

AEP West SPP Member Transmission Companies
Utilizing FERC Form 1 Data
For rates effective January 1, 2019

SPP SCHEDULE 1 AEP Transco Revenue Requirements

Line No.		AEP Annual Revenue Requirement	OKT Annual Revenue Requirement	SWT Annual Revenue Requirement
A. Schedule 1 ARR For 2019 Rate Year				
1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 65)	\$347,073	\$347,037	\$36
2	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)	\$0		
3	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)	\$0		
4	Total 561 Internally Developed Costs	(Line 1 - Line 2 - Line 3) \$347,073	\$347,037	\$36
5	Less: PTP Service Credit (prior year Sched 1 revenue from PTP transactions)	-		
6	ZONAL ARR FOR RATE YEAR	(Line 4 - Line 5) \$347,073	\$347,037	\$36
			99.990%	0.010%
B. Schedule 1 2019 Rate Year Calculations				
7	Rate Year AEP West Zone SPP Average 12-Mo. Peak Demand	(Load WS, ln 20)	8,394 MW	
8	Annual Point-to-Point Rate in \$/MW - Year	(Line 6 / Line 7)	\$41.35	
9	Monthly Point-to-Point Rate (ln 8 / 12) \$/MW - Month	(Line 8 / 12)	\$3.45	
10	Weekly Point-to-Point Rate (ln 8 / 52) \$/MW - Weekly	(Line 8 / 52)	\$0.80	
11	Daily Off-Peak Point-to-Point Rate (ln 8 / 365) \$/MW - Day	(Line 8 / 365)	\$0.11	
12	Hourly Off-Peak Point-to-Point Rate (ln 8 / 8760) \$/MW - Hour	(Line 8 / 8760)	\$0.00	

AEP Transmission Formula Rate Template
Calculation of Schedule 11 Revenue Requirements For AEP Transmission Projects
For Calendar Year 2017 and Projected Year 2018

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

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Note: Some project's final true-up cost may not meet SPP's \$100,000 threshold for socialization. In that case a true-up of the prior year ARR will be made in columns (H) through (O), but no projected ARR will be shown in columns (E) through (G) for the current year.

(A)	(B)	(C)	(D)	(E)	(F)	(G) = (E) + (F)	(H)	(I)	(J)	(K) = (I) - (J)	(L)	(M)	(N) = (L)-(M)	(O)	(P) = (H)+(K)+(N)+(O)	(Q) = (G) + (P)	
			<u>Projected ARR For 2019 From WS-F</u>				<u>True-Up ARR From 2017 From Worksheet G</u>				<u>Base ARR</u>			<u>Incentive ARR</u>			<u>Total</u>
<u>Sheet</u>	<u>Name</u>	<u>Owner</u>	<u>Project Description</u>	<u>Year in Service</u>	<u>Base ARR (WS-F)</u>	<u>Incentive</u>	<u>Total</u>	<u>TRUE-UP Adjustment (WS-G)</u>	<u>Adjusted ARR from Prior Update</u>	<u>As Billed by SPP (for Prior Yr T-Service)</u>	<u>COLLECTION Adjustment</u>	<u>True-up</u>	<u>As Billed</u>	<u>Change</u>	<u>Interest</u>	<u>Total Adjustments (True-Up, Billing, & Interest)</u>	<u>ADJUSTED Revenue Requirement Effective 1/1/2019</u>
OKT.001	OKT	Snyder 138 kV Terminal Addition	2010	84,379	-	84,379	8,015	91,895	71,085	20,809	-	-	-	5,299	34,124	120,313	
OKT.002	OKT	Coffeyville T to Dearing 138 kV Rebuild - 1.1 miles	2010	113,765	-	113,765	11,094	124,106	96,003	28,103	-	-	-	7,207	46,404	162,600	
OKT.003	OKT	Tulsa Power Station Reactor	2011	72,465	-	72,465	6,968	79,061	61,158	17,903	-	-	-	4,573	29,444	103,469	
OKT.004	OKT	Bartlesville SE to Coffeyville T Rebuild	2011	1,296,635	-	1,296,635	117,408	1,402,130	1,084,621	317,508	-	-	-	79,961	514,878	1,839,390	
OKT.005	OKT	Install 345kV terminal at Valliant***	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	
OKT.006	OKT	Canadian River - McAlester City 138 kV Line Conversion	2013	3,514,093	-	3,514,093	332,963	3,831,082	2,963,544	867,538	-	-	-	220,717	1,421,218	5,011,717	
OKT.007	OKT	Cornville Station Conversion	2014	1,250,605	-	1,250,605	120,486	1,360,926	1,052,748	308,178	-	-	-	78,812	507,476	1,785,333	
OKT.008	OKT	Coweta 69 kV Capacitor	2014	229,686	-	229,686	20,733	257,567	199,242	58,325	-	-	-	14,535	93,593	328,294	
OKT.009	OKT	Prattville-Bluebell 138 kV	2015	1,061,867	-	1,061,867	101,263	1,156,147	894,341	261,806	-	-	-	66,752	429,821	1,514,948	
OKT.010	OKT	Wapanucka Customer Connection	2013	877,586	-	877,586	98,682	973,254	752,863	220,391	-	-	-	58,663	377,736	1,274,412	
OKT.011	OKT	Grady Customer Connection	2014	2,500,163	-	2,500,163	239,139	2,738,188	2,118,133	620,055	-	-	-	157,966	1,017,161	3,571,960	
OKT.012	OKT	Darlington-Red Rock 138 kV line	2013	1,609,166	-	1,609,166	185,669	1,786,715	1,382,118	404,597	-	-	-	108,523	698,789	2,342,930	
OKT.013	OKT	Ellis 138 kV ****	2013	-	-	-	66,819	738,951	571,618	167,333	-	-	-	43,050	277,203	277,203	
OKT.014	OKT	Valliant-NW Texarkana 345 kV	2016	8,806,009	-	8,806,009	732,472	12,501,195	9,670,333	2,830,861	-	-	-	655,133	4,218,465	13,218,787	
OKT.015	OKT	Darlington Roman Nose 138 kv	2017	1,363,844	-	1,363,844	95,023	682,126	527,660	154,466	-	-	-	45,869	295,358	1,689,373	
OKT.016	OKT	Carnegie South-Southwestern 123 kv line rebuild	2017	1,144,883	-	1,144,883	96,388	558,075	431,701	126,375	-	-	-	40,956	263,718	1,433,939	
OKT.017	OKT	Chisholm - Gracemont 345 kv line and station	2017	10,725,952	-	10,725,952	574,594	4,552,779	3,521,815	1,030,964	-	-	-	295,188	1,900,746	12,864,544	
OKT.018	OKT	Fort Townson-Valliant 69 KV Line Rebuild	2019	930,333	-	930,333	-	-	-	-	-	-	-	-	-	930,333	
OKT.019	OKT	Duncan-Comanche Tap 69 KV Rebuild and Duncan station upgrades	2018	1,134,525	-	1,134,525	-	-	-	-	-	-	-	-	-	1,159,827	
OKT Total				36,715,957	-	36,715,957	2,807,717	32,834,196	25,398,983	7,435,213	-	-	-	1,883,203	12,126,133	49,629,373	

*<\$100K investment *** Project became BPU ineligible (see Project's Notes)
AEP TOTALS
**** Sold to WFEC in 2017

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

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	Peak Day Peak Hour	January Day Hour	February Day Hour	March Day Hour	April Day Hour	May Day Hour	June Day Hour	July Day Hour	August Day Hour	September Day Hour	October Day Hour	November Day Hour	December Day Hour	12 Month Average MW			
SPP Load Responsibility																	
1	PSO		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3,150.3	37.5%	3150
2	SWEPCO		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3,063.6	36.5%	3064
3	AECC		776	589	486	347	611	683	731	634	629	452	310	535	565.3	6.7%	565
4	AECC-MISO		175	135	117	98	173	187	202	181	172	195	118	241	166.2	2.0%	166
5	WFEC		47	41	34	23	36	38	42	37	36	31	27	42	36.2	0.4%	36
6	OMPA		99	84	68	74	138	149	160	143	130	85	68	89	107.3	1.3%	107
7	OG&E - ATOKA		5	0	5	0	5	2	2	3	0	2	3	5	2.7	0.0%	3
8	OG&E - COALGATE		4	0	3	0	3	2	2	0	2	1	3	1.8	0.0%	2	
9	OG&E - TALL BEAR		12	12	14	15	15	15	13	13	13	13	13	14	13.7	0.2%	14
10	ETEC		1273	862	708	491	796	864	886	827	800	731	504	900	803.5	9.6%	804
11	GREENBELT		9	7	6	8	11	14	18	15	7	3	6	8	9.3	0.1%	9
12	LIGHTHOUSE		2	2	1	1	4	3	4	6	2	1	2	2	2.4	0.0%	2
13	BENTONVILLE, AR		126	103	92	86	139	158	162	144	150	116	85	108	122.4	1.5%	122
14	PRESCOTT, AR (ENTERGY)		9	9	9	10	9	14	15	14	13	13	11	7	11.1	0.1%	11
15	MINDEN, LA (ENTERGY)		25	21	18	21	34	37	38	35	36	30	20	21	28.0	0.3%	28
16	HOPE, AR		45	43	39	39	56	57	56	55	55	51	17	36	45.8	0.5%	46
17	COFFEYVILLE, KS		104	98	90	61	102	106	108	104	110	87	93	98	96.8	1.2%	97
18	SWEPCO - VALLEY		204	131	109	84	134	132	143	120	127	124	85	142	127.9	1.5%	128
19	AECI		50	44	31	23	42	48	53	45	43	32	18	45	39.5	0.5%	40
20	System Firm Peak Demands		9556	7764	6428	6075	9277	9984	10459	9667	9515	8164	6029	7805	8393.583	Sched - 9 12CP	8394
Supporting Data																	
21	PSO: PSO Native Load (2) (4)		3,193	2,804	2,280	2,387	3,613	3,923	4,107	3,831	3,749	2,973	2,254	2,841			
22	KAMO		0	0	0	0	0	0	0	0	0	0	0	0			
23	GRDA load on PSO no longer used as of Dec 2015 (5)		-	-	-	-	-	-	-	-	-	-	-	-			
24	PSO E&W portion allocated to WFEC zone		0	0	0	0	0	0	0	0	0	0	0	0			
25	100% PSO E&W included in PSO native load		-7	-7	-6	-6	-7	-6	-6	-6	-6	-7	-7	-7			
26	Allen Holdenville		-7	-7	-5	-4	-7	-6	-6	-9	-8	-4	-4	-6			
27	PSO OATT Load Responsibility		3179	2790	2269	2377	3599	3911	4095	3816	3735	2962	2243	2828	3150.333		3150
28	SWEPCO:																
29	SWEPCO Native Load (2)(5)		3,616	2,924	2,438	2,401	3,505	3,696	3,870	3,592	3,584	3,358	2,491	2,823			
30	Dolet Hills Aux. Load (not self-generated)		0	0	0	0	0	0	0	0	0	0	0	0			
31	Less: VALLEY		-204	-131	-109	-84	-134	-132	-143	-120	-127	-124	-85	-142			
32	SWEPCO OATT Load Responsibility		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3063.583		3064
33	TOTAL AEP Affiliate Schedule 11 Load															pr yr Sched - 11 12CP	8394
AEP Schedule 11 Worksheet																	
34	PSO OATT Sched 9 load, Ln 1		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3150.250		3150
35	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		0
36	WFEC load already subtracted from PSO schedule 9 load		0	0	0	0	0	0	0	0	0	0	0	0	0.000		0
37	Subtotal PSO Schedule 11 load		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3150.250		3150
38	SWEPCO Sched 11 load, Ln 2		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3063.583		3064
39	TOTAL AEP Affiliate Schedule 11 Load		6591	5583	4598	4694	6969	7475	7822	7288	7192	6196	4649	5509	6213.833		6214
40	TOTAL AEP ZONAL SCHEDULE 11		9556	7764	6428	6075	9277	9984	10459	9667	9515	8164	6029	7805	8393.583		

NOTES:

- (1) Amounts are MW at the time of the AEP-SPP Internal (MLR) Peak
- (2) At the generator, includes transmission losses.
- (3) At the generator. Transmission losses added to metered values which include appropriate dist.& xfmr losses.
- [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 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 115)			\$120,636,969
2	REVENUE CREDITS	(Note A) (Worksheet H)	3,499,941	DA 1.00000	\$ 3,499,941
3	Network Customer Owned Facility Credits	Worksheet B			-
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)			<u>\$117,137,028</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 included in the total on line 4.

5	Trued-Up / Projected Revenue Requirement for SPP BPU Regional Facilities (w/o incentives) (Worksheet F/G)		36,715,957	DA 1.00000	\$ 36,715,957
6	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)				
7	Annual Rate	(In 1 / In 37 x 100%)			13.63%
8	Monthly Rate	(In 7 / 12)			1.14%
9	NET PLANT CARRYING CHARGE ON LINE 7, W/O DEPRECIATION (w/o incentives) (Note B)				
10	Annual Rate	((In 1 - In 84) / In 37 x 100%)			10.39%
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME TAXES, RETURN (Note B)				
12	Annual Rate	((In 1 - In 84 - In 109 - In 110) / In 37 x 100%)			2.31%
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 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

	(1)	(2)	(3)	(4)	(5)
	Data Sources		TO Total	Allocator	Total
	(See "General Notes")		NOTE D		Transmission
Line No.	RATE BASE CALCULATION				
14	GROSS PLANT IN SERVICE				
14	Production	(Worksheet A In 3.E)	-	NA	0.00000
15	Less: Production ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000
16	Transmission	(Worksheet A In 9.E & Ln 119)	1,035,261,570	DA	966,869,904
17	Less: Transmission ARO (Enter Negative)	(Worksheet A In 12.E)	-	TP	0.93394
18	Distribution	(Worksheet A In 13.E)	-	NA	0.00000
19	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.E)	-	NA	0.00000
20	General Plant	(Worksheet A In 15.E)	17,440,671	W/S	0.93394
21	Less: General Plant ARO (Enter Negative)	(Worksheet A In 16.E)	-	W/S	0.93394
22	Intangible Plant	(Worksheet A In 17.E)	9,697,144	W/S	0.93394
23	TOTAL GROSS PLANT	(sum Ins 14 to 22)	1,062,399,384	GP=	0.93394
				GTD=	1.00000
24	ACCUMULATED DEPRECIATION AND AMORTIZATION				
25	Production	(Worksheet A In 22.E)	-	NA	0.00000
26	Less: Production ARO (Enter Negative)	(Worksheet A In 25.E)	-	NA	0.00000
27	Transmission	(Worksheet A In 28.E & 47.E)	86,514,420	TP1=	0.94883
28	Less: Transmission ARO (Enter Negative)	(Worksheet A In 31.E)	-	TP1=	0.94883
29	Distribution	(Worksheet A In 32.E)	-	NA	0.00000
30	Less: Distribution ARO (Enter Negative)	(Worksheet A In 33.E)	-	NA	0.00000
31	General Plant	(Worksheet A In 34.E)	385,670	W/S	0.93394
32	Less: General Plant ARO (Enter Negative)	(Worksheet A In 35.E)	-	W/S	0.93394
33	Intangible Plant	(Worksheet A In 36.E)	3,214,112	W/S	0.93394
34	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 25 to 33)	90,114,202		
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)	948,747,150		884,782,501
38	Distribution	(In 18 + In 19 - In 29 - In 30)	-		-
39	General Plant	(In 20 + In 21 - In 31 - In 32)	17,055,001		15,928,310
40	Intangible Plant	(In 22 - In 33)	6,483,031		6,054,748
41	TOTAL NET PLANT IN SERVICE	(sum Ins 36 to 40)	972,285,182	NP=	0.93261
42	DEFERRED TAX ADJUSTMENTS TO RATE BASE				
43	Account No. 281.1 (enter negative)	(Note E) 272-273.8.k	-	NA	-
44	Account No. 282.1 (enter negative)	(Worksheet C, In 4 C & In 8 J)	(164,966,170)	DA	(139,614,747)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	(29,406,025)	DA	(24,417,111)
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	23,466,072	DA	6,648,039
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)	-	DA	-
48	TOTAL ADJUSTMENTS	(sum Ins 43 to 47)	(170,906,123)		(157,383,820)
49	PLANT HELD FOR FUTURE USE	(Worksheet A In 48.E & 49.E)	-	DA	-
50	REGULATORY ASSETS	(Worksheet A In 55.E)	-	DA	-
51	WORKING CAPITAL				
52	Cash Working Capital	(Note F) (1/8 * In 68) (Note G)	708,070		661,294
53	Transmission Materials & Supplies	(Worksheet D, In 3 F)	-	TP	0.93394
54	A&G Materials & Supplies	(Worksheet D, In 4 F)	-	W/S	0.93394
55	Stores Expense	(Worksheet D, In 5 F)	-	GP	0.93394
56	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 8 G)	-	W/S	0.93394
57	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 8 F)	97,074	GP	0.93394
58	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 8 E)	5,745	DA	1.00000
59	Prepayments (Account 165) - Unallocable	(Worksheet D, In 8 D)	-	NA	0.00000
60	TOTAL WORKING CAPITAL	(sum Ins 52 to 59)	810,890		757,700
61	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	(60,000)	DA	1.00000
62	RATE BASE (sum Ins 41, 48, 49, 60, 61)		802,129,949		750,079,439

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 Rate Year

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
63	OPERATION & MAINTENANCE EXPENSE				
63	Transmission	321.112.b	6,011,600		
64	Less: Transmission Serving Generation	(Note U) Company Records			
65	Less: Total Account 561	(Note I) 321.84-92.b	347,037		
66	Less: Account 565	(Note J) 321.96.b	-		
67	Plus: Includable 561 and 565 Expenses	Worksheet I In 10	\$0		
68	Total O&M Allocable to Transmission	(Ins 63 - 64- 65 - 66 + 67)	5,664,564	TP	0.93394
69	Administrative and General	323.197.b (Note K, M)	3,657,785		
70	Less: Acct. 924, Property Insurance	323.185.b	72,457		
71	Acct. 928, Reg. Com. Exp.	323.189.b	-		
72	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
73	Acct. 930.2, Misc. Gen. Exp.	323.192.b	32,280		
74	Balance of A & G	(In 69 - sum In 70 to In 73)	3,553,048	W/S	0.93394
75	Plus: Acct. 924, Property Insurance	(In 70)	72,457	GP	0.93394
76	Acct. 928 - Transmission Specific	Worksheet J In 16.(E) (Note L)	-	TP	0.93394
77	Acct 930.1 - Only safety related ads -Direct	Worksheet J In 22.(E) (Note L)	-	GP	0.93394
78	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet J In 28.(E) (Note L)	-	DA	1.00000
79	A & G Subtotal	(sum Ins 74 to 78)	3,625,505		
80	TOTAL O & M EXPENSE	(In 68 + In 79)	9,290,069		
81	DEPRECIATION AND AMORTIZATION EXPENSE				
82	Transmission	336.7.b	30,704,664		
83	Less: Transmission Serving Generation	(Note U) Company Records			
84	Includable Transmission	(In 82 - In 83)	30,704,664	TP	0.93394
85	General	336.10.b	-	W/S	0.93394
86	Intangible	336.1.d	972,264	W/S	0.93394
87	TOTAL DEPRECIATION AND AMORTIZATION	(sum Ins 84 to 86)	31,676,928		
88	TAXES OTHER THAN INCOME	(Note N)			
89	Labor Related				
90	Payroll	Worksheet L, Col. D	-	W/S	0.93394
91	Plant Related				
92	Property	Worksheet L, Col. C	11,579,010	GP	0.93394
93	Non-Allocable Taxes, incl. Transmission Serving Gen.	Worksheet L, Col. F	-	NA	0.00000
94	Other	Worksheet L, Col. E	-	GP	0.93394
95	TOTAL OTHER TAXES	(sum Ins 90 to 94)	11,579,010		
96	INCOME TAXES	(Note O)			
97	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		25.47%		
98	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		25.74%		
99	where WCLTD=(In 139) and WACC = (In 142)				
100	and FIT, SIT & p are as given in Note O.				
101	$GRCF=1 / (1 - T) =$ (from In 97)		1.3418		
102	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
103	Excess / (Deficit) Deferred Income Tax	Company Records (Note O)	(869,003)	DA	(869,003)
104	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)	137,550	DA	137,550
105	Income Tax Prior to Adjustments	(In 98 * In 110)	15,880,445		
106	ITC adjustment	(In 101 * In 102)	-	NP	0.93261
107	Excess / (Deficit) Deferred Income Tax	(In 101 * In 103)	(1,165,999)	DA	(1,165,999)
108	Tax Effect of Permanent and Flow Through Differences	(In 101 * In 104)	184,560	DA	184,560
109	TOTAL INCOME TAXES	(sum Ins 105 to 108)	14,899,006		
110	RETURN ON RATE BASE (Rate Base*WACC)	(In 62 * In 142) or In 62 * In 155) (Note T)	61,697,311		
111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E) (Worksheet E, In 2)		-	DA	1.00000
112	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX		129,142,324		
113	(sum Ins 80, 87, 95, 109, 110, 111)				
114	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA	-
115	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 112 + 114)	129,142,324		

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 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 FERC Rulemaking RM02-7-000.
- 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 68.
- 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 111.
- 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 actuarial valuation report supporting the derivation of the PBOP expense, along with an explanation of PBOP derivation process, is submitted during the formula rate annual update.
- 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) (ln 97) 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. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period.
- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by a 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, other than Transmission Serving Generation which is removed at Worksheet A. See Note U.
- 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 (ln 130) / Long Term Debt (ln 139). Preferred Stock cost rate = preferred dividends (ln 131) / preferred outstanding (ln 140). Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC in Docket No. ER07-1069. 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 and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- U Costs specifically incurred to build, operate, maintain, or depreciate assets which are dedicated to the interconnection of individual generation resources to the SPP transmission network, including generation tie-lines, are deemed to be production-related will be removed from the transmission cost of service. Such costs, referred to herein as Transmission Serving Generation, will be reported in the FERC Form 1 in Transmission functional accounts, and thus adjustments are needed to remove those costs from line items which include them.

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet A - Detailed Plant and Accumulated Depreciation Balances
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line Number	(A) Rate Base Item & Supporting Balance	(B) Source of Data	(C) Balances @ 12/31/2019	(D) Balances 12/31/2018	(E) Average Balance for 2019
Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
See Note U at the TCOS worksheet for a description of Transmission Serving Generation.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46			-
2	Add: Transmission Serving Generation	Company Records			-
3	Formula Production Plant In Service		0	0	-
4	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44			-
5	Add: Transmission Serving Generation ARO	Company Records			-
6	Formula Production ARO		0	0	-
7	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	1,084,801,478	985,721,662	1,035,261,570
8	Less: Transmission Serving Generation	Company Records			-
9	Formula Transmission Plant In Service		1,084,801,478	985,721,662	1,035,261,570
10	Transmission Asset Retirement Obligation (Acct. 359.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57			-
11	Less: Transmission Serving Generation ARO	Company Records			-
12	Formula Transmission ARO		0	0	-
13	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75			-
14	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74			-
15	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	17,485,798	17,395,544	17,440,671
16	General Asset Retirement Obligation (Acct. 399.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98			-
17	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	10,446,816	8,947,471	9,697,144
18	Total Property Investment Balance	(Sum of Lines: 3, 9, 13, 15, 17)	1,112,734,092	1,012,064,677	1,062,399,384
19	Total ARO Balance (included in total on line 18)	(Sum of Lines: 6, 12, 14, 16)	-	-	-
Accumulated Depreciation & Amortization Balances					
20	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)			-
21	Add: Transmission Serving Generation	Company Records			-
22	Formula Production Plant In Service		0	0	-
23	Production ARO Accumulated Depreciation (included in total on line 20)	Company Records - Note 1			-
24	Add: Transmission Serving Generation ARO	Company Records			-
25	Formula Production ARO		0	0	-
26	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	101,620,801	71,408,039	86,514,420
27	Less: Transmission Serving Generation	Company Records			-
28	Formula Transmission Plant In Service		101,620,801	71,408,039	86,514,420
29	Transmission ARO Accumulated Depreciation (included in total on line 26)	Company Records - Note 1			-
30	Less: Transmission Serving Generation ARO	Company Records			-
31	Formula Transmission ARO		0	0	-
32	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)			-
33	Distribution ARO Accumulated Depreciation (included in total on line 32)	Company Records - Note 1			-
34	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	540,728	230,613	385,670
35	General ARO Accumulated Depreciation (included in total on line 34)	Company Records - Note 1			-
36	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	3,700,244	2,727,981	3,214,112
37	Total Accumulated Depreciation or Amortization	(Sum of Lines: 22, 28, 32, 34, 36) FF1, page 200, In 22, Col (b)	105,861,773	74,366,632	90,114,202
38	Total ARO Balance (included in total on line 37)	(Sum of Lines: 25, 31, 33, 35)	-	-	-
Generation Step-Up Units					
39	GSU Investment Amount (included in total on line 7)	Company Records - Note 1			-
40	GSU Accumulated Depreciation (Included in total on line 26)	Company Records - Note 1			-
41	GSU Net Balance	(Line 39 - Line 40)	-	-	-
Transmission Plant Excluded from SPP Tariff (see TCOS Note Q)					
42	Excluded Facilities Investment Amount	Company Records - Note 1	68,391,666	68,391,666	68,391,666
43	Excluded Facilities Accumulated Depreciation	Company Records - Note 1	4,427,017	4,427,017	4,427,017
44	Excluded Facilities Net Balance	(Line 42 - Line 43)	63,964,649	63,964,649	63,964,649
Transmission Accumulated Depreciation Net of GSU/Excluded Facilities Accumulated Depreciation					
45	Transmission Accumulated Depreciation	(Line 28 Above)	101,620,801	71,408,039	86,514,420
46	Less: GSU & Excl Facilities Acc Dep	(Line 40 + Line 43 Above)	4,427,017	4,427,017	4,427,017
47	Subtotal of Transmission Accumulated Depreciation Net of GSU/Excluded Facilities	(Line 45 - Line 46)	97,193,784	66,981,022	82,087,403
Plant Held For Future Use					
48	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)			-
49	Transmission Plant Held For Future Use (Included in total on line 48)	Company Records - Note 1			-
NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.					
Regulatory Assets and Liabilities Approved for Recovery In Ratebase					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with FERC.					
50					-
51					-
52					-
53					-
54					-
55	Total Regulatory Deferrals Included in Ratebase		-	-	-

AEP West SPP Member Transmission Companies
Actual / Projected 2019 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 with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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									
<u>Account 282 - Form-1 page 274.2.b and 275.2.k</u>									
1	282.1	2019 Year End Tax Deferrals - WS C-1	(167,238,398)	(13,036,521)	(152,795,937)	-	-	(1,405,941)	
2	282.1	2018 Year End Tax Deferrals - WS C-2	(162,693,942)	(13,036,444)	(148,298,388)	-	-	(1,359,110)	
3		Subtotal	(329,932,340)	(26,072,965)	(301,094,324)	-	-	(2,765,050)	
4		Average Balance before Proration	(164,966,170)	(13,036,483)	(150,547,162)	0	0	(1,382,525)	
5		Proration Adjustment - WS C-3			2,439,273				
6		Prorated Average balance	(164,966,170)	(13,036,483)	(148,107,889)	0	0	(1,382,525)	
7		Transmission Allocator from TCOS		0.0000%	93.3938%	93.3938%	100.0000%	93.3938%	
8		Allocated Total		0	(138,323,555)	0	0	(1,291,193)	(139,614,747)
<u>Account 283 - Form-1 page 276.9.b and 277.9.k</u>									
9	283.1	2019 Year End Tax Deferrals - WS C-1	(29,406,025)	(3,261,767)	(26,144,258)	-	-	-	
10	283.1	2018 Year End Tax Deferrals - WS C-2	(29,406,025)	(3,261,767)	(26,144,258)	-	-	-	
11		Subtotal	(58,812,051)	(6,523,534)	(52,288,516)	-	-	-	
12		Average Balance	(29,406,025)	(3,261,767)	(26,144,258)	0	0	0	
13		Transmission Allocator from TCOS		0.0000%	93.3938%	93.3938%	100.0000%	93.3938%	
14		Allocated Total		0	(24,417,111)	0	0	0	(24,417,111)
<u>Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)</u>									
15	190.1	2019 Year End Tax Deferrals - WS C-1	23,466,072	16,816,053	6,620,028	-	-	29,991	
16	190.1	2018 Year End Tax Deferrals - WS C-2	23,466,072	16,816,052	6,620,029	-	-	29,991	
17		Subtotal	46,932,145	33,632,105	13,240,057	-	-	59,983	
18		Average Balance before Proration	23,466,072	16,816,052	6,620,029	0	0	29,991	
19		Proration Adjustment - WS C-3			0				
20		Prorated Average balance	23,466,072	16,816,052	6,620,029	0	0	29,991	
21		Transmission Allocator from TCOS		0.0000%	100.0000%	93.3938%	100.0000%	93.3938%	
22		Allocated Total		0	6,620,029	0	0	28,010	6,648,039
<u>Account 255 - Form-1 page 266-267</u>									
						<u>Pre 1971 ITC</u>			
						<u>Includable in Rate</u>			
						<u>Base</u>			
23	255.0	Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 267, Ln 2.h)				-			
24	255.0	Acc Defrd ITC - Federal - 12/31/2018 (FF1 p. 266, Ln 2.b)				-			
25		Subtotal	-			-			
26		Average Balance	0			0			
27		Transmission Allocator from TCOS				93.3938%			
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 OKLAHOMA TRANSMISSION COMPANY, INC.
**WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES
 AS OF DECEMBER 31, 2019**

Account	Line #	Description	Balance	Allocation Basis	Exclusions	Allocation Method			Labor
						100% Transmission	PTD Plant	T&D	
2821001	230A	ACRS BENEFIT NORMALIZED	(100,365,459)	T	(13,197,254)	(87,168,205)			
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	(2,508,193)	T		(2,508,193)			
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,069,414	T		5,069,414			
2821001	390A	CIAC - BOOK RECEIPTS	162,408	E	162,408				
2821001	532D	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	(43,260)	T		(43,260)			
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(64,826)	Labor					(64,826)
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,290,622)	Labor					(1,290,622)
2821001	910K	REMOVAL CST	(39,274)	T		(39,274)			
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(62,121,656)	T		(62,121,656)			
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,190,338)	T		(1,190,338)			
2821001	230A	Forecast Adjustment	(4,899,765)		(82)	(4,849,191)	-	-	(50,493)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(167,238,398)		(13,036,521)	(152,795,937)	0	0	(1,405,941)
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(3,261,767)	E	(3,261,767)				
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0)	T		(0)			
2831001	960F-XS	EXCESS ADFIT 283 - UNPROTECTED	1,808,212	T		1,808,212			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	(27,952,470)	T		(27,952,470)			
2831001		Forecast Adjustment	-		-	-	-	-	-
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	(29,406,025)		(3,261,767)	(26,144,258)	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	PROVS POSS REV REFDS -A/L	1,080,078	T		1,080,078			
1901001	520X	PROV FOR RATE REFUND-TAX REFORM	1,812,320	E	1,812,320				
1901001	520Y	PROV FOR RATE REFUND-EXCESS PROTECTED	21,550	E	21,550				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	31,616	Labor					31,616
1901001	615B	ACCRUED INTEREST-LONG_TERM - FIN 48	(4)	E	(4)				
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	5,870,019	T		5,870,019			
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	15,532,225	E	15,532,225				
1901001		Forecast Adjustment	(881,732)		(550,039)	(330,068)	-	-	(1,625)
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	23,466,072		16,816,053	6,620,028	0	0	29,991

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, 2018

Account	Line #	Description	Balance	Allocation Basis	Exclusions	Allocation Method			
						100% Transmission	PTD Plant	T&D	Labor
2821001	230A	ACRS BENEFIT NORMALIZED	(100,365,459)	T	(13,197,254)	(87,168,205)			
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	(2,508,193)	T		(2,508,193)			
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,069,414	T		5,069,414			
2821001	390A	CIAC - BOOK RECEIPTS	162,408	E	162,408				
2821001	532D	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	(43,260)	T		(43,260)			
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(64,826)	Labor					(64,826)
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,290,622)	Labor					(1,290,622)
2821001	910K	REMOVAL CST	(39,274)	T		(39,274)			
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(62,121,656)	T		(62,121,656)			
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,190,338)	T		(1,190,338)			
2821001	230A	Forecast Adjustment	(355,310)		(6)	(351,642)	-	-	(3,662)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(162,693,942)		(13,036,444)	(148,298,388)	0	0	(1,359,110)
		(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	(3,261,767)	E	(3,261,767)				
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0)	T		(0)			
2831001	960F-XS	EXCESS ADFIT 283 - UNPROTECTED	1,808,212	T		1,808,212			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	(27,952,470)	T		(27,952,470)			
2831001		Forecast Adjustment	-		-	-	-	-	-
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(29,406,025)		(3,261,767)	(26,144,258)	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	1,080,078	T		1,080,078			
1901001	520X	PROV FOR RATE REFUND-TAX REFORM	1,812,320	E	1,812,320				
1901001	520Y	PROV FOR RATE REFUND-EXCESS PROTECTED	21,550	E	21,550				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	31,616	Labor					31,616
1901001	615B	ACCRUED INTEREST-LONG_TERM - FIN 48	(4)	E	(4)				
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	5,870,019	T		5,870,019			
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	15,532,225	E	15,532,225				
1901001		Forecast Adjustment	(881,732)		(550,039)	(330,068)	-	-	(1,625)
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	23,466,072		16,816,052	6,620,029	0	0	29,991
		(Total Company Amount Ties to FF1 p.234(c) -- Electric)							

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, 2019**

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)-I(h)(6)(ii) when preparing forecasted rates. This worksheet is not used during Annual True-Ups. Proratable activity in Account 282 results from the use of accelerated tax depreciation on additions to plant in service. The adjustment on line 19 is included on Worksheet C as a reduction to the ending forecasted ADIT balance of account 282. A proration adjustment for account 190, if any, will be calculated beginning on line 20.

Account 282 Proration Adjustment

	Source	
1 Rate Year ending balance	WS C-1	(167,238,398)
2 Rate Year beginning balance	WS C-2	(162,693,942)
3 Annual forecasted change	Line 1 less Line 2	-4,544,456
4 Monthly forecasted change	Line 3 / 12	-378,705

Line	(A) Future Test Period	(B) Proratable Deferred Tax Activity	(C) Deferred Tax Balance	(D) Days in Month	(E) Number of Days Left in Period	(F) Proration Amount	(G) Prorated Item	(H) Prorated Balance
5	Beginning Balance	(162,693,942)	(162,693,942)		365	100.00%	(162,693,942)	(162,693,942)
6	January (line 4)	(378,705)	(163,072,647)	31	335	91.78%	(347,578)	(163,041,520)
7	February	(378,705)	(163,451,351)	28	307	84.11%	(318,527)	(163,360,047)
8	March	(378,705)	(163,830,056)	31	276	75.62%	(286,363)	(163,646,410)
9	April	(378,705)	(164,208,761)	30	246	67.40%	(255,237)	(163,901,647)
10	May	(378,705)	(164,587,465)	31	215	58.90%	(223,073)	(164,124,719)
11	June	(378,705)	(164,966,170)	30	185	50.68%	(191,946)	(164,316,666)
12	July	(378,705)	(165,344,875)	31	154	42.19%	(159,782)	(164,476,448)
13	August	(378,705)	(165,723,579)	31	123	33.70%	(127,618)	(164,604,066)
14	September	(378,705)	(166,102,284)	30	93	25.48%	(96,492)	(164,700,558)
15	October	(378,705)	(166,480,989)	31	62	16.99%	(64,328)	(164,764,886)
16	November	(378,705)	(166,859,693)	30	32	8.77%	(33,202)	(164,798,087)
17	December	(378,705)	(167,238,398)	31	1	0.27%	(1,038)	(164,799,125)
18	Ending Balance		(167,238,398)					(164,799,125)
19	Proration Adjustment - Line 18 Col. (H) less Col. (C)							\$ 2,439,273

Account 190 Proration Adjustment

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

Line	(A) Future Test Period	(B) Proratable Deferred Tax Activity	(C) Deferred Tax Balance	(D) Days in Month	(E) Number of Days Left in Period	(F) Proration Amount	(G) Prorated Item	(H) 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)							\$ -

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet D - Working Capital Rate Base Adjustments
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

(A) (B) (C) (D) (E) (F) (G) (H) (I)

Materials & Supplies

<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2019</u> FF1, p. 227, Col. (c)	<u>Balance @ December 31, 2018</u> FF1, p. 227, Col. (b)	<u>Average Balance for Rate Year</u>
1	Transmission Materials & Supplies			-
2	Less: Transmission Serving Generation			-
3	Transmission M&S, Excl Trans Serving Gen	-	-	-
4	General Materials & Supplies			-
5	Stores Expense (Undistributed) - Account 163			0

Prepayment Balance Summary

	<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>
6	Totals as of December 31, 2019	102,819	0	5,745	97,074	0
7	Totals as of December 31, 2018	102,819	0	5,745	97,074	0
8	Average Balance	102,819	0	5,745	97,074	0

Prepayments Account 165 - Balance @ 12/31/2019

<u>Acc. No.</u>	<u>Description</u>	<u>2019 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>	<u>Explanation</u>
9	1650001 Prepaid Insurance	79,312			79,312	0	79,312	
10	1650021 Prepaid Insurance - EIS	17,762			17,762	0	17,762	
11	1650023 Prepaid Lease	5,745		5,745			5,745	
12							0	
13							0	
14							0	
15							0	
16							0	
17							0	
18							0	
19	Subtotal - Form 1, p 111.57.c	102,819	0	5,745	97,074	0	102,819	

Prepayments Account 165 - Balance @ 12/31/2018

<u>Acc. No.</u>	<u>Description</u>	<u>2018 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>	<u>Explanation</u>
21	1650001 Prepaid Insurance	79,312			79,312	0	79,312	
22	1650021 Prepaid Insurance - EIS	17,762			17,762	0	17,762	
23	1650023 Prepaid Lease	5,745		5,745			5,745	
24							0	
25							0	
26							0	
27							0	
28							0	
29							0	
30	Subtotal - Form 1, p 111.57.e d	102,819	0	5,745	97,074	0	102,819	

AEP West SPP Member Transmission Companies
Actual / Projected 2019 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) 2019</u>
1	Net Funds from IPP Customers @ 12/31/2018 (2019 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	-
6		
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269, (F))	60,000
8	Average Balance for 2019 ((ln 1 + ln 7)/2)	60,000

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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.

Line Number

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

1	ROE w/o incentives (TCOS, In 141)			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 139 through 141)			
5		%	Cost	Weighted cost
6	Long Term Debt	44.83%	4.24%	1.90%
7	Preferred Stock	0.00%	0.00%	0.00%
8	Common Stock	55.17%	10.50%	5.79%
9			R =	7.69%

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

10	Rate Base (TCOS, In 62)		750,079,439
11	R (from A. above)		0.0769
12	Return (Rate Base x R)		57,693,749

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

13	Return (from B. above)		57,693,749
14	Tax Rate (TCOS, In 97)		25.47%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		25.74%
16	Income Tax Calculation (Return x EIT)		14,849,957
17	ITC Adjustment (TCOS, In 106)		-
18	Excess DFIT Adjustment (TCOS, In 107)		(1,165,999)
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 108)		184,560
20	Income Taxes		13,868,518

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 115)		120,636,969
22	Return (TCOS, In 110)		57,693,749
23	Income Taxes (TCOS, In 109)		13,868,518
24	Gross Margin Taxes (TCOS, In 114)		-
25	Net Revenue Requirement, Less Return and Taxes		49,074,702

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

26	Net Revenue Requirement, Less Return and Taxes		49,074,702
27	Return (from I.B. above)		57,693,749
28	Income Taxes (from I.C. above)		13,868,518
29	Net Revenue Requirement, with 0 Basis Point ROE increase		120,636,969
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)		-
31	Revenue Requirement w/ Gross Margin Taxes		120,636,969
32	Less: Depreciation (TCOS, In 84)		28,676,246
33	Net Rev. Req. w/0 Basis Point ROE increase, less Depreciation		91,960,723

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

34	Net Revenue Requirement before Gross Margin Taxes, with 0		120,636,969
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		22.0%
39	Taxable, Apportioned Margin		-
40	Texas Gross Margin Tax Rate		1.0%
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)		884,782,501
45	Net Revenue Requirement, with 0 Basis Point ROE increase		120,636,969
46	FCR with 0 Basis Point increase in ROE		13.63%
47	Net Rev. Req. w/ 0 Basis Point ROE increase, less Dep.		91,960,723
48	FCR with 0 Basis Point ROE increase, less Depreciation		10.39%
49	FCR less Depreciation (TCOS, In 10)		10.39%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation		0.00%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant @ Beginning of Period (Worksheet A In 9 col. (D))		985,721,662
52	Transmission Plant @ End of Period (Worksheet A In 9 col. (C))		1,084,801,478
			2,070,523,140
53	Transmission Plant Average Balance for 2019		1,035,261,570
54	Annual Depreciation Expense (TCOS, In 84)		30,704,664
55	Composite Depreciation Rate		2.97%
56	Depreciable Life for Composite Depreciation Rate		33.72
57	Round to nearest whole year		34

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN REVENUE REQUIREMENTS				
	Rev Require	With Incentives	Incentive Amounts	
Σ Projected Year	2019	36,715,957	36,715,957	\$ -

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

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet G - Calculation of TRUED-UP 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.

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

1	ROE w/o incentives (TCOS, In 141)	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 139 through 141)	
5		
6		
7		
8		
9		

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
6	Long Term Debt	44.83%	4.24%
7	Preferred Stock	0.00%	0.00%
8	Common Stock	55.17%	10.50%
9			R = 7.69%

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

10	Rate Base (TCOS, In 62)	750,079,439
11	R (from A. above)	0.0769
12	Return (Rate Base x R)	57,693,749

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

13	Return (from B. above)	57,693,749
14	Tax Rate (TCOS, In 97)	25.47%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	25.74%
16	Income Tax Calculation (Return x EIT)	14,849,957
17	ITC Adjustment (TCOS, In 106)	-
18	Excess DFIT Adjustment (TCOS, In 107)	(1,165,999)
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 108)	184,560
20	Income Taxes	13,868,518

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 115)	120,636,969
22	Return (TCOS, In 110)	57,693,749
23	Income Taxes (TCOS, In 109)	13,868,518
24	Gross Margin Taxes (TCOS, In 114)	-
25	Net Revenue Requirement, Less Return and Taxes	49,074,702

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

26	Net Revenue Requirement, Less Return and Taxes	49,074,702
27	Return (from I.B. above)	57,693,749
28	Income Taxes (from I.C. above)	13,868,518
29	Net Revenue Requirement, with 0 Basis Point ROE increase	120,636,969
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)	-
31	Revenue Requirement w/ Gross Margin Taxes	120,636,969
32	Less: Depreciation (TCOS, In 84)	28,676,246
33	Net Rev. Req. w/0 Basis Point ROE increase, less Depreciation	91,960,723

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

34	Net Revenue Requirement before Gross Margin Taxes, with 0	120,636,969
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	22.0%
39	Taxable, Apportioned Margin	-
40	Texas Gross Margin Tax Rate	1.0%
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)	884,782,501
45	Net Revenue Requirement, with 0 Basis Point ROE increase	120,636,969
46	FCR with 0 Basis Point increase in ROE	13.63%
47	Net Rev. Req. w / 0 Basis Point ROE increase, less Dep.	91,960,723
48	FCR with 0 Basis Point ROE increase, less Depreciation	10.39%
49	FCR less Depreciation (TCOS, In 10)	10.39%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant @ Beginning of Period (Worksheet A In 9 col. ((D))	985,721,662
52	Transmission Plant @ End of Period (Worksheet A In 9 col. ((C))	1,084,801,478
		2,070,523,140
53	Transmission Plant Average Balance for 2019	1,035,261,570
54	Annual Depreciation Expense (TCOS, In 84)	30,704,664
55	Composite Depreciation Rate	2.97%
56	Depreciable Life for Composite Depreciation Rate	33.72
57	Round to nearest whole year	34

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR SPP BPU & NON-BPU PROJECTS				
True-Up Rate Year	2017	Rev Require	With Incentives	Incentive Amounts
∑ True Up Year Projected WS-F		\$ 27,948,610	\$ 27,948,610	\$ -
∑ True-Up Year True-Up WS-G		\$ 30,756,327	\$ 30,756,327	\$ -
True-up Adjustment For 2017		2,807,717	2,807,717	-

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

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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	1,819,941	-	1,819,941
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	1,819,941	-	1,819,941
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)			115,222,834
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			80,500,422
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)			32,142,784
Flow Through of ERCOT Ancillary Charges			-
Other			-
5 Net 456.1 Transmission Credits			<u>\$1,680,000</u>
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			<u><u>\$3,499,941</u></u>

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 2019 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 565 which are includable in the formula on TCOS line 66, and make any other necessary FERC jurisdictional adjustments to Transmission O&M.

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u> <u>2019</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	
	(sum of lines 2 through 9)	\$0

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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) 2019 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	928	Regulatory Commission Expense				
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16		Total (FERC Form 1 p.323.189.b)	0	0	0	
		<u>Account 930.1</u>				
17	9301000	General Advertising Expenses				
18						
19						
20						
21						
22		Total (FERC Form 1 p.323.191.b)	0	0	0	
		<u>Account 930.2</u>				
23	9302000	Misc General Expenses	32,280	32,280		
24						
25						
26						
27						
28		Total (FERC Form 1 p.323.192.b)	32,280	32,280	-	

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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 2019

State Income Tax Rate - Oklahoma	Note 1	5.66%	
Apportionment Factor		100.00%	
Effective State Income Tax Rate			5.6600%
State Income Tax Rate - Texas			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Louisiana			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Arkansas			
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

		<u>Projected / Actual</u>	
		Total Company	Trans. Only
Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX (TCOS In 114)	129,142,324	120,636,969
1	Apportionment Factor to Texas (In12)	0.00%	0.00%
2	Apportioned Texas Revenues	\$0	\$0
3	Taxable Percentage of Revenue	-	-
4	Taxable, Apportioned Margin	-	-
5	Texas Gross Margin Tax Rate	-	-
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		KW
11	Total Load		KW
12	Allocation Percentage (In 10 / In 11)		<u>0.00%</u>

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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	<u>Revenue Taxes</u>					
2						
3						
4	<u>Real Estate and Personal Property Taxes</u>					
5	Oklahoma Ad Valorem	11,579,010	11,579,010			
6						
7						
8						
9						
10	<u>Payroll Taxes</u>					
11						
12						
13						
14						
15	<u>Production Taxes</u>					
16						
17						
18						
19	<u>Miscellaneous Taxes</u>					
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	Total Taxes by Allocable Basis	11,579,010	11,579,010	-	-	-
	(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 2019 Rate Year Cost of Service Formula Rate

Worksheet M

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2018 and 12/31/2019

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2019	Balances @ 12/31/2018	Average
<u>Development of Average Balance of Common Equity</u>				
1	Total Proprietary Capital (p. 112.16.c&d)	504,653,979	458,431,195	481,542,587
2	Less Preferred Stock from Ln 43 below			-
3	Less Account 216.1 (p. 112.12.c&d)	-	-	-
4	Less Account 219.1 (p. 112.15.c&d)	-	-	-
5	Average Balance of Common Equity	504,653,979	458,431,195	481,542,587

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

6	Account 221 Bonds (112.18.c&d)	-	-	-
7	Less: Account 222 Reacquired Bonds (112.19.c&d)	-	-	-
8	Account 223 LT Advances from Assoc. Comp. (112.20.c&d)	338,750,000	347,850,000	343,300,000
9	Account 224 Senior Unsecured Notes (112.21.c&d)	63,000,000	33,000,000	48,000,000
10	Less: Non-Transmission Securitization (Co. Records)			-
11	Total Long-Term Debt	401,750,000	380,850,000	391,300,000

Annual Interest Expense

12	Annual Interest Expense			
13	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			16,574,333
14	Less: Financial Hedge Gain/Expense from Ln 28 Included in Ln 13			-
15	Plus: Allowed Hedge Recovery from Ln 32 below			-
16	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			
17	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			
18	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			
19	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			
20	Less: Non-Trans. Securitization (Company Records)			
21	Total Interest Expense (Ln 13 + Ln 14 + Ln 15 + Ln 16 + Ln 17 - Ln 18 - Ln 19 - Ln 20)			16,574,333

Average Cost of Debt (Ln 21/Ln 11)

4.24%

23 Financial Hedge Amortization Reported in Column (i) on Page 256-257 (Enter Gains as a Negative Number)

24				
25				
26				
27				
28	Total Hedge Amortization			-
29	Total Average Capital Balance (TCOS, Ln 142)			872,842,587
30	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005
31	Limit of Recoverable Amount			436,421
32	Recoverable Hedge Amortization (Lesser of Ln 28 or 31)			-

(lesser of 5 basis point Cap or Actual (Gain)/Expense based on magnitude as indicated on Ln 28 or Ln 31)

Development of Cost of Preferred Stock

	Preferred Stock			Average
33	___% Series - - Dividend Rate (p. 250-251. ___a)			
34	___% Series - - Par Value (p. 250-251. ___c)			
35	___% Series - - Shares O/S (p.250-251. ___e)			
36	___% Series - - Monetary Value (Ln 34 * Ln 35)	-	-	-
37	___% Series - - Dividend Amount (Ln 33 * Ln 36)	-	-	-
38	___% Series - - Dividend Rate (p. 250-251. ___a)			
39	___% Series - - Par Value (p. 250-251. ___c)			
40	___% Series - - Shares O/S (p.250-251. ___e)			
41	___% Series - - Monetary Value (Ln 39 * Ln 40)	-	-	-
42	___% Series - - Dividend Amount (Ln 38 * Ln 41)	-	-	-
43	Balance of Preferred Stock (Lns 36, 41)	-	-	-
44	Dividends on Preferred Stock (Lns 37, 42)	-	-	-
45	Average Cost of Preferred Stock (Ln 44/43)	0.00%	0.00%	0.00%

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Line No.					Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 115)			\$70,569
			Total		
2	REVENUE CREDITS	(Note A) (Worksheet H)	4,800	DA	1.00000
3	Network Customer Owned Facility Credits	Worksheet B			-
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)			<u>\$65,769</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 included in the total on line 4.

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	(In 1 / In 37 x 100%)				0.00%
8	Monthly Rate	(In 7 / 12)				0.00%
9	NET PLANT CARRYING CHARGE ON LINE 7, W/O DEPRECIATION (w/o incentives) (Note B)					
10	Annual Rate	((In 1 - In 84) / In 37 x 100%)				0.00%
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME TAXES, RETURN (Note B)					
12	Annual Rate	((In 1 - In 84 - In 109 - In 110) / In 37 x 100%)				0.00%
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 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

	(1)	(2)	(3)	(4)	(5)
		Data Sources (See "General Notes")	TO Total NOTE D	Allocator	Total Transmission
Line No.	RATE BASE CALCULATION				
14	GROSS PLANT IN SERVICE				
14	Production	(Worksheet A In 3.E)	-	NA	0.00000
15	Less: Production ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000
16	Transmission	(Worksheet A In 9.E & Ln 119)	-	DA	-
17	Less: Transmission ARO (Enter Negative)	(Worksheet A In 12.E)	-	TP	0.00000
18	Distribution	(Worksheet A In 13.E)	-	NA	0.00000
19	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.E)	-	NA	0.00000
20	General Plant	(Worksheet A In 15.E)	-	W/S	0.00000
21	Less: General Plant ARO (Enter Negative)	(Worksheet A In 16.E)	-	W/S	0.00000
22	Intangible Plant	(Worksheet A In 17.E)	-	W/S	0.00000
23	TOTAL GROSS PLANT	(sum Ins 14 to 22)	-	GP=	0.00000
				GTD=	-
24	ACCUMULATED DEPRECIATION AND AMORTIZATION				
25	Production	(Worksheet A In 22.E)	-	NA	0.00000
26	Less: Production ARO (Enter Negative)	(Worksheet A In 25.E)	-	NA	0.00000
27	Transmission	(Worksheet A In 28.E & 47.E)	-	TP1=	0.00000
28	Less: Transmission ARO (Enter Negative)	(Worksheet A In 31.E)	-	TP1=	0.00000
29	Distribution	(Worksheet A In 32.E)	-	NA	0.00000
30	Less: Distribution ARO (Enter Negative)	(Worksheet A In 33.E)	-	NA	0.00000
31	General Plant	(Worksheet A In 34.E)	-	W/S	0.00000
32	Less: General Plant ARO (Enter Negative)	(Worksheet A In 35.E)	-	W/S	0.00000
33	Intangible Plant	(Worksheet A In 36.E)	-	W/S	0.00000
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)	-		-
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)	-	NP=	0.00000
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)	(810)	DA	(167)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	11,966	DA	11,966
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	13,339	DA	(1,278)
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)	-	DA	-
48	TOTAL ADJUSTMENTS	(sum Ins 43 to 47)	24,495		10,521
49	PLANT HELD FOR FUTURE USE	(Worksheet A In 48.E & 49.E)	-	DA	-
50	REGULATORY ASSETS	(Worksheet A In 55.E)	-	DA	-
51	WORKING CAPITAL	(Note F)			
52	Cash Working Capital	(1/8 * In 68) (Note G)	52		-
53	Transmission Materials & Supplies	(Worksheet D, In 3 F)	-	TP	0.00000
54	A&G Materials & Supplies	(Worksheet D, In 4 F)	-	W/S	0.00000
55	Stores Expense	(Worksheet D, In 5 F)	-	GP	0.00000
56	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 8 G)	-	W/S	0.00000
57	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 8 F)	-	GP	0.00000
58	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 8 E)	-	DA	1.00000
59	Prepayments (Account 165) - Unallocable	(Worksheet D, In 8 D)	-	NA	0.00000
60	TOTAL WORKING CAPITAL	(sum Ins 52 to 59)	52		-
61	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	-	DA	1.00000
62	RATE BASE (sum Ins 41, 48, 49, 60, 61)		<u>24,547</u>		<u>10,521</u>

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN 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
63	OPERATION & MAINTENANCE EXPENSE				
63	Transmission	321.112.b	451		
64	Less: Transmission Serving Generation	(Note U) Company Records			
65	Less: Total Account 561	(Note I) 321.84-92.b	36		
66	Less: Account 565	(Note J) 321.96.b	-		
67	Plus: Includable 561 and 565 Expenses	Worksheet I In 10	\$0		
68	Total O&M Allocable to Transmission	(Ins 63 - 64- 65 - 66 + 67)	415	TP	0.00000
69	Administrative and General	323.197.b (Note K, M)	69,559		
70	Less: Acct. 924, Property Insurance	323.185.b	-		
71	Acct. 928, Reg. Com. Exp.	323.189.b	-		
72	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
73	Acct. 930.2, Misc. Gen. Exp.	323.192.b	3		
74	Balance of A & G	(In 69 - sum In 70 to In 73)	69,556	W/S	1.00000
75	Plus: Acct. 924, Property Insurance	(In 70)	-	GP	0.00000
76	Acct. 928 - Transmission Specific	Worksheet J In 16.(E) (Note L)	-	TP	0.00000
77	Acct 930.1 - Only safety related ads -Direct	Worksheet J In 22.(E) (Note L)	-	GP	0.00000
78	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet J In 28.(E) (Note L)	-	DA	1.00000
79	A & G Subtotal	(sum Ins 74 to 78)	69,556		
80	TOTAL O & M EXPENSE	(In 68 + In 79)	69,971		
81	DEPRECIATION AND AMORTIZATION EXPENSE				
82	Transmission	336.7.b	-		
83	Less: Transmission Serving Generation	(Note U) Company Records			
84	Includable Transmission	(In 82 - In 83)	-	TP	0.00000
85	General	336.10.b	-	W/S	0.00000
86	Intangible	336.1.d	-	W/S	0.00000
87	TOTAL DEPRECIATION AND AMORTIZATION	(sum Ins 84 to 86)	-		
88	TAXES OTHER THAN INCOME	(Note N)			
89	Labor Related				
90	Payroll	Worksheet L, Col. D	-	W/S	0.00000
91	Plant Related				
92	Property	Worksheet L, Col. C	-	GP	0.00000
93	Non-Allocable Taxes, incl. Transmission Serving Gen.	Worksheet L, Col. F	-	NA	0.00000
94	Other	Worksheet L, Col. E	-	GP	0.00000
95	TOTAL OTHER TAXES	(sum Ins 90 to 94)	-		
96	INCOME TAXES	(Note O)			
97	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		27.32%		
98	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		25.08%		
99	where WCLTD=(In 139) and WACC = (In 142)				
100	and FIT, SIT & p are as given in Note O.				
101	$GRCF=1 / (1 - T) =$ (from In 97)		1.3759		
102	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
103	Excess / (Deficit) Deferred Income Tax	Company Records (Note O)	-	DA	-
104	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)	-	DA	-
105	Income Tax Prior to Adjustments	(In 98 * In 110)	474		203
106	ITC adjustment	(In 101 * In 102)	-	NP	-
107	Excess / (Deficit) Deferred Income Tax	(In 101 * In 103)	-	DA	-
108	Tax Effect of Permanent and Flow Through Differences	(In 101 * In 104)	-	DA	-
109	TOTAL INCOME TAXES	(sum Ins 105 to 108)	474		203
110	RETURN ON RATE BASE (Rate Base*WACC)	(In 62 * In 142) or In 62 * In 155) (Note T)	1,891		811
111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E) (Worksheet E, In 2)		-	DA	1.00000
112	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX		72,336		70,569
113	(sum Ins 80, 87, 95, 109, 110, 111)				
114	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA	-
115	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 112 + 114)	72,336		70,569

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN SPP TARIFF								
116	Total transmission plant	(In 16)							-
117	Less transmission plant excluded from SPP Tariff (Worksheet A, In 42 Col. (E)) (Note Q)								-
118	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 39, Col. (E)) (Note R)								-
119	Transmission plant included in SPP Tariff	(In 116 - In 117 - In 118)							-
120	Percent of transmission plant in SPP Tariff	(In 119 / In 116)						TP=	0.00000
121	WAGES & SALARY ALLOCATOR (W/S)	(Note S)							
122	Production	354.20.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total				
123	Transmission	354.21.b	-	1,885	-	NA	0.00000		-
124	Regional Market Expenses	354.22.b	-	-	1,885	TP	0.00000		-
125	Distribution	354.23.b	-	-	-	NA	0.00000		-
126	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000		-
127	Total	(sum Ins 122 to 126)	-	1,885	1,885				-
128	Transmission related amount							W/S=	0.00000
129	STAND ALONE (Note T)								
129	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$
130	Long Term Interest	Long Term Interest (Worksheet M, In. 21, col. (E))							32,180
131	Preferred Dividends	Preferred Stock Dividends (Worksheet M, In. 44, col. (E))							-
132	Development of Common Stock:							<u>Average</u>	
133	Proprietary Capital	(Worksheet M, In. 1, col. (E))							(1,218,775)
134	Less Preferred Stock (In 140)	(Worksheet M, In. 2, col. (E))							-
135	Less Account 216.1	(Worksheet M, In. 3, col. (E))							-
136	Less Account 219	(Worksheet M, In. 4, col. (E))							-
137	Common Stock	(In 133 - In 134 - In 135 - In 136)							(1,218,775)
138									
139	Avg Long Term Debt (Worksheet M, In. 11, col. (E))		<u>Rate Year Average Balances</u>	<u>Capital Structure Percentage</u>			Cost (Note T)	<u>Weighted</u>	
140	Avg Preferred Stock (Worksheet M, In. 43, col. (E))		-	0.00%			0.00%	0.0000	
141	Avg Common Stock (In 137) (Note U)		(1,218,775)	0.00%			0.00%	0.0000	
142	Total (sum Ins 139 to 141)		(1,218,775)				10.50%	0.0000	
								WACC=	0.0000
143	SOUTHWESTERN ELECTRIC POWER COMPANY (Note T)								
143	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$
144	Long Term Interest	Long Term Interest (SWEPCO FR Worksheet M, In. 21, col. (E))							122,143,004
145	Preferred Dividends	Preferred Stock Dividends (SWEPCO FR Worksheet M, In. 44, col. (E))							-
146	Development of Common Stock:							<u>Average</u>	
147	Proprietary Capital	(SWEPCO Worksheet M, In. 1, col. (E))							2,362,135,378
148	Less Preferred Stock (In 153)	(SWEPCO Worksheet M, In. 2, col. (E))							-
149	Less Account 216.1	(SWEPCO Worksheet M, In. 3, col. (E))							31,744,488
150	Less Account 219	(SWEPCO Worksheet M, In. 4, col. (E))							(1,139,895)
151	Common Stock	(In 147 - In 148 - In 149 - In 150)							2,331,530,785
152									
152	Avg Long Term Debt (SWE WS-M, In. 11, col. (E))		<u>Rate Year Average Balances</u>	<u>Capital Structure Percentage</u>			Cost (Note T)	<u>Weighted</u>	
153	Avg Preferred Stock (SWE WS-M, In. 43, col. (E))		2,431,100,000	51.05%			5.02%	0.0256	
154	Avg Common Stock (In 151)		-	0.00%			0.00%	0.0000	
154	Avg Common Stock (In 151)		2,331,530,785	48.95%			10.50%	0.0514	
155	Total (sum Ins 152 to 154)		4,762,630,785					WACC=	0.0770

AEP West SPP Member Transmission Companies
 Transmission Cost of Service Formula Rate
 Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN 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 FERC Rulemaking RM02-7-000.
- 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 68.
- 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 111.
- 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 actuarial valuation report supporting the derivation of the PBOP expense, along with an explanation of PBOP derivation process, is submitted during the formula rate annual update.
- 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) (ln 97) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
 Inputs Required:

FIT =	21.00%
SIT =	8.00% (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. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period.
- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by a 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, other than Transmission Serving Generation which is removed at Worksheet A. See Note U.
- 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 (ln 130) / Long Term Debt (ln 139). Preferred Stock cost rate = preferred dividends (ln 131) / preferred outstanding (ln 140). Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC in Docket No. ER07-1069. 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 and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- U Costs specifically incurred to build, operate, maintain, or depreciate assets which are dedicated to the interconnection of individual generation resources to the SPP transmission network, including generation tie-lines, are deemed to be production-related will be removed from the transmission cost of service. Such costs, referred to herein as Transmission Serving Generation, will be reported in the FERC Form 1 in Transmission functional accounts, and thus adjustments are needed to remove those costs from line items which include them.

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet A - Detailed Plant and Accumulated Depreciation Balances
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) Rate Base Item & Supporting Balance</u>	<u>(B) Source of Data</u>	<u>(C) Balances @ 12/31/2019</u>	<u>(D) Balances 12/31/2018</u>	<u>(E) Average Balance for 2019</u>
Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
See Note U at the TCOS worksheet for a description of Transmission Serving Generation.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46			-
2	Add: Transmission Serving Generation	Company Records			-
3	Formula Production Plant In Service		0	0	-
4	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44			-
5	Add: Transmission Serving Generation ARO	Company Records			-
6	Formula Production ARO		0	0	-
7	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58			-
8	Less: Transmission Serving Generation	Company Records	-	-	-
9	Formula Transmission Plant In Service		0	0	-
10	Transmission Asset Retirement Obligation (Acct. 359.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57			-
11	Less: Transmission Serving Generation ARO	Company Records			-
12	Formula Transmission ARO		0	0	-
13	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75			-
14	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74			-
15	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	-	-	-
16	General Asset Retirement Obligation (Acct. 399.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98			-
17	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	-	-	-
18	Total Property Investment Balance	(Sum of Lines: 3, 9, 13, 15, 17)	-	-	-
19	Total ARO Balance (included in total on line 18)	(Sum of Lines: 6, 12, 14, 16)	-	-	-
Accumulated Depreciation & Amortization Balances					
20	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)			-
21	Add: Transmission Serving Generation	Company Records			-
22	Formula Production Plant In Service		0	0	-
23	Production ARO Accumulated Depreciation (included in total on line 20)	Company Records - Note 1			-
24	Add: Transmission Serving Generation ARO	Company Records			-
25	Formula Production ARO		0	0	-
26	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	-	-	-
27	Less: Transmission Serving Generation	Company Records			-
28	Formula Transmission Plant In Service		0	0	-
29	Transmission ARO Accumulated Depreciation (included in total on line 26)	Company Records - Note 1			-
30	Less: Transmission Serving Generation ARO	Company Records			-
31	Formula Transmission ARO		0	0	-
32	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)			-
33	Distribution ARO Accumulated Depreciation (included in total on line 32)	Company Records - Note 1			-
34	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	-	-	-
35	General ARO Accumulated Depreciation (included in total on line 34)	Company Records - Note 1			-
36	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	-	-	-
37	Total Accumulated Depreciation or Amortization	(Sum of Lines: 22, 28, 32, 34, 36) FF1, page 200, In 22, Col (b)	-	-	-
38	Total ARO Balance (included in total on line 37)	(Sum of Lines: 25, 31, 33, 35)	-	-	-

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet A - Detailed Plant and Accumulated Depreciation Balances
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) Rate Base Item & Supporting Balance</u>	<u>(B) Source of Data</u>	<u>(C) Balances @ 12/31/2019</u>	<u>(D) Balances 12/31/2018</u>	<u>(E) Average Balance for 2019</u>
Generation Step-Up Units					
39	GSU Investment Amount (included in total on line 7)	Company Records - Note 1			-
40	GSU Accumulated Depreciation (Included in total on line 26)	Company Records - Note 1			-
41	GSU Net Balance	(Line 39 - Line 40)	-	-	-
Transmission Plant Excluded from SPP Tariff (see TCOS Note Q)					
42	Excluded Facilities Investment Amount	Company Records - Note 1			-
43	Excluded Facilities Accumulated Depreciation	Company Records - Note 1			-
44	Excluded Facilities Net Balance	(Line 42 - Line 43)	-	-	-
Transmission Accumulated Depreciation Net of GSU/Excluded Facilities Accumulated Depreciation					
45	Transmission Accumulated Depreciation	(Line 28 Above)	-	-	-
46	Less: GSU & Excl Facilities Acc Dep	(Line 40 + Line 43 Above)	-	-	-
47	Subtotal of Transmission Accumulated Depreciation Net of GSU/Excluded Facilities	(Line 45 - Line 46)	-	-	-
Plant Held For Future Use					
48	Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)			-
49	Transmission Plant Held For Future Use (Included in total on line 48)	Company Records - Note 1			-
NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.					
Regulatory Assets and Liabilities Approved for Recovery In Ratebase					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with FERC.					
50					-
51					-
52					-
53					-
54					-
55	Total Regulatory Deferrals Included in Ratebase		-	-	-

AEP West SPP Member Transmission Companies
Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet B - Third Party Facility Credits
AEP SOUTHWESTERN 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 with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet C - ADIT and ADITC Balances
AEP SOUTHWESTERN 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									
<u>Account 282 - Form-1 page 274.2.b and 275.2.k</u>									
1	282.1	2019 Year End Tax Deferrals - WS C-1	(809)	(0)	(167)	-	-	(642)	
2	282.1	2018 Year End Tax Deferrals - WS C-2	(811)	(0)	(167)	-	-	(644)	
3		Subtotal	(1,620)	(0)	(334)	-	-	(1,286)	
4		Average Balance before Proration	(810)	(0)	(167)	0	0	(643)	
5		Proration Adjustment - WS C-3				(1)			
6		Prorated Average balance	(810)	(0)	(167)	(1)	0	(643)	
7		Transmission Allocator from TCOS		0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	
8		Allocated Total		0	(167)	0	0	0	(167)
<u>Account 283 - Form-1 page 276.9.b and 277.9.k</u>									
9	283.1	2019 Year End Tax Deferrals - WS C-1	11,966	-	11,966	-	-	-	
10	283.1	2018 Year End Tax Deferrals - WS C-2	11,966	-	11,966	-	-	-	
11		Subtotal	23,932	-	23,932	-	-	-	
12		Average Balance	11,966	0	11,966	0	0	0	
13		Transmission Allocator from TCOS		0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	
14		Allocated Total		0	11,966	0	0	0	11,966
<u>Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)</u>									
15	190.1	2019 Year End Tax Deferrals - WS C-1	13,339	14,502	(1,278)	-	-	116	
16	190.1	2018 Year End Tax Deferrals - WS C-2	13,339	14,502	(1,278)	-	-	116	
17		Subtotal	26,679	29,003	(2,557)	-	-	232	
18		Average Balance before Proration	13,339	14,502	(1,278)	0	0	116	
19		Proration Adjustment - WS C-3			0				
20		Prorated Average balance	13,339	14,502	(1,278)	0	0	116	
21		Transmission Allocator from TCOS		0.0000%	100.0000%	0.0000%	0.0000%	0.0000%	
22		Allocated Total		0	(1,278)	0	0	0	(1,278)
<u>Account 255 - Form-1 page 266-267</u>									
					<u>Pre 1971 ITC</u> Includable in Rate Base				
23	255.0	Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 267, Ln 2.h)				-			
24	255.0	Acc Defrd ITC - Federal - 12/31/2018 (FF1 p. 266, Ln 2.b)				-			
25		Subtotal	-			-			
26		Average Balance	0			0			
27		Transmission Allocator from TCOS				0.0000%			
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, INC.
**WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES
 AS OF DECEMBER 31, 2019**

Account	Line #	Description	Balance	Allocation Basis	Exclusions	Allocation Method			
						100% Transmission	PTD Plant	T&D	Labor
2821001	230X	R & D DEDUCTION - SEC 174	(0)	E	(0)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(309)	Labor					(309)
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(167)	T		(167)			
2821001		Forecast Adjustment	(333)						(333)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(809)		(0)	(167)	0	0	(642)
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(23,730)	E	(23,730)				
2831001	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	23,730	E	23,730				
2831001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	5,955	T		5,955			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,011	T		6,011			
2831001		Forecast Adjustment	-	T		0			
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	11,966		0	11,966	0	0	0
1901001	520A	PROVS POSS REV REFDS-A/L	15,294	E	15,294				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	127	Labor					127
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	(1,262)	T		(1,262)			
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	112,998	E	112,998				
1901002	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	(112,998)	E	(112,998)				
1901001		Forecast Adjustment	-	T		0			
1901001		Forecast Adjustment	(819)		(792)	(16)			(11)
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	13,339		14,502	(1,278)	0	0	116

AEP West SPP Member Transmission Companies
 AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.
WORKSHEET C-2 -BEGINNING OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES
AS OF DECEMBER 31, 2018

Account	Line #	Description	Balance	Allocation Basis	Exclusions	Allocation Method			
						100% Transmission	PTD Plant	T&D	Labor
2821001	230X	R & D DEDUCTION - SEC 174	(0)	E	(0)				
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(309)	Labor					(309)
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(167)	T		(167)			
2821001		Forecast Adjustment	(335)						(335)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) -- Acct 282 Electric)	(811)		(0)	(167)	0	0	(644)
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(23,730)	E	(23,730)				
2831001	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	23,730	E	23,730				
2831001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	5,955	T		5,955			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,011	T		6,011			
2831001		Forecast Adjustment	-	T		0			
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) -- Acct 283 Electric)	11,966		0	11,966	0	0	0
1901001	520A	PROVS POSS REV REFDS-A/L	15,294	E	15,294				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	127	Labor					127
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	(1,262)	T		(1,262)			
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	112,998	E	112,998				
1901002	014V-DSIT	NOL-STATE C/F-VALUATION ALLOWANCE	(112,998)	E	(112,998)				
1901001		Forecast Adjustment	(819)	T	(792)	(16)			(11)
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) -- Electric)	13,339		14,502	(1,278)	0	0	116

AEP West SPP Member Transmission Companies
 AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.
**WORKSHEET C-3 -PRORATION OF PROPERTY-RELATED DEFERRED INCOME TAX BALANCES
 AS OF DECEMBER 31, 2019**

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)-I(h)(6)(ii) when preparing forecasted rates. This worksheet is not used during Annual True-Ups. Prorable activity in Account 282 results from the use of accelerated tax depreciation on additions to plant in service. The adjustment on line 19 is included on Worksheet C as a reduction to the ending forecasted ADIT balance of account 282. A proration adjustment for account 190, if any, will be calculated beginning on line 20.

Account 282 Proration Adjustment

	Source	
1 Rate Year ending balance	WS C-1	(809)
2 Rate Year beginning balance	WS C-2	(811)
3 Annual forecasted change	Line 1 less Line 2	2
4 Monthly forecasted change	Line 3 / 12	0

Line	(A) Future Test Period	(B) Prorable Deferred Tax Activity	(C) Deferred Tax Balance	(D) Days in Month	(E) Number of Days Left in Period	(F) Proration Amount	(G) Prorated Item	(H) Prorated Balance	
5	Beginning Balance	(811)	(811)		365	100.00%	(811)	(811)	
6	January (line 4)	0	(811)	31	335	91.78%	0	(811)	
7	February	0	(811)	28	307	84.11%	0	(811)	
8	March	0	(811)	31	276	75.62%	0	(811)	
9	April	0	(810)	30	246	67.40%	0	(811)	
10	May	0	(810)	31	215	58.90%	0	(811)	
11	June	0	(810)	30	185	50.68%	0	(810)	
12	July	0	(810)	31	154	42.19%	0	(810)	
13	August	0	(810)	31	123	33.70%	0	(810)	
14	September	0	(810)	30	93	25.48%	0	(810)	
15	October	0	(809)	31	62	16.99%	0	(810)	
16	November	0	(809)	30	32	8.77%	0	(810)	
17	December	0	(809)	31	1	0.27%	0	(810)	
18	Ending Balance		(809)					(810)	
19	Proration Adjustment - Line 18 Col. (H) less Col. (C)							\$	(1)

Account 190 Proration Adjustment

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

Line	(A) Future Test Period	(B) Prorable Deferred Tax Activity	(C) Deferred Tax Balance	(D) Days in Month	(E) Number of Days Left in Period	(F) Proration Amount	(G) Prorated Item	(H) 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)							\$	-

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet D - Working Capital Rate Base Adjustments
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2019</u> FF1, p. 227, Col. (c)	<u>Balance @ December 31, 2018</u> FF1, p. 227, Col. (b)	<u>Average Balance for Rate Year</u>				
1	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c & b)			-			
2	Less: Transmission Serving Generation	Company Records			-			
3	Transmission M&S, Excl Trans Serving Gen		-	-	-			
4	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c & b)			-			
5	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c & b)			0			

Prepayment Balance Summary

	<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>
6	Totals as of December 31, 2019	0	0	0	0	0
7	Totals as of December 31, 2018	0	0	0	0	0
8	Average Balance	0	0	0	0	0

Prepayments Account 165 - Balance @ 12/31/2019

<u>Acc. No.</u>	<u>Description</u>	<u>2019 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>	<u>Explanation</u>
9	1650001 Prepaid Insurance	0			0	0	0	
10	1650021 Prepaid Insurance - EIS	0			0	0	0	
11	1650023 Prepaid Lease	0		0			0	
12							0	
13							0	
14							0	
15							0	
16							0	
17							0	
18							0	
19	Subtotal - Form 1, p 111.57.c	0	0	0	0	0	0	

Prepayments Account 165 - Balance @ 12/31/2018

<u>Acc. No.</u>	<u>Description</u>	<u>2018 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Total Included in Rate Base (E)+(F)+(G)</u>	<u>Explanation</u>
21	1650001 Prepaid Insurance	0					0	
22	1650021 Prepaid Insurance - EIS						0	
23	1650023 Prepaid Lease			0			0	
24							0	
25							0	
26							0	
27							0	
28							0	
29							0	
30	Subtotal - Form 1, p 111.57.e d			0			0	

AEP West SPP Member Transmission Companies
Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet E - IPP Credits
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2019</u>
1	Net Funds from IPP Customers @ 12/31/2018 (2019 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 12/31/2019 (2019 FORM 1, P269, (F))	-
8	Average Balance for 2019 ((ln 1 + ln 7)/2)	-

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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, INC.

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

Line Number

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

1	ROE w/o incentives (TCOS, In 141)			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 139 through 141)			
5		%	Cost	Weighted cost
6	Long Term Debt	0.00%	0.00%	0.00%
7	Preferred Stock	0.00%	0.00%	0.00%
8	Common Stock	0.00%	10.50%	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 62)			10,521
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 97)			27.32%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =			0.00%
16	Income Tax Calculation (Return x EIT)			-
17	ITC Adjustment (TCOS, In 106)			-
18	Excess DFIT Adjustment (TCOS, In 107)			-
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 108)			-
20	Income Taxes			-

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 115)			70,569
22	Return (TCOS, In 110)			811
23	Income Taxes (TCOS, In 109)			203
24	Gross Margin Taxes (TCOS, In 114)			-
25	Net Revenue Requirement, Less Return and Taxes			69,556

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

26	Net Revenue Requirement, Less Return and Taxes			69,556
27	Return (from I.B. above)			-
28	Income Taxes (from I.C. above)			-
29	Net Revenue Requirement, with 0 Basis Point ROE increase			69,556
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)			-
31	Revenue Requirement w/ Gross Margin Taxes			69,556
32	Less: Depreciation (TCOS, In 84)			-
33	Net Rev. Req. w/0 Basis Point ROE increase, less Depreciation			69,556

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

34	Net Revenue Requirement before Gross Margin Taxes, with 0			69,556
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			22.0%
39	Taxable, Apportioned Margin			-
40	Texas Gross Margin Tax Rate			1.0%
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)			-
45	Net Revenue Requirement, with 0 Basis Point ROE increase			69,556
46	FCR with 0 Basis Point increase in ROE			0.00%
47	Net Rev. Req. w/ 0 Basis Point ROE increase, less Dep.			69,556
48	FCR with 0 Basis Point ROE increase, less Depreciation			0.00%
49	FCR less Depreciation (TCOS, In 10)			0.00%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation			0.00%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant @ Beginning of Period (Worksheet A In 9 col. (D))			-
52	Transmission Plant @ End of Period (Worksheet A In 9 col. (C))			-
53	Transmission Plant Average Balance for 2019			-
54	Annual Depreciation Expense (TCOS, In 84)			-
55	Composite Depreciation Rate			0.00%
56	Depreciable Life for Composite Depreciation Rate			-
57	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 Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN REVENUE REQUIREMENTS				
	Rev Require	With Incentives	Incentive Amounts	
Σ Projected Year	2019	-	-	\$ -

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

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 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, INC.

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

A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects				
1	ROE w/o incentives (TCOS, In 141)			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 139 through 141)			
5		<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
6	Long Term Debt	0.00%	0.00%	0.00%
7	Preferred Stock	0.00%	0.00%	0.00%
8	Common Stock	0.00%	10.50%	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 62)			10,521
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 97)			27.32%
15	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =			0.00%
16	Income Tax Calculation (Return x EIT)			-
17	ITC Adjustment (TCOS, In 106)			-
18	Excess DFIT Adjustment (TCOS, In 107)			-
19	Tax Effect of Permanent and Flow Through Differences (TCOS, In 108)			-
20	Income Taxes			-

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 115)			70,569
22	Return (TCOS, In 110)			811
23	Income Taxes (TCOS, In 109)			203
24	Gross Margin Taxes (TCOS, In 114)			-
25	Net Revenue Requirement, Less Return and Taxes			69,556

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

26	Net Revenue Requirement, Less Return and Taxes			69,556
27	Return (from I.B. above)			-
28	Income Taxes (from I.C. above)			-
29	Net Revenue Requirement, with 0 Basis Point ROE increase			69,556
30	Gross Margin Tax with Basis Point ROE Increase (II C. below)			-
31	Revenue Requirement w/ Gross Margin Taxes			69,556
32	Less: Depreciation (TCOS, In 84)			-
33	Net Rev. Req, w/0 Basis Point ROE increase, less Depreciation			69,556

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

34	Net Revenue Requirement before Gross Margin Taxes, with 0			69,556
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			22.0%
39	Taxable, Apportioned Margin			-
40	Texas Gross Margin Tax Rate			1.0%
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)			-
45	Net Revenue Requirement, with 0 Basis Point ROE increase			69,556
46	FCR with 0 Basis Point increase in ROE			0.00%
47	Net Rev. Req, w / 0 Basis Point ROE increase, less Dep.			69,556
48	FCR with 0 Basis Point ROE increase, less Depreciation			0.00%
49	FCR less Depreciation (TCOS, In 10)			0.00%
50	Incremental FCR with 0 Basis Point ROE increase, less Depreciation			0.00%

III. Calculation of Composite Depreciation Rate

51	Transmission Plant @ Beginning of Period (Worksheet A In 9 col. ((D))			-
52	Transmission Plant @ End of Period (Worksheet A In 9 col. ((C))			-
53	Transmission Plant Average Balance for 2019			-
54	Annual Depreciation Expense (TCOS, In 84)			-
55	Composite Depreciation Rate			0.00%
56	Depreciable Life for Composite Depreciation Rate			-
57	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 Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

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 2019 Rate Year Cost of Service Formula Rate
 Worksheet H - Revenue Credits
 AEP SOUTHWESTERN 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	-	-	-
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)			85,348
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			80,548
Network Service Revenue (SPP Schedule 9) Associated with Load included in the Divisor			80,548
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			<u>\$4,800</u>
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			<u><u>\$4,800</u></u>

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 2019 Rate Year Cost of Service Formula Rate
Worksheet I - Supporting Transmission Expense Adjustments
AEP SOUTHWESTERN 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 565 which are includable in the formula on TCOS line 66, and make any other necessary FERC jurisdictional adjustments to Transmission O&M.

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u> <u>2019</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	
	(sum of lines 2 through 9)	\$0

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet J - Allocation of Specific O&M or A&G Expenses
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

<u>Line Number</u>	<u>(A) FERC Acct No.</u>	<u>(B) Description</u>	<u>(C) 2019 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	928	Regulatory Commission Expense				
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16		Total (FERC Form 1 p.323.189.b)	0	0	0	
		<u>Account 930.1</u>				
17	9301000	General Advertising Expenses				
18						
19						
20						
21						
22		Total (FERC Form 1 p.323.191.b)	0	0	0	
		<u>Account 930.2</u>				
23	9302000	Misc General Expenses	3	3		
24						
25						
26						
27						
28		Total (FERC Form 1 p.323.192.b)	3	3	-	

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet K - Development of Composite State Income Tax Rate
AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

I. DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES FOR 2019

State Income Tax Rate - Oklahoma	Note 1		
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Texas			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Louisiana		8.00%	
Apportionment Factor		100.00%	
Effective State Income Tax Rate			8.0000%
State Income Tax Rate - Arkansas		6.50%	
Apportionment Factor		0.00%	
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>8.0000%</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

		<u>Projected / Actual</u>	
		Total Company	Trans. Only
Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX (TCOS In 114)	72,336	70,569
1	Apportionment Factor to Texas (In12)	0.00%	0.00%
2	Apportioned Texas Revenues	\$0	\$0
3	Taxable Percentage of Revenue	-	-
4	Taxable, Apportioned Margin	-	-
5	Texas Gross Margin Tax Rate	-	-
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		KW
11	Total Load		KW
12	Allocation Percentage (In 10 / In 11)	0.00%	

AEP West SPP Member Transmission Companies
 Actual / Projected 2019 Rate Year Cost of Service Formula Rate
Worksheet L - Taxes Other than Income
 AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<u>Revenue Taxes</u>					
2						
3						
4	<u>Real Estate and Personal Property Taxes</u>					
5	Louisiana Ad Valorem	-	-			
6						
7						
8						
9						
10	<u>Payroll Taxes</u>					
11						
12						
13						
14						
15	<u>Production Taxes</u>					
16						
17						
18						
19	<u>Miscellaneous Taxes</u>					
20						
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 2019 Rate Year Cost of Service Formula Rate

Worksheet M

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2018 and 12/31/2019

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2019	Balances @ 12/31/2018	Average
<u>Development of Average Balance of Common Equity</u>				
1	Total Proprietary Capital (p. 112.16.c&d)	(1,226,382)	(1,211,169)	(1,218,775)
2	Less Preferred Stock from Ln 43 below			-
3	Less Account 216.1 (p. 112.12.c&d)	-	-	-
4	Less Account 219.1 (p. 112.15.c&d)	-	-	-
5	Average Balance of Common Equity	(1,226,382)	(1,211,169)	(1,218,775)

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

6	Account 221 Bonds (112.18.c&d)	-	-	-
7	Less: Account 222 Reacquired Bonds (112.19.c&d)	-	-	-
8	Account 223 LT Advances from Assoc. Comp. (112.20.c&d)	-	-	-
9	Account 224 Senior Unsecured Notes (112.21.c&d)	-	-	-
10	Less: Non-Transmission Securitization (Co. Records)	-	-	-
11	Total Long-Term Debt	-	-	-
12	Annual Interest Expense			
13	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			32,180
14	Less: Financial Hedge Gain/Expense from Ln 28 Included in Ln 13			-
15	Plus: Allowed Hedge Recovery from Ln 32 below			-
16	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			
17	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			
18	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			
19	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			
20	Less: Non-Trans. Securitization (Company Records)			
21	Total Interest Expense (Ln 13 + Ln 14 + Ln 15 + Ln 16 + Ln 17 - Ln 18 - Ln 19 - Ln 20)			32,180
22	Average Cost of Debt (Ln 21/Ln 11)			0.00%
23	Financial Hedge Amortization Reported in Column (i) on Page 256-257 (Enter Gains as a Negative Number)			
24				
25				
26				
27				
28	Total Hedge Amortization			-
29	Total Average Capital Balance (TCOS, Ln 142)			(1,218,775)
30	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005
31	Limit of Recoverable Amount			(609)
32	Recoverable Hedge Amortization (Lesser of Ln 28 or 31)			-
	<i>(lesser of 5 basis point Cap or Actual (Gain)/Expense based on magnitude as indicated on Ln 28 or Ln 31)</i>			

Development of Cost of Preferred Stock

	Preferred Stock			Average
33	___% Series - - Dividend Rate (p. 250-251. ___a)			
34	___% Series - - Par Value (p. 250-251. ___c)			
35	___% Series - - Shares O/S (p.250-251. ___e)			
36	___% Series - - Monetary Value (Ln 34 * Ln 35)	-	-	-
37	___% Series - - Dividend Amount (Ln 33 * Ln 36)	-	-	-
38	___% Series - - Dividend Rate (p. 250-251. ___a)			
39	___% Series - - Par Value (p. 250-251. ___c)			
40	___% Series - - Shares O/S (p.250-251. ___e)			
41	___% Series - - Monetary Value (Ln 39 * Ln 40)	-	-	-
42	___% Series - - Dividend Amount (Ln 38 * Ln 41)	-	-	-
43	Balance of Preferred Stock (Lns 36, 41)	-	-	-
44	Dividends on Preferred Stock (Lns 37, 42)	-	-	-
45	Average Cost of Preferred Stock (Ln 44/43)	0.00%	0.00%	0.00%