	\$ -
2037	425,267	19,330	405,937	415,602	100,504	100,504	\$ -
2038	405,937	19,330	386,606	396,272	96,728	96,728	\$ -
2039	386,606	19,330	367,276	376,941	92,953	92,953	\$ -
2040	367,276	19,330	347,946	357,611	89,177	89,177	\$ -
2041	347,946	19,330	328,615	338,281	85,402	85,402	\$ -
2042	328,615	19,330	309,285	318,950	81,626	81,626	\$ -
2043	309,285	19,330	289,955	299,620	77,851	77,851	\$ -
2044	289,955	19,330	270,624	280,290	74,075	74,075	\$ -
2045	270,624	19,330	251,294	260,959	70,300	70,300	\$ -
2046	251,294	19,330	231,964	241,629	66,524	66,524	\$ -
2047	231,964	19,330	212,633	222,299	62,749	62,749	\$ -
2048	212,633	19,330	193,303	202,968	58,973	58,973	\$ -
2049	193,303	19,330	173,973	183,638	55,198	55,198	\$ -
2050	173,973	19,330	154,643	164,308	51,422	51,422	\$ -
2051	154,643	19,330	135,312	144,977	47,647	47,647	\$ -
2052	135,312	19,330	115,982	125,647	43,871	43,871	\$ -
2053	115,982	19,330	96,652	106,317	40,096	40,096	\$ -
2054	96,652	19,330	77,321	86,986	36,320	36,320	\$ -
2055	77,321	19,330	57,991	67,656	32,545	32,545	\$ -
2056	57,991	19,330	38,661	48,326	28,769	28,769	\$ -
2057	38,661	19,330	19,330	28,995	24,994	24,994	\$ -
2058	19,330	19,330	-	9,665	21,218	21,218	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
Project Totals					4,671,339	4,671,339	-

[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.

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. [REDACTED] (e.g. ER05-925-000)

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	79,633	79,633	-
True-Up Adjustment	79,633	79,633	-

Details							
Investment	375,409	Current Year				2016	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	2	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				8,532	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	375,409	7,110	368,299	371,854	79,739	79,739	\$ -
2016	368,299	8,532	359,767	364,033	79,633	79,633	\$ -
2017	359,767	8,532	351,235	355,501	77,967	77,967	\$ -
2018	351,235	8,532	342,703	346,969	76,300	76,300	\$ -
2019	342,703	8,532	334,171	338,437	74,634	74,634	\$ -
2020	334,171	8,532	325,639	329,905	72,967	72,967	\$ -
2021	325,639	8,532	317,107	321,373	71,301	71,301	\$ -
2022	317,107	8,532	308,575	312,841	69,634	69,634	\$ -
2023	308,575	8,532	300,043	304,309	67,968	67,968	\$ -
2024	300,043	8,532	291,511	295,777	66,302	66,302	\$ -
2025	291,511	8,532	282,979	287,245	64,635	64,635	\$ -
2026	282,979	8,532	274,447	278,713	62,969	62,969	\$ -
2027	274,447	8,532	265,915	270,181	61,302	61,302	\$ -
2028	265,915	8,532	257,383	261,649	59,636	59,636	\$ -
2029	257,383	8,532	248,851	253,117	57,969	57,969	\$ -
2030	248,851	8,532	240,319	244,585	56,303	56,303	\$ -
2031	240,319	8,532	231,787	236,053	54,637	54,637	\$ -
2032	231,787	8,532	223,255	227,521	52,970	52,970	\$ -
2033	223,255	8,532	214,723	218,989	51,304	51,304	\$ -
2034	214,723	8,532	206,191	210,457	49,637	49,637	\$ -
2035	206,191	8,532	197,659	201,925	47,971	47,971	\$ -
2036	197,659	8,532	189,127	193,393	46,304	46,304	\$ -
2037	189,127	8,532	180,594	184,860	44,638	44,638	\$ -
2038	180,594	8,532	172,062	176,328	42,972	42,972	\$ -
2039	172,062	8,532	163,530	167,796	41,305	41,305	\$ -
2040	163,530	8,532	154,998	159,264	39,639	39,639	\$ -
2041	154,998	8,532	146,466	150,732	37,972	37,972	\$ -
2042	146,466	8,532	137,934	142,200	36,306	36,306	\$ -
2043	137,934	8,532	129,402	133,668	34,639	34,639	\$ -
2044	129,402	8,532	120,870	125,136	32,973	32,973	\$ -
2045	120,870	8,532	112,338	116,604	31,307	31,307	\$ -
2046	112,338	8,532	103,806	108,072	29,640	29,640	\$ -
2047	103,806	8,532	95,274	99,540	27,974	27,974	\$ -
2048	95,274	8,532	86,742	91,008	26,307	26,307	\$ -
2049	86,742	8,532	78,210	82,476	24,641	24,641	\$ -
2050	78,210	8,532	69,678	73,944	22,974	22,974	\$ -
2051	69,678	8,532	61,146	65,412	21,308	21,308	\$ -
2052	61,146	8,532	52,614	56,880	19,642	19,642	\$ -
2053	52,614	8,532	44,082	48,348	17,975	17,975	\$ -
2054	44,082	8,532	35,550	39,816	16,309	16,309	\$ -
2055	35,550	8,532	27,018	31,284	14,642	14,642	\$ -
2056	27,018	8,532	18,486	22,752	12,976	12,976	\$ -
2057	18,486	8,532	9,954	14,220	11,309	11,309	\$ -
2058	9,954	8,532	1,422	5,688	9,643	9,643	\$ -
2059	1,422	1,422	-	711	1,561	1,561	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					2,000,735	2,000,735	

[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.

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: b1032.4 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	224,060	224,060	-
True-Up Adjustment	224,060	224,060	-

Details							
Investment	1,048,956	Current Year					2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	6	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					23,840
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	1,048,956	11,920	1,037,036	1,042,996	215,633	215,633	\$ -
2016	1,037,036	23,840	1,013,196	1,025,116	224,060	224,060	\$ -
2017	1,013,196	23,840	989,356	1,001,276	219,404	219,404	\$ -
2018	989,356	23,840	965,516	977,436	214,748	214,748	\$ -
2019	965,516	23,840	941,676	953,596	210,091	210,091	\$ -
2020	941,676	23,840	917,837	929,756	205,435	205,435	\$ -
2021	917,837	23,840	893,997	905,917	200,779	200,779	\$ -
2022	893,997	23,840	870,157	882,077	196,123	196,123	\$ -
2023	870,157	23,840	846,317	858,237	191,466	191,466	\$ -
2024	846,317	23,840	822,477	834,397	186,810	186,810	\$ -
2025	822,477	23,840	798,637	810,557	182,154	182,154	\$ -
2026	798,637	23,840	774,797	786,717	177,497	177,497	\$ -
2027	774,797	23,840	750,957	762,877	172,841	172,841	\$ -
2028	750,957	23,840	727,117	739,037	168,185	168,185	\$ -
2029	727,117	23,840	703,277	715,197	163,529	163,529	\$ -
2030	703,277	23,840	679,437	691,357	158,872	158,872	\$ -
2031	679,437	23,840	655,598	667,517	154,216	154,216	\$ -
2032	655,598	23,840	631,758	643,678	149,560	149,560	\$ -
2033	631,758	23,840	607,918	619,838	144,903	144,903	\$ -
2034	607,918	23,840	584,078	595,998	140,247	140,247	\$ -
2035	584,078	23,840	560,238	572,158	135,591	135,591	\$ -
2036	560,238	23,840	536,398	548,318	130,935	130,935	\$ -
2037	536,398	23,840	512,558	524,478	126,278	126,278	\$ -
2038	512,558	23,840	488,718	500,638	121,622	121,622	\$ -
2039	488,718	23,840	464,878	476,798	116,966	116,966	\$ -
2040	464,878	23,840	441,038	452,958	112,309	112,309	\$ -
2041	441,038	23,840	417,198	429,118	107,653	107,653	\$ -
2042	417,198	23,840	393,359	405,278	102,997	102,997	\$ -
2043	393,359	23,840	369,519	381,439	98,341	98,341	\$ -
2044	369,519	23,840	345,679	357,599	93,684	93,684	\$ -
2045	345,679	23,840	321,839	333,759	89,028	89,028	\$ -
2046	321,839	23,840	297,999	309,919	84,372	84,372	\$ -
2047	297,999	23,840	274,159	286,079	79,715	79,715	\$ -
2048	274,159	23,840	250,319	262,239	75,059	75,059	\$ -
2049	250,319	23,840	226,479	238,399	70,403	70,403	\$ -
2050	226,479	23,840	202,639	214,559	65,747	65,747	\$ -
2051	202,639	23,840	178,799	190,719	61,090	61,090	\$ -
2052	178,799	23,840	154,959	166,879	56,434	56,434	\$ -
2053	154,959	23,840	131,120	143,039	51,778	51,778	\$ -
2054	131,120	23,840	107,280	119,200	47,121	47,121	\$ -
2055	107,280	23,840	83,440	95,360	42,465	42,465	\$ -
2056	83,440	23,840	59,600	71,520	37,809	37,809	\$ -
2057	59,600	23,840	35,760	47,680	33,152	33,152	\$ -
2058	35,760	23,840	11,920	23,840	28,496	28,496	\$ -
2059	11,920	11,920	-	5,960	13,084	13,084	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					5,658,683	5,658,683	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	640,491	640,491	-
True-Up Adjustment	640,491	640,491	-

Details							
Investment	2,967,672	Current Year				2016	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				67,447	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	2,967,672	-	2,967,672	2,967,672	579,631	579,631	\$ -
2016	2,967,672	67,447	2,900,225	2,933,948	640,491	640,491	\$ -
2017	2,900,225	67,447	2,832,778	2,866,501	627,318	627,318	\$ -
2018	2,832,778	67,447	2,765,331	2,799,054	614,144	614,144	\$ -
2019	2,765,331	67,447	2,697,884	2,731,607	600,971	600,971	\$ -
2020	2,697,884	67,447	2,630,437	2,664,160	587,797	587,797	\$ -
2021	2,630,437	67,447	2,562,989	2,596,713	574,624	574,624	\$ -
2022	2,562,989	67,447	2,495,542	2,529,266	561,450	561,450	\$ -
2023	2,495,542	67,447	2,428,095	2,461,819	548,277	548,277	\$ -
2024	2,428,095	67,447	2,360,648	2,394,372	535,104	535,104	\$ -
2025	2,360,648	67,447	2,293,201	2,326,925	521,930	521,930	\$ -
2026	2,293,201	67,447	2,225,754	2,259,478	508,757	508,757	\$ -
2027	2,225,754	67,447	2,158,307	2,192,030	495,583	495,583	\$ -
2028	2,158,307	67,447	2,090,860	2,124,583	482,410	482,410	\$ -
2029	2,090,860	67,447	2,023,413	2,057,136	469,236	469,236	\$ -
2030	2,023,413	67,447	1,955,966	1,989,689	456,063	456,063	\$ -
2031	1,955,966	67,447	1,888,519	1,922,242	442,890	442,890	\$ -
2032	1,888,519	67,447	1,821,071	1,854,795	429,716	429,716	\$ -
2033	1,821,071	67,447	1,753,624	1,787,348	416,543	416,543	\$ -
2034	1,753,624	67,447	1,686,177	1,719,901	403,369	403,369	\$ -
2035	1,686,177	67,447	1,618,730	1,652,454	390,196	390,196	\$ -
2036	1,618,730	67,447	1,551,283	1,585,007	377,023	377,023	\$ -
2037	1,551,283	67,447	1,483,836	1,517,560	363,849	363,849	\$ -
2038	1,483,836	67,447	1,416,389	1,450,112	350,676	350,676	\$ -
2039	1,416,389	67,447	1,348,942	1,382,665	337,502	337,502	\$ -
2040	1,348,942	67,447	1,281,495	1,315,218	324,329	324,329	\$ -
2041	1,281,495	67,447	1,214,048	1,247,771	311,155	311,155	\$ -
2042	1,214,048	67,447	1,146,601	1,180,324	297,982	297,982	\$ -
2043	1,146,601	67,447	1,079,153	1,112,877	284,809	284,809	\$ -
2044	1,079,153	67,447	1,011,706	1,045,430	271,635	271,635	\$ -
2045	1,011,706	67,447	944,259	977,983	258,462	258,462	\$ -
2046	944,259	67,447	876,812	910,536	245,288	245,288	\$ -
2047	876,812	67,447	809,365	843,089	232,115	232,115	\$ -
2048	809,365	67,447	741,918	775,642	218,941	218,941	\$ -
2049	741,918	67,447	674,471	708,194	205,768	205,768	\$ -
2050	674,471	67,447	607,024	640,747	192,595	192,595	\$ -
2051	607,024	67,447	539,577	573,300	179,421	179,421	\$ -
2052	539,577	67,447	472,130	505,853	166,248	166,248	\$ -
2053	472,130	67,447	404,683	438,406	153,074	153,074	\$ -
2054	404,683	67,447	337,235	370,959	139,901	139,901	\$ -
2055	337,235	67,447	269,788	303,512	126,727	126,727	\$ -
2056	269,788	67,447	202,341	236,065	113,554	113,554	\$ -
2057	202,341	67,447	134,894	168,618	100,381	100,381	\$ -
2058	134,894	67,447	67,447	101,171	87,207	87,207	\$ -
2059	67,447	67,447	0	33,724	74,034	74,034	\$ -
2060	0	0	-	0	0	0	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					16,299,175	16,299,175	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	418,626	418,626	-
True-Up Adjustment	418,626	418,626	-

Details							
Investment	1,939,674	Current Year				2016	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				44,084	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	1,939,674	-	1,939,674	1,939,674	378,847	378,847	\$ -
2016	1,939,674	44,084	1,895,591	1,917,632	418,626	418,626	\$ -
2017	1,895,591	44,084	1,851,507	1,873,549	410,015	410,015	\$ -
2018	1,851,507	44,084	1,807,424	1,829,465	401,405	401,405	\$ -
2019	1,807,424	44,084	1,763,340	1,785,382	392,795	392,795	\$ -
2020	1,763,340	44,084	1,719,257	1,741,298	384,185	384,185	\$ -
2021	1,719,257	44,084	1,675,173	1,697,215	375,575	375,575	\$ -
2022	1,675,173	44,084	1,631,090	1,653,131	366,965	366,965	\$ -
2023	1,631,090	44,084	1,587,006	1,609,048	358,355	358,355	\$ -
2024	1,587,006	44,084	1,542,923	1,564,964	349,744	349,744	\$ -
2025	1,542,923	44,084	1,498,839	1,520,881	341,134	341,134	\$ -
2026	1,498,839	44,084	1,454,756	1,476,797	332,524	332,524	\$ -
2027	1,454,756	44,084	1,410,672	1,432,714	323,914	323,914	\$ -
2028	1,410,672	44,084	1,366,589	1,388,630	315,304	315,304	\$ -
2029	1,366,589	44,084	1,322,505	1,344,547	306,694	306,694	\$ -
2030	1,322,505	44,084	1,278,422	1,300,463	298,083	298,083	\$ -
2031	1,278,422	44,084	1,234,338	1,256,380	289,473	289,473	\$ -
2032	1,234,338	44,084	1,190,255	1,212,296	280,863	280,863	\$ -
2033	1,190,255	44,084	1,146,171	1,168,213	272,253	272,253	\$ -
2034	1,146,171	44,084	1,102,088	1,124,129	263,643	263,643	\$ -
2035	1,102,088	44,084	1,058,004	1,080,046	255,033	255,033	\$ -
2036	1,058,004	44,084	1,013,921	1,035,962	246,422	246,422	\$ -
2037	1,013,921	44,084	969,837	991,879	237,812	237,812	\$ -
2038	969,837	44,084	925,754	947,795	229,202	229,202	\$ -
2039	925,754	44,084	881,670	903,712	220,592	220,592	\$ -
2040	881,670	44,084	837,587	859,628	211,982	211,982	\$ -
2041	837,587	44,084	793,503	815,545	203,372	203,372	\$ -
2042	793,503	44,084	749,420	771,461	194,761	194,761	\$ -
2043	749,420	44,084	705,336	727,378	186,151	186,151	\$ -
2044	705,336	44,084	661,253	683,294	177,541	177,541	\$ -
2045	661,253	44,084	617,169	639,211	168,931	168,931	\$ -
2046	617,169	44,084	573,086	595,127	160,321	160,321	\$ -
2047	573,086	44,084	529,002	551,044	151,711	151,711	\$ -
2048	529,002	44,084	484,919	506,960	143,100	143,100	\$ -
2049	484,919	44,084	440,835	462,877	134,490	134,490	\$ -
2050	440,835	44,084	396,752	418,793	125,880	125,880	\$ -
2051	396,752	44,084	352,668	374,710	117,270	117,270	\$ -
2052	352,668	44,084	308,585	330,626	108,660	108,660	\$ -
2053	308,585	44,084	264,501	286,543	100,050	100,050	\$ -
2054	264,501	44,084	220,418	242,459	91,439	91,439	\$ -
2055	220,418	44,084	176,334	198,376	82,829	82,829	\$ -
2056	176,334	44,084	132,251	154,292	74,219	74,219	\$ -
2057	132,251	44,084	88,167	110,209	65,609	65,609	\$ -
2058	88,167	44,084	44,084	66,125	56,999	56,999	\$ -
2059	44,084	44,084	-	22,042	48,389	48,389	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					10,653,160	10,653,160	-

[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.

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: b1962 (Add four 765 kV breakers at Kammer)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment	-	Current Year	2016				
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				-	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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	-	-	-	-	-	-	\$ -

[illegible]

Project Totals

** 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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,433,992	1,433,992	-
True-Up Adjustment	1,433,992	1,433,992	-

Details							
Investment	6,644,306	Current Year					2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	12	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					151,007
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	6,644,306	-	6,644,306	6,644,306	1,297,732	1,297,732	\$ -
2016	6,644,306	151,007	6,493,299	6,568,803	1,433,992	1,433,992	\$ -
2017	6,493,299	151,007	6,342,292	6,417,796	1,404,498	1,404,498	\$ -
2018	6,342,292	151,007	6,191,285	6,266,789	1,375,004	1,375,004	\$ -
2019	6,191,285	151,007	6,040,278	6,115,782	1,345,510	1,345,510	\$ -
2020	6,040,278	151,007	5,889,271	5,964,775	1,316,016	1,316,016	\$ -
2021	5,889,271	151,007	5,738,264	5,813,768	1,286,522	1,286,522	\$ -
2022	5,738,264	151,007	5,587,257	5,662,761	1,257,029	1,257,029	\$ -
2023	5,587,257	151,007	5,436,250	5,511,754	1,227,535	1,227,535	\$ -
2024	5,436,250	151,007	5,285,243	5,360,747	1,198,041	1,198,041	\$ -
2025	5,285,243	151,007	5,134,236	5,209,740	1,168,547	1,168,547	\$ -
2026	5,134,236	151,007	4,983,230	5,058,733	1,139,053	1,139,053	\$ -
2027	4,983,230	151,007	4,832,223	4,907,726	1,109,559	1,109,559	\$ -
2028	4,832,223	151,007	4,681,216	4,756,719	1,080,065	1,080,065	\$ -
2029	4,681,216	151,007	4,530,209	4,605,712	1,050,571	1,050,571	\$ -
2030	4,530,209	151,007	4,379,202	4,454,705	1,021,077	1,021,077	\$ -
2031	4,379,202	151,007	4,228,195	4,303,698	991,583	991,583	\$ -
2032	4,228,195	151,007	4,077,188	4,152,691	962,089	962,089	\$ -
2033	4,077,188	151,007	3,926,181	4,001,684	932,596	932,596	\$ -
2034	3,926,181	151,007	3,775,174	3,850,677	903,102	903,102	\$ -
2035	3,775,174	151,007	3,624,167	3,699,670	873,608	873,608	\$ -
2036	3,624,167	151,007	3,473,160	3,548,663	844,114	844,114	\$ -
2037	3,473,160	151,007	3,322,153	3,397,656	814,620	814,620	\$ -
2038	3,322,153	151,007	3,171,146	3,246,650	785,126	785,126	\$ -
2039	3,171,146	151,007	3,020,139	3,095,643	755,632	755,632	\$ -
2040	3,020,139	151,007	2,869,132	2,944,636	726,138	726,138	\$ -
2041	2,869,132	151,007	2,718,125	2,793,629	696,644	696,644	\$ -
2042	2,718,125	151,007	2,567,118	2,642,622	667,150	667,150	\$ -
2043	2,567,118	151,007	2,416,111	2,491,615	637,656	637,656	\$ -
2044	2,416,111	151,007	2,265,104	2,340,608	608,163	608,163	\$ -
2045	2,265,104	151,007	2,114,097	2,189,601	578,669	578,669	\$ -
2046	2,114,097	151,007	1,963,090	2,038,594	549,175	549,175	\$ -
2047	1,963,090	151,007	1,812,083	1,887,587	519,681	519,681	\$ -
2048	1,812,083	151,007	1,661,077	1,736,580	490,187	490,187	\$ -
2049	1,661,077	151,007	1,510,070	1,585,573	460,693	460,693	\$ -
2050	1,510,070	151,007	1,359,063	1,434,566	431,199	431,199	\$ -
2051	1,359,063	151,007	1,208,056	1,283,559	401,705	401,705	\$ -
2052	1,208,056	151,007	1,057,049	1,132,552	372,211	372,211	\$ -
2053	1,057,049	151,007	906,042	981,545	342,717	342,717	\$ -
2054	906,042	151,007	755,035	830,538	313,223	313,223	\$ -
2055	755,035	151,007	604,028	679,531	283,730	283,730	\$ -
2056	604,028	151,007	453,021	528,524	254,236	254,236	\$ -
2057	453,021	151,007	302,014	377,517	224,742	224,742	\$ -
2058	302,014	151,007	151,007	226,510	195,248	195,248	\$ -
2059	151,007	151,007	0	75,503	165,754	165,754	\$ -
2060	0	0	-	0	0	0	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					36,492,141	36,492,141	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,197,724	1,197,724	-
True-Up Adjustment	1,197,724	1,197,724	-

Details							
Investment	5,616,967	Current Year					2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	5	FCR w/o incentives, less depreciation					19.53%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					19.53%
CIAC (Yes or No)	No	Annual Depreciation Expense					127,658
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	5,616,967	74,467	5,542,500	5,579,733	1,164,272	1,164,272	\$ -
2016	5,542,500	127,658	5,414,841	5,478,670	1,197,724	1,197,724	\$ -
2017	5,414,841	127,658	5,287,183	5,351,012	1,172,791	1,172,791	\$ -
2018	5,287,183	127,658	5,159,525	5,223,354	1,147,857	1,147,857	\$ -
2019	5,159,525	127,658	5,031,866	5,095,695	1,122,924	1,122,924	\$ -
2020	5,031,866	127,658	4,904,208	4,968,037	1,097,990	1,097,990	\$ -
2021	4,904,208	127,658	4,776,550	4,840,379	1,073,056	1,073,056	\$ -
2022	4,776,550	127,658	4,648,891	4,712,720	1,048,123	1,048,123	\$ -
2023	4,648,891	127,658	4,521,233	4,585,062	1,023,189	1,023,189	\$ -
2024	4,521,233	127,658	4,393,575	4,457,404	998,256	998,256	\$ -
2025	4,393,575	127,658	4,265,916	4,329,745	973,322	973,322	\$ -
2026	4,265,916	127,658	4,138,258	4,202,087	948,389	948,389	\$ -
2027	4,138,258	127,658	4,010,600	4,074,429	923,455	923,455	\$ -
2028	4,010,600	127,658	3,882,941	3,946,770	898,521	898,521	\$ -
2029	3,882,941	127,658	3,755,283	3,819,112	873,588	873,588	\$ -
2030	3,755,283	127,658	3,627,625	3,691,454	848,654	848,654	\$ -
2031	3,627,625	127,658	3,499,966	3,563,795	823,721	823,721	\$ -
2032	3,499,966	127,658	3,372,308	3,436,137	798,787	798,787	\$ -
2033	3,372,308	127,658	3,244,649	3,308,479	773,854	773,854	\$ -
2034	3,244,649	127,658	3,116,991	3,180,820	748,920	748,920	\$ -
2035	3,116,991	127,658	2,989,333	3,053,162	723,986	723,986	\$ -
2036	2,989,333	127,658	2,861,674	2,925,504	699,053	699,053	\$ -
2037	2,861,674	127,658	2,734,016	2,797,845	674,119	674,119	\$ -
2038	2,734,016	127,658	2,606,358	2,670,187	649,186	649,186	\$ -
2039	2,606,358	127,658	2,478,699	2,542,529	624,252	624,252	\$ -
2040	2,478,699	127,658	2,351,041	2,414,870	599,318	599,318	\$ -
2041	2,351,041	127,658	2,223,383	2,287,212	574,385	574,385	\$ -
2042	2,223,383	127,658	2,095,724	2,159,554	549,451	549,451	\$ -
2043	2,095,724	127,658	1,968,066	2,031,895	524,518	524,518	\$ -
2044	1,968,066	127,658	1,840,408	1,904,237	499,584	499,584	\$ -
2045	1,840,408	127,658	1,712,749	1,776,579	474,651	474,651	\$ -
2046	1,712,749	127,658	1,585,091	1,648,920	449,717	449,717	\$ -
2047	1,585,091	127,658	1,457,433	1,521,262	424,783	424,783	\$ -
2048	1,457,433	127,658	1,329,774	1,393,604	399,850	399,850	\$ -
2049	1,329,774	127,658	1,202,116	1,265,945	374,916	374,916	\$ -
2050	1,202,116	127,658	1,074,458	1,138,287	349,983	349,983	\$ -
2051	1,074,458	127,658	946,799	1,010,629	325,049	325,049	\$ -
2052	946,799	127,658	819,141	882,970	300,116	300,116	\$ -
2053	819,141	127,658	691,483	755,312	275,182	275,182	\$ -
2054	691,483	127,658	563,824	627,654	250,248	250,248	\$ -
2055	563,824	127,658	436,166	499,995	225,315	225,315	\$ -
2056	436,166	127,658	308,508	372,337	200,381	200,381	\$ -
2057	308,508	127,658	180,849	244,678	175,448	175,448	\$ -
2058	180,849	127,658	53,191	117,020	150,514	150,514	\$ -
2059	53,191	53,191	-	26,595	58,385	58,385	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					30,209,784	30,209,784	-

[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.

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)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	944,315	944,315	-
True-Up Adjustment	944,315	944,315	-

Details							
Investment	4,420,883	Current Year				2016	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	6	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				100,475	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2015	4,420,883	50,237	4,370,646	4,395,764	908,796	908,796	\$ -
2016	4,370,646	100,475	4,270,171	4,320,408	944,315	944,315	\$ -
2017	4,270,171	100,475	4,169,696	4,219,934	924,691	924,691	\$ -
2018	4,169,696	100,475	4,069,222	4,119,459	905,066	905,066	\$ -
2019	4,069,222	100,475	3,968,747	4,018,985	885,442	885,442	\$ -
2020	3,968,747	100,475	3,868,273	3,918,510	865,818	865,818	\$ -
2021	3,868,273	100,475	3,767,798	3,818,035	846,194	846,194	\$ -
2022	3,767,798	100,475	3,667,323	3,717,561	826,570	826,570	\$ -
2023	3,667,323	100,475	3,566,849	3,617,086	806,945	806,945	\$ -
2024	3,566,849	100,475	3,466,374	3,516,611	787,321	787,321	\$ -
2025	3,466,374	100,475	3,365,900	3,416,137	767,697	767,697	\$ -
2026	3,365,900	100,475	3,265,425	3,315,662	748,073	748,073	\$ -
2027	3,265,425	100,475	3,164,950	3,215,188	728,449	728,449	\$ -
2028	3,164,950	100,475	3,064,476	3,114,713	708,824	708,824	\$ -
2029	3,064,476	100,475	2,964,001	3,014,238	689,200	689,200	\$ -
2030	2,964,001	100,475	2,863,526	2,913,764	669,576	669,576	\$ -
2031	2,863,526	100,475	2,763,052	2,813,289	649,952	649,952	\$ -
2032	2,763,052	100,475	2,662,577	2,712,815	630,328	630,328	\$ -
2033	2,662,577	100,475	2,562,103	2,612,340	610,704	610,704	\$ -
2034	2,562,103	100,475	2,461,628	2,511,865	591,079	591,079	\$ -
2035	2,461,628	100,475	2,361,153	2,411,391	571,455	571,455	\$ -
2036	2,361,153	100,475	2,260,679	2,310,916	551,831	551,831	\$ -
2037	2,260,679	100,475	2,160,204	2,210,442	532,207	532,207	\$ -
2038	2,160,204	100,475	2,059,730	2,109,967	512,583	512,583	\$ -
2039	2,059,730	100,475	1,959,255	2,009,492	492,958	492,958	\$ -
2040	1,959,255	100,475	1,858,780	1,909,018	473,334	473,334	\$ -
2041	1,858,780	100,475	1,758,306	1,808,543	453,710	453,710	\$ -
2042	1,758,306	100,475	1,657,831	1,708,068	434,086	434,086	\$ -
2043	1,657,831	100,475	1,557,357	1,607,594	414,462	414,462	\$ -
2044	1,557,357	100,475	1,456,882	1,507,119	394,837	394,837	\$ -
2045	1,456,882	100,475	1,356,407	1,406,645	375,213	375,213	\$ -
2046	1,356,407	100,475	1,255,933	1,306,170	355,589	355,589	\$ -
2047	1,255,933	100,475	1,155,458	1,205,695	335,965	335,965	\$ -
2048	1,155,458	100,475	1,054,983	1,105,221	316,341	316,341	\$ -
2049	1,054,983	100,475	954,509	1,004,746	296,717	296,717	\$ -
2050	954,509	100,475	854,034	904,272	277,092	277,092	\$ -
2051	854,034	100,475	753,560	803,797	257,468	257,468	\$ -
2052	753,560	100,475	653,085	703,322	237,844	237,844	\$ -
2053	653,085	100,475	552,610	602,848	218,220	218,220	\$ -
2054	552,610	100,475	452,136	502,373	198,596	198,596	\$ -
2055	452,136	100,475	351,661	401,898	178,971	178,971	\$ -
2056	351,661	100,475	251,187	301,424	159,347	159,347	\$ -
2057	251,187	100,475	150,712	200,949	139,723	139,723	\$ -
2058	150,712	100,475	50,237	100,475	120,099	120,099	\$ -
2059	50,237	50,237	-	25,119	55,143	55,143	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals					23,848,830	23,848,830	

Project Totals

** 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.

[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)

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Investment		-	Current Year		2016		
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				-	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
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	-	-	-	-	-	-	\$ -
2075	-	-	-	-	-	-	\$ -
2076	-	-	-	-	-	-	\$ -
Project Totals					-	-	-

Project Totals

**** 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.

[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)

Project Description: RTEP ID: b1818 (Expand Allen w/ 345/138 kV xfmr. and cut in double circuit tower line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details							
Investment	-	Current Year	2016				
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				19.53%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				19.53%	
CIAC (Yes or No)	No	Annual Depreciation Expense				-	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
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	-	-	-	-	-	-	\$ -
2075	-	-	-	-	-	-	\$ -
2076	-	-	-	-	-	-	\$ -
Project Totals					-	-	-

Project Totals

** 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.

[illegible]

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet L Reserved for Future Use
OHIO POWER COMPANY

**Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
Based on Average of Balances At 12/31/2016 & 12/31/2017**

(A)	(B)	(C)	(D)	(E)
Line		Balances @	Balances @	Average
Development of Average Balance of Common Equity		12/31/2017	12/31/2016	
1	Proprietary Capital (112.16.c&d)	2,233,856,666	2,117,544,466	2,175,700,566
2	Less Preferred Stock (Ln 54 Below)	0	0	-
3	Less Account 216.1 (112.12.c&d)	-	-	-
4	Less Account 219.1 (112.15.c&d)	2,106,439	3,016,012	2,561,226
5	Average Balance of Common Equity	2,231,750,227	2,114,528,454	2,173,139,341

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

6	Bonds (112.18.c&d)	-	-	-
7	Less: Reacquired Bonds (112.19.c&d)	345,400,000	345,400,000	345,400,000
8	LT Advances from Assoc. Companies (112.20.c&d)	-	-	-
9	Senior Unsecured Notes (112.21.c&d)	2,078,861,479	1,978,861,479	2,028,861,479
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	Total Average Debt	1,733,461,479	1,633,461,479	1,683,461,479

12 **NOTE: 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. (Column H of the FF1)**

13 Annual Interest Expense for 2017

14	Interest on Long Term Debt (256-257.33.i)	41,412,946
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 33 below.	(2,097,663)
16	Plus: Allowed Hedge Recovery From Ln 38 below.	(2,097,663)
17	Amort of Debt Discount & Expense (117.63.c)	450,043
18	Amort of Loss on Reacquired Debt (117.64.c)	600,648
19	Less: Amort of Premium on Debt (117.65.c)	-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)	-
21	Total Interest Expense (Ln 14 + Ln 17 + Ln 18 - Ln 19 - Ln 20)	42,463,637

22 Average Cost of Debt for 2017 (Ln 21/Ln 11) 2.52%

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

23 **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 2017	Less Excludable Amounts (See NOTE on Line 23)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
24 SUN Cash Flow Hedge - 6.000%	-418450		(418,450)	-174355	June-06	June-16
25 SUN Cash Flow Hedge - 5.375%	-1679213		(1,679,213)	-6227080	09/01/09	09/01/19
26	-		-			
27			-			
28			-			
29			-			
30			-			
31			-			
32			-			
33	Total Hedge Amortization	(2,097,663)	-	(6,401,435)		
34	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 32)		(2,097,663)			
35	Total Average Capital Structure Balance for 2017 (TCOS, Ln 170)		3,856,600,820			
36	Financial Hedge Recovery Limit - Five Basis Points of Total Capital		0.0005			
37	Limit of Recoverable Amount		1,928,300			
38	Recoverable Hedge Amortization (Lesser of Ln 34 or Ln 37)		(2,097,663)			

Development of Cost of Preferred Stock

Preferred Stock			Average
39 4.125% Series - 100 - Dividend Rate (p. 250-251. 9.a)	4.125%	4.125%	
40 4.125% Series - 100 - Par Value (p. 250-251. 9.c)	\$ 100.00	\$ 100.00	
41 4.125% Series - 100 - Shares O/S (p.250-251. 9.e)	-	-	-
42 4.125% Series - 100 - Monetary Value (Ln 40 * Ln 41)	-	-	-
43 4.125% Series - 100 - Dividend Amount (Ln 39 * Ln 42)	-	-	-
44 4.12% Series - 100 - Dividend Rate (p. 250-251 11.a)	4.120%	4.120%	
45 4.12% Series - 100 - Par Value (p. 250-251 11.c)	\$ 100.00	\$ 100.00	
46 4.12% Series - 100 - Shares O/S (p.250-251 11.e)	-	-	-
47 4.12% Series - 100 - Monetary Value (Ln 45 * Ln 46)	-	-	-
48 4.12% Series - 100 - Dividend Amount (Ln 44 * Ln 47)	-	-	-
49 4.56% Series - 100 - Dividend Rate (p. 250-251. 10a)	4.560%	4.560%	
50 4.56% Series - 100 - Par Value (p. 250-251. 10c)	\$ 100.00	\$ 100.00	
51 4.56% Series - 100 - Shares O/S (p.250-251 10.e)	-	-	-
52 4.56% Series - 100 - Monetary Value (Ln 50 * Ln 51)	-	-	-
53 4.56% Series - 100 - Dividend Amount (Ln 49 * Ln 52)	-	-	-
54 Balance of Preferred Stock (Lns 42, 47, 52)	-	-	-
55 Dividends on Preferred Stock (Lns 43, 48, 53)	-	-	-
56 Average Cost of Preferred Stock (Ln 55/54)	0.00%	0.00%	0.00%

Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

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.

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 2017		-		-	

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 -

Allocation of PBOP Settlement Amount for 2017

		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 2017	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A)	(B)=(A)/Total (A)	(C)=(B) * 0	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
		(Line 14)						
2	APCo	(16,200,897)	36.57%	-	8.052%	(1,304,430)	-	(1,304,430)
3	I&M	(11,509,436)	25.98%	-	5.095%	(586,456)	-	(586,456)
4	KPCo	(3,481,273)	7.86%	-	6.818%	(237,367)	-	(237,367)
5	KNGP	(378,229)	0.85%	-	9.691%	(36,653)	-	(36,653)
6	OPCo	(11,964,459)	27.01%	-	15.466%	(1,850,380)	-	(1,850,380)
7	WPCo	(769,194)	1.74%	-	2.347%	(18,050)	-	(18,050)
8	Sum of Lines 2 to 7	(44,303,488)		-		(4,033,336)	-	(4,033,336)

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(15,553,365)	(11,620,295)	(3,566,295)	(334,834)	(11,037,888)	(417,243)	(42,529,920)
10 Additional PBOP Ledger Entries (from Company Records)	465,717	918,897	369,757	4,572	135,109	(290,243)	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,087,648)	(10,701,398)	(3,196,538)	(330,262)	(10,902,779)	(707,486)	(40,926,111)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(1,113,249)	(808,038)	(284,735)	(47,967)	(1,061,680)	(61,708)	(3,377,377)
14 Company PBOP Expense (Ln 12 + Ln 13)	(16,200,897)	(11,509,436)	(3,481,273)	(378,229)	(11,964,459)	(769,194)	(44,303,488)

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 allowance 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 1/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY

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 Revenue Requirement Forecast by October 31, 2017	=	True-up Adjustment - Over (Under) Recovery
\$16,511,590		\$15,216,438		(\$1,295,152)

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
		0.2780%				

An over or under collection will be recovered prorata over 2016, held for 2017 and returned prorate over 2018

<u>Calculation of Interest</u>				<u>Monthly</u>		
January	Year 2018	(107,929)	0.2780%	12	3,601	111,530
February	Year 2018	(107,929)	0.2780%	11	3,300	111,230
March	Year 2018	(107,929)	0.2780%	10	3,000	110,930
April	Year 2018	(107,929)	0.2780%	9	2,700	110,630
May	Year 2018	(107,929)	0.2780%	8	2,400	110,330
June	Year 2018	(107,929)	0.2780%	7	2,100	110,030
July	Year 2018	(107,929)	0.2780%	6	1,800	109,730
August	Year 2018	(107,929)	0.2780%	5	1,500	109,430
September	Year 2018	(107,929)	0.2780%	4	1,200	109,130
October	Year 2018	(107,929)	0.2780%	3	900	108,829
November	Year 2018	(107,929)	0.2780%	2	600	108,529
December	Year 2018	(107,929)	0.2780%	1	300	
					23,403	1,210,326
				<u>Annual</u>		
January through December	Year 2019	1,210,326	0.2780%	12	40,376	1,250,702
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<u>Monthly</u>		
January	Year 2020	(1,250,702)	0.2780%		3,477	1,148,061
February	Year 2020	(1,148,061)	0.2780%		3,192	1,045,135
March	Year 2020	(1,045,135)	0.2780%		2,905	941,922
April	Year 2020	(941,922)	0.2780%		2,619	838,423
May	Year 2020	(838,423)	0.2780%		2,331	734,635
June	Year 2020	(734,635)	0.2780%		2,042	630,559
July	Year 2020	(630,559)	0.2780%		1,753	526,194
August	Year 2020	(526,194)	0.2780%		1,463	421,539
September	Year 2020	(421,539)	0.2780%		1,172	316,593
October	Year 2020	(316,593)	0.2780%		880	211,355
November	Year 2020	(211,355)	0.2780%		588	105,824
December	Year 2020	(105,824)	0.2780%		294	(0)
					22,715	
True-Up Adjustment with Interest					1,273,418	
Less Over (Under) Recovery					(1,295,152)	
Total Interest					(21,734)	

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.