

AEP West SPP Member Transmission Companies
Utilizing Actual / Projected Cost Data for the 2020 Rate Year
For the 2020 Rate Year

SPP SCHEDULE 1 AEP Revenue Requirements

Line No.		AEPTCo Annual Revenue Requirement	OKT Annual Revenue Requirement	SWT Annual Revenue Requirement
A. Schedule 1 ARR For 2020 Rate Year				
1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 65)	\$1,230,010	\$1,229,943	\$67
2	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)	\$0	\$0	\$0
3	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)	\$0	\$0	\$0
4	Total 561 Internally Developed Costs (Line 1 - Line 2 - Line 3)	\$1,230,010	\$1,229,943	\$67
5	Less: PTP Service Credit (prior year Sched 1 revenue from PTP transactions)	-		
6	ZONAL ARR FOR RATE YEAR (Line 4 - Line 5)	\$1,230,010	\$1,229,943	\$67
			99.995%	0.005%
B. Schedule 1 2020 Rate Year Calculations				
7	Rate Year AEP West Zone SPP Average 12-Mo. Peak Demand (Load WS, In 21)		8,347 MW	
8	Annual Point-to-Point Rate in \$/MW - Year (Line 6 / Line 7)		\$147.36	
9	Monthly Point-to-Point Rate (In 8 / 12) \$/MW - Month (Line 8 / 12)		\$12.28	
10	Weekly Point-to-Point Rate (In 8 / 52) \$/MW - Weekly (Line 8 / 52)		\$2.83	
11	Daily Off-Peak Point-to-Point Rate (In 8 / 365) \$/MW - Day (Line 8 / 365)		\$0.40	
12	Hourly Off-Peak Point-to-Point Rate (In 8 / 8760) \$/MW - Hour (Line 8 / 8760)		\$0.02	

AEP Transmission Formula Rate Template
 Calculation of Schedule 11 Revenue Requirements For AEP Transmission Projects
 For True Up Year 2020

AEP Schedule 11 Revenue Requirement Including True-Up of Prior Collections

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Note: Project's whose investment cost do NOT meet SPP's \$100,000 threshold for 'regional' socialization are marked with an asterik *** as SPP will only collect those ATRRs from the zone.

(A)	(B)	(C)	(D)	(E)	(F)	(G) = (E) + (F)	(H)	(I)	(J) = (H) - (I)	(K)	(L)	(M) = (K)-(L)	(N)	(O)	(P) = (J)+(N)+(M)+(O)	(Q) = (G) + (P)
Sheet Name	Owner	Project Description	Year in Ser Base ARR	Incentive	Total	Actual Rate Year True Up Revenue Requirement	Projected Rate Year Revenue Requirement	TRUE-UP Adjustment (WS-G)	True-up	Projected	TRUE-UP Adjustment (WS-G)	Schedule 11 Revenue Credits and SPP Billing Adjustments	Interest	Total True Up net of revenue credits, including interest	Total ADJUSTED Revenue Requirement Effective 1/1/2020	
OKT.001	OKT	Snyder 138 kV Terminal Addition	2010	82,861	-	82,861	(5,957)	94,773	101,046	0	0	6,551	(1,337)	(7,015)	75,846	
OKT.002	OKT	Coffeyville T to Dearing 138 kV Rebuild - 1.1 miles	2010	111,686	-	111,686	(7,747)	127,857	136,320	0	0	8,803	(1,771)	(9,178)	102,508	
OKT.003	OKT	Tulsa Power Station Reactor	2011	71,183	-	71,183	(5,058)	81,481	86,874	0	0	5,643	(1,142)	(5,951)	65,232	
OKT.004	OKT	Bartlesville SE to Coffeyville T Rebuild	2011	1,273,578	-	1,273,578	(96,947)	1,451,586	1,547,668	0	0	100,960	(21,095)	(113,164)	1,160,414	
OKT.005	OKT	Install 345kV terminal at Valliant***	2012	-	-	-	0	0	0	0	0	0	0	0	0	
OKT.006	OKT	Canadian River - McAlester City 138 kV Line Conversion	2013	3,454,824	-	3,454,824	(252,111)	3,952,249	4,213,851	0	0	276,004	(56,141)	(293,850)	3,160,974	
OKT.007	OKT	Cornville Station Conversion	2014	1,229,743	-	1,229,743	(88,122)	1,405,484	1,498,513	0	0	98,368	(19,797)	(102,581)	1,127,162	
OKT.008	OKT	Coweta 69 kV Capacitor	2014	225,893	-	225,893	(17,472)	261,973	279,313	0	0	18,142	(3,804)	(20,475)	205,418	
OKT.009	OKT	Prattville-Bluebell 138 kV	2015	1,044,607	-	1,044,607	(76,132)	1,194,052	1,273,087	0	0	83,901	(16,957)	(88,223)	956,384	
OKT.010	OKT	Wapanucka Customer Connection	2013	862,819	-	862,819	(49,016)	995,289	1,061,168	0	0	68,735	(12,556)	(58,717)	804,102	
OKT.011	OKT	Grady Customer Connection	2014	2,459,033	-	2,459,033	(178,218)	2,819,008	3,005,600	0	0	197,185	(39,868)	(207,494)	2,251,539	
OKT.012	OKT	Darlington-Red Rock 138 kV line	2013	1,581,980	-	1,581,980	(85,540)	1,825,964	1,946,826	0	0	125,874	(22,557)	(103,085)	1,478,895	
OKT.013	OKT	Ellis 138 kV	2013	-	-	-	603,617	74,111	79,016	0	0	(12,829)	65,430	651,313	651,313	
OKT.014	OKT	Valliant-NW Texarkana 345 kV	2016	8,552,230	-	8,552,230	(913,200)	11,363,305	12,115,450	0	0	712,579	(181,998)	(1,134,763)	7,417,467	
OKT.015	OKT	Darlington Roman Nose 138 kv	2017	1,401,378	-	1,401,378	(39,452)	1,479,942	1,577,900	0	0	123,554	(15,017)	(28,873)	1,372,505	
OKT.016	OKT	Carnegie South-Southwestern 123 kv line rebuild	2017	1,227,855	-	1,227,855	7,520	1,242,410	1,324,646	0	0	103,386	(8,165)	20,505	1,248,360	
OKT.017	OKT	Chisholm - Gracemont 345 kv line and station	2017	11,283,506	-	11,283,506	(117,500)	11,642,835	12,413,482	0	0	966,729	(97,061)	(18,480)	11,265,026	
OKT.018	OKT	Duncan-Comanche Tap 69 KV Rebuild	2018	2,056,569	-	2,056,569	(54,517)	1,187,888	1,266,516	0	0	98,640	(14,551)	(49,055)	2,007,515	
OKT.019	OKT	Fort Towson-Valliant 69 KV Line Rebuild	2018	1,127,928	-	1,127,928	(1,047,072)	1,047,072	1,116,379	0	0	111,511	(122,004)	(1,126,871)	1,057	
OKT.020	OKT	Keystone Dam - Wekiwa 138 kV	2020	235,039	-	235,039	0	0	0	0	0	0	0	0	235,039	
		OKT Total		38,282,712	-	38,282,712	(2,422,924)	42,247,278	45,043,654	0	0	3,093,737	(570,393)	(2,695,957)	35,586,755	

*-<\$100K investment,

**AEP West SPP Member Transmission Companies
Network Load for January Through December 2019
Based on West Zone-SPP Monthly Transmission System Firm Peak Demands for the Twelve Months Ended December 31, 2019**

Combined Load Worksheet

Unless noted (e.g., PSO), the loads reported on lines 1 through 20 are the customer's schedule 9 and 11 load.

Line No.	Peak Day Peak Hour	January 01/24/19 800	February 02/08/19 800	March 03/05/19 800	April 04/10/19 1700	May 05/23/19 1700	June 06/21/19 1700	July 07/17/19 1700	August 08/12/19 1600	September 09/19/19 1600	October 10/03/19 1700	November 11/15/19 800	December 12/10/19 800	12 Month Average MW
SPP Load Responsibility														
1	PSO	2,561	2,792	2,805	2,574	2,970	3,724	3,923	4,089	3,731	2,928	2,394	2,546	3,086.50
2	SWEPCO	2,997	2,891	2,972	2,453	3,058	3,362	3,457	3,664	3,474	2,714	2,407	2,741	3,015.90
3	AECC	618	669	657	371	532	625	659	701	631	689	706	697	629.60
4	AECC-MISO	143	150	149	108	153	175	176	184	182	-	-	-	118.30
5	WFEC	40	40	43	27	33	39	39	43	40	33	36	38	37.60
6	OMPA	76	85	86	78	92	138	147	156	140	118	75	76	105.60
7	OG&E ATOKA COALGATE	5	5	5	-	2	-	9	9	9	2	8	5	4.90
8	OG&E LINN	24	22	23	23	26	26	24	26	23	24	20	23	23.70
9	OG&E - TALL BEAR	14	10	12	13	13	14	13	12	13	13	14	15	13.00
10	ETEC	988	951	1,055	514	701	822	868	933	890	677	905	879	848.60
11	GREENBELT	7	8	6	5	4	7	17	17	13	7	7	7	8.80
12	LIGHTHOUSE	1	4	1	3	3	2	6	4	3	2	3	2	2.80
13	BENTONVILLE, AR	108	116	115	96	127	143	153	162	145	121	93	105	123.60
14	PRESCOTT, AR (ENTERGY)	11	9	12	10	13	12	14	16	13	13	11	11	12.10
15	MINDEN, LA (ENTERGY)	22	20	21	21	30	32	33	36	34	26	18	21	26.20
16	HOPE, AR	43	42	42	39	49	52	53	53	49	46	36	38	45.20
17	COFFEYVILLE, KS	104	103	105	104	106	100	117	116	113	110	102	102	106.80
18	SWEPCO - VALLEY	157	138	153	85	115	119	136	141	137	-	-	-	98.40
19	AECI	38	43	45	22	31	44	47	50	45	35	35	36	39.30
20														0
21	System Firm Peak Demands	7957	8098	8307	6546	8058	9436	9891	10412	9685	7559	6872	7342	8346.929 Sched - 9 12CP
Supporting Data														
22	PSO: PSO Native Load (a)	2,574	2,805	2,817	2,588	2,987	3,735	3,937	4,102	3,742	2,928	2,394	2,546	
23	KAMO													
24														
25														
26	100% PSO E&W included in PSO native load	(7)	(7)	(7)	(6)	(7)	(6)	(7)	(7)	(7)	-	-	-	
27	Allen Holdenville	(6)	(6)	(5)	(8)	(10)	(5)	(7)	(6)	(4)	-	-	-	
28	PSO OATT Load Responsibility	2561	2792	2805	2574	2970	3724	3923	4089	3731	2928	2394	2546	3086.465
29	SWEPCO:													
30	SWEPCO Native Load	3,135	3,015	3,133	2,443	3,108	3,431	3,545	3,767	3,578	2,714	2,407	2,741	
31	Eastman Load added October 2018	157	157	152	149	152	155	150	148	143	-	-	-	
32	VALLEY	(157)	(138)	(153)	(85)	(115)	(119)	(136)	(141)	(137)	-	-	-	
33	Rayburn	(138)	(143)	(160)	(54)	(87)	(105)	(102)	(110)	(110)	(86)	(122)	(148)	
34	SWEPCO OATT Load Responsibility	2997	2891	2972	2453	3058	3362	3457	3664	3474	2628	2285	2593	2986.191
35	TOTAL AEP Affiliate Schedule 11 Load													pr yr Sched - 11 12CP
AEP Schedule 11 Worksheet														
36	PSO OATT Sched 9 load, Ln 1	2561	2792	2805	2574	2970	3724	3923	4089	3731	2928	2394	2546	3086.465
37	less GRDA load on PSO Jan-Nov(b) 2015 no longer used	0	0	0	0	0	0	0	0	0	0	0	0	0.000
38	WFEC load already subtracted from PSO schedule 9 load	0	0	0	0	0	0	0	0	0	0	0	0	0.000
39	Subtotal PSO Schedule 11 load	2561	2792	2805	2574	2970	3724	3923	4089	3731	2928	2394	2546	3086.465
40	SWEPCO Sched 11 load, Ln 2	2997	2891	2972	2453	3058	3362	3457	3664	3474	2714	2407	2741	3015.858
41	TOTAL AEP Affiliate Schedule 11 Load	5558	5683	5777	5027	6028	7086	7380	7753	7205	5643	4801	5287	6102.323
42	TOTAL AEP ZONAL SCHEDULE 11	7957	8098	8307	6546	8058	9436	9891	10412	9685	7559	6872	7342	8346.929

NOTES: [a] PSO Native load includes PSO load on GRDA
 [b] GRDA and PSO enjoy a grandfathered load swap arrangement. Historically, both PSO load on GRDA and GRDA load on PSO were included in the PSO OATT load responsibility (Schedule 9). Beginning in Dec 2015, loads are telemetered - AEP and GRDA mutually agreed to report only their own load telemetered from the other zone for purposes of both Sch 9 & 11. Therefore, for Dec 2015 and forward, PSO will only report PSO load on GRDA for both Sch 9 & 11 reporting purposes as agreed to with GRDA. Also, for Schedule 11 purposes, in agreement w/SPP & GRDA, PSO will report the PSO load on GRDA in Schedule 11 while GRDA will report its load on PSO in its Schedule 11 values for the entire year.
 [c] OG&E Atoka and Coalgate merged under 1 TSR (OG&E LSE) beginning with September 2018 billing. SPP required the merged loads to be reported for Jan - Dec 2018

[4] PSO Native load includes PSO load on GRDA
 (5) SWEPCO Native Load includes Valley

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 117)			\$124,188,219
2	REVENUE CREDITS	(Note A) (Worksheet H)	4,223,872	DA 1.00000	\$ 4,223,872
3	Network Customer Owned Facility Credits	Worksheet B			-
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)			\$119,964,347

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through SPP Schedule 11. The total non-incentive revenue requirement for these projects shown on line 5 is

5	Trued-Up / Projected Revenue Requirement for SPP BPU Regional Facilities (w/o incentives) (Worksheet F/G)		38,282,712	DA 1.00000	\$ 38,282,712
6	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
7	Annual Rate	(In 1 / In 37 x 100%)			13.88%
8	Monthly Rate	(In 7 / 12)			1.16%
9	NET PLANT CARRYING CHARGE ON LINE 7, W/O DEPRECIATION (w/o incentives) (Note B)				
10	Annual Rate	((In 1 - In 86) / In 37 x 100%)			10.49%
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME TAXES, RETURN (Note B)				
12	Annual Rate	((In 1 - In 86 - In 111 - In 112) / In 37 x 100%)			2.45%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note C) (Worksheet F/G)				-

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

	(1)	(2)	(3)	(4)	(5)
		Data Sources (See "General Notes")	TO Total NOTE D	Allocator	Total Transmission
RATE BASE CALCULATION					
Line No.					
14	GROSS PLANT IN SERVICE				
14	Production	(Worksheet A-1 In 14.B)	-	NA	0.00000
15	Less: Production ARO (Enter Negative)	(Worksheet A-1 In 14.C)	-	NA	0.00000
16	Transmission	(Worksheet A-1 In 14.D & Ln 121)	1,074,955,039	DA	1,006,563,373
17	Less: Transmission ARO (Enter Negative)	(Worksheet A-1 In 14.E)	-	TP	0.93638
18	Distribution	(Worksheet A-1 In 14.F)	-	NA	0.00000
19	Less: Distribution ARO (Enter Negative)	(Worksheet A-1 In 14.G)	-	NA	0.00000
20	General Plant	(Worksheet A-1 In 28.B)	17,925,812	W/S	0.93638
21	Less: General Plant ARO (Enter Negative)	(Worksheet A-1 In 28.C)	-	W/S	0.93638
22	Intangible Plant	(Worksheet A-1 In 28.D)	12,122,233	W/S	0.93638
23	TOTAL GROSS PLANT	(sum Ins 14 to 22)	1,105,003,084	GP= GTD=	0.93638 1.00000
24	ACCUMULATED DEPRECIATION AND AMORTIZATION				
25	Production	(Worksheet A-2 In 14.B)	-	NA	0.00000
26	Less: Production ARO (Enter Negative)	(Worksheet A-2 In 14.C)	-	NA	0.00000
27	Transmission	(Worksheet A-2 In 14.D less 29.F)	116,126,132	TP1= TP1=	0.96188 0.96188
28	Less: Transmission ARO (Enter Negative)	(Worksheet A-2 In 14.E)	-	NA	0.00000
29	Distribution	(Worksheet A-2 In 14.F)	-	NA	0.00000
30	Less: Distribution ARO (Enter Negative)	(Worksheet A-2 In 14.G)	-	NA	0.00000
31	General Plant	(Worksheet A-2 In 28.B)	1,001,801	W/S	0.93638
32	Less: General Plant ARO (Enter Negative)	(Worksheet A-2 In 28.C)	-	W/S	0.93638
33	Intangible Plant	(Worksheet A-2 In 28.D)	3,547,865	W/S	0.93638
34	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 25 to 33)	120,675,799		
35	NET PLANT IN SERVICE				
36	Production	(In 14 + In 15 - In 25 - In 26)	-		
37	Transmission	(In 16 + In 17 - In 27 - In 28)	958,828,907		894,864,257
38	Distribution	(In 18 + In 19 - In 29 - In 30)	-		-
39	General Plant	(In 20 + In 21 - In 31 - In 32)	16,924,011		15,847,258
40	Intangible Plant	(In 22 - In 33)	8,574,368		8,028,843
41	TOTAL NET PLANT IN SERVICE	(sum Ins 36 to 40)	984,327,285	NP=	0.93337 918,740,357
42	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note E)			
43	Account No. 281.1 (enter negative)	272-273.8.k	-	NA	-
44	Account No. 282.1 (enter negative)	(Worksheet C, In 4 C & In 8 J)	(175,822,280)	DA	(158,835,978)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	(28,210,647)	DA	(26,490,058)
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	19,959,530	DA	7,906,063
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)	-	DA	-
48	TOTAL ADJUSTMENTS	(sum Ins 43 to 47)	(184,073,397)		(177,419,973)
49	PLANT HELD FOR FUTURE USE	(Worksheet A-1 In 30.F)	-	DA	-
50	REGULATORY ASSETS	(Worksheet S In 10 cols. G and J) (Note W)	-	DA	-
51	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE U)	(Worksheet R, In 6 F)	-	W/S	0.93638
52	WORKING CAPITAL	(Note F)			
53	Cash Working Capital	(1/8 * (In 70 - Ln 69)) (Note G)	662,274		620,139
54	Transmission Materials & Supplies	(Worksheet D, pg 1 In 1 E)	-	TP	0.93638
55	A&G Materials & Supplies	(Worksheet D, pg 1 In 2 E)	-	W/S	0.93638
56	Stores Expense	(Worksheet D, pg 1 In 3 E)	-	GP	0.93638
57	Prepayments (Account 165) - Labor Allocated	(Worksheet D, pg 1 In 29 G)	-	W/S	0.93638
58	Prepayments (Account 165) - Gross Plant	(Worksheet D, pg 1 In 29 F)	65,241	GP	0.93638
59	Prepayments (Account 165) - Transmission Only	(Worksheet D, pg 1 In 29 E)	45,092	DA	1.00000
60	Prepayments (Account 165) - Unallocable	(Worksheet D, pg 1 In 29 D)	-	NA	0.00000
61	TOTAL WORKING CAPITAL	(sum Ins 53 to 60)	772,607		726,321
62	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	(30,000)	DA	1.00000
63	RATE BASE (sum Ins 41, 48, 49, 50, 51, 61, 62)		800,996,496		742,016,705

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
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AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
64	OPERATION & MAINTENANCE EXPENSE				
64	Transmission	321.112.b	6,528,138		
65	Less: Total Account 561	(Note I) 321.84-92.b	1,229,943		
66	Less: Account 565	(Note J) 321.96.b	-		
67	Less : Regulatory Amortizations / (Deferrals)	Worksheet S In 2 (Note V)	-		
68	Plus: Includable 561 and 565 Expenses	Worksheet I In 10	\$0		
69	Plus : Approved Regulatory Amortizations / (Deferrals)	Worksheet S In 4 (Note V)	-		
70	Total O&M Allocable to Transmission	(Ins 64 - 65 - 66 - 67 + 68 + 69)	5,298,195	TP	0.93638 4,961,109
71	Administrative and General	323.197.b (Note K, M)	4,522,516		
72	Less: Acct. 924, Property Insurance	323.185.b	63,012		
73	Acct. 928, Reg. Com. Exp.	323.189.b	-		
74	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
75	Acct. 930.2, Misc. Gen. Exp.	323.192.b	34,500		
76	Regulatory Asset Amortizations / (Deferrals)	Worksheet S In 6 (Note V)	-		
77	Balance of A & G	(In 71 - sum In 72 to In 76)	4,425,005	W/S	0.93638 4,143,473
78	Plus: Acct. 924, Property Insurance	(In 72)	63,012	GP	0.93638 59,003
79	Acct. 928 - Transmission Specific	Worksheet J In 16.(E) (Note L)	-	TP	0.93638 -
80	Acct 930.1 - Only safety related ads -Direct	Worksheet J In 22.(E) (Note L)	-	GP	0.93638 -
81	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet J In 28.(E) (Note L)	34,500	DA	1.00000 34,500
82	Approved A&G Reg. Asset Amort. / (Deferrals)	Worksheet S In 8 (Note V)	-	W/S	0.93638 -
83	A & G Subtotal	(sum Ins 77 to 82)	4,522,516		4,236,976
84	TOTAL O & M EXPENSE	(In 70 + In 83)	9,820,712		9,198,085
85	DEPRECIATION AND AMORTIZATION EXPENSE				
86	Transmission	336.7.b	32,345,839	TP	0.93638 30,287,906
87	General	336.10.b	-	W/S	0.93638 -
88	Intangible	336.1.d	1,088,655	W/S	0.93638 1,019,391
89	TOTAL DEPRECIATION AND AMORTIZATION	(sum Ins 86 to 88)	33,434,494		31,307,297
90	TAXES OTHER THAN INCOME	(Note N)			
91	Labor Related				
92	Payroll	Worksheet L, Col. D	-	W/S	0.93638 -
93	Plant Related				
94	Property	Worksheet L, Col. C	12,506,909	GP	0.93638 11,711,184
95	Non-Allocable Taxes	Worksheet L, Col. F	-	NA	0.00000 -
96	Other	Worksheet L, Col. E	-	GP	0.93638 -
97	TOTAL OTHER TAXES	(sum Ins 92 to 96)	12,506,909		11,711,184
98	INCOME TAXES	(Note O)			
99	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		25.47%		
100	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		25.85%		
101	where WCLTD=(In 141) and WACC = (In 144)				
102	and FIT, SIT & p are as given in Note O.				
103	$GRCF=1 / (1 - T) =$ (from In 99)		1.3418		
104	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
105	Excess / (Deficit) Deferred Income Tax	Company Records (Note O) and WS C-4 Ln 24	460,017	DA	649,350
106	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)	189,078	DA	189,078
107	Income Tax Prior to Adjustments	(In 100 * In 112)	15,707,352		14,550,773
108	ITC adjustment	(In 103 * In 104)	-	GP	0.93638 -
109	Excess / (Deficit) Deferred Income Tax	(In 103 * In 105)	617,236	DA	871,277
110	Tax Effect of Permanent and Flow Through Differences	(In 103 * In 106)	253,699	DA	253,699
111	TOTAL INCOME TAXES	(sum Ins 107 to 110)	16,578,287		15,675,748
112	RETURN ON RATE BASE (Rate Base*WACC)	(In 63 * In 144)	60,770,630		56,295,905
113	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E) (Worksheet E, In 2)		-	DA	1.00000 -
114	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX		133,111,031		124,188,219
115	(sum Ins 84, 89, 97, 111, 112, 113)				
116	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA	-
117	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 114 + 116)	133,111,031		124,188,219

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

SUPPORTING CALCULATIONS

In										
<u>No.</u>	<u>TRANSMISSION PLANT INCLUDED IN SPP TARIFF (Note W)</u>									
118	Total transmission plant	(In 16)								1,074,955,039
119	Less transmission plant excluded from SPP Tariff	(Worksheet A-1, In 28 Col. (F)) (Note Q)								68,391,666
120	Less transmission plant included in OATT Ancillary Services	(Worksheet A-1, In 28, Col. (E)) (Note R)								-
121	Transmission plant included in SPP Tariff	(In 118 - In 119 - In 120)								<u>1,006,563,373</u>
122	Percent of transmission plant in SPP Tariff	(In 121 / In 118)							TP=	0.93638
123	WAGES & SALARY ALLOCATOR (W/S)	(Note S)								
124	Production	354.20.b	Direct Payroll	-	-	-	NA	0.00000		-
125	Transmission	354.21.b		-	2,875,818	2,875,818	TP	0.93638		2,692,850
126	Regional Market Expenses	354.22.b		-	-	-	NA	0.00000		-
127	Distribution	354.23.b		-	-	-	NA	0.00000		-
128	Other (Excludes A&G)	354.24,25,26.b		-	-	-	NA	0.00000		-
129	Total	(sum Ins 124 to 128)		-	2,875,818	2,875,818				<u>2,692,850</u>
130	Transmission related amount								W/S=	0.93638
131	STAND ALONE (Note T)									\$
132	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									<u>17,900,455</u>
133	Long Term Interest	Long Term Interest (Worksheet M, In. 37, col. (d))								-
134	Preferred Dividends	Preferred Stock Dividends (Worksheet M, In. 57, col. (d))								<u>Average</u>
135	Development of Common Stock:									528,996,743
136	Proprietary Capital	(Worksheet M, In. 14, col. (b))								-
137	Less Preferred Stock (In 142)	(Worksheet M, In. 14, col. (c))								-
138	Less Account 216.1	(Worksheet M, In. 14, col. (d))								-
139	Less Account 219	(Worksheet M, In. 14, col. (e))								-
139	Common Stock	(In 135 - In 136 - In 137 - In 138)								<u>528,996,743</u>
140										
			Capital Structure							
			Percentage							
141	Avg Long Term Debt (Worksheet M, In. 28, col. (g))	Rate Year Average Balances		439,057,692	45.35%	4.08%	0.0185			
142	Avg Preferred Stock (Worksheet M, In. 14, col. (c))			-	0.00%	0.00%	0.0000			
143	Avg Common Stock (In 139)			528,996,743	54.65%	10.50%	0.0574			
144	Total (sum Ins 141 to 143)			968,054,435				WACC=		0.0759
145	PUBLIC SERVICE COMPANY OF OKLAHOMA (Note T)									\$
146	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									<u>60,658,228</u>
147	Long Term Interest	Long Term Interest (OKT Formula Worksheet M, In. 37, col. (d))								0
148	Preferred Dividends	Preferred Stock Dividends (PSO Formula Worksheet M, In. 57, col. (d))								<u>Average</u>
149	Development of Common Stock:									1,420,992,485
150	Proprietary Capital	(PSO Worksheet M, In. 14, col. (b))								0
151	Less Preferred Stock (In 156)	(PSO Worksheet M, In. 14, col. (c))								0
152	Less Account 216.1	(PSO Worksheet M, In. 14, col. (d))								0
153	Less Account 219	(PSO Worksheet M, In. 14, col. (e))								738,631
153	Common Stock	(In 149 - In 150 - In 151 - In 152)								<u>1,420,253,854</u>
154										
			Capital Structure							
			Percentage							
155	Avg Long Term Debt (PSO Worksheet M, In. 28, col. (g))	Rate Year Average Balances		1,384,655,967	49.37%	4.38%	0.0216			
156	Avg Preferred Stock (PSO Worksheet M, In. 14, col.(c))			0	0.00%	0.00%	0.0000			
157	Avg Common Stock (In 153)			1,420,253,854	50.63%	10.50%	0.0532			
158	Total (sum Ins 155 to 157)			2,804,909,821				WACC=		0.0748

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Letter

Notes

General Note: True Up References to data from FERC Form 1 are indicated as: page#.line#.col.#. Rate Year Projections from Company forecasts.

- A The revenue credits shall include a) amounts received directly from the SPP for PTP transmission services, b) direct assignment charges for transmission facilities, the cost of which has been included in the TCOS, and c) amounts from customers taking service under grandfathered agreements, where the demand is not included in the rate divisor. Revenues associated with FERC annual charges, gross receipts taxes, ancillary services or facilities excluded from the TCOS are not included as revenue credits. Revenue from Transmission Customers whose coincident peak loads are included in the DIVISOR of the load-ratio share calculation are not included as revenue credits. See Worksheet H for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for facilities and any upgrades.
- C This additional revenue requirement is determined using a net plant carrying charge (fixed carrying charge or FCR) approach. Worksheet G shows the calculation of the true-up revenue requirement for each project, based on an FCR rate calculated from inputs on this TCOS. Line 13 shows the incremental ARR for projects receiving incentives as accepted by FERC. These individual additional revenue requirements are summed for the true-up year, and included here.
- D The gross plant, accumulated depreciation, and deferred tax balances included in rate base and depreciation expense are reduced by the removal of amounts related to Asset Retirement Obligations (AROs). This is to comply with the requirements of
- E 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 as discussed in Note N. 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 to transmission. Transmission allocations are shown on Worksheet C.
- F Identified as being transmission related or functionally booked to transmission.
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission on line 70.
- H Consistent with Paragraph 657 of Order 2003-A, the amount on line 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 113.
- I Line 65 Removes the expense booked to transmission accounts included in the development of OATT ancillary services rates, including all of Account No. 561.
- J Removes cost of transmission service provided by others to the extent such service is not incurred to provide the SPP service at issue.
- K General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
- L Expense reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable or allocable to transmission service. Worksheet J 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 H.
- M Recoverable PBOP expense is based on actual annual PBOP costs, including charges from the AEP Service Corporation. The PBOP amounts are included in the Administrative and General total, and are based on current year expenses. The annual
- N Includes only FICA, unemployment, property and other assessments charged in the current year. Gross Receipts tax, Sales & Use taxes, local franchise taxes, 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". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, 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 99) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 21.00% |
| | SIT= | 5.66% (State Income Tax Rate or Composite SIT. Worksheet K) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. Recovery of permanent and flow through differences is limited
- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by cost of goods sold deduction to derive a "Gross Margin" for the Company. The tax rate of one percent is assessed on the resulting amount. The jurisdictional allocator is based on transmission demand allocators.
- Q Removes plant excluded from the OATT because it does not meet the SPP's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- R 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 Q.
- S Includes functional wages & salaries incurred by parent company service corporation for support of the operating company.
- T Long Term Debt cost rate = Long-Term Interest (In 132) / Long Term Debt (In 141). Preferred Stock cost rate = preferred dividends (In 133) / preferred outstanding (In 142). Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC pursuant to the settlement filed in Docket Nos. EL17-76 and EL18-199. It includes an additional 50 basis points for remaining a member of the SPP RTO. The capital structure of AEP Southwestern Transmission Co. will be based on the capital structure of SWEPCO until it establishes a stand alone capital structure. AEP Oklahoma Transmission Company uses its own capital structure.
- The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains
- U 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.
- V O&M and A&G shall be adjusted to remove all regulatory asset deferrals and amortizations that have not been approved by FERC for inclusion in cost of service, and then to add back in FERC approved amortizations and deferrals. Negative amounts
- W If the company submits a Section 205 filing proposing to make adjustments to this formula rate cost of service template to remove assets and costs related to transmission facilities constructed and operated specifically for the purpose of delivering th

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet A-1 - Detailed Plant Balances
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Gross Plant In Service - Production

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74
1	December Prior to Rate Year	-	-	1,021,266,179	-	-	-
2	January			1,020,871,510			
3	February			1,026,299,646			
4	March			1,040,503,373			
5	April			1,051,527,764			
6	May			1,070,586,393			
7	June			1,085,715,938			
8	July			1,087,037,462			
9	August			1,089,339,013			
10	September			1,091,553,297			
11	October			1,092,755,994			
12	November			1,108,944,215			
13	December of Rate Year	-	-	1,188,014,720	-	-	-
14	13 Month Average Balance	-	-	1,074,955,039	-	-	-

Gross Plant In Service - Distribution, General and Intangible, GSU, Excluded Plant

Line No	Month (a)	General (b)	General ARO (c)	Intangible (d)	OATT Ancillary Services (GSU) (e)	Excluded Plant (f)
		FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	Company Records	Company Records
15	December Prior to Rate Year	17,876,268	-	9,940,408	-	68,391,666
16	January	17,879,578		11,903,608		68,391,666
17	February	17,883,323		11,967,348		68,391,666
18	March	17,887,477		12,152,031		68,391,666
19	April	17,891,595		12,191,472		68,391,666
20	May	17,895,657		12,232,035		68,391,666
21	June	17,899,706		12,274,341		68,391,666
22	July	17,903,762		12,319,651		68,391,666
23	August	17,930,433		12,364,884		68,391,666
24	September	17,957,128		12,410,327		68,391,666
25	October	17,983,640		12,471,329		68,391,666
26	November	18,010,211		12,547,732		68,391,666
27	December of Rate Year	18,036,780	-	12,813,866	-	68,391,666
28	13 Month Average Balance	17,925,812	-	12,122,233	-	68,391,666

Transmission Functional Plant Held For Future Use (Notes A and B)

Line No	Asset Description (a)	Definite Plan for Future Use (b)	Estimated in Service Year (c)	2020 Rate Year Beginning balance (d)	2020 Rate Year Ending balance (e)	2020 Rate Year Average (f)
29A						
29B						
29C						
30	Total					

Notes:

- (A) Per the general instruction for Account No. 105 in 18 CFR Part 101.
- (B) Include only the Transmission functional component of amounts reported page 214 of the FERC Form 1.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet A-2 - Detailed Accumulated Depreciation Balances
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Accumulated Depreciation - Production

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (b))
1	December Prior to Rate Year	-	-	100,526,104		-	
2	January			103,028,603			
3	February			105,534,532			
4	March			108,058,203			
5	April			110,628,149			
6	May			113,234,105			
7	June			115,902,320			
8	July			118,619,960			
9	August			121,341,919			
10	September			124,071,396			
11	October			126,807,641			
12	November			129,547,340			
13	December of Rate Year	-	-	132,339,447		-	
14	13 Month Average Balance	-	-	116,126,132	-	-	-

Accumulated Depreciation- Distribution, General and Intangible, GSU, Excluded Plant

Line No	Month (a)	General (b)	General ARO (c)	Intangible (d)	OATT Ancillary Services (GSU) (e)	Excluded Plant (f)
		FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 200, In 21, Col. (b)	Company Records	Company Records
15	December Prior to Rate Year	796,393		3,013,687		4,427,017
16	January	830,599		3,091,371		4,427,017
17	February	864,809		3,180,327		4,427,017
18	March	899,025		3,269,814		4,427,017
19	April	933,247		3,360,839		4,427,017
20	May	967,475		3,452,194		4,427,017
21	June	1,001,709		3,543,886		4,427,017
22	July	1,035,949		3,635,931		4,427,017
23	August	1,070,195		3,728,354		4,427,017
24	September	1,104,480		3,821,153		4,427,017
25	October	1,138,804		3,914,332		4,427,017
26	November	1,173,167		4,008,018		4,427,017
27	December of Rate Year	1,207,569		4,102,341		4,427,017
28	13 Month Average Balance	1,001,801.46	-	3,547,865	-	4,427,017

29 Transmission Accumulated, net of GSU and Excluded- Ln 14 Col (d) less Ln 28 Cols. (e) & (f) \$111,699,116

AEP West SPP Member Transmission Companies
Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet B - Third Party Facility Credits
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.	Source	Amount
1	Facility Credits under the SPP OATT	-

Note:

Under Section 30.9 of the SPP OATT, a network customer that owns existing transmission facilities that are integrated w

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet C - ADIT and ADITC Balances
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.	(A) Acc. No.	(B) Description	(C) YE Balance	(E) Exclusions *	(F) 100% Transmission Related	(G) PTD Plant Related	(H) Transmission & Distribution Plant Related	(I) Labor Related	(J) Total Included in Rate base (E)+(F)+(G)+(H)
Note: Account 281 is not allocated to Transmission									
Account 282 - Form-1 page 274.2.b and 275.2.k									
1	282.1	2020 Year End Tax Deferrals - WS C-1	(179,146,240)	(13,515,119)	(163,710,876)	-	-	(1,920,244)	
2	282.1	2019 Year End Tax Deferrals - WS C-2	(172,498,320)	(13,534,512)	(157,105,862)	-	-	(1,857,947)	
3		Subtotal	(351,644,560)	(27,049,631)	(320,816,738)	-	-	(3,778,191)	
4		Average Balance before Proration	(175,822,280)	(13,524,816)	(160,408,369)	0	0	(1,889,096)	
5		Proration Adjustment - WS C-3, Ln 19				3,568,324			
6		Prorated Average balance	(175,822,280)	(13,524,816)	(160,408,369)	3,568,324	0	(1,889,096)	
7		Transmission Allocator from TCOS		0.0000%	100.0000%	93.6377%	100.0000%	93.6377%	
8		Allocated Total		0	(160,408,369)	3,341,297	0	(1,768,906)	(158,835,978)
Account 283 - Form-1 page 276.9.b and 277.9.k									
9	283.1	2020 Year End Tax Deferrals - WS C-1	(28,210,647)	(1,098,658)	(27,111,989)	-	-	-	
10	283.1	2019 Year End Tax Deferrals - WS C-2	(28,210,647)	(2,342,518)	(25,868,128)	-	-	-	
11		Subtotal	(56,421,293)	(3,441,176)	(52,980,117)	-	-	-	
12		Average Balance	(28,210,647)	(1,720,588)	(26,490,058)	0	0	0	
13		Transmission Allocator from TCOS		0.0000%	100.0000%	93.6377%	100.0000%	93.6377%	
14		Allocated Total		0	(26,490,058)	0	0	0	(26,490,058)
Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)									
15	190.1	2020 Year End Tax Deferrals - WS C-1	20,222,007	12,211,310	7,945,672	-	-	65,025	
16	190.1	2019 Year End Tax Deferrals - WS C-2	19,697,053	11,887,452	7,746,187	-	-	63,414	
17		Subtotal	39,919,060	24,098,762	15,691,859	-	-	128,439	
18		Average Balance before Proration	19,959,530	12,049,381	7,845,929	0	0	64,220	
19		Proration Adjustment - WS C-3, Ln 38			0				
20		Prorated Average balance	19,959,530	12,049,381	7,845,929	0	0	64,220	
21		Transmission Allocator from TCOS		0.0000%	100.0000%	93.6377%	100.0000%	93.6377%	
22		Allocated Total		0	7,845,929	0	0	60,134	7,906,063
Account 255 - Form-1 page 266-267									
23	255.0	Acc Defrd ITC - Federal - 12/31/2020 (FF1 p. 267, Ln 2.h)							
24	255.0	Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 266, Ln 2.b)							
25		Subtotal	-						
26		Average Balance	0						
27		Transmission Allocator from TCOS							
28		Allocated Total		N/A	N/A	N/A	N/A	N/A	0

* Exclusions: Non-utility, fuel supply, off-system sales and other items as specified related to costs not included in rates.

AEP West SPP Member Transmission Companies
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2020

Account	Line #	Description	Balance	Allocation Basis	Allocation Method			PTD Plant	T&D	Labor
					Exclusions	100% Transmission				
2821001	230A	ACRS BENEFIT NORMALIZED	(103,609,686)	T	(13,197,254)	(90,412,432)				
2821001	230X	R & D DEDUCTION - SEC 174	(1,592)	E	(1,592)					
2821001	295A	GAIN/LOSS ON ACRS/MACRS PROPERTY	54,766	T		54,766				
2821001	320A	ABFUDC	(2,788,457)	T		(2,788,457)				
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,693,964	T		5,693,964				
2821001	390A	CIAC - BOOK RECEIPTS	358,644	E	358,644					
2821001	532C	BOOK/TAX UNIT OF PROPERTY ADJ	(2,727,677)	T		(2,727,677)				
2821001	532D	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	(98,234)	T		(98,234)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(66,431)	T		(66,431)				
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,837,997)	Labor					(1,837,997)	
2821001	910K	REMOVAL CST	(42,214)	T		(42,214)				
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(63,753,512)	WS C-4	578,321	(64,331,833)				
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED.	0	WS C-4						
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,550,920)	WS C-4	(704,962)	(845,958)				
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED.	(0)	WS C-4						
2821001	230A	Forecast Adjustment	(8,776,896)		(548,276)	(8,146,371)			(82,248)	
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(179,146,240)		(13,515,119)	(163,710,876)	0	0	(1,920,244)	
		(absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)								
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(3,171,751)	E	(3,171,751)					
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0)	E	(0)					
2831001	960F-XS	960F-XS EXCESS ADFIT 283 UNPROTECTED	4,560,814	WS C-4	2,073,094	2,487,720				
2831001	960F-XS	960F-XS EXCESS ADFIT 283 UNPROTECTED	(0)							
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	(29,599,709)	T		(29,599,709)				
2831001		Forecast Adjustment								
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(28,210,647)		(1,098,658)	(27,111,989)	0	0	0	
		(absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)								
1901001	011C-DFIT	TAX CREDIT C/F - DEF TAX ASSET	(612)	E	(612)					
1901001	011C-MJE	TAX CREDIT C/F - DEF TAX ASSET- MJE	612	E	612					
1901001	520A	PROVS POSS REV REFDS-A/L	3,511,260	T		3,511,260				
1901001	520X	PROV FOR RATE REFUND-TAX REFORM	0	T		0				
1901001	520Y	PROV FOR RATE REFUND-EXCESS PROTECTED	0	T		0				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	79,415	Labor					79,415	
1901001	615B	ACCRUED INTEREST-LONG-TERM - FIN 48	0	E	0					
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,215,939	T		6,215,939				
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	15,103,577	E	15,103,577					
1901001		Forecast Adjustment	(4,688,183)		(2,892,267)	(1,781,527)			(14,389)	
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	20,222,007		12,211,310	7,945,672	0	0	65,025	
		(Total Company Amount Ties to FF1 p.234(c) -- Electric)								

AEP West SPP Member Transmission Companies
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

WORKSHEET C-2 -BEGINNING OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2019

Account	Line #	Description	Balance	Allocation Basis	Allocation Method			PTD Plant	T&D	Labor
					Exclusions	100% Transmission				
2821001	230A	ACRS BENEFIT NORMALIZED	(103,609,686)	T	(13,197,254)	(90,412,432)				
2821001	230X	R & D DEDUCTION - SEC 174	(1,592)	E	(1,592)					
2821001	295A	GAIN/LOSS ON ACRS/MACRS PROPERTY	54,766	T		54,766				
2821001	320A	ABFUDC	(2,788,457)	T		(2,788,457)				
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,693,964	T		5,693,964				
2821001	390A	CIAC - BOOK RECEIPTS	358,644	E	358,644					
2821001	532C	BOOK/TAX UNIT OF PROPERTY ADJ	(2,727,677)	T		(2,727,677)				
2821001	532D	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	(98,234)	T		(98,234)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(66,431)	T		(66,431)				
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,837,997)	Labor					(1,837,997)	
2821001	910K	REMOVAL CST	(42,214)	T		(42,214)				
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(63,753,512)	WS C-4	(279,334)	(63,474,178)				
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED.	0	WS C-4						
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,550,920)	WS C-4	(281,983)	(1,268,937)				
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED.	(0)	WS C-4						
2821001	230A	Forecast Adjustment	(2,128,976)		(132,993)	(1,976,033)			(19,950)	
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(172,498,320)		(13,534,512)	(157,105,862)	0	0	(1,857,947)	
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(3,171,751)	E	(3,171,751)					
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0)	E	(0)					
2831001	960F-XS	960F-XS EXCESS ADFIT 283 UNPROTECTED	4,560,814	WS C-4	829,233	3,731,581				
2831001	960F-XS	960F-XS EXCESS ADFIT 283 UNPROTECTED	(0)							
2831002	911Q	911Q-DSIT DSIT ENTRY - NORMALIZED	(29,599,709)	T		(29,599,709)				
2831001		Forecast Adjustment								
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	(28,210,647)		(2,342,518)	(25,868,128)	0	0	0	
1901001	011C-DFIT	TAX CREDIT C/F - DEF TAX ASSET	(612)	E	(612)					
1901001	011C-MJE	TAX CREDIT C/F - DEF TAX ASSET- MJE	612	E	612					
1901001	520A	520A PROVS POSS REV REFDS-A/L	3,511,260	T		3,511,260				
1901001	520X	520X PROV FOR RATE REFUND-TAX REFORM	0	T		0				
1901001	520Y	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	0	T						
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	79,415	Labor					79,415	
1901001	615B	ACCRUED INTEREST-LONG-TERM - FIN 48	0	E	0					
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,215,939	T		6,215,939				
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	15,103,577	E	15,103,577					
1901001		Forecast Adjustment	(5,213,138)		(3,216,126)	(1,981,012)			(16,001)	
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	19,697,053		11,887,452	7,746,187	0	0	63,414	

AEP West SPP Member Transmission Companies
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

WORKSHEET C-3 -PRORATION OF PROPERTY-RELATED DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2020

Note: This workpaper documents the calculation of the rate base adjustment to prorate forecasted activity in ADIT required by IRS regulation Section 1.167(l)-(h)(6)(ii) when preparing for

Account 282 Proration Adjustment

1	Rate Year ending balance (Note 1)	Source	
2	Rate Year beginning balance (Note 1)	WS C-1	(179,146,240)
3	Annual forecasted change	WS C-2	(172,498,320)
4	Monthly forecasted change	Line 1 less Line 2	(6,647,919)
		Line 3 / 12	(553,993)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line	Future Test Period	Proratable Deferred Tax Activity	Deferred Tax Balance	Days in Month	Number of Days Left in Period	Proration Amount	Prorated Item	Prorated Balance	
5	Beginning Balance	(172,498,320)	(172,498,320)		365	100.00%	(172,498,320)	(172,498,320)	
6	January (line 4)	(553,993)	(173,052,314)	31	335	91.78%	(508,460)	(173,006,780)	
7	February	(553,993)	(173,606,307)	28	307	84.11%	(465,961)	(173,472,741)	
8	March	(553,993)	(174,160,300)	31	276	75.62%	(418,910)	(173,891,651)	
9	April	(553,993)	(174,714,293)	30	246	67.40%	(373,376)	(174,265,028)	
10	May	(553,993)	(175,268,287)	31	215	58.90%	(326,325)	(174,591,352)	
11	June	(553,993)	(175,822,280)	30	185	50.68%	(280,791)	(174,872,144)	
12	July	(553,993)	(176,376,273)	31	154	42.19%	(233,740)	(175,105,883)	
13	August	(553,993)	(176,930,267)	31	123	33.70%	(186,688)	(175,292,571)	
14	September	(553,993)	(177,484,260)	30	93	25.48%	(141,154)	(175,433,726)	
15	October	(553,993)	(178,038,253)	31	62	16.99%	(94,103)	(175,527,829)	
16	November	(553,993)	(178,592,246)	30	32	8.77%	(48,569)	(175,576,398)	
17	December	(553,993)	(179,146,240)	31	1	0.27%	(1,518)	(175,577,916)	
18	Ending Balance		(179,146,240)					(175,577,916)	
19	Proration Adjustment - Line 18 Col. (H) less Col. (C)							\$	3,568,324

Account 190 Proration Adjustment

20	Rate Year ending balance	Source	
21	Rate Year beginning balance	WS C-1	-
22	Annual forecasted change	WS C-2	-
23	Monthly forecasted change	Line 20 less Line 21	0
		Line 22 / 12	0

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line	Future Test Period	Proratable Deferred Tax Activity	Deferred Tax Balance	Days in Month	Number of Days Left in Period	Proration Amount	Prorated Item	Prorated Balance	
24	Beginning Balance	-	-		365	100.00%	-	-	
25	January (line 4)	-	-	31	335	91.78%	-	-	
26	February	-	-	28	307	84.11%	-	-	
27	March	-	-	31	276	75.62%	-	-	
28	April	-	-	30	246	67.40%	-	-	
29	May	-	-	31	215	58.90%	-	-	
30	June	-	-	30	185	50.68%	-	-	
31	July	-	-	31	154	42.19%	-	-	
32	August	-	-	31	123	33.70%	-	-	
33	September	-	-	30	93	25.48%	-	-	
34	October	-	-	31	62	16.99%	-	-	
35	November	-	-	30	32	8.77%	-	-	
36	December	-	-	31	1	0.27%	-	-	
37	Ending Balance		-					-	
38	Proration Adjustment - Line 37 Col. (H) less Col. (C)							\$	-

Notes

1
 Amounts to be prorated include only line items related to the difference between book and tax depreciation expense. This includes the line item labeled 230A, and any other s

AEP West SPP Member Transmission Companies
Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet C-4 - Excess Deferred Federal Income Taxes
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

NOTES

Include only excess DFIT recorded in accounts which are included in the formula rate cost of service. These include one or more subaccounts within accounts 190.1, 282.1, and 283.1.

Line	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Unprotected ADIT Balances							
		Source	Total	1901001	2821001	2831001	XXXXXXX XXXXXXX
1	Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative)	Company records	4,104,406	-	(2,114,895)	6,219,301	
2	Settlement Amortization period	ER18-194/195 Settlement		5	5	5	5 5
3	Annual Transmission Function Amortization	Line 1 / Line 2	820,881	-	(422,979)	1,243,860	- -
4	Rate Year Beginning Accumulated Amortization	Company records	1,641,762	-	(845,958)	2,487,720	
5	Rate year Ending Accumulated Amortization	Line 3 + Line 4	2,462,644	-	(1,268,937)	3,731,581	- -
6	Rate Year Beginning Balance Per Books - Total Company	WS C-2 960F XS Unprotected	3,009,894	-	(1,550,920)	4,560,814	
7	Rate Year Beginning Included Balance - 100% Transmission Function net of amortization	Line 1 - Line 4	2,462,644	-	(1,268,937)	3,731,581	- -
8	Worksheet C-2 Rate Base Excluded Balance	Line 6 - Line 7	547,250	-	(281,983)	829,233	- -
9	Rate Year Ending Balance Per Books - Total Company	WS C-1 960F XS Unprotected	3,009,894	-	(1,550,920)	4,560,814	
10	Rate Year Ending Included Balance - 100% Transmission Function net of amortization	Line 1 - Line 5	1,641,762	-	(845,958)	2,487,720	- -
11	Worksheet C-1 Rate Base Excluded Balance	Line 9 - Line 10	1,368,132	-	(704,962)	2,073,094	- -
Protected ADIT Balances							
		Source	Total	2821001	XXXXXXX	XXXXXXX	
12	Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative)	Company records	(63,817,240)	(63,817,240)			
13	Annual Transmission Function Amortization	Company records	(171,531)	(171,531)			
14	Beginning Accumulated Amortization	Company records	(343,062)	(343,062)			
15	Ending Accumulated Amortization	Line 13 + Line 14	(514,593)	(514,593)	-		
16	WS C-2 Beginning Balance Per Books - Total Company	WS C-2 960F XS Protected	(63,753,512)	(63,753,512)			
17	Rate Year Beginning Included Balance - 100% Transmission Function net of amortization	Line 12 - Line 14	(63,474,178)	(63,474,178)	-	-	
18	Worksheet C-2 Rate Base Excluded Balance	Line 16 - Line 17	(279,334)	(279,334)	-	-	
19	WS C-1 Ending Balance Net of Accumulated Amortization Per Books - Total Company	WS C-1 960F XS Protected	(63,753,512)	(63,753,512)			
20	Rate Year Ending Included Balance - 100% Transmission Function net of amortization	Line 12 - Line 15	(64,331,833)	(64,331,833)	-	-	
21	Worksheet C-1 Rate Base Excluded Balance	Line 19 - Line 20	578,321	578,321	-	-	
Annual Amortization of Excess ADIT							
22	Unprotected	Line 3	820,881	Transmission Function			
23	Protected	Line 13	(171,531)				
24	Total	Line 22 + Line 23	649,350				

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet D - Materials and Supplies and Prepayments
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Materials & Supplies								
<u>Line Number</u>		<u>Source</u>		Beginning/Ending Average Balance				
1		Transmission Materials & Supplies	WS D, p. 2 of 2, Col. (D), line 1	0				
2		General Materials & Supplies	WS D, p. 2 of 2, Col. (D), line 2	0				
3		Stores Expense (Undistributed) - Account 163	WS D, p. 2 of 2, Col. (D), line 3	0				
Prepayments Account 165								
<u>Line Number</u>	<u>Acc. No.</u>	<u>Description</u>	<u>Beginning/Ending Average balance Source - Page 2 of 2, Col (D)</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Explanation</u>
4	1650001	Prepaid Insurance	48,978			48,978		
5	1650021	Prepaid Insurance - EIS	16,263			16,263		
6	1650023	Prepaid Lease	45,092		45,092			
7			0					
8			0					
9			0					
10			0					
11			0					
12			0					
13			0					
14			0					
15			0					
16			0					
17			0					
18			0					
19			0					
20			0					
21			0					
22			0					
23			0					
24			0					
25			0					
26			0					
27			0					
28			0					
29			110,333	0	45,092	65,241	0	

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 incc

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet D - Materials and Supplies and Prepayments
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

(A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q)

Materials & Supplies

Line Number	Description	Source - December Balances	Beginning/Ending Average	Monthly Balances													
				December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	
1	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c & b)	-														
2	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c & b)	-														
3	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c & b)	-														

Prepayments Account 165

Line item balances obtained from Company Records

Line Number	Acc. No.	Description	Beginning/Ending Average	Monthly Balances													
				December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	
4	1650001	Prepaid Insurance	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978	48,978
5	1650021	Prepaid Insurance - EIS	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263
6	1650023	Prepaid Lease	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092	45,092
7			-														
8			-														
9			-														
10			-														
11			-														
12			-														
13			-														
14			-														
15			-														
16			-														
17			-														
18			-														
19			-														
20			-														
21			-														
22			-														
23			-														
24			-														
25			-														
26			-														
27			-														
28			-														
29	Total - December Balances tie to Form 1, p 111.57.c and d		110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333	110,333

Note 1:

Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to the company resulting (or expected to result) from prior federal

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet E - IPP Credits
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2020</u>
1	Net Funds from IPP Customers @ 12/31/2019 (2020 FORM 1, P269, (B))	60,000
2	Interest Accrual (Company Records)	
3	Revenue Credits to Generators (Company Records)	
4	<u>Other Adjustments (Company Records)</u>	
5	Accounting Adjustment	(60,000)
6		
7	Net Funds from IPP Customers 12/31/2020 (2020 FORM 1, P269, (F))	-
8	Average Balance for 2020 ((ln 1 + ln 7)/2)	30,000

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate

Worksheet F - Calculation of PROJECTED Annual Revenue Requirement for Base Plan and Special-Billed Projects
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

I. Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Incentive.
Number

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

1	ROE w/o incentives (TCOS, In 143)		10.50%
2	Project ROE Incentive Adder (Enter as whole number)		- basis points
3	ROE with additional 0 basis point incentive		10.50% <==Incentive ROE
4	Determine R (cost of long term debt, cost of preferred stock and percent is from TCOS, Ins 141 through 143)		
5		%	Cost
6	Long Term Debt	45.35%	4.08%
7	Preferred Stock	0.00%	0.00%
8	Common Stock	54.65%	10.50%
9			R = 7.59%

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Pro

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN REVENUE REQUIREMENTS

	Rev Require	With Incentives	Incentive Amounts
Σ Projected Year 2020	38,282,712	38,282,712	\$ -

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

10	Rate Base (TCOS, In 63)	742,016,705
11	R (from A. above)	0.0759
12	Return (Rate Base x R)	56,295,905

NOTE: PART IV ---Projected Base Plan Project Tables are contained in a separate file

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

13	Return (from B. above)	56,295,905
14	Tax Rate (TCOS, In 99)	25.47%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	25.85%
16	Income Tax Calculation (Return x EIT)	14,550,773
17	ITC Adjustment (TCOS, In 108)	-
18	Excess DFIT Adjustment (TCOS, In 109)	871,277
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 110)	253,699
20	Income Taxes	15,675,748

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

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

21	Net Revenue Requirement (TCOS, In 117)	124,188,219
22	Return (TCOS, In 112)	56,295,905
23	Income Taxes (TCOS, In 111)	15,675,748
24	Gross Margin Taxes (TCOS, In 116)	-
25	Net Revenue Requirement, Less Return and Taxes	52,216,567

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

26	Net Revenue Requirement, Less Return and Taxes	52,216,567
27	Return (from I.B. above)	56,295,905
28	Income Taxes (from I.C. above)	15,675,748
29	Net Revenue Requirement, with 0 Basis Point ROE increase	124,188,219
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)	-
31	Revenue Requirement w/ Gross Margin Taxes	124,188,219
32	Less: Depreciation (TCOS, In 86)	30,287,906
33	Net Rev. Req. w/0 Basis Point ROE increase, less Depreciation	93,900,314

C. Determine Gross Margin Tax with hypothetical 0 basis point increase in ROE.

34	Net Revenue Requirement before Gross Margin Taxes, with 0	124,188,219
35	Basis Point ROE increase (II B. above)	-
36	Apportionment Factor to Texas (Worksheet K, In 12)	0.00%
37	Apportioned Texas Revenues	-
38	Taxable Percentage of Revenue	22%
39	Taxable, Apportioned Margin	-
40	Texas Gross Margin Tax Rate	1%
41	Texas Gross Margin Tax Expense	-
42	Gross-up Required for Gross Margin Tax Expense	-
43	Total Additional Gross Margin Tax Revenue Requirement	-

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

44	Net Transmission Plant (TCOS, In 37)	894,864,257
45	Net Revenue Requirement, with 0 Basis Point ROE increase	124,188,219
46	FCR with 0 Basis Point increase in ROE	13.88%
47	Net Rev. Req. w / 0 Basis Point ROE increase, less Dep.	93,900,314
48	FCR with 0 Basis Point ROE increase, less Depreciation	10.49%
49	FCR less Depreciation (TCOS, In 10)	10.49%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant Average Balance for 2020 (WS A-1 Ln 14 Col (d))	1,074,955,039
52	Annual Depreciation Expense (TCOS, In 86)	32,345,839
53	Composite Depreciation Rate	3.01%
54	Depreciable Life for Composite Depreciation Rate	33.23
55	Round to nearest whole year	33

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet H - Revenue Credits
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

<u>Line:</u>	Total Company	Non- Transmission	Transmission
1 Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	-	-	-
2 Account 451, Misc. Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)			
Account 4540001 - Rent from Elect Property-Aff	2,783,872	-	2,783,872
Account 4540002 - Rent from Elect Property - Non-Aff	-	-	-
Account 4540005 - Rent from Elect Property - Pole Attach	-	-	-
Account 4540004 - Rent from Elect Property - ABD - Non-Aff	-	-	-
Other 454 Accounts	-	-	-
3 Total Rents from Electric Property	2,783,872	-	2,783,872
Account 456.0 Other Operating Revenues (FF1 p.300.21.(b); Company Records - Note 1)			
1 Account 4560015, Revenues from Associated Business Development	-	-	-
2 All Other 456.0 Revenues	-	-	-
4 Total 456.0 Other Operating Revenues	-	-	-
Account 456.1, Revenues from Transmission of Electricity of Others (FF1 p.300.22.(b); Company Records - Note 1)			103,124,984
Less:			
Transmission Direct Assignment Revenue (if costs not in the ARR)			899,628
Sponsored Upgrade Revenue			
Credits against Transmission Service Revenue related to Generation Interconnections			
Revenue for GFA's (Relative to SPP OATT) Associated with Load Included in the Divisor			
Network Service Revenue (SPP Schedule 9) Associated with Load included in the Divisor			70,626,048
Revenue Associated with Transmission Plant Excluded From SPP Tariff			
Distribution and Other Non-Transmission Revenue			
Revenue from SPP Ancillary Services Provided			
Base Plan Revenue (from SPP)			30,159,308
Flow Through of ERCOT Ancillary Charges			
Other			
5 Net 456.1 Transmission Credits			\$1,440,000
6 Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)	-		-
7 Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)	-		-
8 Total Revenue Credits - Sum lines 1 through 7			\$4,223,872

Note 1: Data for this worksheet came from the FERC Form 1 and the Company's General Ledger.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet I - Supporting Transmission Expense Adjustments
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Note: This worksheet is used to include any FERC jurisdictional transmission-related (i.e. non-retail) expenses recorded in Accounts 561 or 562

<u>Line</u> <u>Number</u>	(A) Description	(B) <u>2020</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	(sum of lines 2 through 9)
		<u>\$0</u>

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet J - Allocation of Specific O&M or A&G Expenses
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) FERC Acct No.</u>	<u>(B) Description</u>	<u>(C) 2020 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation of Transmission Specific Items</u>
		<u>Account 928</u>				
1	9280000	Regulatory Commission Exp	0		0	
2	9280001	Regulatory Commission Exp-Adm	0		0	
3	9280002	Regulatory Commission Exp-Case	0		0	
4	9280005	Reg Com Exp-FERC Trans Cases	0		0	
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16		Total (FERC Form 1 p.323.189.b)	<u>0</u>	<u>0</u>	<u>0</u>	
		<u>Account 930.1</u>				
17	9301000	General Advertising Expenses	-		-	
18						
19						
20						
21						
22		Total (FERC Form 1 p.323.191.b)	<u>0</u>	<u>0</u>	<u>0</u>	
		<u>Account 930.2</u>				
23	9302000	Misc General Expense	34,500		34,500	
24						
25						
26						
27						
28		Total (FERC Form 1 p.323.192.b)	<u>34,500</u>	<u>-</u>	<u>34,500</u>	

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet K - Development of Composite State Income Tax Rate
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

I. DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES FOR 2020

State Income Tax Rate - Oklahoma	Note 1	5.66%	
Apportionment Factor		100.00%	
Effective State Income Tax Rate			5.6600%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
Total Effective State Income Tax Rate			<u>5.6600%</u>

Note 1 --- The Oklahoma State Income Tax Rate of 6% is reduced to 5.66% due to the deductibility of Oklahoma State Income Taxes on the Oklahoma State Income Tax Return.

II. CALCULATION OF TEXAS GROSS MARGIN TAX

		Projected / Actual	
		Total Company	Trans. Only
Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX (TCOS In 116)	133,111,031	124,188,219
1	Apportionment Factor to Texas (In12)	0.00%	0.00%
2	Apportioned Texas Revenues	\$0	\$0
3	Taxable Percentage of Revenue	22%	22%
4	Taxable, Apportioned Margin	-	-
5	Texas Gross Margin Tax Rate	1%	1%
6	Texas Gross Margin Tax Expense	-	-
7	Gross-up Required for Texas Gross Margin Expense (In 6 * In 3 * In 1)/(1- In 5) * In 5)	-	-
8	Total Additional Gross Margin Tax Revenue Requirement	-	-
9	WHOLESALE LOAD ALLOCATOR (For Use in Gross Margin Tax Allocator)		
10	Texas Jurisdictional Load	0 KW	
11	Total Load	0 KW	
12	Allocation Percentage (In 10 / In 11)	0.00%	

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet L - Taxes Other than Income
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2						
3						
4	Real Estate and Personal Property Taxes					
5	OK Ad Valorem	12,506,909	12,506,909			
6						
7						
8						
9						
10	Payroll Taxes					
11						
12						
13						
14						
15	Production Taxes					
16						
17						
18						
19	Miscellaneous Taxes					
20	Sales/Use					
21	OK Franchise Tax					
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	Total Taxes by Allocable Basis	12,506,909	12,506,909	-	-	-

(Total Company Amount Ties to FF1 p.114, Ln 14,(c))

NOTE: As a check, the difference between the total from Ln 35 above and the total on FF1 p.263 line 41(0) should equal the sum of the "Income" tax line items within FF1 p262.x-263.x

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet M - Cost of Capital
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Average Balance of Common Equity

Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	467,285,154	-	-	-	467,285,154
2	January	491,089,107				491,089,107
3	February	515,256,788				515,256,788
4	March	529,039,399				529,039,399
5	April	531,854,485				531,854,485
6	May	535,466,007				535,466,007
7	June	529,414,512				529,414,512
8	July	534,842,360				534,842,360
9	August	540,314,824				540,314,824
10	September	544,946,581				544,946,581
11	October	548,908,378				548,908,378
12	November	552,445,909				552,445,909
13	December of Rate Year	556,094,157	-	-	-	556,094,157
14	13 Month Average Balance	528,996,743	-	-	-	528,996,743

Average Balance of Long Term Debt

Line No	Month (a)	Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(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	-	-	371,750,000	-	-	371,750,000
16	January			371,750,000			371,750,000
17	February			371,750,000			371,750,000
18	March			371,750,000			371,750,000
19	April			371,750,000			371,750,000
20	May			371,750,000			371,750,000
21	June			371,750,000	125,000,000		496,750,000
22	July			371,750,000	125,000,000		496,750,000
23	August			371,750,000	125,000,000		496,750,000
24	September			371,750,000	125,000,000		496,750,000
25	October			371,750,000	125,000,000		496,750,000
26	November			371,750,000	125,000,000		496,750,000
27	December of Rate Year	-	-	371,750,000	125,000,000	-	496,750,000
28	13 Month Average Balance	-	-	371,750,000	67,307,692	-	439,057,692

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

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

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2020						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			17,696,880			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 inc			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			-			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			216,281			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			12,707			
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			17,900,455			
38	Average Cost of Debt for 2020 (Ln 37/ Ln 28 (g))			4.08%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39

NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of th Amortization Period

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2020	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40			-	-			
41			-	-			
42				-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49				-			
50	Total Hedge Amortization	-	-	-			
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			-			
52	Total Average Capital Structure Balance for 2020 (TCOS, Ln 144)			968,054,435			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			484,027			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			-			

Development of Cost of Preferred Stock

56	Beginning/Ending Average Balance of Preferred Stock (Ln 14 Col. (c))	-
57	Dividends on Preferred Stock	-
58	Average Cost of Preferred Stock (Ln 57/ Ln 56)	0.00%

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet N - Schedule 11 True-up With Interest
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

True up Revenue Requirement For Year 2020 Available May, 2021 Net of Schedule 11 Revenue Credits	Cash Revenue Collections for True-up Year, Net of Schedule 11 Revenue Credits	True-up Adjustment - Over (Under) Recovery
\$0	\$0	\$0

True Up Year: 2020
 Intermediate Year: 2021
 Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Amortization	Cumulative Refunds and Interest - End of Month
Calculation of Interest								
<i>True-Up Year</i>								
1/1/2020	-	-	-	-	0.360%	-	-	-
2/1/2020	-	-	-	-	0.330%	-	-	-
3/1/2020	-	-	-	-	0.360%	-	-	-
4/1/2020	-	-	-	-	0.370%	-	-	-
5/1/2020	-	-	-	-	0.380%	-	-	-
6/1/2020	-	-	-	-	0.370%	-	-	-
7/1/2020	-	-	-	-	0.400%	-	-	-
8/1/2020	-	-	-	-	0.400%	-	-	-
9/1/2020	-	-	-	-	0.390%	-	-	-
10/1/2020	-	-	-	-	0.420%	-	-	-
11/1/2020	-	-	-	-	0.410%	-	-	-
12/1/2020	-	-	-	-	0.420%	-	-	-
<i>Intermediate Year</i>								
1/1/2021	-	-	-	-	0.440%	-	-	-
2/1/2021	-	-	-	-	0.400%	-	-	-
3/1/2021	-	-	-	-	0.440%	-	-	-
4/1/2021	-	-	-	-	0.450%	-	-	-
5/1/2021	-	-	-	-	0.460%	-	-	-
6/1/2021	-	-	-	-	0.450%	-	-	-
7/1/2021	-	-	-	-	0.450%	-	-	-
8/1/2021	-	-	-	-	0.450%	-	-	-
9/1/2021	-	-	-	-	0.450%	-	-	-
10/1/2021	-	-	-	-	0.450%	-	-	-
11/1/2021	-	-	-	-	0.450%	-	-	-
12/1/2021	-	-	-	-	0.450%	-	-	-
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months								
<i>Rate Year</i>								
1/1/2022	-	-	-	-	0.445%	-	-	-
2/1/2022	-	-	-	-	0.445%	-	-	-
3/1/2022	-	-	-	-	0.445%	-	-	-
4/1/2022	-	-	-	-	0.445%	-	-	-
5/1/2022	-	-	-	-	0.445%	-	-	-
6/1/2022	-	-	-	-	0.445%	-	-	-
7/1/2022	-	-	-	-	0.445%	-	-	-
8/1/2022	-	-	-	-	0.445%	-	-	-
9/1/2022	-	-	-	-	0.445%	-	-	-
10/1/2022	-	-	-	-	0.445%	-	-	-
11/1/2022	-	-	-	-	0.445%	-	-	-
12/1/2022	-	-	-	-	0.445%	-	-	-

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

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates.

Note 2: An over or under collection for the Schedule 11 charge will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet O - Schedule 9 NITS True-up With Interest
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

True up Revenue Requirement For Year 2020 Available May, 2021	Cash Revenue Collections for True-up Year, Net of Schedule 9 Revenue Credits	True-up Adjustment - Over (Under) Recovery	True Up Year: 2020
\$0	\$0	\$0	Intermediate Year: 2021
			Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Cumulative Refunds and Interest - End of Month
Calculation of Interest							
<i>True-Up Year</i>							
1/1/2020	-	-	-	-	0.360%	-	-
2/1/2020	-	-	-	-	0.330%	-	-
3/1/2020	-	-	-	-	0.360%	-	-
4/1/2020	-	-	-	-	0.370%	-	-
5/1/2020	-	-	-	-	0.380%	-	-
6/1/2020	-	-	-	-	0.370%	-	-
7/1/2020	-	-	-	-	0.400%	-	-
8/1/2020	-	-	-	-	0.400%	-	-
9/1/2020	-	-	-	-	0.390%	-	-
10/1/2020	-	-	-	-	0.420%	-	-
11/1/2020	-	-	-	-	0.410%	-	-
12/1/2020	-	-	-	-	0.420%	-	-
<i>Intermediate Year</i>							
1/1/2021	-	-	-	-	0.440%	-	-
2/1/2021	-	-	-	-	0.400%	-	-
3/1/2021	-	-	-	-	0.440%	-	-
4/1/2021	-	-	-	-	0.450%	-	-
5/1/2021	-	-	-	-	0.460%	-	-
6/1/2021	-	-	-	-	0.450%	-	-
True-Up Adjustment with Interest							-
Less Over (Under) Recovery							-
Total Interest							-

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as d

Note 2: An over or under collection for the Schedule 9 charge will be recovered prorata over the true-up year, held through June of the intermediate year and charged/refunded in a lump sum during July of the in

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet P - Schedule 1 NITS True-up With Interest
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

True up Revenue Requirement For Year 2020 Available May, 2021	Cash Revenue Collections for True-up Year, Net of Schedule 1 Revenue Credits	True-up Adjustment - Over (Under) Recovery	True Up Year: 2020
\$0	\$0	\$0	Intermediate Year: 2021
			Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Cumulative Refunds and Interest - End of Month
Calculation of Interest							
<i>True-Up Year</i>							
1/1/2020	-	-	-	-	0.360%	-	-
2/1/2020	-	-	-	-	0.330%	-	-
3/1/2020	-	-	-	-	0.360%	-	-
4/1/2020	-	-	-	-	0.370%	-	-
5/1/2020	-	-	-	-	0.380%	-	-
6/1/2020	-	-	-	-	0.370%	-	-
7/1/2020	-	-	-	-	0.400%	-	-
8/1/2020	-	-	-	-	0.400%	-	-
9/1/2020	-	-	-	-	0.390%	-	-
10/1/2020	-	-	-	-	0.420%	-	-
11/1/2020	-	-	-	-	0.410%	-	-
12/1/2020	-	-	-	-	0.420%	-	-
<i>Intermediate Year</i>							
1/1/2021	-	-	-	-	0.440%	-	-
2/1/2021	-	-	-	-	0.400%	-	-
3/1/2021	-	-	-	-	0.440%	-	-
4/1/2021	-	-	-	-	0.450%	-	-
5/1/2021	-	-	-	-	0.460%	-	-
6/1/2021	-	-	-	-	0.450%	-	-
True-Up Adjustment with Interest							-
Less Over (Under) Recovery							-
Total Interest							-

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as d

Note 2: An over or under collection for the Schedule 1 NITS charge will be recovered prorata over the true-up year, held through June of the intermediate year and charged/refunded in a lump sum during July of

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet Q - True-up Interest Rates
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

This Attachment is used to input and compute the interest rates to be applied to each year's revenue requirement true-ups.

Applicable FERC Interest Rate (Note A):		
1	1/1/2020	0.36%
2	2/1/2020	0.33%
3	3/1/2020	0.36%
4	4/1/2020	0.37%
5	5/1/2020	0.38%
6	6/1/2020	0.37%
7	7/1/2020	0.40%
8	8/1/2020	0.40%
9	9/1/2020	0.39%
10	10/1/2020	0.42%
11	11/1/2020	0.41%
12	12/1/2020	0.42%
13	1/1/2021	0.44%
14	2/1/2021	0.40%
15	3/1/2021	0.44%
16	4/1/2021	0.45%
17	5/1/2021	0.46%
18	6/1/2021	0.45%
19	7/1/2021	0.45%
20	8/1/2021	0.45%
21	9/1/2021	0.45%
22	10/1/2021	0.45%
23	11/1/2021	0.45%
24	12/1/2021	0.45%
<u>Schedule 11 Base Plan True Up</u>		
25	Average Monthly Rate - Lines 13- 24	0.45%

Note A - Lines 1-20 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov>

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet R - Unfunded Reserves
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Account</u>	<u>(C) Formula Expense Account</u>	<u>(D) Balances @ 12/31/2020</u>	<u>(E) Balances 12/31/2019</u>	<u>(F) Average Balance for 2</u>
1						-
2						-
3						-
4						-
5						-
6	Total			-	-	-

Note - 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. Include only contingent

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet S - Regulatory Assets
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

(A)	(B)	(C)	(D)	(E)
Line	Description	FERC Docket	Source	Amort. / Deferral Account 2020 Amortization / (Deferral)
1	Regulatory Asset Amortizations / (Deferrals) in O&M (Note 1)			
1a				
1b				
1c				
1d				
1e				
2	Net Amortization / (Deferral)			-
3	FERC Approved Regulatory Amortizations / (Deferrals) in O&M (Note 2)			
3a				
3b				
3c				
3d				
4	Net Approved Amortization / (Deferral)			-
5	Reg Asset Amortizations / (Deferrals) in A&G (Note 3)			
5a				
5b				
6	Net Amortization / (Deferral)			-
7	FERC Approved Reg Amortizations / (Deferrals) in A&G (Note 4)			
7a				
7b				
8	Net Approved Amortization / (Deferral)			-

Regulatory Assets Included in Rate Base (Note 5)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
Description	FERC Approval Docket	Form 1 Reference	Recovery Start Date	Recovery Period (Months)	Balance @ 12/31/2020	Balance @ 12/31/2019	Average Balance	Functional Allocator (Note 6)	Functional Allocator Value	Transmission Balance
9										
9a										
9b										
9c										
9d										
9e										
10	Total				-	-	-			-

Notes

- 1 Include all regulatory asset amortizations and deferrals included in accounts in Transmission O&M on FERC Form 1 p. 321, ln 122. Exclude all Distribution and Production-related items.
- 2 Include only regulatory asset amortizations and deferrals included in accounts in Transmission O&M approved by FERC for inclusion in cost of service.
- 3
- 4 Include all amortizations and deferrals of regulatory assets included in accounts in A&G expense on FERC Form 1 p. 321, ln 197, except amounts in Account 928, 930.1, and 930.2, which are accounted for on Worksheet J.
- 5 Include only regulatory asset amortizations and deferrals included in accounts in A&G expense approved by FERC for inclusion in cost of service.
- 6 See referenced FERC docket for details of Regulatory Assets approved for inclusion in rate base. Include only the Transmission functional balance for assets which have both Transmission and Distribution components. Balances direct assigned to Transmission except for payroll-related balances, which will be allocated using a wages and salaries allocator.

AEP West SPP Member Operating Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet T - Depreciation Rates
 AEP OKLAHOMA TRANSMISSION COMPANY, INC.

SUMMARY OF TOTAL DEPRECIATION RATES

TRANSMISSION PLANT

<u>Acct. No.</u>	<u>Account Title</u>	<u>Total Depr Rates</u>
350.1	Land Rights	1.07%
352.0	Structures & Improvements	2.05%
353.0	Station Equipment	1.72%
354.0	Towers & Fixtures	1.73%
355.0	Poles & Fixtures	3.92%
356.0	OH Conductor & Devices	2.18%
358.0	Underground Conductor	2.09%

GENERAL PLANT

<u>Acct. No.</u>	<u>Account Title</u>	<u>Total Depr Rates</u>
390.0	Structures & Improvements	1.76%
391.0	Office Furniture	2.44%
391.11	Office Equipment - Computers	20.00%
392.0	Transportation Equipment	6.67%
393.0	Stores Equipment	3.33%
394.0	Tools Shop & Garage Equipment	4.00%
395.0	Laboratory Equipment	1.94%
396.0	Power Operated Equip	4.24%
397.0	Communication Equip - Amortized	4.54%
397.16	AMI - Communication Equipment	6.67%
398.0	Miscellaneous Equipment	5.00%
399.3	Alliance Rail	2.50%

INTANGIBLE PLANT

<u>Acct. No.</u>	<u>Account Title</u>	<u>Total Depr Rates</u>
303.0	Intangible Plant	10.00%

Note 1 - These depreciation and amortization rates will not be changed absent a Section 205 or 206 filing at the Commission.

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 117)				\$332,815
			<u>Total</u>			
2	REVENUE CREDITS	(Note A) (Worksheet H)	600		DA	600
				<u>Allocator</u>	1.00000	
3	Network Customer Owned Facility Credits	Worksheet B				-
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				<u>\$332,215</u>

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through SPP Schedule 11. The total non-incentive revenue requirement for these projects shown on line 5 is

5	Trued-Up / Projected Revenue Requirement for SPP BPU Regional Facilities (w/o incentives) (Worksheet F/G)		-		DA	1.00000	\$	-
6	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)							
7	Annual Rate	(ln 1 / ln 37 x 100%)						6656299162034.79%
8	Monthly Rate	(ln 7 / 12)						554691596836.23%
9	NET PLANT CARRYING CHARGE ON LINE 7 , W/O DEPRECIATION (w/o incentives) (Note B)							
10	Annual Rate	((ln 1 - ln 86) / ln 37 x 100%)						6656299162034.79%
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME TAXES, RETURN (Note B)							
12	Annual Rate	((ln 1 - ln 86 - ln 111 - ln 112) / ln 37 x 100%)						6553500474342.58%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note C) (Worksheet F/G)							-

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
		Data Sources (See "General Notes")	TO Total NOTE D	Allocator	Total Transmission
Line No.	RATE BASE CALCULATION				
	GROSS PLANT IN SERVICE				
14	Production	(Worksheet A-1 In 14.B)	-	NA	0.00000
15	Less: Production ARO (Enter Negative)	(Worksheet A-1 In 14.C)	-	NA	0.00000
16	Transmission	(Worksheet A-1 In 14.D & Ln 121)	0	DA	0
17	Less: Transmission ARO (Enter Negative)	(Worksheet A-1 In 14.E)	-	TP	1.00000
18	Distribution	(Worksheet A-1 In 14.F)	-	NA	0.00000
19	Less: Distribution ARO (Enter Negative)	(Worksheet A-1 In 14.G)	-	NA	0.00000
20	General Plant	(Worksheet A-1 In 28.B)	-	W/S	1.00000
21	Less: General Plant ARO (Enter Negative)	(Worksheet A-1 In 28.C)	-	W/S	1.00000
22	Intangible Plant	(Worksheet A-1 In 28.D)	-	W/S	1.00000
23	TOTAL GROSS PLANT	(sum Ins 14 to 22)	0	GP= GTD=	1.00000 1.00000
24	ACCUMULATED DEPRECIATION AND AMORTIZATION				
25	Production	(Worksheet A-2 In 14.B)	-	NA	0.00000
26	Less: Production ARO (Enter Negative)	(Worksheet A-2 In 14.C)	-	NA	0.00000
27	Transmission	(Worksheet A-2 In 14.D less 29.F)	-	TP1=	0.00000
28	Less: Transmission ARO (Enter Negative)	(Worksheet A-2 In 14.E)	-	TP1=	0.00000
29	Distribution	(Worksheet A-2 In 14.F)	-	NA	0.00000
30	Less: Distribution ARO (Enter Negative)	(Worksheet A-2 In 14.G)	-	NA	0.00000
31	General Plant	(Worksheet A-2 In 28.B)	-	W/S	1.00000
32	Less: General Plant ARO (Enter Negative)	(Worksheet A-2 In 28.C)	-	W/S	1.00000
33	Intangible Plant	(Worksheet A-2 In 28.D)	-	W/S	1.00000
34	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 25 to 33)	-		-
35	NET PLANT IN SERVICE				
36	Production	(In 14 + In 15 - In 25 - In 26)	-		-
37	Transmission	(In 16 + In 17 - In 27 - In 28)	0		0
38	Distribution	(In 18 + In 19 - In 29 - In 30)	-		-
39	General Plant	(In 20 + In 21 - In 31 - In 32)	-		-
40	Intangible Plant	(In 22 - In 33)	-		-
41	TOTAL NET PLANT IN SERVICE	(sum Ins 36 to 40)	0	NP=	1.00000
42	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note E)			
43	Account No. 281.1 (enter negative)	272-273.8.k	-	NA	-
44	Account No. 282.1 (enter negative)	(Worksheet C, In 4 C & In 8 J)	(17,847)	DA	(13,455)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	17,534	DA	13,036
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	33,118	DA	(2,497)
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)	-	DA	-
48	TOTAL ADJUSTMENTS	(sum Ins 43 to 47)	32,805		(2,916)
49	PLANT HELD FOR FUTURE USE	(Worksheet A-1 In 30.F)	-	DA	-
50	REGULATORY ASSETS	(Worksheet S In 10 cols. G and J) (Note W)	-	DA	-
51	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE U)	(Worksheet R, In 6 F)	-	W/S	1.00000
52	WORKING CAPITAL	(Note F)			
53	Cash Working Capital	(1/8 * (In 70 - Ln 69)) (Note G)	38,179		38,179
54	Transmission Materials & Supplies	(Worksheet D, pg 1 In 1 E)	-	TP	1.00000
55	A&G Materials & Supplies	(Worksheet D, pg 1 In 2 E)	-	W/S	1.00000
56	Stores Expense	(Worksheet D, pg 1 In 3 E)	-	GP	1.00000
57	Prepayments (Account 165) - Labor Allocated	(Worksheet D, pg 1 In 29 G)	-	W/S	1.00000
58	Prepayments (Account 165) - Gross Plant	(Worksheet D, pg 1 In 29 F)	-	GP	1.00000
59	Prepayments (Account 165) - Transmission Only	(Worksheet D, pg 1 In 29 E)	-	DA	1.00000
60	Prepayments (Account 165) - Unallocable	(Worksheet D, pg 1 In 29 D)	-	NA	0.00000
61	TOTAL WORKING CAPITAL	(sum Ins 53 to 60)	38,179		38,179
62	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	-	DA	1.00000
63	RATE BASE (sum Ins 41, 48, 49, 50, 51, 61, 62)		70,984		35,263

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
64	OPERATION & MAINTENANCE EXPENSE				
64	Transmission	321.112.b	305,498		
65	Less: Total Account 561	(Note I) 321.84-92.b	67		
66	Less: Account 565	(Note J) 321.96.b	-		
67	Less : Regulatory Amortizations / (Deferrals)	Worksheet S In 2 (Note V)	-		
68	Plus: Includable 561 and 565 Expenses	Worksheet I In 10	\$0		
69	Plus : Approved Regulatory Amortizations / (Deferrals)	Worksheet S In 4 (Note V)	-		
70	Total O&M Allocable to Transmission	(Ins 64 - 65 - 66 - 67 + 68 + 69)	305,431	TP	1.00000 305,431
71	Administrative and General	323.197.b (Note K, M)	22,249		
72	Less: Acct. 924, Property Insurance	323.185.b	(4)		
73	Acct. 928, Reg. Com. Exp.	323.189.b	-		
74	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
75	Acct. 930.2, Misc. Gen. Exp.	323.192.b	5		
76	Regulatory Asset Amortizations / (Deferrals)	Worksheet S In 6 (Note V)	-		
77	Balance of A & G	(In 71 - sum In 72 to In 76)	22,247	W/S	1.00000 22,247
78	Plus: Acct. 924, Property Insurance	(In 72)	(4)	GP	1.00000 (4)
79	Acct. 928 - Transmission Specific	Worksheet J In 16.(E) (Note L)	-	TP	1.00000 -
80	Acct 930.1 - Only safety related ads -Direct	Worksheet J In 22.(E) (Note L)	0	GP	1.00000 0
81	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet J In 28.(E) (Note L)	-	DA	1.00000 -
82	Approved A&G Reg. Asset Amort. / (Deferrals)	Worksheet S In 8 (Note V)	-	W/S	1.00000 -
83	A & G Subtotal	(sum Ins 77 to 82)	22,244		22,244
84	TOTAL O & M EXPENSE	(In 70 + In 83)	327,675		327,675
85	DEPRECIATION AND AMORTIZATION EXPENSE				
86	Transmission	336.7.b	-	TP	1.00000 -
87	General	336.10.b	-	W/S	1.00000 -
88	Intangible	336.1.d	-	W/S	1.00000 -
89	TOTAL DEPRECIATION AND AMORTIZATION	(sum Ins 86 to 88)	-		-
90	TAXES OTHER THAN INCOME	(Note N)			
91	Labor Related				
92	Payroll	Worksheet L, Col. D	-	W/S	1.00000 -
93	Plant Related				
94	Property	Worksheet L, Col. C	-	GP	1.00000 -
95	Non-Allocable Taxes	Worksheet L, Col. F	-	NA	0.00000 -
96	Other	Worksheet L, Col. E	-	GP	1.00000 -
97	TOTAL OTHER TAXES	(sum Ins 92 to 96)	-		-
98	INCOME TAXES	(Note O)			
99	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		27.17%		
100	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		0.00%		
101	where WCLTD=(In 141) and WACC = (In 144)				
102	and FIT, SIT & p are as given in Note O.				
103	$GRCF=1 / (1 - T) =$ (from In 99)		1.3731		
104	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
105	Excess / (Deficit) Deferred Income Tax	Company Records (Note O) and WS C-4 Ln 24		DA	1,862
106	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)		DA	
107	Income Tax Prior to Adjustments	(In 100 * In 112)	-		-
108	ITC adjustment	(In 103 * In 104)	-	GP	1.00000 -
109	Excess / (Deficit) Deferred Income Tax	(In 103 * In 105)	-	DA	2,557
110	Tax Effect of Permanent and Flow Through Differences	(In 103 * In 106)	-	DA	-
111	TOTAL INCOME TAXES	(sum Ins 107 to 110)	-		2,557
112	RETURN ON RATE BASE (Rate Base*WACC)	(In 63 * In 144)	5,200		2,583
113	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E) (Worksheet E, In 2)		-	DA	1.00000 -
114	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX		332,875		332,815
115	(sum Ins 84, 89, 97, 111, 112, 113)				
116	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA	-
117	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 114 + 116)	332,875		332,815

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In									
<u>No.</u>	<u>TRANSMISSION PLANT INCLUDED IN SPP TARIFF (Note W)</u>								
118	Total transmission plant	(In 16)						0	
119	Less transmission plant excluded from SPP Tariff (Worksheet A-1, In 28 Col. (F)) (Note Q)							-	
120	Less transmission plant included in OATT Ancillary Services (Worksheet A-1, In 28, Col. (E)) (Note R)							-	
121	Transmission plant included in SPP Tariff	(In 118 - In 119 - In 120)						<u>0</u>	
122	Percent of transmission plant in SPP Tariff	(In 121 / In 118)					TP=	1.00000	
123	WAGES & SALARY ALLOCATOR (W/S)	(Note S)							
124	Production	354.20.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total				
125	Transmission	354.21.b	-	250	250	NA	0.00000	-	
126	Regional Market Expenses	354.22.b	-	-	-	TP	1.00000	250	
127	Distribution	354.23.b	-	-	-	NA	0.00000	-	
128	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000	-	
129	Total	(sum Ins 124 to 128)	-	250	250			<u>250</u>	
130	Transmission related amount						W/S=	1.00000	
131	STAND ALONE (Note T) WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$	
132	Long Term Interest	Long Term Interest (Worksheet M, In. 37, col. (d))						(678)	
133	Preferred Dividends	Preferred Stock Dividends (Worksheet M, In. 57, col. (d))						-	
134	<u>Development of Common Stock:</u>							<u>Average</u>	
135	Proprietary Capital	(Worksheet M, In. 14, col. (b))						(1,355,197)	
136	Less Preferred Stock (In 142)	(Worksheet M, In. 14, col. (c))						-	
137	Less Account 216.1	(Worksheet M, In. 14, col. (d))						-	
138	Less Account 219	(Worksheet M, In. 14, col. (e))						-	
139	Common Stock	(In 135 - In 136 - In 137 - In 138)						<u>(1,355,197)</u>	
140				<u>Capital Structure Percentage</u>					
		<u>Rate Year Average Balances</u>			<u>Cost (Note T)</u>		<u>Weighted</u>		
141	Avg Long Term Debt (Worksheet M, In. 28, col. (g))	-		0.00%	0.00%		0.0000		
142	Avg Preferred Stock (Worksheet M, In. 14, col. (c))	-		0.00%	0.00%		0.0000		
143	Avg Common Stock (In 139)	(1,355,197)		0.00%	10.50%		0.0000		
144	Total (sum Ins 141 to 143)	(1,355,197)					WACC=	0.0000	
145	SOUTHWESTERN ELECTRIC POWER COMPANY (Note T) WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$	
146	Long Term Interest	Long Term Interest (SWEPCO Formula Worksheet M, In. 37, col. (d))						115,421,371	
147	Preferred Dividends	Preferred Stock Dividends (SWEPCO Formula Worksheet M, In. 57, col. (d))						-	
148	<u>Development of Common Stock:</u>							<u>Average</u>	
149	Proprietary Capital	(SWEPCO Worksheet M, In. 14, col. (b))						2,479,045,122	
150	Less Preferred Stock (In 156)	(SWEPCO Worksheet M, In. 14, col. (c))						-	
151	Less Account 216.1	(SWEPCO Worksheet M, In. 14, col. (d))						34,451,515	
152	Less Account 219	(SWEPCO Worksheet M, In. 14, col. (e))						(3,533,983)	
153	Common Stock	(In 149 - In 150 - In 151 - In 152)						<u>2,448,127,590</u>	
154				<u>Capital Structure Percentage</u>					
		<u>Rate Year Average Balances</u>			<u>Cost (Note T)</u>		<u>Weighted</u>		
155	Avg Long Term Debt (SWEPCO Worksheet M, In. 28, col. (g))	2,580,221,154		51.31%	4.31%		0.0221		
156	Avg Preferred Stock (SWEPCO Worksheet M, In. 14, col. (c))	-		0.00%	-		0.0000		
157	Avg Common Stock (In 153)	2,448,127,590		48.69%	10.50%		0.0511		
158	Total (sum Ins 155 to 157)	5,028,348,744					WACC=	0.0733	

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2020 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY

Letter

Notes

General Note: True Up References to data from FERC Form 1 are indicated as: page#.line#.col#. Rate Year Projections from Company forecasts.

- A The revenue credits shall include a) amounts received directly from the SPP for PTP transmission services, b) direct assignment charges for transmission facilities, the cost of which has been included in the TCOS, and c) amounts from customers taking service under grandfathered agreements, where the demand is not included in the rate divisor. Revenues associated with FERC annual charges, gross receipts taxes, ancillary services or facilities excluded from the TCOS are not included as revenue credits. Revenue from Transmission Customers whose coincident peak loads are included in the DIVISOR of the load-ratio share calculation are not included as revenue credits. See Worksheet H for details.
 - B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for facilities and any upgrades.
 - C This additional revenue requirement is determined using a net plant carrying charge (fixed carrying charge or FCR) approach. Worksheet G shows the calculation of the true-up revenue requirement for each project, based on an FCR rate calculated from inputs on this TCOS. Line 13 shows the incremental ARR for projects receiving incentives as accepted by FERC. These individual additional revenue requirements are summed for the true-up year, and included here.
 - D The gross plant, accumulated depreciation, and deferred tax balances included in rate base and depreciation expense are reduced by the removal of amounts related to Asset Retirement Obligations (AROs). This is to comply with the requirements of
 - E 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 as discussed in Note N. 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 to transmission. Transmission allocations are shown on Worksheet C.
 - F Identified as being transmission related or functionally booked to transmission.
 - G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission on line 70.
 - H Consistent with Paragraph 657 of Order 2003-A, the amount on line 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 113.
 - I Line 65 Removes the expense booked to transmission accounts included in the development of OATT ancillary services rates, including all of Account No. 561.
 - J Removes cost of transmission service provided by others to the extent such service is not incurred to provide the SPP service at issue.
 - K General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
 - L Expense reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable or allocable to transmission service. Worksheet J 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 H.
 - M Recoverable PBOP expense is based on actual annual PBOP costs, including charges from the AEP Service Corporation. The PBOP amounts are included in the Administrative and General total, and are based on current year expenses. The annual
 - N Includes only FICA, unemployment, property and other assessments charged in the current year. Gross Receipts tax, Sales & Use taxes, local franchise taxes, 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". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, 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 99) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
 Inputs Required:

FIT =	21.00%
SIT=	7.81% (State Income Tax Rate or Composite SIT. Worksheet K)
p =	0.00% (percent of federal income tax deductible for state purposes)
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. Recovery of permanent and flow through differences is limited
- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by cost of goods sold deduction to derive a "Gross Margin" for the Company. The tax rate of one percent is assessed on the resulting amount. The jurisdictional allocator is based on transmission demand allocators.
 - Q Removes plant excluded from the OATT because it does not meet the SPP's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
 - R 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 Q.
 - S Includes functional wages & salaries incurred by parent company service corporation for support of the operating company.
 - T Long Term Debt cost rate = Long-Term Interest (In 133) / Long Term Debt (In 142). Preferred Stock cost rate = preferred dividends (In 134) / preferred outstanding (In 143). Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC pursuant to the settlement filed in Docket Nos. EL17-76 and EL18-199. It includes an additional 50 basis points for remaining a member of the SPP RTO. The capital structure of AEP Southwestern Transmission Co. will be based on the capital structure of SWEPCO until it establishes a stand alone capital structure. AEP Oklahoma Transmission Company uses its own capital structure.

 The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains
 - U 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.
 - V O&M and A&G shall be adjusted to remove all regulatory asset deferrals and amortizations that have not been approved by FERC for inclusion in cost of service, and then to add back in FERC approved amortizations and deferrals. Negative amounts
 - W If the company submits a Section 205 filing proposing to make adjustments to this formula rate cost of service template to remove assets and costs related to transmission facilities constructed and operated specifically for the purpose of delivering th

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet A-1 - Detailed Plant Balances
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Gross Plant In Service - Production

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), ln 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct. 369.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74
1	December Prior to Rate Year	-	-	0	-	-	-
2	January						
3	February						
4	March						
5	April						
6	May						
7	June						
8	July						
9	August						
10	September						
11	October						
12	November						
13	December of Rate Year	-	-	-	-	-	-
14	13 Month Average Balance	-	-	0	-	-	-

Gross Plant In Service - Distribution, General and Intangible, GSU, Excluded Plant

Line No	Month (a)	General (b)	General ARO (c)	Intangible (d)	OATT Ancillary Services (GSU) (e)	Excluded Plant (f)
		FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	Company Records	Company Records
15	December Prior to Rate Year	-	-	-	-	-
16	January					
17	February					
18	March					
19	April					
20	May					
21	June					
22	July					
23	August					
24	September					
25	October					
26	November					
27	December of Rate Year	-	-	-	-	-
28	13 Month Average Balance	-	-	-	-	-

Transmission Functional Plant Held For Future Use (Notes A and B)

Line No	Asset Description (a)	Definite Plan for Future Use (b)	Estimated in Service Year (c)	2020 Rate Year Beginning balance (d)	2020 Rate Year Ending balance (e)	2020 Rate Year Average (f)
29A						-
29B						-
29C						-
30	Total					-

Notes:

- (A) Per the general instruction for Account No. 105 in 18 CFR Part 101.
- (B) Include only the Transmission functional component of amounts reported page 214 of the FERC Form 1.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet A-2 - Detailed Accumulated Depreciation Balances
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Accumulated Depreciation - Production

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (b))
1	December Prior to Rate Year	-	-	-	-	-	-
2	January						
3	February						
4	March						
5	April						
6	May						
7	June						
8	July						
9	August						
10	September						
11	October						
12	November						
13	December of Rate Year	-	-	-	-	-	-
14	13 Month Average Balance	-	-	-	-	-	-

Accumulated Depreciation- Distribution, General and Intangible, GSU, Excluded Plant

Line No	Month (a)	General (b)	General ARO (c)	Intangible (d)	OATT Ancillary Services (GSU) (e)	Excluded Plant (f)
		FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 200, In 21, Col. (b)	Company Records	Company Records
15	December Prior to Rate Year	-	-	-	-	-
16	January					
17	February					
18	March					
19	April					
20	May					
21	June					
22	July					
23	August					
24	September					
25	October					
26	November					
27	December of Rate Year	-	-	-	-	-
28	13 Month Average Balance	-	-	-	-	-

29 Transmission Accumulated, net of GSU and Excluded- Ln 14 Col (d) less Ln 28 Cols. (e) & (f) \$0

AEP West SPP Member Transmission Companies
Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet B - Third Party Facility Credits
AEP SOUTHWESTERN TRANSMISSION COMPANY

Line No.	Source	Amount
1	Facility Credits under the SPP OATT	-

Note:

Under Section 30.9 of the SPP OATT, a network customer that owns existing transmission facilities that are integrated w

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet C - ADIT and ADITC Balances
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Line No.	(A) Acc. No.	(B) Description	(C) YE Balance	(E) Exclusions *	(F) 100% Transmission Related	(G) PTD Plant Related	(H) Transmission & Distribution Plant Related	(I) Labor Related	(J) Total Included in Rate base (E)+(F)+(G)+(H)
Note: Account 281 is not allocated to Transmission									
Account 282 - Form-1 page 274.2.b and 275.2.k									
1	282.1	2020 Year End Tax Deferrals - WS C-1	(17,822)	(4,382)	(13,439)	-	-	-	-
2	282.1	2019 Year End Tax Deferrals - WS C-2	(17,873)	(4,458)	(13,415)	-	-	-	-
3		Subtotal	(35,695)	(8,841)	(26,855)	-	-	-	-
4		Average Balance before Proration	(17,847)	(4,420)	(13,427)	0	0	-	-
5		Proration Adjustment - WS C-3, Ln 19				(28)			
6		Prorated Average balance	(17,847)	(4,420)	(13,427)	(28)	0	0	
7		Transmission Allocator from TCOS		0.0000%	100.0000%	100.0000%	100.0000%	100.0000%	
8		Allocated Total		0	(13,427)	(28)	0	0	(13,455)
Account 283 - Form-1 page 276.9.b and 277.9.k									
9	283.1	2020 Year End Tax Deferrals - WS C-1	17,534	5,397	12,137	-	-	-	-
10	283.1	2019 Year End Tax Deferrals - WS C-2	17,534	3,598	13,936	-	-	-	-
11		Subtotal	35,069	8,995	26,073	-	-	-	-
12		Average Balance	17,534	4,498	13,036	0	0	0	
13		Transmission Allocator from TCOS		0.0000%	100.0000%	100.0000%	100.0000%	100.0000%	
14		Allocated Total		0	13,036	0	0	0	13,036
Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)									
15	190.1	2020 Year End Tax Deferrals - WS C-1	32,603	35,061	(3,239)	-	-	780	
16	190.1	2019 Year End Tax Deferrals - WS C-2	33,634	36,169	(3,343)	-	-	808	
17		Subtotal	66,237	71,230	(6,581)	-	-	1,588	
18		Average Balance before Proration	33,118	35,615	(3,291)	0	0	794	
19		Proration Adjustment - WS C-3, Ln 38			0				
20		Prorated Average balance	33,118	35,615	(3,291)	0	0	794	
21		Transmission Allocator from TCOS		0.0000%	100.0000%	100.0000%	100.0000%	100.0000%	
22		Allocated Total		0	(3,291)	0	0	794	(2,497)
Account 255 - Form-1 page 266-267									
23	255.0	Acc Defrd ITC - Federal - 12/31/2020 (FF1 p. 267, Ln 2.h)					Pre 1971 ITC Includ.		
24	255.0	Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 266, Ln 2.b)							
25		Subtotal	-						
26		Average Balance	0						
27		Transmission Allocator from TCOS				100.0000%			
28		Allocated Total		N/A	N/A	0	N/A	N/A	0

* Exclusions: Non-utility, fuel supply, off-system sales and other items as specified related to costs not included in rates.

AEP West SPP Member Transmission Companies

AEP SOUTHWESTERN TRANSMISSION COMPANY

WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2020

Account	Line #	Description	Balance	Allocation Basis	Allocation Method			PTD Plant	T&D	Labor
					Exclusions	100% Transmission				
2821001	230A	ACRS BENEFIT NORMALIZED	(78)	T		(78)				
2821001	230X	R & D DEDUCTION - SEC 174	(0)	T		(0)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	117	T		117				
2821001	960F	960F-XS EXCESS ADFIT 282 PROTECTED	(183)	WS C-4	0	(183)				
2821001	960F	960F-XS EXCESS ADFIT 282 PROTECTED	0							
2821001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	313	WS C-4	188	125				
2821001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	(0)							
2821001		Forecast Adjustment	(17,990)		(4,570)	(13,420)				
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(17,822)		(4,382)	(13,439)	0	0	0	
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(25,045)	E	(25,045)					
2831001	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	25,045	E	25,045					
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	8,537	T		8,537				
2831001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	8,997	WS C-4	5,397	3,600				
2831001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	0							
2831001		Forecast Adjustment								
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	17,534		5,397	12,137	0	0	0	
1901001	520A	PROVS POSS REV REFDS-A/L	19,687	E	19,687					
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	403	Labor					403	
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	(1,793)	T		(1,793)				
1901001	960E	AMT CREDIT - DEFERRED	(0)	E	(0)					
1901001	960Z	NOL - DEFERRED TAX ASSET RECLASS	0	E	0					
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	119,260	E	119,260					
1901002	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	(119,260)	E	(119,260)					
1901001		Forecast Adjustment	14,306		15,374	(1,446)			377	
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	32,603		35,061	(3,239)	0	0	780	

AEP West SPP Member Transmission Companies
 AEP SOUTHWESTERN TRANSMISSION COMPANY

WORKSHEET C-2 -BEGINNING OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2019

Account	Line #	Description	Balance	Allocation Basis	Allocation Method			PTD Plant	T&D	Labor
					Exclusions	100% Transmission				
2821001	230A	ACRS BENEFIT NORMALIZED	(78)	T		(78)				
2821001	230X	R & D DEDUCTION - SEC 174	(0)	T		(0)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	117	T		117				
2821001	960F	960F-XS EXCESS ADFIT 282 PROTECTED	(183)	WS C-4	0	(183)				
2821001	960F	960F-XS EXCESS ADFIT 282 PROTECTED	0	WS C-4						
2821001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	313	WS C-4	125	188				
2821001	960F	960F-XS EXCESS ADFIT 282 UNPROTECTED	(0)	WS C-4						
2821001		Forecast Adjustment	(18,042)		(4,583)	(13,459)				
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(17,873)		(4,458)	(13,415)	0	0	0	
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(25,045)	E	(25,045)					
2831001	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	25,045	E	25,045					
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	8,537	T		8,537				
2831001	960F	960F-XS EXCESS ADFIT 283 UNPROTECTED	8,997	WS C-4	3,598	5,399				
2831001	960F	960F-XS EXCESS ADFIT 283 UNPROTECTED	0							
2831001		Forecast Adjustment								
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	17,534		3,598	13,936	0	0	0	
1901001	520A	PROVS POSS REV REFDS-A/L	19,687	E	19,687					
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	403	Labor					403	
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	(1,793)	T		(1,793)				
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	119,260	E	119,260					
1901002	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	(119,260)	E	(119,260)					
1901001		Forecast Adjustment	15,337		16,482	(1,550)			405	
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	33,634		36,169	(3,343)	0	0	808	

AEP West SPP Member Transmission Companies
 AEP SOUTHWESTERN TRANSMISSION COMPANY

WORKSHEET C-3 -PRORATION OF PROPERTY-RELATED DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2020

Note: This workpaper documents the calculation of the rate base adjustment to prorate forecasted activity in ADIT required by IRS regulation Section 1.167(l)-(h)(6)(ii) when preparing for

Account 282 Proration Adjustment

1	Rate Year ending balance (Note 1)	Source	
2	Rate Year beginning balance (Note 1)	WS C-1	(17,822)
3	Annual forecasted change	WS C-2	(17,873)
4	Monthly forecasted change	Line 1 less Line 2	52
		Line 3 / 12	4

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line	Future Test Period	Proratable Deferred Tax Activity	Deferred Tax Balance	Days in Month	Number of Days Left in Period	Proration Amount	Prorated Item	Prorated Balance	
5	Beginning Balance	(17,873)	(17,873)		365	100.00%	(17,873)	(17,873)	
6	January (line 4)	4	(17,869)	31	335	91.78%	4	(17,869)	
7	February	4	(17,865)	28	307	84.11%	4	(17,866)	
8	March	4	(17,860)	31	276	75.62%	3	(17,862)	
9	April	4	(17,856)	30	246	67.40%	3	(17,860)	
10	May	4	(17,852)	31	215	58.90%	3	(17,857)	
11	June	4	(17,847)	30	185	50.68%	2	(17,855)	
12	July	4	(17,843)	31	154	42.19%	2	(17,853)	
13	August	4	(17,839)	31	123	33.70%	1	(17,852)	
14	September	4	(17,834)	30	93	25.48%	1	(17,850)	
15	October	4	(17,830)	31	62	16.99%	1	(17,850)	
16	November	4	(17,826)	30	32	8.77%	0	(17,849)	
17	December	4	(17,822)	31	1	0.27%	0	(17,849)	
18	Ending Balance		(17,822)					(17,849)	
19	<u>Proration Adjustment - Line 18 Col. (H) less Col. (C)</u>							\$	(28)

Account 190 Proration Adjustment

20	Rate Year ending balance	Source	
21	Rate Year beginning balance	WS C-1	-
22	Annual forecasted change	WS C-2	-
23	Monthly forecasted change	Line 20 less Line 21	0
		Line 22 / 12	0

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line	Future Test Period	Proratable Deferred Tax Activity	Deferred Tax Balance	Days in Month	Number of Days Left in Period	Proration Amount	Prorated Item	Prorated Balance	
24	Beginning Balance	-	-		365	100.00%	-	-	
25	January (line 4)	-	-	31	335	91.78%	-	-	
26	February	-	-	28	307	84.11%	-	-	
27	March	-	-	31	276	75.62%	-	-	
28	April	-	-	30	246	67.40%	-	-	
29	May	-	-	31	215	58.90%	-	-	
30	June	-	-	30	185	50.68%	-	-	
31	July	-	-	31	154	42.19%	-	-	
32	August	-	-	31	123	33.70%	-	-	
33	September	-	-	30	93	25.48%	-	-	
34	October	-	-	31	62	16.99%	-	-	
35	November	-	-	30	32	8.77%	-	-	
36	December	-	-	31	1	0.27%	-	-	
37	Ending Balance		-					-	
38	<u>Proration Adjustment - Line 37 Col. (H) less Col. (C)</u>							\$	-

Notes

1

Amounts to be prorated include only line items related to the difference between book and tax depreciation expense. This includes the line item labeled 230A, and any other s

AEP West SPP Member Transmission Companies
Actual / Projected 2020 Rate Year Cost of Service Formula Rate
Worksheet C-4 - Excess Deferred Federal Income Taxes
AEP SOUTHWESTERN TRANSMISSION COMPANY

NOTES

Include only excess DFIT recorded in accounts which are included in the formula rate cost of service. These include one or more subaccounts within accounts 190.1, 282.1, and 283.1.

Line	(A)	(B)	Total	Account				
				(C)	(D)	(E)	(F)	(G)
Unprotected ADIT Balances				1901001	2821001	2831001	XXXXXXX	XXXXXXX
1	Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative)	Company records	9,310	-	313	8,997		
2	Settlement Amortization period	ER18-194/195 Settlement		5	5	5	5	5
3	Annual Transmission Function Amortization	Line 1 / Line 2	1,862	-	63	1,799	-	-
4	Rate Year Beginning Accumulated Amortization	Company records	3,723		125	3,598		
5	Rate year Ending Accumulated Amortization	Line 3 + Line 4	5,585	-	188	5,397	-	-
6	Rate Year Beginning Balance Per Books - Total Company	WS C-2 960F XS Unprotected	9,310	-	313	8,997		
7	Rate Year Beginning Included Balance - 100% Transmission Function net of amortization	Line 1 - Line 4	5,587	-	188	5,399	-	-
8	Worksheet C-2 Rate Base Excluded Balance	Line 6 - Line 7	3,723	-	125	3,598	-	-
9	Rate Year Ending Balance Per Books - Total Company	WS C-1 960F XS Unprotected	9,310	-	313	8,997		
10	Rate Year Ending Included Balance - 100% Transmission Function net of amortization	Line 1 - Line 5	3,725	-	125	3,600	-	-
11	Worksheet C-1 Rate Base Excluded Balance	Line 9 - Line 10	5,585	-	188	5,397	-	-
Protected ADIT Balances				2821001	XXXXXXX	XXXXXXX		
12	Balance per Books- Transmission Function only (190 enter positive, 282/283 enter negative)	Company records	(183)	(183)				
13	Annual Transmission Function Amortization	Company records	-					
14	Beginning Accumulated Amortization	Company records	-					
15	Ending Accumulated Amortization	Line 13 + Line 14	-	-	-			
16	WS C-2 Beginning Balance Per Books - Total Company	WS C-2 960F XS Protected	(183)	(183)				
17	Rate Year Ending Included Balance - 100% Transmission Function net of amortization	Line 12 - Line 14	(183)	(183)	-	-		
18	Worksheet C-2 Rate Base Excluded Balance	Line 16 - Line 17	-	-	-	-		
19	WS C-1 Ending Balance Net of Accumulated Amortization Per Books - Total Company	WS C-1 960F XS Protected	(183)	(183)				
20	Rate Year Ending Included Balance - 100% Transmission Function net of amortization	Line 12 - Line 15	(183)	(183)	-	-		
21	Worksheet C-1 Rate Base Excluded Balance	Line 19 - Line 20	-	-	-	-		
Annual Amortization of Excess ADIT								
22	Unprotected	Line 3		Transmission Function				
23	Protected	Line 13		1,862				
24	Total	Line 22 + Line 23		-				
			1,862					

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet D - Materials and Supplies and Prepayments
 AEP SOUTHWESTERN TRANSMISSION COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Materials & Supplies								
<u>Line Number</u>		<u>Source</u>		Beginning/Ending Average Balance				
1	Transmission Materials & Supplies	WS D, p. 2 of 2, Col. (D), line 1		0				
2	General Materials & Supplies	WS D, p. 2 of 2, Col. (D), line 2		0				
3	Stores Expense (Undistributed) - Account 163	WS D, p. 2 of 2, Col. (D), line 3		0				
Prepayments Account 165								
<u>Line Number</u>	<u>Acc. No.</u>	<u>Description</u>	<u>Beginning/Ending Average balance Source - Page 2 of 2, Col (D)</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Explanation</u>
4			0					
5			0					
6			0					
7			0					
8			0					
9			0					
10			0					
11			0					
12			0					
13			0					
14			0					
15			0					
16			0					
17			0					
18			0					
19			0					
20			0					
21			0					
22			0					
23			0					
24			0					
25			0					
26			0					
27			0					
28			0					
29			0	0	0	0	0	

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 incc

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet E - IPP Credits
 AEP SOUTHWESTERN TRANSMISSION COMPANY

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

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate

Worksheet F - Calculation of PROJECTED Annual Revenue Requirement for Base Plan and Special-Billed Projects
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Line	I.	Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Incentive.
Number	A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects	
1	ROE w/o incentives (TCOS, In 143)	10.50%
2	Project ROE Incentive Adder (Enter as whole number)	- basis points
3	ROE with additional 0 basis point incentive	10.50% <==Incentive ROE
4	Determine R (cost of long term debt, cost of preferred stock and percent is from TCOS, Ins 141 through 143)	
5		<u>Cost</u>
6	Long Term Debt 0.00%	0.00%
7	Preferred Stock 0.00%	0.00%
8	Common Stock 0.00%	10.50%
9	R =	0.00%
	B. Determine Return using 'R' with hypothetical 0 basis point ROE increase for Identified Projects.	
10	Rate Base (TCOS, In 63)	35,263
11	R (from A. above)	-
12	Return (Rate Base x R)	-
	C. Determine Income Taxes using Return with hypothetical 0 basis point ROE increase for Identified Projects.	
13	Return (from B. above)	-
14	Tax Rate (TCOS, In 99)	27.17%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	0.00%
16	Income Tax Calculation (Return x EIT)	-
17	ITC Adjustment (TCOS, In 108)	-
18	Excess DFIT Adjustment (TCOS, In 109)	2,557
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 110)	-
20	Income Taxes	2,557
	II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point ROE increase.	
	A. Determine Net Revenue Requirement less return and Income Taxes.	
21	Net Revenue Requirement (TCOS, In 117)	332,815
22	Return (TCOS, In 112)	2,583
23	Income Taxes (TCOS, In 111)	2,557
24	Gross Margin Taxes (TCOS, In 116)	-
25	Net Revenue Requirement, Less Return and Taxes	327,675
	B. Determine Net Revenue Requirement with hypothetical 0 basis point increase in ROE.	
26	Net Revenue Requirement, Less Return and Taxes	327,675
27	Return (from I.B. above)	-
28	Income Taxes (from I.C. above)	2,557
29	Net Revenue Requirement, with 0 Basis Point ROE increase	330,232
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)	-
31	Revenue Requirement w/ Gross Margin Taxes	330,232
32	Less: Depreciation (TCOS, In 86)	-
33	Net Rev. Req. w/0 Basis Point ROE increase, less Depreciation	330,232
	C. Determine Gross Margin Tax with hypothetical 0 basis point increase in ROE.	
34	Net Revenue Requirement before Gross Margin Taxes, with 0	330,232
35	Basis Point ROE increase (II B. above)	-
36	Apportionment Factor to Texas (Worksheet K, In 12)	0.00%
37	Apportioned Texas Revenues	-
38	Taxable Percentage of Revenue	22%
39	Taxable, Apportioned Margin	-
40	Texas Gross Margin Tax Rate	1%
41	Texas Gross Margin Tax Expense	-
42	Gross-up Required for Gross Margin Tax Expense	-
43	Total Additional Gross Margin Tax Revenue Requirement	-
	D. Determine FCR with hypothetical 0 basis point ROE increase.	
44	Net Transmission Plant (TCOS, In 37)	0
45	Net Revenue Requirement, with 0 Basis Point ROE increase	330,232
46	FCR with 0 Basis Point increase in ROE	6604633179089.65%
47	Net Rev. Req. w / 0 Basis Point ROE increase, less Dep.	330,232
48	FCR with 0 Basis Point ROE increase, less Depreciation	6604633179089.65%
49	FCR less Depreciation (TCOS, In 10)	6656299162034.79%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation	-51665982945.14%
	III. Calculation of Composite Depreciation Rate	
51	Transmission Plant Average Balance for 2020 (WS A-1 Ln 14 Col (d))	0
52	Annual Depreciation Expense (TCOS, In 86)	-
53	Composite Depreciation Rate	0.00%
54	Depreciable Life for Composite Depreciation Rate	-
55	Round to nearest whole year	-

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Pro

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN REVENUE REQUIREMENTS				
	Rev Require	With Incentives	Incentive Amounts	
Σ Projected Year	2020	-	-	\$ -

NOTE: PART IV ---Projected Base Plan Project Tables are contained in a separate file

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate

Worksheet G - Calculation of TRUED-UP Annual Revenue Requirement for Base Plan and Special-Billed Projects

AEP SOUTHWESTERN TRANSMISSION COMPANY

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

Line Number	Description	Value	Unit
1	ROE w/o incentives (TCOS, In 143)	10.50%	
2	Project ROE Incentive Adder (Enter as whole number)	-	basis points
3	ROE with additional 0 basis point incentive	10.50%	<=Incentive ROE
4	Determine R (cost of long term debt, cost of preferred stock and percent is from TCOS, Ins 141 through 143)		
5			
6	Long Term Debt	0.00%	Cost
7	Preferred Stock	0.00%	Weighted cost
8	Common Stock	0.00%	0.00%
9	R =	0.00%	

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

10	Rate Base (TCOS, In 63)	35,263
11	R (from A. above)	-
12	Return (Rate Base x R)	-

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

13	Return (from B. above)	-
14	Tax Rate (TCOS, In 99)	27.17%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	0.00%
16	Income Tax Calculation (Return x EIT)	-
17	ITC Adjustment (TCOS, In 108)	-
18	Excess DFIT Adjustment (TCOS, In 109)	2,557
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 110)	-
20	Income Taxes	2,557

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

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

21	Net Revenue Requirement (TCOS, In 117)	332,815
22	Return (TCOS, In 112)	2,583
23	Income Taxes (TCOS, In 111)	2,557
24	Gross Margin Taxes (TCOS, In 116)	-
25	Net Revenue Requirement, Less Return and Taxes	327,675

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

26	Net Revenue Requirement, Less Return and Taxes	327,675
27	Return (from I.B. above)	-
28	Income Taxes (from I.C. above)	2,557
29	Net Revenue Requirement, with 0 Basis Point ROE increase	330,232
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)	-
31	Revenue Requirement w/ Gross Margin Taxes	330,232
32	Less: Depreciation (TCOS, In 86)	-
33	Net Rev. Req, w/0 Basis Point ROE increase, less Depreciation	330,232

C. Determine Gross Margin Tax with hypothetical 0 basis point increase in ROE.

34	Net Revenue Requirement before Gross Margin Taxes, with 0	330,232
35	Basis Point ROE increase (II B. above)	-
36	Apportionment Factor to Texas (Worksheet K, In 12)	0.00%
37	Apportioned Texas Revenues	-
38	Taxable Percentage of Revenue	22%
39	Taxable, Apportioned Margin	-
40	Texas Gross Margin Tax Rate	1%
41	Texas Gross Margin Tax Expense	-
42	Gross-up Required for Gross Margin Tax Expense	-
43	Total Additional Gross Margin Tax Revenue Requirement	-

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

44	Net Transmission Plant (TCOS, In 37)	0
45	Net Revenue Requirement, with 0 Basis Point ROE increase	330,232
46	FCR with 0 Basis Point increase in ROE	6604633179089.65%
47	Net Rev. Req, w / 0 Basis Point ROE increase, less Dep.	330,232
48	FCR with 0 Basis Point ROE increase, less Depreciation	6604633179089.65%
49	FCR less Depreciation (TCOS, In 10)	6656299162034.79%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation	-51665982945.14%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant Average Balance for 2020 (WS A-1 Ln 14 Col (d))	0
52	Annual Depreciation Expense (TCOS, In 86)	-
53	Composite Depreciation Rate	0.00%
54	Depreciable Life for Composite Depreciation Rate	-
55	Round to nearest whole year	-

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Pro

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR SPP BPU & NON-BPU PROJECTS				
True-Up Rate Year	2016	Rev Require	With Incentives	Incentive Amounts
Σ True Up Year Projected WS-F	\$	-	\$	-
Σ True-Up Year True-Up WS-G	\$	-	\$	-
True-up Adjustment For 2016		-	-	-

NOTE: PART IV --- True-Up Base Plan Project Tables are contained in a separate file

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet H - Revenue Credits
 AEP SOUTHWESTERN TRANSMISSION COMPANY

<u>Line:</u>	Total Company	Non- Transmission	Transmission
1 Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	-	-	-
2 Account 451, Misc. Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)			
Account 4540001 - Rent from Elect Property-Aff	-	-	-
Account 4540002 - Rent from Elect Property - Non-Aff	-	-	-
Account 4540005 - Rent from Elect Property - Pole Attach	-	-	-
Account 4540004 - Rent from Elect Property - ABD - Non-Aff	-	-	-
Other 454 Accounts	-	-	-
3 Total Rents from Electric Property	-	-	-
Account 456.0 Other Operating Revenues (FF1 p.300.21.(b); Company Records - Note 1)			
1 Account 4560015, Revenues from Associated Business Development	-	-	-
2 All Other 456.0 Revenues	-	-	-
4 Total 456.0 Other Operating Revenues	-	-	-
Account 456.1, Revenues from Transmission of Electricity of Others (FF1 p.300.22.(b); Company Records - Note 1)			321,278
Less:			
Transmission Direct Assignment Revenue (if costs not in the ARR)			
Sponsored Upgrade Revenue			
Credits against Transmission Service Revenue related to Generation Interconnections			
Revenue for GFA's (Relative to SPP OATT) Associated with Load Included in the Divisor			-
Network Service Revenue (SPP Schedule 9) Associated with Load included in the Divisor			320,678
Revenue Associated with Transmission Plant Excluded From SPP Tariff			-
Distribution and Other Non-Transmission Revenue			-
Revenue from SPP Ancillary Services Provided			-
Base Plan Revenue (from SPP)			-
Flow Through of ERCOT Ancillary Charges			-
Other			
5 Net 456.1 Transmission Credits			\$600
6 Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)			
7 Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)			
8 Total Revenue Credits - Sum lines 1 through 7			\$600

Note 1: Data for this worksheet came from the FERC Form 1 and the Company's General Ledger.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet I - Supporting Transmission Expense Adjustments
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Note: This worksheet is used to include any FERC jurisdictional transmission-related (i.e. non-retail) expenses recorded in Accounts 561 or 562

<u>Line</u> <u>Number</u>	(A) Description	(B) <u>2020</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	<u>\$0</u>

(sum of lines 2 through 9)

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet J - Allocation of Specific O&M or A&G Expenses
 AEP SOUTHWESTERN TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) FERC Acct No.</u>	<u>(B) Description</u>	<u>(C) 2020 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation of Transmission Specific Items</u>
		<u>Account 928</u>				
1	9280000	Regulatory Commission Exp	(0)		(0)	
2	9280001	Regulatory Commission Exp-Adm	0		0	
3	9280002	Regulatory Commission Exp-Case	0		0	
4	9280005	Reg Com Exp-FERC Trans Cases	0		0	
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16		Total (FERC Form 1 p.323.189.b)	<u>(0)</u>	<u>0</u>	<u>(0)</u>	
		<u>Account 930.1</u>				
17	9301000	General Advertising Expenses	0		0	
18						
19						
20						
21						
22		Total (FERC Form 1 p.323.191.b)	<u>0</u>	<u>0</u>	<u>0</u>	
		<u>Account 930.2</u>				
23	9302000	Misc General Expenses	5		5	
24						
25						
26						
27						
28		Total (FERC Form 1 p.323.192.b)	<u>5</u>	<u>-</u>	<u>5</u>	

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet K - Development of Composite State Income Tax Rate
 AEP SOUTHWESTERN TRANSMISSION COMPANY

I. DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES FOR 2020

State Income Tax Rate - Arkansas	Note 1	6.50%	
Apportionment Factor		12.41%	
Effective State Income Tax Rate			0.8065%
State Income Tax Rate - Louisiana		8.00%	
Apportionment Factor		87.59%	
Effective State Income Tax Rate			7.0072%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
Total Effective State Income Tax Rate		<u>7.8100%</u>	

Note 1 --- The Oklahoma State Income Tax Rate of 6% is reduced to 5.66% due to the deductibility of Oklahoma State Income Taxes on the Oklahoma State Income Tax Return.

II. CALCULATION OF TEXAS GROSS MARGIN TAX

		Projected / Actual	
		Total Company	Trans. Only
Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX (TCOS In 116)	332,875	332,815
1	Apportionment Factor to Texas (In12)	0.00%	0.00%
2	Apportioned Texas Revenues	\$0	\$0
3	Taxable Percentage of Revenue	22%	22%
4	Taxable, Apportioned Margin	-	-
5	Texas Gross Margin Tax Rate	1%	1%
6	Texas Gross Margin Tax Expense	-	-
7	Gross-up Required for Texas Gross Margin Expense (In 6 * In 3 * In 1)/(1- In 5) * In 5)	-	-
8	Total Additional Gross Margin Tax Revenue Requirement	-	-
9	WHOLESALE LOAD ALLOCATOR (For Use in Gross Margin Tax Allocator)		
10	Texas Jurisdictional Load	0 KW	
11	Total Load	0 KW	
12	Allocation Percentage (In 10 / In 11)	0.00%	

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2						-
3						
4	Real Estate and Personal Property Taxes					
5			-			
6			-			
7						
8						
9						-
10	Payroll Taxes					
11				-		
12				-		
13				-		
14						
15	Production Taxes					
16						-
17						
18						
19	Miscellaneous Taxes					
20	Franchise Tax	-				-
21					-	
22					-	
23					-	
24					-	
25					-	
26					-	
27					-	-
28					-	-
29					-	-
30					-	
31					-	
32					-	
33					-	
34					-	-
35	Total Taxes by Allocable Basis	-	-	-	-	-
	(Total Company Amount Ties to FFI p.114, Ln 14,(c))					

NOTE: As a check, the difference between the total from Ln 35 above and the total on FF1 p.263 line 41(i) should equal the sum of the 'Income' tax line items within FF1 p262.x-263.x

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet M - Cost of Capital
 AEP SOUTHWESTERN TRANSMISSION COMPANY

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
	(Note A)					
1	December Prior to Rate Year	(1,340,225)	-	-	-	(1,340,225)
2	January	(1,342,576)	-	-	-	(1,342,576)
3	February	(1,346,555)	-	-	-	(1,346,555)
4	March	(1,351,457)	-	-	-	(1,351,457)
5	April	(1,356,804)	-	-	-	(1,356,804)
6	May	(1,359,596)	-	-	-	(1,359,596)
7	June	(1,359,821)	-	-	-	(1,359,821)
8	July	(1,357,420)	-	-	-	(1,357,420)
9	August	(1,355,647)	-	-	-	(1,355,647)
10	September	(1,356,681)	-	-	-	(1,356,681)
11	October	(1,359,647)	-	-	-	(1,359,647)
12	November	(1,364,027)	-	-	-	(1,364,027)
13	December of Rate Year	(1,367,103)	-	-	-	(1,367,103)
14	13 Month Average Balance	(1,355,197)	-	-	-	(1,355,197)

		Average Balance of Long Term Debt					Gross Proceeds
Line No	Month (a)	Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
	(Note A)						
15	December Prior to Rate Year	-	-	-	-	-	-
16	January	-	-	-	-	-	0
17	February	-	-	-	-	-	0
18	March	-	-	-	-	-	0
19	April	-	-	-	-	-	0
20	May	-	-	-	-	-	0
21	June	-	-	-	-	-	0
22	July	-	-	-	-	-	0
23	August	-	-	-	-	-	0
24	September	-	-	-	-	-	0
25	October	-	-	-	-	-	0
26	November	-	-	-	-	-	0
27	December of Rate Year	-	-	-	-	-	-
28	13 Month Average Balance	-	-	-	-	-	-

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

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

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2020						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			-			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 ir			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(678)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			-			
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			(678)			
38	Average Cost of Debt for 2020 (Ln 37/ In 28 (g))			0.00%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39

NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of Amortization Period

Line No	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2020	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining	
					Unamortized Balance	Beginning Ending
40				-		
41				-		
42				-		
43				-		
44				-		
45				-		
46				-		
47				-		
48				-		
49				-		
50	Total Hedge Amortization					
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			-		
52	Total Average Capital Structure Balance for 2020 (TCOS, Ln 144)			(1,355,197)		
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005		
54	Limit of Recoverable Amount			(678)		
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(678)		

Development of Cost of Preferred Stock

56	Beginning/Ending Average Balance of Preferred Stock (Ln 14 Col. (c))			-
57	Dividends on Preferred Stock			
58	Average Cost of Preferred Stock (Ln 57/ Ln 56)			0.00%

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet N - Schedule 11 True-up With Interest
 AEP SOUTHWESTERN TRANSMISSION COMPANY

True up Revenue Requirement For Year 2020 Available May, 2021 Net of Schedule 11 Revenue Credits	-	Cash Revenue Collections for True-up Year, Net of Schedule 11 Revenue Credits	=	True-up Adjustment - Over (Under) Recovery
				\$0

True Up Year: 2020
 Intermediate Year: 2021
 Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Amortization	Cumulative Refunds and Interest - End of Month
Calculation of Interest								
<i>True-Up Year</i>								
1/1/2020	-	-	-	-	0.360%	-	-	-
2/1/2020	-	-	-	-	0.330%	-	-	-
3/1/2020	-	-	-	-	0.360%	-	-	-
4/1/2020	-	-	-	-	0.370%	-	-	-
5/1/2020	-	-	-	-	0.380%	-	-	-
6/1/2020	-	-	-	-	0.370%	-	-	-
7/1/2020	-	-	-	-	0.400%	-	-	-
8/1/2020	-	-	-	-	0.400%	-	-	-
9/1/2020	-	-	-	-	0.390%	-	-	-
10/1/2020	-	-	-	-	0.420%	-	-	-
11/1/2020	-	-	-	-	0.410%	-	-	-
12/1/2020	-	-	-	-	0.420%	-	-	-
<i>Intermediate Year</i>								
1/1/2021	-	-	-	-	0.440%	-	-	-
2/1/2021	-	-	-	-	0.400%	-	-	-
3/1/2021	-	-	-	-	0.440%	-	-	-
4/1/2021	-	-	-	-	0.450%	-	-	-
5/1/2021	-	-	-	-	0.460%	-	-	-
6/1/2021	-	-	-	-	0.450%	-	-	-
7/1/2021	-	-	-	-	0.450%	-	-	-
8/1/2021	-	-	-	-	0.450%	-	-	-
9/1/2021	-	-	-	-	0.450%	-	-	-
10/1/2021	-	-	-	-	0.450%	-	-	-
11/1/2021	-	-	-	-	0.450%	-	-	-
12/1/2021	-	-	-	-	0.450%	-	-	-
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months								
<i>Rate Year</i>								
1/1/2022	-	-	-	-	0.445%	-	-	-
2/1/2022	-	-	-	-	0.445%	-	-	-
3/1/2022	-	-	-	-	0.445%	-	-	-
4/1/2022	-	-	-	-	0.445%	-	-	-
5/1/2022	-	-	-	-	0.445%	-	-	-
6/1/2022	-	-	-	-	0.445%	-	-	-
7/1/2022	-	-	-	-	0.445%	-	-	-
8/1/2022	-	-	-	-	0.445%	-	-	-
9/1/2022	-	-	-	-	0.445%	-	-	-
10/1/2022	-	-	-	-	0.445%	-	-	-
11/1/2022	-	-	-	-	0.445%	-	-	-
12/1/2022	-	-	-	-	0.445%	-	-	-

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

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rate.

Note 2: An over or under collection for the Schedule 11 charge will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet O - Schedule 9 NITS True-up With Interest
 AEP SOUTHWESTERN TRANSMISSION COMPANY

True up Revenue Requirement For Year 2020 Available May, 2021	Cash Revenue Collections for True-up Year, Net of Schedule 9 Revenue Credits	True-up Adjustment - Over (Under) Recovery	True Up Year: 2020
\$0	\$0	\$0	Intermediate Year: 2021
			Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Cumulative Refunds and Interest - End of Month
Calculation of Interest							
<i>True-Up Year</i>							
1/1/2020	-	-	-	-	0.360%	-	-
2/1/2020	-	-	-	-	0.330%	-	-
3/1/2020	-	-	-	-	0.360%	-	-
4/1/2020	-	-	-	-	0.370%	-	-
5/1/2020	-	-	-	-	0.380%	-	-
6/1/2020	-	-	-	-	0.370%	-	-
7/1/2020	-	-	-	-	0.400%	-	-
8/1/2020	-	-	-	-	0.400%	-	-
9/1/2020	-	-	-	-	0.390%	-	-
10/1/2020	-	-	-	-	0.420%	-	-
11/1/2020	-	-	-	-	0.410%	-	-
12/1/2020	-	-	-	-	0.420%	-	-
<i>Intermediate Year</i>							
1/1/2021	-	-	-	-	0.440%	-	-
2/1/2021	-	-	-	-	0.400%	-	-
3/1/2021	-	-	-	-	0.440%	-	-
4/1/2021	-	-	-	-	0.450%	-	-
5/1/2021	-	-	-	-	0.460%	-	-
6/1/2021	-	-	-	-	0.450%	-	-
True-Up Adjustment with Interest							-
Less Over (Under) Recovery							-
Total Interest							-

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as d

Note 2: An over or under collection for the Schedule 9 charge will be recovered prorata over the true-up year, held through June of the intermediate year and charged/refunded in a lump sum during July of the in

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet P - Schedule 1 NITS True-up With Interest
 AEP SOUTHWESTERN TRANSMISSION COMPANY

True up Revenue Requirement For Year 2020 Available May, 2021	Cash Revenue Collections for True-up Year, Net of Schedule 1 Revenue Credits	True-up Adjustment - Over (Under) Recovery	True Up Year: 2020
\$0	\$0	\$0	Intermediate Year: 2021
			Rate Year: 2022

Month	Refunds/ (Surcharges)	Cumulative Refunds/(Surcharges) - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate (Worksheet Q)	Calculated Interest	Cumulative Refunds and Interest - End of Month
Calculation of Interest							
<i>True-Up Year</i>							
1/1/2020	-	-	-	-	0.360%	-	-
2/1/2020	-	-	-	-	0.330%	-	-
3/1/2020	-	-	-	-	0.360%	-	-
4/1/2020	-	-	-	-	0.370%	-	-
5/1/2020	-	-	-	-	0.380%	-	-
6/1/2020	-	-	-	-	0.370%	-	-
7/1/2020	-	-	-	-	0.400%	-	-
8/1/2020	-	-	-	-	0.400%	-	-
9/1/2020	-	-	-	-	0.390%	-	-
10/1/2020	-	-	-	-	0.420%	-	-
11/1/2020	-	-	-	-	0.410%	-	-
12/1/2020	-	-	-	-	0.420%	-	-
<i>Intermediate Year</i>							
1/1/2021	-	-	-	-	0.440%	-	-
2/1/2021	-	-	-	-	0.400%	-	-
3/1/2021	-	-	-	-	0.440%	-	-
4/1/2021	-	-	-	-	0.450%	-	-
5/1/2021	-	-	-	-	0.460%	-	-
6/1/2021	-	-	-	-	0.450%	-	-
True-Up Adjustment with Interest							-
Less Over (Under) Recovery							-
Total Interest							-

Note 1: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as d

Note 2: An over or under collection for the Schedule 1 NITS charge will be recovered prorata over the true-up year, held through June of the intermediate year and charged/refunded in a lump sum during July of

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet Q - True-up Interest Rates
 AEP SOUTHWESTERN TRANSMISSION COMPANY

This Attachment is used to input and compute the interest rates to be applied to each year's revenue requirement true-ups.

Applicable FERC Interest Rate (Note A):		
1	1/1/2020	0.36%
2	2/1/2020	0.33%
3	3/1/2020	0.36%
4	4/1/2020	0.37%
5	5/1/2020	0.38%
6	6/1/2020	0.37%
7	7/1/2020	0.40%
8	8/1/2020	0.40%
9	9/1/2020	0.39%
10	10/1/2020	0.42%
11	11/1/2020	0.41%
12	12/1/2020	0.42%
13	1/1/2021	0.44%
14	2/1/2021	0.40%
15	3/1/2021	0.44%
16	4/1/2021	0.45%
17	5/1/2021	0.46%
18	6/1/2021	0.45%
19	7/1/2021	0.45%
20	8/1/2021	0.45%
21	9/1/2021	0.45%
22	10/1/2021	0.45%
23	11/1/2021	0.45%
24	12/1/2021	0.45%
Schedule 11 Base Plan True Up		
25	Average Monthly Rate - Lines 13- 24	0.00445

Note A - Lines 1-20 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov>

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet R - Unfunded Reserves
 AEP SOUTHWESTERN TRANSMISSION COMPANY

<u>Line Number</u>	(A) <u>Description</u>	(B) Account	(C) Formula Expense Account	(D) <u>Balances @</u> 12/31/2020	(E) <u>Balances</u> 12/31/2019	(F) Average Balance for 2
1						-
2						-
3						-
4						-
5						-
6	Total				0	0

Note - 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. Include only contingent

AEP West SPP Member Transmission Companies
 Actual / Projected 2020 Rate Year Cost of Service Formula Rate
 Worksheet S - Regulatory Assets
 AEP SOUTHWESTERN TRANSMISSION COMPANY

Line	(A) Description	(B) FERC Docket	(C) Source	(D) Amort. / Deferral Account	(E) 2020 Amortization / (Deferral)
1	Regulatory Asset Amortizations / (Deferrals) in O&M (Note 1)				
1a					
1b					
1c					
1d					
1e					
2	Net Amortization / (Deferral)				0
3	FERC Approved Regulatory Amortizations / (Deferrals) in O&M (Note 2)				
3a					
3b					
3c					
3d					
4	Net Approved Amortization / (Deferral)				0
5	Reg Asset Amortizations / (Deferrals) in A&G (Note 3)				
5a					
5b					
6	Net Amortization / (Deferral)				0
7	FERC Approved Reg Amortizations / (Deferrals) in A&G (Note 4)				
7a					
7b					
8	Net Approved Amortization / (Deferral)				0

Regulatory Assets Included in Rate Base (Note 5)										
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
9	Description	FERC Approval [Form 1 Reference]	Recovery Start Date	Recovery Pe	Balance @ 12/31/21	Balance @ 12/31	Average Bal	Functional Alloca	Functional Allc	Transmission Bal
9a										
9b										
9c										
9d										
9e										
10	Total									

- Notes
- 1 Include all regulatory asset amortizations and deferrals included in accounts in Transmission O&M on FERC Form 1 p. 321, ln 122. Exclude all Distribution and Production-related items.
 - 2 Include only regulatory asset amortizations and deferrals included in accounts in Transmission O&M approved by FERC for inclusion in cost of service.
 - 3 Include all amortizations and deferrals of regulatory assets included in accounts in A&G expense on FERC Form 1 p. 321, ln 197, except amounts in Account 928, 930.1, and 930.2, which are accounted for on Worksheet J.
 - 4 Include only regulatory asset amortizations and deferrals included in accounts in A&G expense approved by FERC for inclusion in cost of service.
 - 5 See referenced FERC docket for details of Regulatory Assets approved for inclusion in rate base. Include only the Transmission functional balance for assets which have both Transmission and Distribution components.
 - 6 Balances direct assigned to Transmission except for payroll-related balances, which will be allocated using a wages and salaries allocator.

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