

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

For Twelve Months Ended

2022

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				\$418,046,870
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	1,729,000	DA 1.00000		\$ 1,729,000
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 416,317,870

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)	48,028,719	DA	1.00000	\$ 48,028,719
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	( (ln 1 - ln 80) / (ln 33) x 100 )			14.37%
8	Monthly Rate	(ln 7 / 12)			1.20%
9	NET PLANT CARRYING CHARGE ON LINE 7, w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	( (ln 1 - ln 80 - ln 83) / (ln 33) x 100 )			11.42%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	( (ln 1 - ln 80 - ln 83 - ln 108 - ln 109) / (ln 33) x 100 )			2.61%
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 63 Below			1,139,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			1,139,000

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(1)	(2)	(3)	(4)	(5)
	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No.				
19	GROSS PLANT IN SERVICE			
19	Transmission (Worksheet A In 14.(d) & Ln 117)	3,212,638,000	DA	3,167,988,853
20	Less: Transmission ARO (Enter Negative) (Worksheet A In 14.(e))	-	TP 0.98610	-
21	General Plant (Worksheet A In 14.(h))	58,066,000	W/S 0.98610	57,259,000
22	Less: General Plant ARO (Enter Negative) (Worksheet A In 14.(i))	-	W/S 0.98610	-
23	Intangible Plant (Worksheet A In 14.(j))	36,311,000	W/S 0.98610	35,806,351
24	TOTAL GROSS PLANT (Sum of Lines: 19 to 23)	3,307,015,000	GP= 0.986102 GTD= 0.98610	3,261,054,204
25	ACCUMULATED DEPRECIATION AND AMORTIZATION			
26	Transmission (Worksheet A In 28.(d) & Ln 43.(b))	272,244,000	DA 0.95301	259,451,677
27	Less: Transmission ARO (Enter Negative) (Worksheet A In 28.(e))	-	TP 0.98610	-
28	General Plant (Worksheet A In 28.(h))	2,185,000	W/S 0.98610	2,154,633
29	Less: General Plant ARO (Enter Negative) (Worksheet A In 28.(i))	-	W/S 0.98610	-
30	Intangible Plant (Worksheet A In 28.(j))	16,733,000	W/S 0.98610	16,500,445.26
31	TOTAL ACCUMULATED DEPRECIATION (Sum of Lines: 26 to 30)	291,162,000		278,106,755
32	NET PLANT IN SERVICE			
33	Transmission (In 19 + In 20 - In 26 - In 27)	2,940,394,000		2,908,537,175
34	General Plant (In 21 + In 22 - In 28 - In 29)	55,881,000		55,104,368
35	Intangible Plant (In 23 - In 30)	19,578,000		19,305,906
36	TOTAL NET PLANT IN SERVICE (Sum of Lines: 33 to 35)	3,015,853,000	NP= 0.989089	2,982,947,448
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE (Note D)			
38	Account No. 281.1 (enter negative) (Worksheet B, In 2 & In 5.E)	-	NA	-
39	Account No. 282.1 (enter negative) (Worksheet B, In 7 & In 10.E)	(212,376,500)	DA	(282,282,500)
40	Account No. 283.1 (enter negative) (Worksheet B, In 12 & In 15.E)	(52,785,500)	DA	(37,559,500)
41	Account No. 190.1 (Worksheet B, In 17 & In 20.E)	119,519,500	DA	86,110,500
42	Account No. 255 (enter negative) (Worksheet B, In 24 & In 25.E)	-	DA	-
43	TOTAL ADJUSTMENTS (sum Ins 38 to 42)	(145,642,500)		(233,731,500)
44	PLANT HELD FOR FUTURE USE (Worksheet A In 44.(e)) In 45.(e)	-	DA	-
45	REGULATORY ASSETS (Worksheet A In 51.(e))	-	DA	-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y (Worksheet A In 54.(e))	-	W/S 0.98610	-
47	WORKING CAPITAL (Note E)			
48	Cash Working Capital (1/8 * In 66)	3,192,000		3,147,638
49	Transmission Materials & Supplies (Worksheet C, In 2.(F))	-	TP 0.98610	-
50	A&G Materials & Supplies (Worksheet C, In 3.(F))	-	W/S 0.98610	-
51	Stores Expense (Worksheet C, In 4.(F))	-	GP 0.98610	-
52	Prepayments (Account 165) - Labor Allocated (Worksheet C, In 8.(G))	-	W/S 0.98610	-
53	Prepayments (Account 165) - Gross Plant (Worksheet C, In 8.(F))	1,095,000	GP 0.98610	1,079,782
54	Prepayments (Account 165) - Transmission Only (Worksheet C, In 8.(E))	-	DA 1.00000	-
55	Prepayments (Account 165) - Unallocable (Worksheet C, In 8.(D))	-	NA 0.00000	-
56	TOTAL WORKING CAPITAL (sum Ins 48 to 55)	4,287,000		4,227,419
57	IPP CONTRIBUTIONS FOR CONSTRUCTION (Note F) (Worksheet D, In 8.B)	-	DA 1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)	2,874,497,500		2,753,443,368

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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.					
	59	OPERATION & MAINTENANCE EXPENSE				
	60	Customer Related Expense	322 & 323.164,171.178.b			
	61	Regional Marketing Expenses	322.131.b			
	62	Transmission	321.112.b			
	63	TOTAL O&M EXPENSES	(sum Ins 59 to 61)			
	64	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)			
	65	Less: Account 565	(Note H) 321.96.b			
	66	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)			
	67	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	TP	0.98610	25,181,101
	68	Administrative and General	323.197.b (Notes J & M)			
	69	Less: Acct. 924, Property Insurance	323.185.b			
	70	Acct. 928, Rea. Com. Exp.	323.189.b			
	71	Acct. 930.1, Gen. Advert. Exp.	323.191.b			
	72	Acct. 930.2, Misc. Gen. Exp.	323.192.b			
	73	Balance of A & G	(In 67 - sum In 68 to In 71)	W/S	0.98610	9,099,750
	74	Plus: Acct. 924, Property Insurance	(In 68)	GP(h)	0.98610	946,658
	75	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	TP	0.98610	-
	76	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	TP	0.98610	-
	77	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	DA	1.00000	26,000
	78	PBCP Adjustment	Worksheet O Ln 16.(B). (Note K & M)	W/S	0.98610	845,089
	79	A & G Subtotal	(sum Ins 72 to 77)			10,917,497
	80	O & M EXPENSE SUBTOTAL	(In 66 + In 78)			36,098,598
	81	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	0.00000	-
	82	TOTAL O & M EXPENSE	(In 79 + In 80)			36,098,598
	83	DEPRECIATION AND AMORTIZATION EXPENSE				
	84	Transmission	336.7.f	TP	0.98610	85,803,696
	85	General	336.10.f	W/S	0.98610	1,419,001
	86	Intangible	336.1.f	W/S	0.98610	6,524,051
	87	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)			93,746,748
	88	TAXES OTHER THAN INCOME	(Note N)			
	89	Labor Related				
	90	Payroll	Worksheet H In 23.(D)	W/S	0.98610	-
	91	Plant Related				
	92	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	DA	1.00000	31,997,000
	93	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	NA	0.00000	-
	94	Other	Worksheet H In 23.(E)	GP	0.98610	-
	95	TOTAL OTHER TAXES	(sum Ins 89 to 93)			31,997,000
	96	INCOME TAXES	(Note O)			
	97	$T = 1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =$	24.97%			
	98	$EIT = (T / (1 - T)) * (1 - (WCLTD / WACC)) =$ (In 139)	25.77%			
	99	where WCLTD = (In 136) and WACC = (In 139)				
	100	and FIT, SIT & p are as given in Note O.				
	101	$GRCF = 1 / (1 - T) =$ (from In 96)	1.3329			
	102	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)			
	103	Excess Deferred Income Tax	(Note T)	NP(h)	0.98909	1,193,831
	104	Tax Effect of Permanent and Flow-Through Differences	(Note T)	NP(h)	0.98909	598,399
	105	Income Tax Calculation	(In 97 * In 109)			52,008,233
	106	ITC adjustment	(In 100 * In 101)	NP(h)	0.98909	-
	107	Excess Deferred Income Tax	(In 100 * In 102)			1,591,216
	108	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)			797,586
	109	TOTAL INCOME TAXES	(sum Ins 104 to 107)			54,397,035
	110	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)			201,807,490
	111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	-	DA	1.00000	-
	112	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))	-			-
	113	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)	-			-
	114	TOTAL REVENUE REQUIREMENT	431,061,791			418,046,870
	115	(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF					
114	Total transmission plant	(In 19)				3,212,638,000
115	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42.(d)) (Note P)					44,649,147
116	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)					-
117	Transmission plant included in PJM Tariff	(In 114 - In 115 - In 116)				3,167,988,853
118	Percent of transmission plant in PJM Tariff	(In 117 / In 114)			TP=	0.98610
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total	
120	Line Deliberately Left Blank					
121	Transmission	354.21.b	0	6,404,000	6,404,000	TP 0.98610 6,314,997
122	Regional Market Expenses	354.22.b	0	0	-	NA 0.00000 0.00000
123	Line Deliberately Left Blank					
124	Other (Excludes A&G)	354.24,25,26.b	0	0	-	NA 0.00000 -
125	Total	(sum Ins 121, 122, & 124)	-	6,404,000	6,404,000	6,314,997
126	Transmission related amount					WS= 0.98610
	<b>Actual (Uncapped) Capital Structure</b>					
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)					
128	Long Term Interest	(Worksheet M, In.36, col.(d))				\$ 48,594,000
129	Preferred Dividends	(Worksheet M, In. 45, col.(d))				-
130	Development of Common Stock:					
131	Proprietary Capital	(Worksheet M, In. 14, col.(b))				1,610,000,308
132	Less: Preferred Stock	(Worksheet M, In. 14, col.(c))				-
133	Less: Account 216.1	(Worksheet M, In. 14, col.(d))				-
134	Less: Account 219	(Worksheet M, In. 14, col.(e))				-
135	Common Stock	(In 131 - In 132 - In 133 - In 134)				1,610,000,308
			<b>Capital Structure Percentages</b>			Cost
			\$	%	Cap Limit	(Note S)
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d))		1,326,565,385	46.17%	45.17%	3.66% 0.0165
137	Preferred Stock (In 132)		0.00%	0.00%	0.00%	0.00% 0.0000
138	Common Stock (In 135)		1,610,000,308	54.83%	54.83%	10.35% 0.0567
139	Total (Sum Ins 136 to 138)		2,936,565,692	100.00%		WACC= 0.073293
140	Capital Structure Equity Limit (Note Z)	55.00%				

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Letter

Notes

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

A

Revenue credits include:  
1) Forfeited Discounts.  
2) Miscellaneous Service Revenues.  
3) Rental revenues earned on assets included in the rate base.  
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.  
5) Other electric revenues.  
6) Revenues for grandfathered PTP contracts included in the load divisor.  
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.  
See Worksheet E for details.

B

The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROEs. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.

C

Transmission Plant Balances in this study are projected or actual average 13 month balances.

D

The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.  
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(f)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.  
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.

E

Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.  
2) Costs of Transmission of Electricity by Others, as described in Note H.  
3) The impact of state regulatory deferrals and amortizations, as shown on line 65  
4) All A&G Expenses, as shown on line 78.

F

Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.

G

Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.

H

Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.  
  
The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.  
  
The company records referenced on line80 is the AEP Indiana Michigan Transmission Company general ledger.

I

Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.

J

General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.

K

The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.

L

Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.

M

See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.

N

Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.

O

The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.  
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized investment Tax Credit (Form 1, 266.8.f)  
(In 101) multiplied by (1/(1-T)) . If the applicable tax rates are zero enter 0.  

Inputs Required:	FIT =	21.00%	
	SIT =	5.03%	(State Income Tax Rate or Composite SIT, Worksheet G)
	p =	0.00%	(percent of federal income tax deductible for state purposes)

  
The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.

P

Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.

Q

Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.

R

Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.

S

Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (In 137).  
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.

T

U

Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All

V

The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.

W

AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.  
  
Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.  
X The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228,1-228,4 from rate base.  
Y Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.  
Z

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

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	3,130,026,000		57,652,000		33,487,000
2	January	3,132,572,000		57,675,000		33,991,000
3	February	3,141,123,000		57,698,000		34,460,000
4	March	3,150,214,000		57,722,000		34,942,000
5	April	3,161,656,000		57,775,000		35,405,000
6	May	3,179,293,000		57,829,000		35,865,000
7	June	3,197,262,000		57,883,000		36,341,000
8	July	3,216,659,000		57,906,000		36,813,000
9	August	3,225,417,000		58,037,000		37,279,000
10	September	3,242,650,000		58,169,000		37,730,000
11	October	3,273,090,000		58,299,000		38,171,000
12	November	3,344,790,000		58,430,000		38,603,000
13	December of Rate Year	3,369,545,000		59,789,000		38,962,000
14	Average of the 13 Monthly Balances	3,212,638,000	-	58,066,000	-	36,311,000

  

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	232,222,000		1,494,000		13,510,000
16	January	236,734,000		1,599,000		14,018,000
17	February	243,432,000		1,704,000		14,535,000
18	March	250,147,000		1,809,000		15,059,000
19	April	256,881,000		1,914,000		15,591,000
20	May	264,140,000		2,040,000		16,131,000
21	June	271,438,000		2,167,000		16,678,000
22	July	278,776,000		2,294,000		17,234,000
23	August	286,158,000		2,421,000		17,797,000
24	September	293,559,000		2,548,000		18,368,000
25	October	300,999,000		2,675,000		18,947,000
26	November	308,507,000		2,803,000		19,533,000
27	December of Rate Year	316,175,000		2,931,000		20,126,000
28	Average of the 13 Monthly Balances	272,244,000	-	2,185,000	-	16,733,000

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records (included in total in column (d) of line 14, gross plant above)	Company Records (included in total in column (d) of line 28, accumulated depreciation, above)
29	December Prior to Rate Year	-	-	33,638,597	12,326,783
30	January	-	-	33,648,985	12,395,046
31	February	-	-	33,648,985	12,463,310
32	March	-	-	33,648,985	12,531,573
33	April	-	-	33,648,985	12,599,837
34	May	-	-	33,648,985	12,675,091
35	June	-	-	33,648,985	12,750,345
36	July	-	-	33,648,985	12,825,599
37	August	-	-	33,648,985	12,900,853
38	September	-	-	33,648,985	12,976,107
39	October	-	-	33,648,985	13,051,361
40	November	-	-	104,417,388	13,284,123
41	December of Rate Year	-	-	105,893,081	13,520,170
42	Average of the 13 Monthly Balances	-	-	44,649,147	12,792,323

43 Transmission Accumulated Depreciation net of GSU, and Other Excludable Balances (Ln 28d - 42c - 42e) 259,451,677

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2022</u>	<u>Balance @ December 31, 2021</u>	<u>Average Balance for 2022</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, Ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1	-	-	-

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

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

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

**Unfunded Reserves Summary (Company Records)**

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

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

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



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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C)</u>		<u>(D)</u>		<u>(E)</u>
			Balance @ 31, 2022	December	Balance @ 31, 2021	December	Average Balance for 2022
1	<b><u>Account 281</u></b>						
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-	-	-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-	-	-
6	<b><u>Account 282</u></b>						
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	225,487,000		199,266,000		212,376,500
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	(62,833,000)		(76,979,000)		(69,906,000)
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	288,320,000		276,245,000		282,282,500
11	<b><u>Account 283</u></b>						
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	52,333,000		53,238,000		52,785,500
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	15,104,000		15,348,000		15,226,000
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	37,229,000		37,890,000		37,559,500
16	<b><u>Account 190</u></b>						
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	108,748,000		130,291,000		119,519,500
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	33,409,000		33,409,000		33,409,000
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	75,339,000		96,882,000		86,110,500
21	<b><u>Account 255</u></b>						
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)					-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1					-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)					-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

18.01  
18.02  
19  
20 TOTAL ACCOUNT 255

3 TOTAL ACCOUNT 190  
4 ACCOUNT 190 - ARO-Related Deferals

INDIANA MICHIGAN TRANSMISSION COMPANY  
Worksheet B-3  
Excess/ Deficient ADIT Worksheet  
For Year Ended December 31, 2022  
Debit/(Credit)

A B C D E

Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act
Deferred Tax Account (NOTE B)				
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1h	NOTE D			
Regulatory Deferral Accounts				
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	NOTE D			
3	Total For Accounting Entries (Sum of Lines 1a through 2b)			

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount number. The fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" at the fourth place of the account number indicates accounts used to track regulatory accounting requirements. This will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC account in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line.

NOTE C: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company, et al, 166 FERC ¶ 61,135 (2019).

NOTE D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT.

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the charged to the 410/411 account.

[illegible]

K	L	M	N	O	P
Balance Sheet Entries			Tax Expense Entries		12/31/2022 Er
Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization NOTE C	410/411 Deferred Tax Expense/ (Benefit)	Excess ADIT Regulatory Offset
<b>Sum of Co</b>					
					-
					-
					-
					-
					-
					-
-	-	-	-	-	-
<b>NOTE E</b>					

Q

Ending Balance

R

Excess ADIT in Utility  
Deferrals

Cols (I) - (O)

Reference

	WS B - 2 Col B/C, ADIT Item 2.12
-	WS B - 1 Col N, ADIT Item 5.15
-	WS B - 1 Col N, ADIT Item 5.16
	WS B - 1 Col B/C, ADIT Item 5.19
-	WS B - 1 Col N, ADIT Item 9.03
	WS B - 1 Col B/C, ADIT Item 9.06

Company Records  
FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)

-

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>Materials &amp; Supplies</b>								
Line Number	Source		Balance @ December 31, 2022	Balance @ December 31, 2021	Average Balance for 2022			
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	-	-	-			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-			

**Prepayment Balance Summary (Note 1)**

		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5							
6	Totals as of December 31, 2022	1,095,000	0	0	1,095,000	0	1,095,000
7	Totals as of December 31, 2021	<u>1,095,000</u>	<u>0</u>	<u>0</u>	<u>1,095,000</u>	<u>0</u>	<u>1,095,000</u>
8	Average Balance	<u>1,095,000</u>	-	-	<u>1,095,000</u>	-	<u>1,095,000</u>

**Prepayments Account 165 - Balance @ 12/31/2022**

9	Acc. No.	Description	2022 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	631,000	-		631,000		631,000	
11	1650021	Prepaid Insurance - EIS	354,000	-		354,000		354,000	
12	1650023	Prepaid Lease	110,000	-		110,000		110,000	
13				-				-	
14				-				-	
15				-				-	
16				-				-	
17				-				-	
18				-				-	
19				-				-	
20				-				-	
21				-			-	-	
22				-			-	-	
23				-			-	-	
24				-			-	-	
25				-			-	-	
	Subtotal - Form 1, p 111.57.c		1,095,000	0	0	1,095,000	0	1,095,000	

**Prepayments Account 165 - Balance @ 12/31/ 2021**

26	Acc. No.	Description	2021 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27	1650001	Prepaid Insurance	631,000			631,000		631,000	
28	1650021	Prepaid Insurance - EIS	354,000	-		354,000		354,000	
29	1650023	Prepaid Lease	110,000	-		110,000		110,000	
30				-				-	
31				-				-	
32				-				-	
33				-				-	
34				-				-	
35				-				-	
36				-				-	
37				-		-	-	-	
38				-			-	-	
39				-			-	-	
40				-			-	-	
	Subtotal - Form 1, p 111.57.d		1,095,000	0	0	1,095,000	0	1,095,000	

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



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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2022</u>
1	Net Funds from IPP Customers 12/31/2021 (2022 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2022 (2022 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

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

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	1,729,000	-	1,729,000
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	400,284,000	400,284,000	-
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	402,013,000	400,284,000	1,729,000
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	402,013,000	400,284,000	1,729,000
9	Facility Credits under PJM OATT Section 30.9			

- Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Indiana Michigan Transmission Company's general ledger.  
The functional amounts identified as transmission revenue also come from the general ledger.
- Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

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

Formula Rate  
WS F Misc Exp  
Page 19 of 46

	(A)	(B)	(C)	(D)	(E)	(F)
					100%	
<u>Line</u>	<u>Item No.</u>	<u>Description</u>	<u>2022</u>	<u>100%</u>	<u>Transmission</u>	<u>Explanation</u>
<u>Number</u>			<u>Expense</u>	<u>Non-Transmission</u>	<u>Specific</u>	
<b><u>Regulatory O&amp;M Deferrals &amp; Amortizations</u></b>						
1						
2						
3						
4		<b>Total</b>	-			
<b><u>Detail of Account 561 Per FERC Form 1</u></b>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	620,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	519,000			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		<b>Total of Account 561</b>	1,139,000			
<b><u>Account 928</u></b>						
15				-	-	
16				-	-	
17				-	-	
18				-	-	
19				-	-	
20				-	-	
21		<b>Total (FERC Form 1 p.323.189.b)</b>	-	-	-	
<b><u>Account 930.1</u></b>						
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		<b>Total (FERC Form 1 p.323.191.b)</b>	-	-	-	
<b><u>Account 930.2</u></b>						
39	9302000	Misc General Expenses	70,000	70,000	-	
40	9302003	Corporate & Fiscal Expenses	16,000	16,000	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	26,000	-	26,000	
43		<b>Total (FERC Form 1 p.323.192.b)</b>	112,000	86,000	26,000	

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

1	Indiana State Tax Rate	4.90%	
	Apportionment Factor - Note 1	88.50%	
	Effective State Tax Rate		4.34%
2	Michigan Tax Rate	6.00%	
	Apportionment Factor - Note 1	11.50%	
	Effective State Tax Rate		0.69%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>5.03%</u>

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	-				-
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Michigan	11,677,000	11,677,000			
5	Real and Personal Property - Indiana	20,320,000	20,320,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	31,997,000	31,997,000	-	-	-

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

Functional Property Tax Allocation

	Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	2,940,394,000	-	2,996,275,000
	<b>MICHIGAN JURISDICTION</b>				
25	Percentage of Plant in MICHIGAN JURISDICTION				
26	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25)	-	-	-	-
27	Less: Net Value of Exempted Generation Plant				
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-
29	Relative Valuation Factor				
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	
	<b>INDIANA JURISDICTION</b>				
35	Net Plant in INDIANA JURISDICTION (Ln 24 - Ln 26)	-	2,940,394,000	-	2,996,275,000
36	Less: Net Value Exempted Generation Plant				
37	Taxable Property Basis	-	2,940,394,000	-	2,996,275,000
38	Relative Valuation Factor				
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-
42	Weighted INDIANA JURISDICTION Plant (Ln 39 + 41)	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	

(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	<b>Revenue Taxes</b>			
2	Gross Receipts Tax	-	-	
<b>"Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"</b>		<b>(B)</b>	<b>(C)</b>	<b>(D)</b>
		<b>Tax Year</b>	<b>Total Company</b>	<b>FERC FORM 1 Tie-Back</b>
			<b>FERC FORM 1 Reference</b>	<b>Tax Year Factor (Note 2)</b>
				<b>Transmission Function (Note 2)</b>
3	<b>Real Estate and Personal Property Taxes Total</b>			
	<b>(Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>	31,997,000		31,997,000
4	Real and Personal Property - Michigan	11,677,000	11,677,000	100%
5	Real and Personal Property - Indiana	20,320,000	20,320,000	100%
6	Real and Personal Property - Tennessee	-	-	
7	Real and Personal Property - Other Jurisdictions	-	-	

(A)		(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference
8	<b>Payroll Taxes</b>			
9	Federal Insurance Contribution (FICA )	-		
10	Federal Unemployment Tax	-		
11	State Unemployment Insurance	-		
12	Line Left Deliberately Blank			
13	State Severance Taxes	-		
14	<b>Miscellaneous Taxes</b>			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	-		
17	State Franchise Taxes	-		
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	-		
21	Federal Excise Tax	-		
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14.(c))	31,997,000	31,997,000	

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

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

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

Reserved for Future Use

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

Page 1 of 11

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 138)	10.35%
Project ROE Incentive Adder	0
ROE with additional 0 basis point incentive	10.35%
Determine R ( cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 136 through 138)	
	% Cost Weighted cost
Long Term Debt	45.17% 3.66% 1.655%
Preferred Stock	0.00% 0.00% 0.000%
Common Stock	54.83% 10.35% 5.674%
R =	7.329%

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

Rate Base (TCOS, ln 58)	2,753,443,368
R (from A. above)	7.329%
Return (Rate Base x R)	201,807,490

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

Return (from B. above)	201,807,490
Effective Tax Rate (TCOS, ln 97)	25.77%
Income Tax Calculation (Return x CIT)	52,008,233
ITC Adjustment	-
Excess Deferred Income Tax	1,591,216
Tax Affect of Permanent Differences	797,586
Income Taxes	54,397,035

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2022	48,028,719	48,028,719 \$ -

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)	418,046,870
Lease Payments (TCOS, ln 80)	-
Return (TCOS, ln 109)	201,807,490
Income Taxes (TCOS, ln 108)	54,397,035
Annual Revenue Requirement, Less Return and Taxes	161,842,346

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

Annual Revenue Requirement, Less Return and Taxes	161,842,346
Return (from I.B. above)	201,807,490
Income Taxes (from I.C. above)	54,397,035
Annual Revenue Requirement, with 0 Basis Point ROE increase	418,046,870
Depreciation & Amortization (TCOS, ln 83)	85,803,696
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	332,243,174

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

Net Transmission Plant (Projected TCOS, ln 33)	2,908,537,175
Annual Revenue Requirement, with 0 Basis Point ROE increase	418,046,870
FCR with 0 Basis Point increase in ROE	14.37%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	332,243,174
FCR with 0 Basis Point ROE increase, less Depreciation	11.42%
FCR less Depreciation (TCOS, ln 10)	11.42%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2022 TCOS, ln 19	3,167,988,853
Annual Depreciation and Amortization Expense (TCOS, ln 83)	85,803,696
Composite Depreciation Rate	2.71%
Depreciable Life for Composite Depreciation Rate	36.92
Average Life in Whole Years	37

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



AEP Indiana Michigan Transmission Company 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: b1465.4 (Make switching improvements at Sullivan and Jefferson 765 kV stations)

Current Projected Year ARR	742,755
Current Projected Year ARR w/ Incentive	742,755
Current Projected Year Incentive ARR	-

Details					
Investment Year	6,636,011	Current Year	2022		
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.42%		
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%		
CIAC (Yes or No)	No	Annual Depreciation Expense	179,352		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **
2012	6,636,011	-	6,636,011	758,034	758,034
2013	6,636,011	179,352	6,456,659	927,142	927,142
2014	6,456,659	179,352	6,277,308	906,654	906,654
2015	6,277,308	179,352	6,097,956	886,167	886,167
2016	6,097,956	179,352	5,918,604	865,680	865,680
2017	5,918,604	179,352	5,739,253	845,192	845,192
2018	5,739,253	179,352	5,559,901	824,705	824,705
2019	5,559,901	179,352	5,380,549	804,217	804,217
2020	5,380,549	179,352	5,201,198	783,730	783,730
2021	5,201,198	179,352	5,021,846	763,243	763,243
2022	5,021,846	179,352	4,842,495	742,755	742,755
2023	4,842,495	179,352	4,663,143	722,268	722,268
2024	4,663,143	179,352	4,483,791	701,780	701,780
2025	4,483,791	179,352	4,304,440	681,293	681,293
2026	4,304,440	179,352	4,125,088	660,806	660,806
2027	4,125,088	179,352	3,945,736	640,318	640,318
2028	3,945,736	179,352	3,766,385	619,831	619,831
2029	3,766,385	179,352	3,587,033	599,343	599,343
2030	3,587,033	179,352	3,407,681	578,856	578,856
2031	3,407,681	179,352	3,228,330	558,369	558,369
2032	3,228,330	179,352	3,048,978	537,881	537,881
2033	3,048,978	179,352	2,869,626	517,394	517,394
2034	2,869,626	179,352	2,690,275	496,906	496,906
2035	2,690,275	179,352	2,510,923	476,419	476,419
2036	2,510,923	179,352	2,331,571	455,932	455,932
2037	2,331,571	179,352	2,152,220	435,444	435,444
2038	2,152,220	179,352	1,972,868	414,957	414,957
2039	1,972,868	179,352	1,793,516	394,469	394,469
2040	1,793,516	179,352	1,614,165	373,982	373,982
2041	1,614,165	179,352	1,434,813	353,495	353,495
2042	1,434,813	179,352	1,255,462	333,007	333,007
2043	1,255,462	179,352	1,076,110	312,520	312,520
2044	1,076,110	179,352	896,758	292,032	292,032
2045	896,758	179,352	717,407	271,545	271,545
2046	717,407	179,352	538,055	251,058	251,058
2047	538,055	179,352	358,703	230,570	230,570
2048	358,703	179,352	179,352	210,083	210,083
2049	179,352	179,352	0	189,595	189,595
2050	0	0	-	0	0
2051	-	-	-	-	-
2052	-	-	-	-	-
2053	-	-	-	-	-
2054	-	-	-	-	-
2055	-	-	-	-	-
2056	-	-	-	-	-
2057	-	-	-	-	-
2058	-	-	-	-	-
2059	-	-	-	-	-
2060	-	-	-	-	-
2061	-	-	-	-	-
2062	-	-	-	-	-
2063	-	-	-	-	-
2064	-	-	-	-	-
2065	-	-	-	-	-
2066	-	-	-	-	-
2067	-	-	-	-	-
2068	-	-	-	-	-
2069	-	-	-	-	-
2070	-	-	-	-	-
2071	-	-	-	-	-
Project Totals	6,636,011			21,417,669	21,417,669

\*\* 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: b1465.2 (Replace the 100 MVAR 765 kV shunt reactor bank on Rockport - Jefferson 765 kV line with a 300 MVAR bank at Rockport Station)

Current Projected Year ARR	1,732,120
Current Projected Year ARR w/ Incentive	1,732,120
Current Projected Year Incentive ARR	

Details			
Investment Year	15,264,784	Current Year	2022
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	412,562

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	15,264,784	206,281	15,058,503	1,938,200	1,938,200	\$ -	\$ 1,578,782	\$ 1,578,782
2014	15,058,503	412,562	14,645,941	2,109,136	2,109,136	\$ -	\$ 1,735,811	\$ 1,735,811
2015	14,645,941	412,562	14,233,380	2,062,009	2,062,009	\$ -	\$ 1,857,418	\$ 1,857,418
2016	14,233,380	412,562	13,820,818	2,014,882	2,014,882	\$ -	\$ 1,808,629	\$ 1,808,629
2017	13,820,818	412,562	13,408,256	1,967,755	1,967,755	\$ -	\$ 1,924,179	\$ 1,924,179
2018	13,408,256	412,562	12,995,694	1,920,628	1,920,628	\$ -	\$ 1,648,242	\$ 1,648,242
2019	12,995,694	412,562	12,583,133	1,873,501	1,873,501	\$ -	\$ 1,728,141	\$ 1,728,141
2020	12,583,133	412,562	12,170,571	1,826,374	1,826,374	\$ -	\$ 1,748,229	\$ 1,748,229
2021	12,170,571	412,562	11,758,009	1,779,247	1,779,247	\$ -	\$ 1,710,360	\$ 1,710,360
2022	11,758,009	412,562	11,345,448	1,732,120	1,732,120	\$ -		
2023	11,345,448	412,562	10,932,886	1,684,992	1,684,992	\$ -		
2024	10,932,886	412,562	10,520,324	1,637,865	1,637,865	\$ -		
2025	10,520,324	412,562	10,107,762	1,590,738	1,590,738	\$ -		
2026	10,107,762	412,562	9,695,201	1,543,611	1,543,611	\$ -		
2027	9,695,201	412,562	9,282,639	1,496,484	1,496,484	\$ -		
2028	9,282,639	412,562	8,870,077	1,449,357	1,449,357	\$ -		
2029	8,870,077	412,562	8,457,515	1,402,230	1,402,230	\$ -		
2030	8,457,515	412,562	8,044,954	1,355,103	1,355,103	\$ -		
2031	8,044,954	412,562	7,632,392	1,307,976	1,307,976	\$ -		
2032	7,632,392	412,562	7,219,830	1,260,849	1,260,849	\$ -		
2033	7,219,830	412,562	6,807,269	1,213,722	1,213,722	\$ -		
2034	6,807,269	412,562	6,394,707	1,166,595	1,166,595	\$ -		
2035	6,394,707	412,562	5,982,145	1,119,468	1,119,468	\$ -		
2036	5,982,145	412,562	5,569,583	1,072,341	1,072,341	\$ -		
2037	5,569,583	412,562	5,157,022	1,025,214	1,025,214	\$ -		
2038	5,157,022	412,562	4,744,460	978,087	978,087	\$ -		
2039	4,744,460	412,562	4,331,898	930,959	930,959	\$ -		
2040	4,331,898	412,562	3,919,336	883,832	883,832	\$ -		
2041	3,919,336	412,562	3,506,775	836,705	836,705	\$ -		
2042	3,506,775	412,562	3,094,213	789,578	789,578	\$ -		
2043	3,094,213	412,562	2,681,651	742,451	742,451	\$ -		
2044	2,681,651	412,562	2,269,090	695,324	695,324	\$ -		
2045	2,269,090	412,562	1,856,528	648,197	648,197	\$ -		
2046	1,856,528	412,562	1,443,966	601,070	601,070	\$ -		
2047	1,443,966	412,562	1,031,404	553,943	553,943	\$ -		
2048	1,031,404	412,562	618,843	506,816	506,816	\$ -		
2049	618,843	412,562	206,281	459,689	459,689	\$ -		
2050	206,281	206,281	-	218,063	218,063	\$ -		
2051	-	-	-	-	-	\$ -		
2052	-	-	-	-	-	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals	15,264,784			48,395,110	48,395,110	-		

\*\* 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.

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: b2048 (Replace both Tanners Creek 345/138 kV transformers with one bigger transformer)

Current Projected Year ARR	667,726
Current Projected Year ARR w/ Incentive	667,726
Current Projected Year Incentive ARR	-

Details			
Investment	5,805,543	Current Year	2022
Service Year (yyy)	2019	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	156,907

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.			

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	5,805,543	-	5,805,543	663,169	663,169	\$ -	\$ 461,439	\$ 461,439
2014	5,805,543	156,907	5,648,636	811,114	811,114	\$ -	\$ 626,067	\$ 626,067
2015	5,648,636	156,907	5,491,730	793,190	793,190	\$ -	\$ 697,699	\$ 697,699
2016	5,491,730	156,907	5,334,823	775,267	775,267	\$ -	\$ 692,483	\$ 692,483
2017	5,334,823	156,907	5,177,917	757,343	757,343	\$ -	\$ 737,310	\$ 737,310
2018	5,177,917	156,907	5,021,010	739,420	739,420	\$ -	\$ 631,912	\$ 631,912
2019	5,021,010	156,907	4,864,104	721,496	721,496	\$ -	\$ 663,516	\$ 663,516
2020	4,864,104	156,907	4,707,197	703,573	703,573	\$ -	\$ 671,525	\$ 671,525
2021	4,707,197	156,907	4,550,290	685,650	685,650	\$ -	\$ 658,579	\$ 658,579
2022	4,550,290	156,907	4,393,384	667,726	667,726	\$ -		
2023	4,393,384	156,907	4,236,477	649,803	649,803	\$ -		
2024	4,236,477	156,907	4,079,571	631,879	631,879	\$ -		
2025	4,079,571	156,907	3,922,664	613,956	613,956	\$ -		
2026	3,922,664	156,907	3,765,758	596,032	596,032	\$ -		
2027	3,765,758	156,907	3,608,851	578,109	578,109	\$ -		
2028	3,608,851	156,907	3,451,944	560,185	560,185	\$ -		
2029	3,451,944	156,907	3,295,038	542,262	542,262	\$ -		
2030	3,295,038	156,907	3,138,131	524,338	524,338	\$ -		
2031	3,138,131	156,907	2,981,225	506,415	506,415	\$ -		
2032	2,981,225	156,907	2,824,318	488,491	488,491	\$ -		
2033	2,824,318	156,907	2,667,412	470,568	470,568	\$ -		
2034	2,667,412	156,907	2,510,505	452,644	452,644	\$ -		
2035	2,510,505	156,907	2,353,599	434,721	434,721	\$ -		
2036	2,353,599	156,907	2,196,692	416,797	416,797	\$ -		
2037	2,196,692	156,907	2,039,785	398,874	398,874	\$ -		
2038	2,039,785	156,907	1,882,879	380,950	380,950	\$ -		
2039	1,882,879	156,907	1,725,972	363,027	363,027	\$ -		
2040	1,725,972	156,907	1,569,066	345,103	345,103	\$ -		
2041	1,569,066	156,907	1,412,159	327,180	327,180	\$ -		
2042	1,412,159	156,907	1,255,253	309,256	309,256	\$ -		
2043	1,255,253	156,907	1,098,346	291,333	291,333	\$ -		
2044	1,098,346	156,907	941,439	273,409	273,409	\$ -		
2045	941,439	156,907	784,533	255,486	255,486	\$ -		
2046	784,533	156,907	627,626	237,562	237,562	\$ -		
2047	627,626	156,907	470,720	219,639	219,639	\$ -		
2048	470,720	156,907	313,813	201,715	201,715	\$ -		
2049	313,813	156,907	156,907	183,792	183,792	\$ -		
2050	156,907	156,907	0	165,868	165,868	\$ -		
2051	0	0	-	0	0	\$ -		
2052	-	-	-	-	-	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals	5,805,543			18,737,341	18,737,341	-		

\*\* 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.

### A. Base Plan Facilities

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

(e.g. ER05-925-000)

Current Projected Year ARR	7,122,749
Current Projected Year ARR w/ Incentive	7,122,749
Current Projected Year Incentive ARR	-

**Project Description:**

RTEP ID: b1818 (Expand the Allen station by installing a second 345/138 kV transformer and adding four exits by cutting in the Lincoln-Sterling and Timber Switch-Milan 138 kV double circuit tower line)

Details			
Investment	60,573,766	Current Year	2022
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	10	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,637,129

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.

CIAL (Yrs of NS)		Annual Depreciation Expense		1,637,129		PROJECT		
Investment	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2014	60,573,766	272,855	60,300,911	7,176,632	7,176,632	\$ -	\$ -	\$ -
2015	60,300,911	1,637,129	58,663,782	8,431,817	8,431,817	\$ -	\$ 1,745,562	\$ 1,745,562
2016	58,663,782	1,637,129	57,026,653	8,244,807	8,244,807	\$ -	\$ 1,596,924	\$ 1,596,924
2017	57,026,653	1,637,129	55,389,525	8,057,798	8,057,798	\$ -	\$ 8,620,533	\$ 8,620,533
2018	55,389,525	1,637,129	53,752,396	7,870,798	7,870,798	\$ -	\$ 6,863,859	\$ 6,863,859
2019	53,752,396	1,637,129	52,115,267	7,683,778	7,683,778	\$ -	\$ 7,470,796	\$ 7,470,796
2020	52,115,267	1,637,129	50,478,138	7,496,768	7,496,768	\$ -	\$ 7,563,744	\$ 7,563,744
2021	50,478,138	1,637,129	48,841,009	7,309,759	7,309,759	\$ -	\$ 7,012,208	\$ 7,012,208
2022	48,841,009	1,637,129	47,203,881	7,122,749	7,122,749	\$ -		
2023	47,203,881	1,637,129	45,566,752	6,936,739	6,936,739	\$ -		
2024	45,566,752	1,637,129	43,929,623	6,748,729	6,748,729	\$ -		
2025	43,929,623	1,637,129	42,292,494	6,561,719	6,561,719	\$ -		
2026	42,292,494	1,637,129	40,655,365	6,374,710	6,374,710	\$ -		
2027	40,655,365	1,637,129	39,018,237	6,187,700	6,187,700	\$ -		
2028	39,018,237	1,637,129	37,381,108	6,000,690	6,000,690	\$ -		
2029	37,381,108	1,637,129	35,743,979	5,813,680	5,813,680	\$ -		
2030	35,743,979	1,637,129	34,106,850	5,626,671	5,626,671	\$ -		
2031	34,106,850	1,637,129	32,469,721	5,439,661	5,439,661	\$ -		
2032	32,469,721	1,637,129	30,832,592	5,252,651	5,252,651	\$ -		
2033	30,832,592	1,637,129	29,195,464	5,065,641	5,065,641	\$ -		
2034	29,195,464	1,637,129	27,558,335	4,878,632	4,878,632	\$ -		
2035	27,558,335	1,637,129	25,921,206	4,691,622	4,691,622	\$ -		
2036	25,921,206	1,637,129	24,284,077	4,504,612	4,504,612	\$ -		
2037	24,284,077	1,637,129	22,646,948	4,317,602	4,317,602	\$ -		
2038	22,646,948	1,637,129	21,009,820	4,130,592	4,130,592	\$ -		
2039	21,009,820	1,637,129	19,372,691	3,943,583	3,943,583	\$ -		
2040	19,372,691	1,637,129	17,735,562	3,756,573	3,756,573	\$ -		
2041	17,735,562	1,637,129	16,098,433	3,569,563	3,569,563	\$ -		
2042	16,098,433	1,637,129	14,461,304	3,382,553	3,382,553	\$ -		
2043	14,461,304	1,637,129	12,824,176	3,195,544	3,195,544	\$ -		
2044	12,824,176	1,637,129	11,187,047	3,008,534	3,008,534	\$ -		
2045	11,187,047	1,637,129	9,549,918	2,821,524	2,821,524	\$ -		
2046	9,549,918	1,637,129	7,912,789	2,634,514	2,634,514	\$ -		
2047	7,912,789	1,637,129	6,275,660	2,447,504	2,447,504	\$ -		
2048	6,275,660	1,637,129	4,638,532	2,260,495	2,260,495	\$ -		
2049	4,638,532	1,637,129	3,001,403	2,073,485	2,073,485	\$ -		
2050	3,001,403	1,637,129	1,364,274	1,886,475	1,886,475	\$ -		
2051	1,364,274	1,637,129	-	1,442,195	1,442,195	\$ -		
2052	-	-	-	-	-	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
Project Totals	60,573,766			194,348,089	194,348,089	-		

\*\* 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.

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

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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: b1819 (Rebuild the Robinson Park-Sorneson 138 kV line corridor as a 345 kV double circuit line with one side operated at 345 kV and one side at 138 kV)

Current Projected Year ARR	12,166,987
Current Projected Year ARR w/ Incentive	12,166,987
Current Projected Year Incentive ARR	-

Details		Current Year	2022
Investment	99,133,366		
Service Year (vvv)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	2,679,280

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2016	99,133,366	1,339,640	97,793,726	12,587,164	12,587,164	\$ -	\$ 8,211,582	\$ 8,211,582
2017	97,793,726	2,679,280	95,114,446	13,697,263	13,697,263	\$ -	\$ 9,400,319	\$ 9,400,319
2018	95,114,446	2,679,280	92,435,166	13,391,208	13,391,208	\$ -	\$ 11,231,831	\$ 11,231,831
2019	92,435,166	2,679,280	89,755,886	13,085,153	13,085,153	\$ -	\$ 11,864,825	\$ 11,864,825
2020	89,755,886	2,679,280	87,076,606	12,779,097	12,779,097	\$ -	\$ 12,033,066	\$ 12,033,066
2021	87,076,606	2,679,280	84,397,325	12,473,042	12,473,042	\$ -	\$ 11,936,441	\$ 11,936,441
2022	84,397,325	2,679,280	81,718,045	12,166,987	12,166,987	\$ -		
2023	81,718,045	2,679,280	79,038,765	11,860,932	11,860,932	\$ -		
2024	79,038,765	2,679,280	76,359,485	11,554,877	11,554,877	\$ -		
2025	76,359,485	2,679,280	73,680,205	11,248,822	11,248,822	\$ -		
2026	73,680,205	2,679,280	71,000,925	10,942,767	10,942,767	\$ -		
2027	71,000,925	2,679,280	68,321,644	10,636,712	10,636,712	\$ -		
2028	68,321,644	2,679,280	65,642,364	10,330,657	10,330,657	\$ -		
2029	65,642,364	2,679,280	62,963,084	10,024,602	10,024,602	\$ -		
2030	62,963,084	2,679,280	60,283,804	9,718,547	9,718,547	\$ -		
2031	60,283,804	2,679,280	57,604,524	9,412,492	9,412,492	\$ -		
2032	57,604,524	2,679,280	54,925,243	9,106,437	9,106,437	\$ -		
2033	54,925,243	2,679,280	52,245,963	8,800,382	8,800,382	\$ -		
2034	52,245,963	2,679,280	49,566,683	8,494,326	8,494,326	\$ -		
2035	49,566,683	2,679,280	46,887,403	8,188,271	8,188,271	\$ -		
2036	46,887,403	2,679,280	44,208,123	7,882,216	7,882,216	\$ -		
2037	44,208,123	2,679,280	41,528,843	7,576,161	7,576,161	\$ -		
2038	41,528,843	2,679,280	38,849,562	7,270,106	7,270,106	\$ -		
2039	38,849,562	2,679,280	36,170,282	6,964,051	6,964,051	\$ -		
2040	36,170,282	2,679,280	33,491,002	6,657,996	6,657,996	\$ -		
2041	33,491,002	2,679,280	30,811,722	6,351,941	6,351,941	\$ -		
2042	30,811,722	2,679,280	28,132,442	6,045,886	6,045,886	\$ -		
2043	28,132,442	2,679,280	25,453,162	5,739,831	5,739,831	\$ -		
2044	25,453,162	2,679,280	22,773,881	5,433,776	5,433,776	\$ -		
2045	22,773,881	2,679,280	20,094,601	5,127,721	5,127,721	\$ -		
2046	20,094,601	2,679,280	17,415,321	4,821,666	4,821,666	\$ -		
2047	17,415,321	2,679,280	14,736,041	4,515,611	4,515,611	\$ -		
2048	14,736,041	2,679,280	12,056,761	4,209,556	4,209,556	\$ -		
2049	12,056,761	2,679,280	9,377,481	3,903,500	3,903,500	\$ -		
2050	9,377,481	2,679,280	6,698,200	3,597,445	3,597,445	\$ -		
2051	6,698,200	2,679,280	4,018,920	3,291,390	3,291,390	\$ -		
2052	4,018,920	2,679,280	1,339,640	2,985,335	2,985,335	\$ -		
2053	1,339,640	1,339,640	-	1,416,154	1,416,154	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
2074	-	-	-	-	-	\$ -		
2075	-	-	-	-	-	\$ -		
Project Totals	99,133,366			314,290,080	314,290,080	-		

\*\* 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.

### A. Base Plan Facilities

(e.g. ER05-925-000)

Current Projected Year ARR	6,489,460
Current Projected Year ARR w/ Incentive	6,489,460
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.

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

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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: b1659.13 (Sorenson: Expansion work to establish 765 kV site)

Current Projected Year ARR	6,231,588
Current Projected Year ARR w/ Incentive	6,231,588
Current Projected Year Incentive ARR	-

Details			
Investment	50,142,658	Current Year	2022
Service Year (vvv)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,355,207

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **		
2016	50,142,658	-	50,142,658	5,727,813	5,727,813	\$ -	\$ 4,514,116	\$ 4,514,116		
2017	50,142,658	1,355,207	48,787,451	7,005,617	7,005,617	\$ -	\$ 7,261,914	\$ 7,261,914		
2018	48,787,451	1,355,207	47,432,244	6,850,811	6,850,811	\$ -	\$ 5,720,037	\$ 5,720,037		
2019	47,432,244	1,355,207	46,077,037	6,696,005	6,696,005	\$ -	\$ 6,058,461	\$ 6,058,461		
2020	46,077,037	1,355,207	44,721,830	6,541,199	6,541,199	\$ -	\$ 6,143,740	\$ 6,143,740		
2021	44,721,830	1,355,207	43,366,623	6,386,394	6,386,394	\$ -	\$ 6,107,453	\$ 6,107,453		
2022	43,366,623	1,355,207	42,011,416	6,231,588	6,231,588	\$ -				
2023	42,011,416	1,355,207	40,656,209	6,076,782	6,076,782	\$ -				
2024	40,656,209	1,355,207	39,301,002	5,921,976	5,921,976	\$ -				
2025	39,301,002	1,355,207	37,945,795	5,767,171	5,767,171	\$ -				
2026	37,945,795	1,355,207	36,590,588	5,612,365	5,612,365	\$ -				
2027	36,590,588	1,355,207	35,235,381	5,457,559	5,457,559	\$ -				
2028	35,235,381	1,355,207	33,880,174	5,302,753	5,302,753	\$ -				
2029	33,880,174	1,355,207	32,524,967	5,147,948	5,147,948	\$ -				
2030	32,524,967	1,355,207	31,169,760	4,993,142	4,993,142	\$ -				
2031	31,169,760	1,355,207	29,814,553	4,838,336	4,838,336	\$ -				
2032	29,814,553	1,355,207	28,459,346	4,683,531	4,683,531	\$ -				
2033	28,459,346	1,355,207	27,104,139	4,528,725	4,528,725	\$ -				
2034	27,104,139	1,355,207	25,748,932	4,373,919	4,373,919	\$ -				
2035	25,748,932	1,355,207	24,393,726	4,219,113	4,219,113	\$ -				
2036	24,393,726	1,355,207	23,038,519	4,064,308	4,064,308	\$ -				
2037	23,038,519	1,355,207	21,683,312	3,909,502	3,909,502	\$ -				
2038	21,683,312	1,355,207	20,328,105	3,754,696	3,754,696	\$ -				
2039	20,328,105	1,355,207	18,972,898	3,599,890	3,599,890	\$ -				
2040	18,972,898	1,355,207	17,617,691	3,445,085	3,445,085	\$ -				
2041	17,617,691	1,355,207	16,262,484	3,290,279	3,290,279	\$ -				
2042	16,262,484	1,355,207	14,907,277	3,135,473	3,135,473	\$ -				
2043	14,907,277	1,355,207	13,552,070	2,980,667	2,980,667	\$ -				
2044	13,552,070	1,355,207	12,196,863	2,825,862	2,825,862	\$ -				
2045	12,196,863	1,355,207	10,841,656	2,671,056	2,671,056	\$ -				
2046	10,841,656	1,355,207	9,486,449	2,516,250	2,516,250	\$ -				
2047	9,486,449	1,355,207	8,131,242	2,361,444	2,361,444	\$ -				
2048	8,131,242	1,355,207	6,776,035	2,206,639	2,206,639	\$ -				
2049	6,776,035	1,355,207	5,420,828	2,051,833	2,051,833	\$ -				
2050	5,420,828	1,355,207	4,065,621	1,897,027	1,897,027	\$ -				
2051	4,065,621	1,355,207	2,710,414	1,742,221	1,742,221	\$ -				
2052	2,710,414	1,355,207	1,355,207	1,587,416	1,587,416	\$ -				
2053	1,355,207	1,355,207	-	1,432,610	1,432,610	\$ -				
2054	-	-	-	-	-	\$ -				
2055	-	-	-	-	-	\$ -				
2056	-	-	-	-	-	\$ -				
2057	-	-	-	-	-	\$ -				
2058	-	-	-	-	-	\$ -				
2059	-	-	-	-	-	\$ -				
2060	-	-	-	-	-	\$ -				
2061	-	-	-	-	-	\$ -				
2062	-	-	-	-	-	\$ -				
2063	-	-	-	-	-	\$ -				
2064	-	-	-	-	-	\$ -				
2065	-	-	-	-	-	\$ -				
2066	-	-	-	-	-	\$ -				
2067	-	-	-	-	-	\$ -				
2068	-	-	-	-	-	\$ -				
2069	-	-	-	-	-	\$ -				
2070	-	-	-	-	-	\$ -				
2071	-	-	-	-	-	\$ -				
2072	-	-	-	-	-	\$ -				
2073	-	-	-	-	-	\$ -				
2074	-	-	-	-	-	\$ -				
2075	-	-	-	-	-	\$ -				
Project Totals	50,142,658			161,835,004	161,835,004	-				

\*\* 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.

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:**

RTEP ID: b1659.14 (Sorenson: Approx. 14 miles of 765 kV line from existing Dumont-Marysville line)

### CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS

Details			
Investment	62,382,766	Current Year	2022
Service Year (www)	2018	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)		Annual Depreciation Expense	1,686.021

### 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.

CIAC (Yes or No)	No Annual Depreciation Expense					1,686,021
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	62,382,766	-	62,382,766	7,126,004	7,126,004	\$ -
2017	62,382,766	1,686,021	60,696,746	8,715,728	8,715,728	\$ -
2018	60,696,746	1,686,021	59,010,725	8,523,133	8,523,133	\$ -
2019	59,010,725	1,686,021	57,324,704	8,330,538	8,330,538	\$ -
2020	57,324,704	1,686,021	55,638,684	8,137,943	8,137,943	\$ -
2021	55,638,684	1,686,021	53,952,663	7,945,349	7,945,349	\$ -
2022	53,952,663	1,686,021	52,266,642	7,752,754	7,752,754	\$ -
2023	52,266,642	1,686,021	50,580,621	7,560,159	7,560,159	\$ -
2024	50,580,621	1,686,021	48,894,601	7,367,565	7,367,565	\$ -
2025	48,894,601	1,686,021	47,208,580	7,174,970	7,174,970	\$ -
2026	47,208,580	1,686,021	45,522,559	6,982,375	6,982,375	\$ -
2027	45,522,559	1,686,021	43,836,539	6,789,781	6,789,781	\$ -
2028	43,836,539	1,686,021	42,150,518	6,597,186	6,597,186	\$ -
2029	42,150,518	1,686,021	40,464,497	6,404,591	6,404,591	\$ -
2030	40,464,497	1,686,021	38,778,476	6,211,996	6,211,996	\$ -
2031	38,778,476	1,686,021	37,092,456	6,019,402	6,019,402	\$ -
2032	37,092,456	1,686,021	35,406,435	5,826,807	5,826,807	\$ -
2033	35,406,435	1,686,021	33,720,414	5,634,212	5,634,212	\$ -
2034	33,720,414	1,686,021	32,034,394	5,441,618	5,441,618	\$ -
2035	32,034,394	1,686,021	30,348,373	5,249,023	5,249,023	\$ -
2036	30,348,373	1,686,021	28,662,352	5,056,428	5,056,428	\$ -
2037	28,662,352	1,686,021	26,976,331	4,863,833	4,863,833	\$ -
2038	26,976,331	1,686,021	25,290,311	4,671,239	4,671,239	\$ -
2039	25,290,311	1,686,021	23,604,290	4,478,644	4,478,644	\$ -
2040	23,604,290	1,686,021	21,918,269	4,286,049	4,286,049	\$ -
2041	21,918,269	1,686,021	20,232,249	4,093,455	4,093,455	\$ -
2042	20,232,249	1,686,021	18,546,228	3,900,860	3,900,860	\$ -
2043	18,546,228	1,686,021	16,860,207	3,708,265	3,708,265	\$ -
2044	16,860,207	1,686,021	15,174,186	3,515,670	3,515,670	\$ -
2045	15,174,186	1,686,021	13,488,166	3,323,076	3,323,076	\$ -
2046	13,488,166	1,686,021	11,802,145	3,130,481	3,130,481	\$ -
2047	11,802,145	1,686,021	10,116,124	2,937,886	2,937,886	\$ -
2048	10,116,124	1,686,021	8,430,104	2,745,292	2,745,292	\$ -
2049	8,430,104	1,686,021	6,744,083	2,552,697	2,552,697	\$ -
2050	6,744,083	1,686,021	5,058,062	2,360,102	2,360,102	\$ -
2051	5,058,062	1,686,021	3,372,041	2,167,507	2,167,507	\$ -
2052	3,372,041	1,686,021	1,686,021	1,974,913	1,974,913	\$ -
2053	1,686,021	1,686,021	-	1,782,318	1,782,318	\$ -
2054	-	-	-	-	-	\$ -
2055	-	-	-	-	-	\$ -
2056	-	-	-	-	-	\$ -
2057	-	-	-	-	-	\$ -
2058	-	-	-	-	-	\$ -
2059	-	-	-	-	-	\$ -
2060	-	-	-	-	-	\$ -
2061	-	-	-	-	-	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -

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 "	
\$ 5,764,647		\$ 5,764,647	
\$ 7,201,236		\$ 7,201,236	
\$ 7,115,546		\$ 7,115,546	
\$ 7,533,264		\$ 7,533,264	
\$ 4,004,463		\$ 4,004,463	
\$ 7,598,317		\$ 7,598,317	

2015	-	-	-	-
<b>Project Totals</b>		<b>62,382,766</b>	<b>201,339,850</b>	<b>201,339,850</b>

\*\* 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.



### A. Base Plan Facilities

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

(e.g. ER05-925-000)

**Project Description:**

RTEP ID: b1465.1 (Add a 3rd 2250 MVA 765/345 kV transformer at Sullivan station)

### CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS

Details			
Investment	32,360,310	Current Year	2022
Service Year (ywy)	2017	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	8	FCR w/o incentives, less depreciation	11.42%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	11.42%
CIAC (Yes or No)	No	Annual Depreciation Expense	874,603

### 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.

CIAC (Yes or No)		No		Annual Depreciation Expense		574,603		RTEP OF THE PROJECT.	
Investment Year	Beginning Balance	Depreciation Expense	Ending 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 Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **	
2017	32,360,310	291,134	32,068,775	3,971,412	3,971,412	\$ -	\$ 3,283,917	\$ 3,283,917	
2018	32,068,775	874,603	31,194,173	4,487,877	4,487,877	\$ -	\$ 3,670,194	\$ 3,670,194	
2019	31,194,173	874,603	30,319,570	4,387,971	4,387,971	\$ -	\$ 3,932,147	\$ 3,932,147	
2020	30,319,570	874,603	29,444,967	4,288,064	4,288,064	\$ -	\$ 4,014,941	\$ 4,014,941	
2021	29,444,967	874,603	28,570,364	4,188,158	4,188,158	\$ -	\$ 4,001,666	\$ 4,001,666	
2022	28,570,364	874,603	27,695,761	4,088,252	4,088,252	\$ -			
2023	27,695,761	874,603	26,821,158	3,988,346	3,988,346	\$ -			
2024	26,821,158	874,603	25,946,555	3,888,440	3,888,440	\$ -			
2025	25,946,555	874,603	25,071,952	3,788,533	3,788,533	\$ -			
2026	25,071,952	874,603	24,197,349	3,688,627	3,688,627	\$ -			
2027	24,197,349	874,603	23,322,746	3,588,721	3,588,721	\$ -			
2028	23,322,746	874,603	22,448,143	3,488,815	3,488,815	\$ -			
2029	22,448,143	874,603	21,573,540	3,388,909	3,388,909	\$ -			
2030	21,573,540	874,603	20,698,937	3,289,003	3,289,003	\$ -			
2031	20,698,937	874,603	19,824,334	3,189,096	3,189,096	\$ -			
2032	19,824,334	874,603	18,949,731	3,089,190	3,089,190	\$ -			
2033	18,949,731	874,603	18,075,128	2,989,284	2,989,284	\$ -			
2034	18,075,128	874,603	17,200,525	2,889,378	2,889,378	\$ -			
2035	17,200,525	874,603	16,325,922	2,789,472	2,789,472	\$ -			
2036	16,325,922	874,603	15,451,319	2,689,565	2,689,565	\$ -			
2037	15,451,319	874,603	14,576,716	2,589,659	2,589,659	\$ -			
2038	14,576,716	874,603	13,702,113	2,489,753	2,489,753	\$ -			
2039	13,702,113	874,603	12,827,510	2,389,847	2,389,847	\$ -			
2040	12,827,510	874,603	11,952,907	2,289,941	2,289,941	\$ -			
2041	11,952,907	874,603	11,078,304	2,190,034	2,190,034	\$ -			
2042	11,078,304	874,603	10,203,701	2,090,128	2,090,128	\$ -			
2043	10,203,701	874,603	9,329,098	1,990,222	1,990,222	\$ -			
2044	9,329,098	874,603	8,454,495	1,890,316	1,890,316	\$ -			
2045	8,454,495	874,603	7,579,892	1,790,410	1,790,410	\$ -			
2046	7,579,892	874,603	6,705,289	1,690,504	1,690,504	\$ -			
2047	6,705,289	874,603	5,830,686	1,590,597	1,590,597	\$ -			
2048	5,830,686	874,603	4,956,083	1,490,691	1,490,691	\$ -			
2049	4,956,083	874,603	4,081,481	1,390,785	1,390,785	\$ -			
2050	4,081,481	874,603	3,206,878	1,290,879	1,290,879	\$ -			
2051	3,206,878	874,603	2,332,275	1,190,973	1,190,973	\$ -			
2052	2,332,275	874,603	1,457,672	1,091,066	1,091,066	\$ -			
2053	1,457,672	874,603	583,069	991,160	991,160	\$ -			
2054	583,069	583,069	-	616,371	616,371	\$ -			
2055	-	-	-	-	-	\$ -			
2056	-	-	-	-	-	\$ -			
2057	-	-	-	-	-	\$ -			
2058	-	-	-	-	-	\$ -			
2059	-	-	-	-	-	\$ -			
2060	-	-	-	-	-	\$ -			
2061	-	-	-	-	-	\$ -			
2062	-	-	-	-	-	\$ -			
2063	-	-	-	-	-	\$ -			
2064	-	-	-	-	-	\$ -			
2065	-	-	-	-	-	\$ -			
2066	-	-	-	-	-	\$ -			
2067	-	-	-	-	-	\$ -			
2068	-	-	-	-	-	\$ -			
2069	-	-	-	-	-	\$ -			
2070	-	-	-	-	-	\$ -			
2071	-	-	-	-	-	\$ -			
2072	-	-	-	-	-	\$ -			
2073	-	-	-	-	-	\$ -			
2074	-	-	-	-	-	\$ -			
2075	-	-	-	-	-	\$ -			
2076	-	-	-	-	-	\$ -			
Discount Totals:		22,360,210		102,210,449	103,210,449				

\*\* 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.

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.

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

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	1,549,439,000	-	-	-	1,549,439,000
2	January	1,563,658,000	-	-	-	1,563,658,000
3	February	1,576,107,000	-	-	-	1,576,107,000
4	March	1,590,703,000	-	-	-	1,590,703,000
5	April	1,604,393,000	-	-	-	1,604,393,000
6	May	1,603,420,000	-	-	-	1,603,420,000
7	June	1,613,028,000	-	-	-	1,613,028,000
8	July	1,627,611,000	-	-	-	1,627,611,000
9	August	1,612,207,000	-	-	-	1,612,207,000
10	September	1,626,075,000	-	-	-	1,626,075,000
11	October	1,640,810,000	-	-	-	1,640,810,000
12	November	1,654,357,000	-	-	-	1,654,357,000
13	December of Rate Year	1,668,196,000	-	-	-	1,668,196,000
14	Average of the 13 Monthly Balances	1,610,000,308	-	-	-	1,610,000,308

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: Recquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	1,131,350,000	90,000,000	-	1,221,350,000
16	January	-	-	1,131,350,000	90,000,000	-	1,221,350,000
17	February	-	-	1,131,350,000	90,000,000	-	1,221,350,000
18	March	-	-	1,131,350,000	205,000,000	-	1,336,350,000
19	April	-	-	1,128,450,000	205,000,000	-	1,333,450,000
20	May	-	-	1,128,450,000	205,000,000	-	1,333,450,000
21	June	-	-	1,128,450,000	205,000,000	-	1,333,450,000
22	July	-	-	1,128,450,000	205,000,000	-	1,333,450,000
23	August	-	-	1,128,450,000	205,000,000	-	1,333,450,000
24	September	-	-	1,128,450,000	205,000,000	-	1,333,450,000
25	October	-	-	1,104,750,000	310,000,000	-	1,414,750,000
26	November	-	-	1,104,750,000	310,000,000	-	1,414,750,000
27	December of Rate Year	-	-	1,104,750,000	310,000,000	-	1,414,750,000
28	Average of the 13 Monthly Balances	-	-	1,123,873,077	202,692,308	-	1,326,565,385

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

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	<b>Annual Interest Expense for 2022</b>						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			48,594,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)						
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	<b>Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)</b>			<b>48,594,000</b>			
37	<b>Average Cost of Debt for 2022 (Ln 36/ Ln 28 (g))</b>			<b>3.66%</b>			

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

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

	Amortization Period				
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2022	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

**Development of Cost of Preferred Stock**

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

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

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

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

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

PBOP	(A)	(B)
1	<b><u>Calculation of PBOP Expenses</u></b>	
2	<b><u>AEP System PBOP Rate</u></b>	
3	Total AEP System PBOP expenses	-\$109,892,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$109,892,000
6	Total AEP System Direct Labor Expense	\$1,489,638,000
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.074
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	\$8,500,000
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$366,000
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$1,223,000
15	Actual PBOP Expense (Sum Lines 11-14)	-\$1,223,000
16	PBOP Adjustment Line 10 less Line 15	\$857,000

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

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

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

**AEP Indiana Michigan Transmission Company**

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

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

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

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



Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<b><u>Development of Long Term Debt Balances at Year End</u></b>							
1 Bonds (112.18.c&d)							-
2 Less: Reacquired Bonds (112.19.c&d)							-
3 LT Advances from Assoc. Companies (112.20.c&d)							-
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
5 Less: Fair Value Hedges (See Note on Ln 7 below)							-
6 <b>Total Long Term Debt Balance</b>	-	-	-	-	-	-	-
7 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. (page 257, Column H of the FF1)							
<b><u>Development of Long Term Debt Interest Expense</u></b>							
8 Interest on Long Term Debt (256-257.33.i)							-
9 Amort of Debt Discount & Expense (117.63.c)							-
10 Amort of Loss on Reacquired Debt (117.64.c)							-
11 Less: Amort of Premium on Debt (117.65.c)							-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
13 Less: Hedge Interest on pp 256-257(i)							-
14 <b>LTD Interest Expense</b>	-	-	-	-	-	-	-
<b><u>Development of Cost of Preferred Stock and Preferred Dividends</u></b>							
15 Dividend Rate (p. 250-251. 7.a)							-
16 Par Value (p. 250-251. 8.c)							-
17 Shares Outstanding (p.250-251. 8.e)							-
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)							-
21 Par Value (p. 250-251. 8.c)							-
22 Shares Outstanding (p.250-251. 8.e)							-
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)							-
26 Par Value (p. 250-251. 8.c)							-
27 Shares Outstanding (p.250-251. 8.e)							-
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)							-
31 Par Value (p. 250-251. 8.c)							-
32 Shares Outstanding (p.250-251. 8.e)							-
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 <b>Preferred Stock (Lns 18, 23, 28,33)</b>	-	-	-	-	-	-	-
36 <b>Preferred Dividends (Lns 19, 24, 29,34)</b>	-	-	-	-	-	-	-
<b><u>Development of Common Equity</u></b>							
37 Proprietary Capital (112.16.c)							-
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)							-
40 Less: Account 219.1 (112.15.c)							-
41 <b>Balance of Common Equity</b>	-	-	-	-	-	-	-
<b><u>Calculation of Capital Shares</u></b>							
42 Long Term Debt (Ln 6 Above)	-	-	-	-	-	-	-
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	-	-	-	-	-	-	-
45 <b>Total Company Structure</b>	-	-	-	-	-	-	-
46 LTD Capital Shares (Ln 42 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
48 Common Equity Capital Shares (Ln 44 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
49 <b>Reserved</b>							
50 <b>Reserved</b>							
51 <b>Reserved</b>							
52 <b>Reserved</b>							
<b><u>Calculation of Capital Cost Rate</u></b>							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%			

[illegible]

[illegible]

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

Reconciliation Revenue Requirement For Year 2020 Available May 25, 2021	-	2020 Forecasted Revenue Requirement For Year 2020	=	True-up Adjustment - Over (Under) Recovery
\$250,223,084		\$251,768,602		\$1,545,519

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3145%				
An over or under collection will be recovered prorata over 2019, held for 2020 and returned prorata over 2021						
<b>Calculation of Interest</b>				<b>Monthly</b>		
January	Year 2020	128,793	0.3145%	12	(4,861)	(133,654)
February	Year 2020	128,793	0.3145%	11	(4,456)	(133,249)
March	Year 2020	128,793	0.3145%	10	(4,051)	(132,844)
April	Year 2020	128,793	0.3145%	9	(3,645)	(132,439)
May	Year 2020	128,793	0.3145%	8	(3,240)	(132,034)
June	Year 2020	128,793	0.3145%	7	(2,835)	(131,629)
July	Year 2020	128,793	0.3145%	6	(2,430)	(131,224)
August	Year 2020	128,793	0.3145%	5	(2,025)	(130,818)
September	Year 2020	128,793	0.3145%	4	(1,620)	(130,413)
October	Year 2020	128,793	0.3145%	3	(1,215)	(130,008)
November	Year 2020	128,793	0.3145%	2	(810)	(129,603)
December	Year 2020	128,793	0.3145%	1	(405)	(129,198)
					(31,594)	(1,577,113)
January through December Year 2020		(1,577,113)	0.3145%	12	(59,520)	(1,636,633)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>				<b>Monthly</b>		
January	Year 2022	1,636,633	0.3145%		(5,147)	139,190
February	Year 2022	1,502,590	0.3145%		(4,726)	139,190
March	Year 2022	1,368,125	0.3145%		(4,303)	139,190
April	Year 2022	1,233,238	0.3145%		(3,879)	139,190
May	Year 2022	1,097,926	0.3145%		(3,453)	139,190
June	Year 2022	962,189	0.3145%		(3,026)	139,190
July	Year 2022	826,025	0.3145%		(2,598)	139,190
August	Year 2022	689,433	0.3145%		(2,168)	139,190
September	Year 2022	552,411	0.3145%		(1,737)	139,190
October	Year 2022	414,958	0.3145%		(1,305)	139,190
November	Year 2022	277,073	0.3145%		(871)	139,190
December	Year 2022	138,754	0.3145%		(436)	139,190
					(33,649)	(0)
True-Up Adjustment with Interest					(1,670,283)	
Less Over (Under) Recovery					1,545,519	
Total Interest					(124,764)	

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

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

Reconciliation Revenue Requirement For Year 2020 Available May 25, 2021	-	2020 Forecasted Revenue Requirement For Year 2020	=	True-up Adjustment - Over (Under) Recovery
\$46,857,876		\$44,394,840		(\$2,463,036)

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate 0.3145%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
An over or under collection will be recovered prorata over 2019, held for 2020 and returned prorata over 2021							
<u>Calculation of Interest</u>					Monthly		
January	Year 2020	(205,253)	0.3145%	12	7,746		212,999
February	Year 2020	(205,253)	0.3145%	11	7,101		212,354
March	Year 2020	(205,253)	0.3145%	10	6,455		211,708
April	Year 2020	(205,253)	0.3145%	9	5,810		211,063
May	Year 2020	(205,253)	0.3145%	8	5,164		210,417
June	Year 2020	(205,253)	0.3145%	7	4,519		209,772
July	Year 2020	(205,253)	0.3145%	6	3,873		209,126
August	Year 2020	(205,253)	0.3145%	5	3,228		208,481
September	Year 2020	(205,253)	0.3145%	4	2,582		207,835
October	Year 2020	(205,253)	0.3145%	3	1,937		207,190
November	Year 2020	(205,253)	0.3145%	2	1,291		206,544
December	Year 2020	(205,253)	0.3145%	1	646		205,899
					50,351		2,513,387
January through December		2,513,387	0.3145%	12	94,855		2,608,242
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2022	(2,608,242)	0.3145%		8,203	(221,822)	2,394,622
February	Year 2022	(2,394,622)	0.3145%		7,531	(221,822)	2,180,331
March	Year 2022	(2,180,331)	0.3145%		6,857	(221,822)	1,965,366
April	Year 2022	(1,965,366)	0.3145%		6,181	(221,822)	1,749,725
May	Year 2022	(1,749,725)	0.3145%		5,503	(221,822)	1,533,405
June	Year 2022	(1,533,405)	0.3145%		4,823	(221,822)	1,316,406
July	Year 2022	(1,316,406)	0.3145%		4,140	(221,822)	1,098,723
August	Year 2022	(1,098,723)	0.3145%		3,455	(221,822)	880,357
September	Year 2022	(880,357)	0.3145%		2,769	(221,822)	661,303
October	Year 2022	(661,303)	0.3145%		2,080	(221,822)	441,560
November	Year 2022	(441,560)	0.3145%		1,389	(221,822)	221,127
December	Year 2022	(221,127)	0.3145%		695	(221,822)	0
					53,626		
True-Up Adjustment with Interest						2,661,868	
Less Over (Under) Recovery						(2,463,036)	
Total Interest						198,832	

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

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

Reconciliation Revenue Requirement For Year 2020 Available May 25, 2021	-	2020 Forecasted Revenue Requirement For Year 2020	=	True-up Adjustment - Over (Under) Recovery
\$819,124		\$1,284,000		\$464,876

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate 0.3145%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
An over or under collection will be recovered prorata over 2019, held for 2020 and returned prorata over 2021							
<b>Calculation of Interest</b>					<b>Monthly</b>		
January	Year 2020	38,740	0.3145%	12	(1,462)		(40,202)
February	Year 2020	38,740	0.3145%	11	(1,340)		(40,080)
March	Year 2020	38,740	0.3145%	10	(1,218)		(39,958)
April	Year 2020	38,740	0.3145%	9	(1,097)		(39,836)
May	Year 2020	38,740	0.3145%	8	(975)		(39,714)
June	Year 2020	38,740	0.3145%	7	(853)		(39,593)
July	Year 2020	38,740	0.3145%	6	(731)		(39,471)
August	Year 2020	38,740	0.3145%	5	(609)		(39,349)
September	Year 2020	38,740	0.3145%	4	(487)		(39,227)
October	Year 2020	38,740	0.3145%	3	(366)		(39,105)
November	Year 2020	38,740	0.3145%	2	(244)		(38,983)
December	Year 2020	38,740	0.3145%	1	(122)		(38,862)
					(9,503)		(474,380)
January through December		Year 2020			<b>Annual</b>		
		(474,380)	0.3145%	12	(17,903)		(492,283)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>					<b>Monthly</b>		
January	Year 2022	492,283	0.3145%		(1,548)	41,867	(451,964)
February	Year 2022	451,964	0.3145%		(1,421)	41,867	(411,518)
March	Year 2022	411,518	0.3145%		(1,294)	41,867	(370,946)
April	Year 2022	370,946	0.3145%		(1,167)	41,867	(330,245)
May	Year 2022	330,245	0.3145%		(1,039)	41,867	(289,417)
June	Year 2022	289,417	0.3145%		(910)	41,867	(248,460)
July	Year 2022	248,460	0.3145%		(781)	41,867	(207,374)
August	Year 2022	207,374	0.3145%		(652)	41,867	(166,160)
September	Year 2022	166,160	0.3145%		(523)	41,867	(124,815)
October	Year 2022	124,815	0.3145%		(393)	41,867	(83,341)
November	Year 2022	83,341	0.3145%		(262)	41,867	(41,736)
December	Year 2022	41,736	0.3145%		(131)	41,867	(0)
					(10,121)		
True-Up Adjustment with Interest						(502,404)	
Less Over (Under) Recovery						464,876	
Total Interest						(37,528)	

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.