

ATTACHMENT H-18A

Trans-Allegheny Interstate Line Company

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

TrAILCo

Shaded cells are input cells

2014 Forecast

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	0
2	Total Wages Expense	p354.28.b	0
3	Less A&G Wages Expense	p354.27.b	0
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	0
5	Wages & Salary Allocator	(Line 1 / Line 4), if line 2 = 0, then 100%	100.0000%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) Attachment 5	1,326,179,788
7	Total Plant In Service	(Line 6)	1,326,179,788
8	Accumulated Depreciation (Total Electric Plant)	Attachment 5	81,132,821
9	Total Accumulated Depreciation	(Line 8)	81,132,821
10	Net Plant	(Line 7 - Line 9)	1,245,046,967
11	Transmission Gross Plant	(Line 15 + Line 21)	1,326,179,788
12	Gross Plant Allocator	(Line 11 / Line 7, if Line 7=0, enter 100%)	100.0000%
13	Transmission Net Plant	(Line 11 - Line 29)	1,245,046,967
14	Net Plant Allocator	(Line 13 / Line 10, if line 10=0, enter 100%)	100.0000%

Plant Calculations

Transmission Plant			
15	Transmission Plant In Service	(Note B) Attachment 5	1,259,599,755
16	New Trans. Plant Adds. for Current Calendar Year (13 average balance)	(Note B) Attachment 6	121,546,826
17	Total Transmission Plant	(Line 15 + Line 16)	1,381,146,581
18	General & Intangible	Attachment 5	66,580,033
19	Total General & Intangible	(Line 18)	66,580,033
20	Wage & Salary Allocator	(Line 5)	100.0000%
21	Transmission Related General and Intangible Plant	(Line 19 * Line 20)	66,580,033
22	Transmission Related Plant	(Line 17 + Line 21)	1,447,726,614
Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B) Attachment 5	72,434,228
24	Accumulated General Depreciation	Attachment 5	3,876,568
25	Accumulated Intangible Amortization	Attachment 5	4,822,025
26	Total Accumulated General and Intangible Depreciation	(Sum Lines 24 to 25)	8,698,593
27	Wage & Salary Allocator	(Line 5)	100.0000%
28	Transmission Related General & Intangible Accumulated Depreciation	(Line 26 * Line 27)	8,698,593
29	Total Transmission Related Accumulated Depreciation	(Line 23 + Line 28)	81,132,821
30	Total Transmission Related Net Property, Plant & Equipment	(Line 22 - Line 29)	1,366,593,793

Adjustment To Rate Base			
31	Accumulated Deferred Income Taxes		
	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1
32	Transmission Related Accumulated Deferred Income Taxes		(Line 31)
			-171,670,276
33	Transmission Related CWIP (Current Year 13 Month weighted average balances)	(Note B)	p216.b.43 as shown on Attachment 6
			2,270,852
34	Transmission Related Land Held for Future Use	(Note C)	Attachment 5
			0
	Transmission Related Pre-Commercial Costs Capitalized		
35	Unamortized Capitalized Pre-Commercial Costs		Attachment 5
			0
	Prepayments		
36	Transmission Related Prepayments	(Note A)	Attachment 5
			112,905
	Materials and Supplies		
37	Undistributed Stores Expense	(Note A)	Attachment 5
38	Wage & Salary Allocator		(Line 5)
			100.0000%
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)
			0
40	Transmission Materials & Supplies		Attachment 5
			0
41	Transmission Related Materials & Supplies		(Line 39 + Line 40)
			0
	Cash Working Capital		
42	Operation & Maintenance Expense		(Line 74)
43	1/8th Rule		1/8
			1,522,598
44	Transmission Related Cash Working Capital		(Line 42 * Line 43)
			190,325
45	Total Adjustment to Rate Base		(Lines 32 + 33 + 34 + 35+ 36 + 41 + 44)
			-169,096,194
46	Rate Base		(Line 30 + Line 45)
			1,197,497,599

O&M			
	Transmission O&M		
47	Transmission O&M		p321.112.b
			8,669,961
48	Less Account 566 Misc Trans Exp listed on line 73 below.)		(line 73)
			937,961
49	Less Account 565		p321.96.b
			0
50	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note M)	PJM Data
			0
51	Plus Property Under Capital Leases		p200.4.c
			0
52	Transmission O&M		(Lines 47 - 48 - 49 + 50 + 51)
			7,732,000
	A&G Expenses		
53	Total A&G	(Note O)	p323.197.b
			-7,147,363
54	Less Property Insurance Account 924		p323.185.b
			43,049
55	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b
			0
56	Less General Advertising Exp Account 930.1		p323.191.b
			0
57	Less PBOP Adjustment		Attachment 5
			0
58	Less EPRI Dues	(Note D)	p352 & 353
			0
59	A&G Expenses		(Line 53) - Sum (Lines 54 to 58)
			-7,190,412
60	Wage & Salary Allocator		(Line 5)
			100.0000%
61	Transmission Related A&G Expenses		(Line 59 * Line 60)
			-7,190,412
	Directly Assigned A&G		
62	Regulatory Commission Exp Account 928	(Note G)	Attachment 5
			0
63	General Advertising Exp Account 930.1	(Note J)	Attachment 5
			0
64	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 62 + Line 63)
			0
65	Property Insurance Account 924		p323.185.b
			43,049
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5
			0
67	Total Accounts 928 and 930.1 - General		(Line 65 + Line 66)
			43,049
68	Net Plant Allocator		(Line 14)
			100.0000%
69	A&G Directly Assigned to Transmission		(Line 67 * Line 68)
			43,049
	Account 566 Miscellaneous Transmission Expense		
70	Amortization Expense on Pre-Commercial Cost	Account 566	Attachment 5
			0
71	Pre-Commercial Expense	Account 566	Attachment 5
			0
72	Miscellaneous Transmission Expense	Account 566	Attachment 5
			937,961
73	Total Account 566		Sum (Lines 70 to 72)
			937,961
74	Total Transmission O&M		(Lines 52 + 61 + 64 + 69 + 73)
			1,522,598

Depreciation & Amortization Expense

Depreciation Expense			
75	Transmission Depreciation Expense	Attachment 5	24,730,942
76	General Depreciation	Attachment 5	1,329,321
77	Intangible Amortization	(Note A) Attachment 5	1,649,781
78	Total	(Line 76 + Line 77)	2,979,102
79	Wage & Salary Allocator	(Line 5)	100.0000%
80	Transmission Related General Depreciation and Intangible Amortization	(Line 78 * Line 79)	2,979,102
81	Total Transmission Depreciation & Amortization	(Lines 75 + 80)	27,710,044

Taxes Other than Income

82	Transmission Related Taxes Other than Income	Attachment 2	9,504,363
83	Total Taxes Other than Income	(Line 82)	9,504,363

Return / Capitalization Calculations

84	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
85	Proprietary Capital		p112.16.c	657,124,621
86	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	0
87	Less Preferred Stock		(Line 95)	0
88	Less Account 216.1		p112.12.c	0
89	Common Stock		(Line 85 - 86 - 87 - 88)	657,124,621
Capitalization				
90	Long Term Debt	(Note N)		450,000,000
91	Less Unamortized Loss on Reacquired Debt		p111.81.c	2,219,377
92	Plus Unamortized Gain on Reacquired Debt		p113.61.c	0
93	Less ADIT associated with Gain or Loss		Attachment 1	-1,015,123
94	Total Long Term Debt		(Line 90 - 91 + 92 - 93)	448,795,746
95	Preferred Stock		p112.3.c	0
96	Common Stock		(Line 89)	657,124,621
97	Total Capitalization		(Sum Lines 94 to 96)	1,105,920,367
98	Debt %	Total Long Term Debt	(Note N) (Line 94 / Line 97)	40.5812%
99	Preferred %	Preferred Stock	(Note N) (Line 95 / Line 97)	0.0000%
100	Common %	Common Stock	(Note N) (Line 96 / Line 97)	59.4188%
101	Debt Cost	Total Long Term Debt		0.0489
102	Preferred Cost	Preferred Stock	(Line 84 / Line 95)	0.0000
103	Common Cost	Common Stock	(Note I) The most recent FERC approved ROE	0.1170
104	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 98 * Line 101)	0.0198
105	Weighted Cost of Preferred	Preferred Stock	(Line 99 * Line 102)	0.0000
106	Weighted Cost of Common	Common Stock	(Line 100 * Line 103)	0.0695
107	Rate of Return on Rate Base (ROR)		(Sum Lines 104 to 106)	0.0893
108	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 107)	106,995,672

Composite Income Taxes			
Income Tax Rates			
109	FIT=Federal Income Tax Rate	(Note H)	35.00%
110	SIT=State Income Tax Rate or Composite		6.92%
111	p	(percent of federal income tax deductible for state purp Per State Tax Code	0.00%
112	T	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	39.50%
113	T / (1-T)		65.28%
114	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$ [Line 113 * Line 108 * (1- (Line 104 / Line 107))]	54,348,037
115	Total Income Taxes	(Line 114)	54,348,037

REVENUE REQUIREMENT

Summary			
116	Net Property, Plant & Equipment	(Line 30)	1,366,593,793
117	Total Adjustment to Rate Base	(Line 45)	-169,096,194
118	Rate Base	(Line 46)	1,197,497,599
119	Total Transmission O&M	(Line 74)	1,522,598
120	Total Transmission Depreciation & Amortization	(Line 81)	27,710,044
121	Taxes Other than Income	(Line 83)	9,504,363
122	Investment Return	(Line 108)	106,995,672
123	Income Taxes	(Line 115)	54,348,037
124	Gross Revenue Requirement	(Sum Lines 119 to 123)	200,080,714

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
125	Transmission Plant In Service	(Line 22)	1,447,726,614
126	Excluded Transmission Facilities	(Note L) Attachment 5	0
127	Included Transmission Facilities	(Line 125 - Line 126)	1,447,726,614
128	Inclusion Ratio	(Line 127 / Line 125)	100.00%
129	Gross Revenue Requirement	(Line 124)	200,080,714
130	Adjusted Gross Revenue Requirement	(Line 128 * Line 129)	200,080,714

Revenue Credits			
131	Revenue Credits	Attachment 3	3,057,090

132	Net Revenue Requirement	(Line 130 - Line 131)	197,023,624
-----	--------------------------------	------------------------------	--------------------

Net Plant Carrying Charge			
133	Net Revenue Requirement	(Line 132)	197,023,624
134	Net Transmission Plant + CWIP	(Line 17 - Line 23 + Line 33)	1,310,983,205
135	FCR	(Line 133 / Line 134)	15.0287%
136	FCR without Depreciation	(Line 133 - Line 75) / Line 134	13.1422%
137	FCR without Depreciation and Pre-Commercial Costs	(Line 133 - Line 70 - Line 71 - Line 75) / Line 134	13.1422%
138	FCR without Depreciation, Return, nor Income Taxes	(Line 133 - Line 75 - Line 108 - Line 115) / Line 134	0.8352%

Net Plant Carrying Charge Calculation with Incentive ROE			
139	Net Revenue Requirement Less Return and Taxes	(Line 132 - Line 122 - Line 123)	35,679,915
140	Increased Return and Taxes	Attachment 4	173,104,227
141	Net Revenue Requirement with Incentive ROE	(Line 139 + Line 140)	208,784,142
142	Net Transmission Plant + CWIP	(Line 17 - Line 23+ Line 33)	1,310,983,205
143	FCR with Incentive ROE	(Line 141 / Line 142)	15.9258%
144	FCR with Incentive ROE without Depreciation	(Line 141 - Line 75) / Line 142	14.0393%
145	FCR with Incentive ROE without Depreciation and Pre-Commercial	(Line 141 - Line 70 - Line 71 - Line 75) / Line 142	14.0393%

Net Revenue Requirement			
146	Net Revenue Requirement	(Line 132)	197,023,623.86
147	Reconciliation amount	Attachment 6	555,328.01
148	Plus any increased ROE calculated on Attach 7 other than PJM Sch. 12 projects not paid by other PJM trans zones	Attachment 7	9,468,346.45
149	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	0.00

150	Net Zonal Revenue Requirement	(Line 146 + 147 + 148 + 149)	207,047,298.32
-----	--------------------------------------	-------------------------------------	-----------------------

Network Zonal Service Rate			
151	1 CP Peak	(Note K) PJM Data	N/A
152	Rate (\$/MW-Year)	(Line 150 / 151)	N/A

153	Network Service Rate (\$/MW/Year)	(Line 152)	N/A
-----	--	-------------------	------------

Notes

- A Electric portion only
- B For both the estimate and the reconciliation, Construction Work In Progress ("CWIP") and leases that are expensed as O&M (rather than amortized) are excluded.
- For the Estimate Process:**
Transmission plant in service will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
The transmission plant will agree to or be reconciled to the FERC Form 1 balance for the transmission plant.
New Transmission Plant expected to be placed in service in the current calendar year will be based on the average of 13 monthly investment costs and shown separately detailed by project on Attachment 6.
Accumulated depreciation will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- For the Reconciliation Process:**
Transmission plant in service will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
new transmission plant added to plant-in-service
Accumulated depreciation will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
accumulated depreciation associated with current year transmission plant.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Includes Transmission portion only and (i) only land that has an estimated in-service date within 10 years may be included and (ii) a plan for the land's use is required to be included in the filing whenever the cost of the land is proposed to be included in rates.
- D Excludes all EPRI Annual Membership Dues
- E Excludes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H 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 includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed.
- I ROE will be established in the Commission order accepting the settlement in Docket No. ER07-562 and no change in ROE will be made absent a Section 205 or Section 206 filing at FERC.
- J Education and outreach expenses relating to transmission, for example siting or billing
- K As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- L Amount of transmission plant excluded from rates per Attachment 5.
- M Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on Line 47.
If they are booked to Acct 565, they are included on Line 50. Copies of PJM invoices will be provided upon request.
- N The capital structure will remain 50% equity and 50% debt until construction of all of the segments of the TrAIL Project is completed and the entire TrAIL Project is placed in service. The first year that these projects are in service the formula will be run based on the 50/50 capital structure and on the actual year end capital structure. The two results will be weighted based on: the number of days the last project was in service and 365 day minus the numbers of days the last project was in service divided by 365 days.
This can be illustrated using the following example:
- Example:
- Assume Last Project goes into service on day 260.
Hypothetical Capital Structure until the last project goes into service is 50/50.
Assume Year End actual capital structure is 60% equity and 40% debt.
- Therefore: $\text{Weighted Equity} = [50\% \cdot 260 + 60\% \cdot (365 - 260)] / 365$
- O Adjusted for additional interest associated with refund per FERC Docket No. PA12-18-000, an amount of \$13,560

Trans-Allegheny Interstate Line Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line	Trans-Allegheny Interstate Company							
	B1 <i>Beg of Year Total</i>	B2 <i>End of Year Total</i>	B3 <i>End of Year for Est. Average for Final Total</i>	C <i>Retail Related</i>	D <i>Only Transmission Related</i>	E <i>Plant Related</i>	F <i>Labor Related</i>	G <i>Total ADIT</i>
1 ADIT- 282 From Account Total Below	394,680,133	419,149,254	406,914,694		419,149,254	-	-	419,149,254
2 ADIT-283 From Account Total Below	41,190,814	39,093,942	40,142,378		39,093,942	-	-	39,093,942
3 ADIT-190 From Account Total Below	(307,577,271)	(286,572,920)	(297,075,096)		(286,572,920)	-	-	(286,572,920)
4 Subtotal					171,670,276	-	-	171,670,276
5 Wages & Salary Allocator							100.0000%	
6 Gross Plant Allocator						100.0000%		
7 ADIT					171,670,276	-	-	171,670,276

Enter Negative

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 93.

Amount 1,015,123 < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed. Dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B1	B2	B3	C	D	E	F	G	JUSTIFICATION
	Trans-Allegheny Interstate Company								
ADIT-190	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
	p234.18.b	p234.18.c							
Tax Interest Capitalized	-	-	-	-	-	-	-	-	Actual amount of tax interest capitalized
Depreciation	-	-	-	-	-	-	-	-	Book depreciation
Taxes Intercompany Charges AESC	0	-	-	-	-	-	-	-	Intercompany charges from the service company
Worker's Compensation	107,796	109,219	108,508	-	-	108,508	-	-	Actual amount of reserve for workers' compensation
Long Term Disability Accrual	-	24,415	12,208	-	-	12,208	-	-	Long term disability accrual
Excess Over/Under Prior Service	-	-	-	-	-	-	-	-	Excess over under prior service cost
Amortization Expense	-	-	-	-	-	-	-	-	Amortization of intangible plant
WV Rate Change Consolidated Benefit	-	-	-	-	-	-	-	-	Temporary difference due to change in state tax rate in West Virginia
CIAC - Taxable	-	-	-	-	-	-	-	-	Taxable CIAC
Taxes Accrued State Other	-	-	-	-	-	-	-	-	PA Sales Tax
Miscellaneous Other Property Tax	-	-	-	-	-	-	-	-	WV Property Tax
Merger Costs Capitalized	-	-	-	-	-	-	-	-	Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
Reserve for EIB	-	-	-	-	-	-	-	-	Allocated portion of total liabilities relating to captive insurance
Power Tax Adjustment	79,377	81,454	80,416	-	-	80,416	-	-	System adjustment to reclass balances to correct FERC accounts
Operating Provision Enviro Accrual	-	-	-	-	-	-	-	-	Environmental clean-up expenses
State Income Taxes	1,684,577	0	842,289	-	-	842,289	-	-	Return/Accrual (catch up entry)
Merger Costs Licenses	98,248	107,065	102,657	-	102,657	-	-	-	Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
Merger Costs D&O Insurance	2,149	2,299	2,224	-	2,224	-	-	-	Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
Merger Costs - Indebtedness	82	0	41	-	41	-	-	-	Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
NOL	0	-	-	-	-	-	-	-	Result of bonus depreciation
Federal NOL	257,698,000	258,092,677	257,895,339	-	-	257,895,339	-	-	Result of bonus depreciation
State NOL	47,183,053	27,477,990	37,330,522	-	-	37,330,522	-	-	Result of bonus depreciation - PA, WV and MD
FASB 109 Cross-Up	658,656	0	329,328	-	-	329,328	-	-	Reclass of the tax portion (gross-up) for property items included in account 282
Reevaluation Adjustment	723,989	413,120	568,555	-	568,555	-	-	-	Temporary difference resulting from purchase accounting transactions
Charitable Contribution Limit	-	3,761	1,881	-	-	-	1,881	-	Disallowance in current year for charitable deduction due to tax loss, tax attribute carries forward five years
Provision for Rate Refund	-	260,920	130,460	-	-	-	130,460	-	Set-up of a reserve on transmission companies for the amount of merger expenses that have been overcollected and are owed to customers - timing difference between book and tax
Subtotal	308,235,927	286,572,920	297,404,424	-	673,476	296,730,948	-	-	
Less FASB 109 included above	658,656	-	329,328	-	-	329,328	-	-	
Less FASB 106 included above	-	-	-	-	-	-	-	-	
Total	307,577,271	286,572,920	297,075,096	-	673,476	296,401,620	-	-	

Instructions for Account 190:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	
	Trans-Allegheny Interstate Company								
	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	JUSTIFICATION
ADIT- 282	p274.9.b	p275.9.k							
Property Related - ABFUDC	1,471,989	1,757,820	1,614,905			1,614,905			Allowance for borrowed funds used during construction (ABFUDC)
Property Related - Tax Depreciation	52,132,953	72,202,243	62,167,598			62,167,598			Tax depreciation
FASB 109 Fixed Asset Adjustment	2,875,185	2,950,414	2,912,800			2,912,800			Increase in AOFDC
FASB 109 Gross-Up	658,656	(6,574,963)	(2,958,154)			(2,958,154)			Reclass of the tax portion (gross-up) for property items included in account 282
Book Depreciation Expense	(23,043,695)	(34,270,107)	(28,656,896)			(28,656,896)			Book depreciation
Amortization Expense - Intangible Plant	(1,158,152)	(1,865,544)	(1,511,848)			(1,511,848)			Book depreciation / amortization
Bonus Depreciation	403,045,379	409,438,305	406,241,842			406,241,842			Tax depreciation
CIACS Taxable	(1,381,132)	(799,612)	(1,090,372)			(1,090,372)			Taxable CIAC
Tax Interest Capitalized	(31,447,541)	(33,033,740)	(32,240,641)			(32,240,641)			Actual amount of tax interest capitalized
Power Tax Adjustment	149,080	152,981	151,031			151,031			System adjustment to reclass balances to correct FERC accounts
A&G Expenses Capitalized	(279,682)	1,004,786	362,552			362,552			Accounting change relating to A&G expense
Estimated Property Regulatory Asset Adjustment	1,341,207	1,341,207	1,341,207			1,341,207			Property True-Up
Book Profit/Loss on Retirement	958	(61,299)	(30,171)			(30,171)			Result of gain or loss on asset retirements
Repair & Maintenance 481 a Adjustment	2,728,409	2,788,907	2,758,658			2,758,658			Portion of Repairs & Maintenance 481a Adjustment offset in Account 182
Repair & Maintenance Deduction	240,234	245,561	242,898			242,898			Portion of Repairs & Maintenance deduction offset in Account 182
Additional State Depreciation VA	(7,188,355)	287,806	(3,450,275)			(3,450,275)			Temporary difference for additional state depreciation allowed for VA tax return
Additional State Depreciation MD	(1,966,541)	(4,144,928)	(3,055,735)			(3,055,735)			Temporary difference for additional state depreciation allowed for MD tax return
Additional State Depreciation PA	-	(238,274)	(119,137)			(119,137)			Temporary difference for additional state depreciation allowed for PA tax return
AFUDC Equity Flow Through	238,513	242,761	240,637			240,637			Portion of AFUDC Equity that relates to property and booked to account 282
Cost of Removal	(312,253)	55,011	(128,621)			(128,621)			Temporary difference arising for removal of plant/property
MACRS/ACRS Property Retired Retail	107,599	1,524,917	816,258			816,258			Result of gain or loss on asset retirements
Pension Expense - Capital Portion	1,133	-	567			567			Temporary difference from Pension Expense that is Capitalized as property and booked to account 282 (instead of account 283)
Capitalized Vertical Tree Trimming	-	16,784	8,392			8,392			Temporary difference that is capitalized for book purposes but deductible for tax purposes
Life Insurance - Capital Portion	-	(481)	(241)			(241)			Temporary difference from Life Insurance that is capitalized as property and booked to account 282 (instead of account 283)
Ordinary Gain/Loss - Reverse Books	-	(305,359)	(152,680)			(152,680)			Reversal of book gains and losses
Vegetation Management - Transmission	-	(218)	(109)			(109)			Vegetation management transmission corridor capital cost and depreciation expenses required for the regulatory financial statement schedules
TBBS Property Adjustment	-	2,700,000	1,350,000			1,350,000			Adjustment to property in order to align Tax Basis Balance Sheet
T&D Repairs	-	109,727	54,864			54,864			Repair deduction on capitalized book asset deductible for tax purposes under Rev. Proc. 2011-43
Subtotal	398,213,974	415,524,705	406,869,340			406,869,340			
Less FASB 109 included above	3,533,841	(3,624,549)	(45,354)			(45,354)			
Less FASB 106 included above	-	-	-			-			
Total	394,680,133	411,900,156	406,823,986			406,823,986			

Instructions for Account 282:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	JUSTIFICATION
	Trans-Allegheny Interstate Company								
ADIT-283	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
		p276.19.b	p277.19.k						
Deferred Tax Reclassification	-	-	-			-			ADIT balance sheet reclassification
Regulated Asset Proxy LT	-	-	-			-			Regulatory asset for Proxy reclassification Non-property related
WV Rate Change Consol Benefit	-	-	-			-			Temporary difference due to change in state tax rate in West Virginia
Reg Asset PJM Receivable - ST	34,434,127	32,724,308	33,579,218			33,579,218			Comparison of actual to forecast revenues - non-property related
Reg Asset PJM Receivable - LT	-	-	-			-			Comparison of actual to forecast revenues - non-property related
WV State Property Tax	1,062,586	1,318,026	1,190,306			1,190,306			West Virginia property tax payment
Intercompany Charge AESC	1,414,001	2,066,632	1,740,317			1,740,317			Intercompany charges from the service company
Deferred Charge EIB	-	-	-			-			Allocated portion of total liabilities relating to captive insurance
Unamortized Loss on Recaptured Debt	1,940,464	1,015,123	1,477,794			1,477,794			Unamortized debt expenses for existing debt that is refinanced and amortized over the life of the new debt
Power Tax Adjustment	43,628	44,205	43,917			43,917			System adjustment to reclass balances to correct FERC accounts
Pension Manual Company Allocation	-	-	-			-			Result of a change in pension methodology
Purchase Accounting Adj. Amortization	-	-	-		-	-			The merger has been accounted for under the purchase method of accounting and being eliminated for FERC accounting purposes.
State Income Taxes	-	-	-			-			Return/Accrual (catch up entry)
Energy Insurance Service Cell	2,478	2,291	2,385			2,385			Temporary difference resulting from deferred charges for Energy Insurance services
AFUDC Equity Flow Through	142,415	156,301	149,358			149,358			The tax portion (gross-up) of the AFUDC Equity booked in account 282
PA Apportionment Change Impact	254,152	-	127,076			127,076			Result of the impact of the PA Apportionment Change from a 90% sales factor to a 100% sales factor. This rate change will later be assigned on an M item basis
State Income Tax - Federal Deferred Only	1,896,963	1,711,721	1,804,342			1,804,342			Temporary difference resulting from the timing between when state income taxes are paid and when they are deductible on the federal tax return
Adjustment to Deferred Federal Tax	-	6,888	3,444			3,444			Adjustment to true-up deferred federal tax
FASB 109 Gross-up	-	6,574,963	3,287,482			3,287,482			Reclass of the tax portion (gross-up) for property items included in account 282
Merger Costs - Indebtedness	-	2,911	1,456			1,456			Costs incurred as a result of Allegheny merging with FirstEnergy which are not to be included within the revenue requirement
Vegetation Management - Transmission	-	218	109			109			Vegetation Management Transmission Corridor capital cost and depreciation expenses required for the regulatory financial statement schedules
Reserve for EIB	-	45,318	22,659			22,659			Adjustment for reserve for EIB in Goodwill carried over to current year
Subtotal	41,190,814	45,668,905	43,429,860			43,429,860			
Less FASB 109 included above		6,574,963	3,287,482			3,287,482			
Less FASB 106 included above									
Total	41,190,814	39,093,942	40,142,378			40,142,378			

Instructions for Account 283:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

Trans-Allegheny Interstate Line Company
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	FERC Form No.1 page, line & Col	Amount	Allocator	Allocated Amount	
Plant Related		Gross Plant Allocator			
1.1	2012 State Property WV	p263.1.1(i)	2,391,738	100.0000%	\$ 2,391,738
1.2	2013 State Property WV	p263.1.2(i)	4,149,894	100.0000%	4,149,894
1.3	2012 State Property PA (PURTA)	p263.25(i)	4,949	100.0000%	4,949
1.4	2013 State Property PA (PURTA)	p263.26(i)	24,663	100.0000%	24,663
1.5					-
1.6	2012 Local Property WV	p263.1.9(i)	294,558	100.0000%	294,558
1.7	2013 Local Property WV	p263.1.10(i)	13,693	100.0000%	13,693
1.8	2013 Local Property VA	p263.1.13(i)	1,354,068	100.0000%	1,354,068
1.9	2013 Local Property PA	p263.1.16(i)	3,068	100.0000%	3,068
2.1	2012 Local Property MD	p263.1.19(i)	676,155	100.0000%	676,155
2.2	2013 Local Property MD	p263.1.20(i)	611,569	100.0000%	611,569
2.3	2013 Capital Stock Tax/Franchise MD	p263.9(i)	300	100.0000%	300
2.4	2012 Capital Stock Tax/Franchise PA	p263.22(i)	-134,345	100.0000%	-134,345
2.5	2013 Capital Stock Tax/Franchise PA	p263.23(i)	38,011	100.0000%	38,011
2.6					
2.7	2012 WV Franchise Tax	p263.38(i)	12,276	100.0000%	12,276
3.1	2013 WV Franchise Tax	p263.39(i)	53,401	100.0000%	53,401
3.2	Capital Stock Tax/Franchise All States			100.0000%	0
3.3	Gross Premium MD			100.0000%	0
4.1	Gross Premium PA			100.0000%	0
4.2				100.0000%	0
4.3	State Sales/Use Tax PA	p263.19(i)	936	100.0000%	936
6.1	State License WV			100.0000%	0
6.5	Federal Excise Tax	p263.3(i)	1,078	100.0000%	1,078
8	Total Plant Related		9,496,012	100.0000%	9,496,012
Labor Related		Wages & Salary Allocator			
9	Accrued Federal FICA		0		0
10	Accrued Federal Unemployment		0		0
11	State Unemployment		0		0
12					
13					
14	Total Labor Related		0	100.0000%	-
Other Included		Gross Plant Allocator			
15	2012 MD GRT	p263.13(i)	0		0
16	2013 MD GRT	p263.14(i)	8,351		8,351
17					0
18					
19	Total Other Included		8,351	100.0000%	8,351
20	Total Included (Lines 8 + 14 + 19)		9,504,363		9,504,363 Input to Appendix A, Line 82
Retail Related Other Taxes to be Excluded					
21	Federal Income Tax	p263.2(i)	24,307,706		
22	Corporate Net Income Tax MD	p263.7(i)	752,301		
23	Corporate Net Income Tax PA	p263.18(i)	-1,752,183		
24	Corporate Net Income Tax VA	p263.30(i)	232,374		
25	Corporate Net Income Tax WV	p263.36(i)	9,776,945		
26					
27					
28					
29					
30					
31	Subtotal, Excluded		33,317,143		
32	Total, Included and Excluded (Line 20 + Line 28)		42,821,506		
33	Total Other Taxes from p114.14.c		9,504,364		
34	Difference (Line 32 - Line 33)		33,317,142		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

Trans-Allegheny Interstate Line Company

Attachment 3 - Revenue Credit Workpaper

Amount FERC Form No.1
page, line & Col

Account 454 - Rent from Electric Property

1	Rent from Electric Property - Transmission Related (Note 3)	-	Page 300 Line: 19 Column: b
2	Total Rent Revenues (Line 1)	-	

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A	-	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-	
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	3,057,090	p328-330 Footnote Data Schedule Page: 328 Line: 1 Column: m
6	PJM Transitional Revenue Neutrality (Note 1)	-	
7	PJM Transitional Market Expansion (Note 1)	-	
8	Professional Services (Note 3)	-	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	-	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-	
11	Gross Revenue Credits (Sum Lines 2-10)	3,057,090	
12	Less line 14g	-	
13	Total Revenue Credits (Line 11 - Line 12)	<u>3,057,090</u>	Input to Appendix A, Line 131

Revenue Adjustment to determine Revenue Credit

14a	Revenues associated with lines 14b-g are to be included in lines 2-10 and total of those revenues entered here	-
14b	Costs associated with revenues in line 14a	-
14c	Net Revenues (14a - 14b)	-
14d	50% Share of Net Revenues (14c / 2)	-
14e	Costs associated with revenues in line 14a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
14f	Net Revenue Credit (14d + 14e)	-
14g	Line 14a less line 14f	-
15	Amount offset in line 4 above	-
16	Total Account 454 and 456	3,057,090

17 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 178 of Appendix A.

18 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

19 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 14a - 14g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

20 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 of the PJM OATT are not included in the total above to the extent they are credited under Schedule 12 of the PJM OATT.

Attachment 4 - Calculation with Incentive ROE

A	Return and Taxes at High End of the range of Reasonableness			
	Return and Taxes at High End of the range of Reasonableness	(Sum Lines 26 and 33 from below)	173,104,227	Input to Appendix A, Line 140
B	Difference between Base ROE and Incentive ROE		100	

Return Calculation

		Source	Reference	
1	Rate Base		Appendix A, Line 46	1,197,497,599
2	Preferred Dividends	enter positive	Appendix A, Line 84	0
Common Stock				
3	Proprietary Capital		Appendix A, Line 85	657,124,621
4	Less Accumulated Other Comprehensive Income Account 219		Appendix A, Line 86	0
5	Less Preferred Stock		Appendix A, Line 87	0
6	Less Account 216.1		Appendix A, Line 88	0
7	Common Stock		Appendix A, Line 89	657,124,621
Capitalization				
8	Long Term Debt		Appendix A, Line 90	450,000,000
9	Less Unamortized Loss on Reacquired Debt		Appendix A, Line 91	2,219,377
10	Plus Unamortized Gain on Reacquired Debt		Appendix A, Line 92	0
11	Less ADIT associated with Gain or Loss		Appendix A, Line 93	-1,015,123
12	Total Long Term Debt		Appendix A, Line 94	448,795,746
13	Preferred Stock		Appendix A, Line 95	0
14	Common Stock		Appendix A, Line 96	657,124,621
15	Total Capitalization		Appendix A, Line 97	1,105,920,367
16	Debt %	Total Long Term Debt	Appendix A, Line 98	40.5812%
17	Preferred %	Preferred Stock	Appendix A, Line 99	0.0000%
18	Common %	Common Stock	Appendix A, Line 100	59.4188%
19	Debt Cost	Total Long Term Debt	Appendix A, Line 101	0.0489
20	Preferred Cost	Preferred Stock	Appendix A, Line 102	0.0000
21	Common Cost	Common Stock	Appendix A, Line 102	12.70% 0.1270
22	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 16 * 19)	0.0198
23	Weighted Cost of Preferred	Preferred Stock	(Line 17 * 20)	0.0000
24	Weighted Cost of Common	Common Stock	(Line 18 * 21)	0.0755
25	Rate of Return on Rate Base (ROR)		(Sum Lines 22 to 24)	0.0953
26	Investment Return = Rate Base * Rate of Return		(Line 1 * Line 25)	114,111,059

Composite Income Taxes

Income Tax Rates				
27	FIT=Federal Income Tax Rate		Appendix A, Line 109	35.00%
28	SIT=State Income Tax Rate or Composite		Appendix A, Line 110	6.92%
29	p = percent of federal income tax deductible for state purposes		Appendix A, Line 111	0.00%
30	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	Appendix A, Line 112	39.50%
31	T/ (1-T)		Appendix A, Line 113	65.28%
32	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$		58,993,169
33	Total Income Taxes		(Line 32)	58,993,169

Trans-Allegheny Interstate Line Company										
Attachment 5 - Cost Support										
Electric / Non-electric Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details					
		Beginning of year	End of Year (for estimate)	Average of Beginning and Ending Balances						
40	Transmission Materials & Supplies	p227.8	-	-						
37	Undistributed Storm Expense	p227.16	-	-						
51	Allocated General Expenses		-	-						
	Plus Property Under Capital Leases	0 p200.4c	-	-						
Transmission / Non-transmission Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details					
		Beginning of year	End of Year (for estimate)	Average of Beginning and Ending Balances						
34	Transmission Related Land Held for Future Use	Total	-	-	Enter Details Here					
		Non-transmission Related	-	-						
		Transmission Related	-	-						
CWIP & Expensed Lease Worksheet										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	CWIP in Form 1 Amount	Expensed Leases in Form 1 Amount	Details					
		Beginning of year	End of Year (for estimate)	Average of Beginning and Ending Balances						
6	Plant Allocation Factors	(Note B) Attachment 5	1,276,564.79	-						
	Electric Plant in Service									
15	Plant in Service	(Note B) Attachment 5	1,209,952.06	-						
	Transmission Plant in Service									
23	Accumulated Depreciation	(Note B) Attachment 5	\$5,071,632	-						
	Transmission Accumulated Depreciation									
Pre-Commercial Costs Capitalized										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		SOY for Estimate and SOY for Final	Amortization Amount (Over 4 Years)	Calculated End of Year Balance	Average of Beginning and Ending Balances (for estimate and reconciliation)					
35	Unamortized Capitalized Pre-Commercial Costs	\$ -	\$ -	\$ -	\$ -					
EPRI Dues Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues	Details						
58	Allocated General & Common Expenses	(Note C) p132 & 153	0	0	Enter Details Here					
	Less EPRI Dues									
Regulatory Expense Related to Transmission Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Transmission Related	Non-transmission Related	Details					
62	Regulatory Commission Exp Account 929	(Note C) p123.189.b	-	-	Link to Appendix A, line 62					
Safety Related Advertising Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related	Non-safety Related	Details					
66	General Advertising Exp Account 930.1	(Note F) p123.191.b	-	-	Link to Appendix A, line 66					
MultiState Workpaper										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		State 1	State 2	State 3	State 4	State 5	Details			
118	Income Tax Rates	MD 8.25%	WV 7.0%	PA 9.99%	VA 4.0%					
119	Self-State Income Tax Rate or Composite	(Note G) 6.916%	Composite is calculated based on sales, payroll and property for each jurisdiction							
Education and Out Reach Cost Support										
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Education & Outreach	Other	Details					
63	General Advertising Exp Account 930.1	(Note J) p123.191.b	-	-	Enter Details Here					

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC																																																																			
Trans-Allegheny Interstate Line Company																																																																																															
Attachment 5 - Cost Support																																																																																															
Excluded Plant Cost Support																																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: left;">Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions</th> <th style="width: 25%; text-align: left;">Excluded Transmission Facilities</th> <th style="width: 50%; text-align: left;">Description of the Facilities</th> </tr> </thead> <tbody> <tr> <td colspan="3">Adjustment to Reverse Revenue Requirements Associated with Excluded Transmission Facilities</td> </tr> <tr> <td>126 Excluded Transmission Facilities (Note L)</td> <td></td> <td>General Description of the Facilities</td> </tr> <tr> <td>Step-Up Facilities</td> <td>Enter 1</td> <td></td> </tr> <tr> <td>Instructions:</td> <td></td> <td></td> </tr> <tr> <td>1 Remove all investment below 69 KV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP Process</td> <td></td> <td></td> </tr> <tr> <td>2 If unable to determine the investment below 69KV in a substation with investment of 69 KV and higher as well as below 69 KV, the following formula will be used:</td> <td style="text-align: center;">0</td> <td></td> </tr> <tr> <td style="text-align: center;">Example</td> <td>Enter 1</td> <td></td> </tr> <tr> <td>A Total investment in substation</td> <td style="text-align: right;">1,000,000</td> <td></td> </tr> <tr> <td>B Identifiable investment in Transmission (grainite workpapers)</td> <td style="text-align: right;">500,000</td> <td></td> </tr> <tr> <td>C Identifiable investment in Distribution (grainite workpapers)</td> <td style="text-align: right;">400,000</td> <td></td> </tr> <tr> <td>D Amount to be excluded (A x (C / (B + C)))</td> <td style="text-align: right;">444,444</td> <td></td> </tr> <tr> <td colspan="3" style="text-align: right;"><i>Add zero lines if necessary</i></td> </tr> </tbody> </table>																												Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Excluded Transmission Facilities	Description of the Facilities	Adjustment to Reverse Revenue Requirements Associated with Excluded Transmission Facilities			126 Excluded Transmission Facilities (Note L)		General Description of the Facilities	Step-Up Facilities	Enter 1		Instructions:			1 Remove all investment below 69 KV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP Process			2 If unable to determine the investment below 69KV in a substation with investment of 69 KV and higher as well as below 69 KV, the following formula will be used:	0		Example	Enter 1		A Total investment in substation	1,000,000		B Identifiable investment in Transmission (grainite workpapers)	500,000		C Identifiable investment in Distribution (grainite workpapers)	400,000		D Amount to be excluded (A x (C / (B + C)))	444,444		<i>Add zero lines if necessary</i>																															
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Excluded Transmission Facilities	Description of the Facilities																																																																																													
Adjustment to Reverse Revenue Requirements Associated with Excluded Transmission Facilities																																																																																															
126 Excluded Transmission Facilities (Note L)		General Description of the Facilities																																																																																													
Step-Up Facilities	Enter 1																																																																																														
Instructions:																																																																																															
1 Remove all investment below 69 KV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP Process																																																																																															
2 If unable to determine the investment below 69KV in a substation with investment of 69 KV and higher as well as below 69 KV, the following formula will be used:	0																																																																																														
Example	Enter 1																																																																																														
A Total investment in substation	1,000,000																																																																																														
B Identifiable investment in Transmission (grainite workpapers)	500,000																																																																																														
C Identifiable investment in Distribution (grainite workpapers)	400,000																																																																																														
D Amount to be excluded (A x (C / (B + C)))	444,444																																																																																														
<i>Add zero lines if necessary</i>																																																																																															
Prepayments																																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: left;">Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions</th> <th style="width: 10%;">Beg of year</th> <th style="width: 10%;">End of Year</th> <th style="width: 10%;">Average of Beginning and Ending Balances</th> <th style="width: 10%;">Allocation</th> <th style="width: 10%;">Transmission Benefit</th> <th style="width: 35%;">Details</th> </tr> </thead> <tbody> <tr> <td>36 Prepayments</td> <td></td> <td></td> <td style="text-align: center;">Enter 1</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">Amount</td> <td></td> </tr> <tr> <td>Prepayments</td> <td style="text-align: right;">77,275</td> <td style="text-align: right;">148,935</td> <td style="text-align: right;">112,905</td> <td style="text-align: center;">100%</td> <td style="text-align: right;">112,905</td> <td></td> </tr> <tr> <td>Prepaid Portions if not included in Prepayments</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: center;">100%</td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>Total Prepayments</td> <td style="text-align: right;">77,275</td> <td style="text-align: right;">148,935</td> <td style="text-align: right;">112,905</td> <td></td> <td style="text-align: right;">112,905</td> <td></td> </tr> </tbody> </table>																												Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Beg of year	End of Year	Average of Beginning and Ending Balances	Allocation	Transmission Benefit	Details	36 Prepayments			Enter 1	100%	Amount		Prepayments	77,275	148,935	112,905	100%	112,905		Prepaid Portions if not included in Prepayments	0	0	0	100%	0		Total Prepayments	77,275	148,935	112,905		112,905																																		
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Beg of year	End of Year	Average of Beginning and Ending Balances	Allocation	Transmission Benefit	Details																																																																																									
36 Prepayments			Enter 1	100%	Amount																																																																																										
Prepayments	77,275	148,935	112,905	100%	112,905																																																																																										
Prepaid Portions if not included in Prepayments	0	0	0	100%	0																																																																																										
Total Prepayments	77,275	148,935	112,905		112,905																																																																																										
Detail of Account 566 Miscellaneous Transmission Expenses																																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: left;">Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions</th> <th style="width: 10%;">Total</th> <th style="width: 5%;">Summary of Pre-Commercial Expenses</th> <th style="width: 60%;">Details</th> </tr> </thead> <tbody> <tr> <td>70 Amortization Expense on Pre-Commercial Cost</td> <td style="text-align: right;">\$ -</td> <td></td> <td></td> </tr> <tr> <td>71 Pre-Commercial Expense</td> <td style="text-align: right;">-</td> <td></td> <td></td> </tr> <tr> <td>72 Miscellaneous Transmission Expense</td> <td style="text-align: right;">937,961</td> <td></td> <td></td> </tr> <tr> <td>Total Account 566 Miscellaneous Transmission Expenses</td> <td style="text-align: right;">p.321.97.5 \$ 937,961</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Cost Element Name</td> <td>Total</td> </tr> <tr> <td></td> <td></td> <td>Labor & Overhead (1)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Miscellaneous (2)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Outside Services Legal (3)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Outside Services Other (4)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Outside Services Rates (5)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Advertising (6)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Travel, Lodging and Meals (7)</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td colspan="2"> (1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation. (2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Field EX fees for various meetings (see Legal, Procurement, Transmission & Finance, fees for various conference calls and P&M application fee. (3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability. (4) Other services other includes fees for mobile development, media relations services, campaign management, open houses and research services. (5) Outside services rates includes the advice of a rate consultant regarding rate design. (6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project. (7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings. </td> </tr> <tr> <td colspan="2">Net Revenue Requirement</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Facility Credits under Section 30.9 of the PJM OATT</td> <td></td> <td></td> </tr> </tbody> </table>																												Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Total	Summary of Pre-Commercial Expenses	Details	70 Amortization Expense on Pre-Commercial Cost	\$ -			71 Pre-Commercial Expense	-			72 Miscellaneous Transmission Expense	937,961			Total Account 566 Miscellaneous Transmission Expenses	p.321.97.5 \$ 937,961					Cost Element Name	Total			Labor & Overhead (1)	-			Miscellaneous (2)	-			Outside Services Legal (3)	-			Outside Services Other (4)	-			Outside Services Rates (5)	-			Advertising (6)	-			Travel, Lodging and Meals (7)	-			Total	-			(1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation. (2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Field EX fees for various meetings (see Legal, Procurement, Transmission & Finance, fees for various conference calls and P&M application fee. (3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability. (4) Other services other includes fees for mobile development, media relations services, campaign management, open houses and research services. (5) Outside services rates includes the advice of a rate consultant regarding rate design. (6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project. (7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings.		Net Revenue Requirement				Facility Credits under Section 30.9 of the PJM OATT			
Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Total	Summary of Pre-Commercial Expenses	Details																																																																																												
70 Amortization Expense on Pre-Commercial Cost	\$ -																																																																																														
71 Pre-Commercial Expense	-																																																																																														
72 Miscellaneous Transmission Expense	937,961																																																																																														
Total Account 566 Miscellaneous Transmission Expenses	p.321.97.5 \$ 937,961																																																																																														
		Cost Element Name	Total																																																																																												
		Labor & Overhead (1)	-																																																																																												
		Miscellaneous (2)	-																																																																																												
		Outside Services Legal (3)	-																																																																																												
		Outside Services Other (4)	-																																																																																												
		Outside Services Rates (5)	-																																																																																												
		Advertising (6)	-																																																																																												
		Travel, Lodging and Meals (7)	-																																																																																												
		Total	-																																																																																												
		(1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation. (2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Field EX fees for various meetings (see Legal, Procurement, Transmission & Finance, fees for various conference calls and P&M application fee. (3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability. (4) Other services other includes fees for mobile development, media relations services, campaign management, open houses and research services. (5) Outside services rates includes the advice of a rate consultant regarding rate design. (6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project. (7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings.																																																																																													
Net Revenue Requirement																																																																																															
Facility Credits under Section 30.9 of the PJM OATT																																																																																															

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Depreciation Rates

Line	Asset Description	Life	Survivor Curve	Net Salvage Percent	Accrual Rate (Annual) Percent	Annual Depreciation Expense												Total			
						Back Oh	Wye/Pole	33 Junction - Terminate Line	Meadowbrook Transformer	North Shawmut	Bedington Transformer	Meadowbrook Capacitor	Kammer Transformers	Doubs Replacement Transformer #2	Doubs Replacement Transformer #3	Doubs Replacement Transformer #4	Cabot SS		Grandview Capacitor	Puter	Orange Whiskey
TRANSMISSION PLANT																					
350.2	Land & Land Rights - Easements	70	R4	0	1.43	-	-	2,540,256	-	-	-	-	-	-	-	-	-	2,540,256			
352	Structures & Improvements	50	R3	(10)	2.20	4,888	-	1,433,000	-	-	-	-	-	-	78	-	146	1,438,542			
	SVC	35	-	-	2.88	-	-	-	-	-	-	-	-	-	-	-	-	-			
353	Station Equipment	50	R2	(5)	2.10	10,666	349,317	487,344	172,262	35,203	162,194	440,833	830,261	107,499	98,358	120,387	210,505	3,120,886			
	Other	Note 1	-	-	2.98	-	-	-	-	-	-	-	-	-	-	-	-	-			
	SVC	35	R2 - 35-yr truncation	(5)	6.87	1,241,509	-	-	-	-	-	12,658	-	-	-	-	-	1,241,509			
	SCADA	15	S3	0	10.00	-	-	-	-	-	-	-	-	-	-	-	-	12,658			
354	Towers & Fixtures	65	R4	(25)	1.92	-	-	7,288,351	-	-	-	-	-	-	-	-	-	7,288,351			
355	Poles & Fixtures	55	R2.5	(20)	2.19	-	-	2,655,020	-	-	-	-	-	-	-	-	-	2,655,020			
356	Overhead Conductors & Devices	55	R2.5	(40)	2.80	-	-	6,219,200	-	-	-	-	-	-	-	-	-	6,219,200			
	Other	70	R4	0	1.43	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Clearing	70	R4	0	1.43	-	-	-	-	-	-	-	-	-	-	-	-	214,751			
357	Underground conduit	55	S3	(5)	1.91	-	-	-	-	-	-	-	-	-	-	-	-	-			
358	Underground conductor and devices	45	R3	(5)	2.33	-	-	-	-	-	-	-	-	-	-	-	-	-			
	SVC	35	-	-	2.88	-	-	-	-	-	-	-	-	-	-	-	-	-			
274	Total Transmission Plant Depreciation					1,257,064	349,317	20,624,010	172,262	35,203	162,194	453,442	830,261	107,499	98,358	120,387	210,505	3,579	35,061	271,800	24,730,942
275	Total Transmission Depreciation Expense (must tie to p326.7-f)					24,730,942															
276	Note 1: Depreciation rate is based on an 80 R2 survivor curve with a 30-year truncation.																				
GENERAL PLANT																					
390	Structures & Improvements	50	R1	0	2.00	-	-	-	-	-	-	-	-	-	-	-	-	93,454			
391	Office Furniture & Equipment	20	S0	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	81,909			
	Information Systems	10	S0	0	10.00	-	-	-	-	-	-	-	-	-	-	-	-	192,455			
	Data Handling	10	S0	0	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-			
392	Transportation Equipment																				
	Other	15	S0	20	5.33	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Autos	7	S3	20	11.43	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Light Trucks	11.5	L4	20	6.98	-	-	-	-	-	-	-	-	-	-	-	-	26,544			
	Medium Truck	11.5	L4	20	6.98	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Trailers	18	L1	20	4.44	-	-	-	-	-	-	-	-	-	-	-	-	-			
	ATV	15	S0	20	5.33	-	-	-	-	-	-	-	-	-	-	-	-	-			
393	Stores Equipment	20	S0	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-			
394	Tools, Shop & Garage Equipment	20	S0	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-			
396	Power Operated Equipment	18	L1	25	4.17	-	-	-	-	-	-	-	-	-	-	-	-	-			
397	Communication Equipment	15	S0	0	6.67	-	-	-	-	-	-	-	-	-	-	-	-	129,151			
398	Miscellaneous Equipment	15	S0	0	6.67	-	-	-	-	-	-	-	-	-	-	-	-	-			
399	Total General Plant					-	-	-	-	-	-	-	-	-	-	-	-	1,529,327			
400	Total General Plant Depreciation Expense (must tie to p336.1-d & e)					1,529,327															
INTANGIBLE PLANT																					
303	Miscellaneous Intangible Plant	5	S0	0	20.00	-	-	-	-	-	-	-	-	-	-	-	-	1,649,781			
304	Total Intangible Plant					-	-	-	-	-	-	-	-	-	-	-	-	1,649,781			
305	Total Intangible Plant Amortization (must tie to p336.1-d & e)					1,649,781															
311	These depreciation rates will not change absent the appropriate filing at FERC.																				

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
1	Trans-Allegheny Interstate Line Company																											
2	Attachment 5 - Cost Support																											
3																												
4																												
5																												
6																												
7																												
8																												
9																												
10																												
11																												
12																												
13																												
14																												
15																												
16																												
17																												
18																												
19																												
20																												
21																												
22																												
23																												
24																												
25																												
26																												
27																												
28																												
29																												
30																												
31																												
32																												
33																												
34																												
35																												
36																												
37																												
38																												
39																												
40																												
41																												
42																												
43																												
44																												
45																												
46																												
47																												
48																												
49																												
50																												
51																												
52																												
53																												
54																												
55																												
56																												
57																												
58																												
59																												
60																												
61																												
62																												
63																												
64																												
65																												
66																												
67																												
68																												
69																												
70																												
71																												
72																												
73																												
74																												
75																												
76																												
77																												
78																												
79																												
80																												
81																												
82																												
83																												
84																												
85																												
86																												
87																												
88																												
89																												
90																												
91																												
92																												
93																												
94																												
95																												
96																												
97																												
98																												
99																												
100																												

Line	Description	Amount
1	Total PBOP expenses	22,856,433
2	Amount relating to retired personnel	8,786,372
3	Amount allocated on FTEs	14,070,061
4	Number of FTEs for Allegheny	4,408
5	Cost per FTE	3,192
6	TRAILCo FTEs (labor not capitalized) current year	0,000
7	TRAILCo PBOP Expense for base year	-
8	TRAILCo PBOP Expense to recover BOP for current year	0
9	PBOP Adjustment for Appendix A, Line 57	-
Lines 1-5 cannot change absent approval or acceptance by FERC in a separate proceeding.		

Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)

The Reconciliation in Step 8
191,138,273

The forecast in Prior Year
190,601,269

= 537,004

-Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect.

Interest on Amount of Refunds or Surcharges		0.2700%		Interest 35.1%a for		Interest		Surcharge (Refund) Owed	
Month	Yr	1/12 of Step 9	March Current Yr	Months					
Jun	Year 1	44,750	0.2700%	11.5	1,389		46,140		
Jul	Year 1	44,750	0.2700%	10.5	1,269		46,019		
Aug	Year 1	44,750	0.2700%	9.5	1,148		45,898		
Sep	Year 1	44,750	0.2700%	8.5	1,027		45,777		
Oct	Year 1	44,750	0.2700%	7.5	906		45,657		
Nov	Year 1	44,750	0.2700%	6.5	785		45,536		
Dec	Year 1	44,750	0.2700%	5.5	665		45,415		
Jan	Year 2	44,750	0.2700%	4.5	544		45,294		
Feb	Year 2	44,750	0.2700%	3.5	423		45,173		
Mar	Year 2	44,750	0.2700%	2.5	302		45,052		
Apr	Year 2	44,750	0.2700%	1.5	181		44,932		
May	Year 2	44,750	0.2700%	0.5	60		44,811		
Total		537,004					545,704		
		Balance	Interest	Amort	Balance				
Jun	Year 2	545,704	0.2700%	46,277	500,900				
Jul	Year 2	500,900	0.2700%	46,277	455,975				
Aug	Year 2	455,975	0.2700%	46,277	410,929				
Sep	Year 2	410,929	0.2700%	46,277	365,761				
Oct	Year 2	365,761	0.2700%	46,277	320,471				
Nov	Year 2	320,471	0.2700%	46,277	275,059				
Dec	Year 2	275,059	0.2700%	46,277	229,524				
Jan	Year 3	229,524	0.2700%	46,277	183,867				
Feb	Year 3	183,867	0.2700%	46,277	138,086				
Mar	Year 3	138,086	0.2700%	46,277	92,181				
Apr	Year 3	92,181	0.2700%	46,277	46,153				
May	Year 3	46,153	0.2700%	46,277	(0)				
Total with interest				555,328					
The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest					555,328	Input to Appendix A, Line 143			
Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8)					\$ 206,691,970				
Revenue Requirement for Year 3					207,047,298				

Reconciliation Amount by Project																			
Total Revenue Requirement	Poller SS	Cabot SS Transformer	Doubs Transformer #4 (Monthly additions)	Doubs Transformer #3 (Monthly additions)	Doubs Transformer #2 (Monthly additions)	Kammer Transformers (Monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shendoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	Osage Whiskey	Armstrong	Farmers Valley	Harvey Run	Doubs SS	
\$ 555,328	(76,561)	90,555	9,907	9,387	10,838	73,654	339,328	14,126	14,495	(1,890)	(78,570)	(76,944)	471,845	400,195	14,358	(69,594)	(27,345)	35,144	
	Meadowbrook SS	Buffalo Road Capacitor	Pleasureville Capacitor	Grandview Capacitor	Luxor Capacitor	Grand Point & Galford SS	Shawville Capacitors	Crover Sub	Conemaugh Transformer	502 Junction Substation									
	5,151	(28,645)	(95,661)	(21,862)	(20,900)	(41,580)	(26,021)	(12,627)	(136,101)	(219,354)									

9 May Year 3 Post results of Step 8 on PJM web site
\$ 207,047,298

10 June Year 3 Results of Step 8 go into effect
\$ 207,047,298

Trans-Allegheny Interstate Line Company
Attachment 7 - Transmission Enhancement Charge Worksheet

Revenue Requirement By Project

Fixed Charge Rate (FCR) if not a CIAC			
Formula Line			
A	137	FCR without Depreciation and Pre-Commercial Costs	13.1422%
B	145	FCR with Incentive ROE without Depreciation and Pre-Commercial	14.0393%
C		Line B less Line A	0.8971%
FCR if a CIAC			
D	138	FCR without Depreciation, Return, nor Income Taxes	0.8352%

The FCR resulting from Formula in a given year is used for that year only.
 Therefore actual revenues collected in a year do not change based on cost data for subsequent years

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

		PJM Upgrade ID: b0328.1 b0328.2; b0347.1; b0347.2; b0347.3; b0347.4				PJM Upgrade ID: b0218				PJM Upgrade ID: b0216				
Details		502 Junction - Territorial Line (CWIP + Plant In Service)				Wylie Ridge Transformer (Plant In Service)				Black Oak (SVC) Dynamic Reactive Device (Plant In Service)				
Schedule 12	(Yes or No)	Yes				Yes				Yes				
CIAC	(Yes or No)	No				No				No				
Input the allowed ROE		12.70%				11.70%				12.70%				
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12		13.1422%				13.1422%				13.1422%				
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7		14.0393%				13.1422%				14.0393%				
Forecast - End of prior year net plant plus current year forecast of CWIP or Cap Adds, reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.														
Investment		1,016,908,024				20,606,266				38,559,314				
Annual Depreciation Exp from Attachment 5		20,624,010				349,317				1,257,064				
	Invest Yr	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
See Calculations for each item below	2011	133,644,588.16	20,624,009.83	0.00	471,845.21	154,740,443.20	2,708,126.84	349,316.80	(76,943.60)	2,980,500.04	5,067,561.16	1,257,063.67	(78,570.05)	6,246,054.78
See Calculations for each item below	2011	142,767,028.18	20,624,009.83	0.00	471,845.21	163,862,883.22	2,708,126.84	349,316.80	(76,943.60)	2,980,500.04	5,413,467.60	1,257,063.67	(78,570.05)	6,591,961.21

For Plant In Service
 "Pre-Commercial Exp" is equal to the amount of pre-commercial expense on Attachment 5a for each project expensed in year and amortized in year.
 Revenue is equal to the "Return" ("Investment" times FCR) plus "Depreciation" plus "Pre-Commercial Exp" plus prior year "Reconciliation amount"
 "Reconciliation Amount" is created in the reconciliation in Attachment 6 and included in the forecasted revenue requirement.

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

"Yes" if a project under PJM OATT Schedule 12, otherwise "No"
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29. Otherwise "No"
Input the allowed ROE
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7
Forecast -- End of prior year net plant plus current year forecast of CWIP or Cap Adds.
reconciliation -- Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.
Annual Depreciation Exp from Attachment 5

See Calculations for each item below
See Calculations for each item below

PJM Upgrade ID: b0323				PJM Upgrade ID: b0230				PJM Upgrade ID: b0229			
North Shenandoah Transformer (Plant In Service)				Meadowbrook Transformer (Plant In Service)				Bedington Transformer (Plant In Service)			
Yes				Yes				Yes			
No	11.70%			No	11.70%			No	11.70%		
	13.1422%				13.1422%				13.1422%		
	13.1422%				13.1422%				13.1422%		
	1,710,856				7,258,865				6,969,402		
	35,203				172,262				162,194		
Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
224,844.97	35,202.51	(1,890.05)	258,157.43	953,978.12	172,261.56	14,494.65	1,140,734.33	915,936.21	162,194.36	14,126.25	1,092,256.82
224,844.97	35,202.51	(1,890.05)	258,157.43	953,978.12	172,261.56	14,494.65	1,140,734.33	915,936.21	162,194.36	14,126.25	1,092,256.82

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comme
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

PJM Upgrade ID: b0559				PJM Upgrade ID: b0495				PJM Upgrade ID: b0343				PJM Upgrade ID: b0344			
Meadowbrook Capacitor (Plant In Service)				Kammer Transformers (Plant In Service)				Doubs Replace Transformer #2				Doubs Replace Transformer #3			
Yes				Yes				Yes				Yes			
No				No				No				No			
11.70%				11.70%				11.70%				11.70%			
13.1422%				13.1422%				13.1422%				13.1422%			
13.1422%				13.1422%				13.1422%				13.1422%			
5,911,247				36,030,346				4,829,904				4,446,095			
453,442				830,261				107,499				98,358			
Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
776,870.88	453,442.21	339,327.72	1,569,640.81	4,735,197.91	830,261.20	73,654.00	5,639,113.11	634,758.04	107,499.00	10,838.17	753,095.21	584,316.87	98,358.00	9,386.81	692,061.68
776,870.88	453,442.21	339,327.72	1,569,640.81	4,735,197.91	830,261.20	73,654.00	5,639,113.11	634,758.04	107,499.00	10,838.17	753,095.21	584,316.87	98,358.00	9,386.81	692,061.68

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-commel
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in Att

1
 2
 3
 4
 5
 6
 7
 8
 9

10
 11 "Yes" if a project under PJM QATT Schedule 12,
 otherwise "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29. Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes" then line 7
 16 Forecast – End of prior year net plant plus current year
 forecast of CWIP or Cap Adds.
 reconciliation – Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5
 18
 19 See Calculations for each item below
 20 See Calculations for each item below

PJM Upgrade ID: b0345				PJM Upgrade ID: b0704				PJM Upgrade ID: b1941				PJM Upgrade ID: b0563																			
Doubs Replace Transformer #4				Cabot SS - Install Autotransformer				Armstrong				Farmers Valley Capacitor																			
Yes				Yes				Yes				Yes																			
No				No				No				No																			
11.70%				11.70%				11.70%				11.70%																			
13.1422%				13.1422%				13.1422%				13.1422%																			
13.1422%				13.1422%				13.1422%				13.1422%																			
5,253,224				6,836,864				7,311,064				934,823																			
120,387				210,505				0				0																			
Return		Depreciation		Reconciliation Amount		Revenue		Return		Depreciation		Reconciliation Amount		Revenue		Return		Depreciation		Reconciliation Amount		Revenue									
690,391.74		120,387.00		9,906.66		820,685.40		898,517.77		210,505.16		90,555.41		1,199,578.34		960,838.27		0.00		14,358.34		975,196.61		122,856.77		0.00		(69,594.31)		53,262.46	
690,391.74		120,387.00		9,906.66		820,685.40		898,517.77		210,505.16		90,555.41		1,199,578.34		960,838.27		0.00		14,358.34		975,196.61		122,856.77		0.00		(69,594.31)		53,262.46	

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

PJM Upgrade ID: b0564					PJM Upgrade ID: b1803					PJM Upgrade ID: b1243					PJM Upgrade ID: b0674, b1023, b1023.3					
Harvey Run Capacitor					Doubs SS					Potter SS					Osage Whiteley					
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					
No					No					No					No					
11.70%					11.70%					11.70%					11.70%					
13.1422%					13.1422%					13.1422%					13.1422%					
13.1422%					13.1422%					13.1422%					13.1422%					
831,938					5,912,673					1,987,922					24,560,265					
0					0					35,061					271,800					
		Reconciliation					Reconciliation					Pre-Commercial Exp. Reconciliation					Pre-Commercial Reconciliation			
Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue		Return	Depreciation	Exp.	Amount	Revenue		Return	Depreciation	Exp.	amount	Revenue
109,335.37	0.00	(27,345.49)	81,989.88		777,058.29	0.00	35,144.45	812,202.74		261,258	35,061	0	(76,561)	219,757.80		3,227,771	271,800	0	400,195	3,899,766.99
109,335.37	0.00	(27,345.49)	81,989.88		777,058.29	0.00	35,144.45	812,202.74		261,258	35,061	0	(76,561)	219,757.80		3,227,771	271,800	0	400,195	3,899,766.99

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comme
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

PJM Upgrade ID: b1800				PJM Upgrade ID: b1800				PJM Upgrade ID: b2433.1, b2433.2, b2433.3				PJM Upgrade ID: b1153			
Meadobrook SS				Hunterstown				Waldo Run SS				Conemaugh			
Yes				Yes				Yes				Yes			
No				No				No				No			
11.70%				11.70%				11.70%				11.70%			
13.1422%				13.1422%				13.1422%				13.1422%			
13.1422%				13.1422%				13.1422%				13.1422%			
31,936,761				23,859,591				4,018,129				21,391,155			
0				0				0				0			
Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue
4,197,209	0	5,151	4,202,359.60	3,135,687	0	0	3,135,686.94	528,073	0	0	528,072.52	2,811,279	0	(136,101)	2,675,178.21
4,197,209	0	5,151	4,202,359.60	3,135,687	0	0	3,135,686.94	528,073	0	0	528,072.52	2,811,279	0	(136,101)	2,675,178.21

For Plant in Service
Pre-Commercial Exp is equal to the amount of pre-comme
Revenue is equal to the *Return* (*Investment* times FCR)
Reconciliation Amount is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

PJM Upgrade ID: b1967				PJM Upgrade ID: b1609, b1769				PJM Upgrade ID: b1945				PJM Upgrade ID: b1610			
Blairsville SS				Four Mile Jct				Johnstown SS (2nd xfmr)				Yeagertown			
Yes				Yes				Yes				Yes			
No				No				No				No			
11.70%				11.70%				11.70%				11.70%			
13.1422%				13.1422%				13.1422%				13.1422%			
13.1422%				13.1422%				13.1422%				13.1422%			
1,955,391				861,357				2,303,771				213,020			
0				0				0				0			
Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue
256,982	0	0	256,982.33	113,202	0	0	113,201.64	302,767	0	0	302,767.34	27,996	0	0	27,995.60
256,982	0	0	256,982.33	113,202	0	0	113,201.64	302,767	0	0	302,767.34	27,996	0	0	27,995.60

For Plant in Service
Pre-Commercial Exp is equal to the amount of pre-comme
Revenue is equal to the *Return* (*Investment* times FCR)
Reconciliation Amount is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

	PJM Upgrade ID: b1990				PJM Upgrade ID: b1801				PJM Upgrade ID: b1965				PJM Upgrade ID: b1839			
	Grandview Capacitor				Altoona SVC				Luxor				Grand Point & Guilford			
	Yes				Yes				Yes				Yes			
	No				No				No				No			
	11.70%				11.70%				11.70%				11.70%			
	13.1422%				13.1422%				13.1422%				13.1422%			
	13.1422%				13.1422%				13.1422%				13.1422%			
	659,201				21,573,993				1,154,387				986,579			
	3,579				0				0				0			
	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue
	86,634	3,579	(21,862)	68,351.36	2,835,308	0	0	2,835,307.90	151,712	0	(20,900)	130,812.57	129,659	0	(41,580)	88,078.55
	86,634	3,579	(21,862)	68,351.36	2,835,308	0	0	2,835,307.90	151,712	0	(20,900)	130,812.57	129,659	0	(41,580)	88,078.55

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comme
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in Att

1
 2
 3
 4
 5
 6
 7
 8
 9

10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20

PJM Upgrade ID: b1964				PJM Upgrade ID: b1672				PJM Upgrade ID: b1998				PJM Upgrade ID: b1999, b2002			
Moshannon				Carbon Center				Shawville				Northwood			
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				Yes				Yes				Yes			
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				No				No				No			
Input the allowed ROE				11.70%				11.70%				11.70%			
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				13.1422%				13.1422%				13.1422%			
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7				13.1422%				13.1422%				13.1422%			
Forecast – End of prior year net plant plus current year forecast of CWIP or Cap Adds.				397,278				127,412				218,231			
reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				0				0				0			
Annual Depreciation Exp from Attachment 5				0				0				0			
Return				Depreciation				Reconciliation amount				Revenue			
See Calculations for each item below				52,211				0				0			
See Calculations for each item below				52,211				0				52,211.32			
				16,745				0				16,744.85			
				16,745				0				16,744.85			
				28,680				0				(26,021)			
				28,680				0				(26,021)			
				127,585				0				0			
				127,585				0				127,585.35			
				127,585				0				0			
				127,585				0				127,585.35			

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in Att

1
 2
 3
 4
 5
 6
 7
 8
 9

10
 11 "Yes" if a project under PJM OATT Schedule 12,
 otherwise "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29, Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes" then line 7
 16 Forecast – End of prior year net plant plus current year
 forecast of CWIP or Cap Adds.
 reconciliation – Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5
 18
 19 See Calculations for each item below
 20 See Calculations for each item below

PJM Upgrade ID: b2342					PJM Upgrade ID: b1770					PJM Upgrade ID: b2148				
Shuman Hill Sub					Buffalo Road					Pleasureville Capacitor				
Yes					Yes					Yes				
No					No					No				
	11.70%					11.70%					11.70%			
	13.1422%					13.1422%					13.1422%			
	13.1422%					13.1422%					13.1422%			
	618,083					96,546					782,425			
	0					0					0			
Return	Depreciation	Reconciliation amount	Revenue		Return	Depreciation	Reconciliation amount	Revenue		Return	Depreciation	Reconciliation amount	Revenue	
81,230	0	0	81,229.98		12,688	0	(28,645)	(15,956.67)		102,828	0	(95,661)	7,166.75	
81,230	0	0	81,229.98		12,688	0	(28,645)	(15,956.67)		102,828	0	(95,661)	7,166.75	

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in Att

1
2
3
4
5
6
7
8
9

10
11 "Yes" if a project under PJM OATT Schedule 12,
otherwise "No"
12 "Yes" if the customer has paid a lump sum payment in the
amount of the investment on line 29, Otherwise "No"
13 Input the allowed ROE
14 From line 3 above if "No" on line 12 and From line 7 above
if "Yes" on line 12
15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
then line 3, and if line 12 is "Yes" then line 7
16 Forecast – End of prior year net plant plus current year
forecast of CWIP or Cap Adds.
reconciliation – Average of 13 month prior year net plant
balances plus prior year 13-mo CWIP balances.
17 Annual Depreciation Exp from Attachment 5
18
19 See Calculations for each item below
20 See Calculations for each item below

PJM Upgrade ID: b0556				PJM Upgrade ID: b1023.1				PJM Upgrade ID: bxxx						
Grover SS Capacitor				502 Junction Substation										
Yes				Yes										
No				No										
	11.70%				11.70%									
	13.1422%				13.1422%									
	13.1422%				13.1422%									
	0				0									
	0				0									
Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Total	Incentive Charged	Revenue Credit
0	0	(12,627)	(12,627.46)	0	0	(219,354)	(219,353.70)	0.00	0.00	0.00	0.00	197,578,951.87		197,578,951.87
0	0	(12,627)	(12,627.46)	0	0	(219,354)	(219,353.70)	0.00	0.00	0.00	0.00	207,047,298.32	207,047,298.32	

\$9,468,346.45
Ax A Line 148

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comm
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in Att

Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up
 Attachment 8, page 1, Table 1 and 2
 Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up

TABLE 1: Summary Cost of Long Term Debt

CALCULATION OF COST OF DEBT/Hypothetical Example

YEAR ENDED 12/31/2014

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	t=N	Issue Date	Maturity Date	ORIGINAL ISSUANCE	Net Proceeds At Issuance	Net Amount Outstanding at t=N	Months Outstanding at t=N	Average Net Outstanding in Year* Z'	Weighted Outstanding Rates	Effective Cost Rate (Tables 2 and 3)	Weighted Debt Cost at t = N (j) * (i)
Long Term Debt 12/31/2014											
First Mortgage Bonds:											
(1)	7.50%, Debenture Description, Series, Name	1/1/2014	8/31/2030	\$ 300,000,000	\$ 294,600,000	\$ 295,000,000	12	\$ 295,156,250	66.23%	7.324%	4.8506%
(2)	Coupon rate, Debenture Description, Series, N	1/1/2014	6/30/2025								
Other Long Term Debt:											
(3)	6.6%, Medium Term Notes, Series, Name of I	04/01/2014	06/30/2024	\$ 200,000,000	\$ 198,000,000	\$ 150,000,000	9	\$ 150,200,000	33.70%	6.735%	2.2697%
(4)	\$1,000,000 variable rate LT Credit Line Dr Series, Name of Issuer	xxxxxxx	xxxxxxx	na	na	\$ 359,000	12	\$ 320,000	0.07%	6.590%	0.0047%
	Total			\$ 500,000,000		\$ 445,359,000		\$ 445,676,250	100.000%		7.13%

t = time
 The current portion of long term debt is included in the Net Amount Outstanding at t = N in these calculations.
 The outstanding amount (column (g)) for debt retired during the year is the outstanding amount at the last month it was outstanding.
 * Z' = Average of monthly balances for months outstanding during the year (average of the balances for the 12 months of the year, with zero in months that the issuance is not outstanding in a month).
 Interim (individual debenture) debt cost calculations shall be taken to four decimals in percentages (7.2300%, 5.2582%). Final Total Weighted Average Debt Cost for the Formula Rate shall be rounded to two decimals of a percent (7.03%).
 ** This Total Weighted Average Debt Cost will be shown on Line 101 of formula rate Appendix A.

TABLE 2: Effective Cost Rates For Traditional Front-Loaded Debt Issuances:

YEAR ENDED 12/31/2014

	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)	(gg)	(hh)	(ii)	(jj)	(kk)	(ll)
	Long Term Debt Affiliate	Issue Date	Maturity Date	(Discount) Premium at Issuance	14 Issuance Expense	Loss/Gain on Recacquired Debt	Less Related ADIT (Attachment 1)	Net Proceeds	(i) Net Proceeds Ratio	(j) Coupon Rate	(k) Annual Interest	(l) Effective Cost Rate* (Yield to Maturity at Issuance, t = 0)
First Mortgage Bonds												
(1)	7.50%, Debenture Des No	1/1/2014	6/30/2025	\$ (2,400,000)	\$ 3,000,000	xxx	xxx	\$ 294,600,000	88.2000	0.07090	\$ 21,270,000	7.324%
(2)	Coupon rate, Debenture Description, Series, N	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxxx	xxx	xxx	xxxxxx
Other Long Term Debt:												
(3)	6.6%, Medium Term N No	4/1/2014	06/30/2024		2,000,000		xxx	\$ 198,000,000	99.0000	0.06600	13,200,000	6.735%
	TOTALS			(2,400,000)	\$ 5,000,000	-	xxx	\$ 492,600,000			\$ 34,470,000	

* YTM at issuance calculated from an acceptable bond table or from YTM = Internal Rate of Return (IRR) calculation
 Effective Cost Rate of Individual Debenture (YTM at issuance): the I=0 Cashflow C, equals Net Proceeds column (gg); Semi-annual (or other) interest cashflows (C₁, C₂, etc.).

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TRAILCO anticipates its financing will be a 7 year loan, where by TRAILCO pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCO will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCO will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
-------------------	----------------

Internal Rate of Return ¹	4.886348%
--------------------------------------	-----------

Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	7,780,954
Origination Fees	15,125
Addition Origination Fees	
Total Issuance Expense	7,796,079

	New Borrowing	Old Borrowing	
Revolving Credit Commitment Fee	0.005	0.0050	
Revolving Credit Commitment Fee		0.0037	After borrowing is at the midpoint (\$275,000)

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$450M Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 11	DONE - Roll over Draw 6 and 9			3.498%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 12	DONE - Roll over Draw 10			3.418%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 13	DONE - Roll over Draw 7 and 8			3.398%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 14	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 15	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 16	DONE - Roll over Draw 11			3.289%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17	DONE			3.248%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17A	DONE - Roll over Draw 12, 14 and 15			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 18	DONE - Roll over Draw 13 and 17			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 19	DONE			3.283%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 20	DONE - Roll over Draw 16			3.304%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 21	DONE - Roll over Draw 17A and 19			3.312%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 22	DONE - Roll over Draw 18			3.312%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 23	DONE			3.222%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 24	DONE Roll over Draw 20			3.213%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 25	DONE Roll over Draw 21, 22 and 23			3.174%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 26	DONE Roll over Draw 25			3.169%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 27	DONE - Pay off Draw 26			3.196%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 28	DONE			1.936%	4.50%	6.21%			

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Year	Capital Expenditures	Principle Drawn In Quarter (\$000's)	Principle Drawn To Date	Outstanding Debt Balance	Interest Expense	Origination Fees	Commitment	Net Cash Flows (D-F-G-H)	Interest at effective rate	Amortization of origination fees and commitment fees
2008										
12/24/2007	Q4	68,183,000	10,000,000	10,000,000	10,000,000	734,955.02		9,265,045	-	-
01/31/2008	Q1			10,000,000	9,265,045	31,013.00		(31,013)	46,132	46,132
02/4/2008	Q1			10,000,000	9,280,164	69,578.45		(69,578)	4,853	4,853
02/6/2008	Q1			10,000,000	9,215,438	137.50		(138)	2,409	2,409
02/29/2008	Q1			10,000,000	9,217,710	2,960.00		(2,960)	27,752	27,752
03/5/2008	Q1			10,000,000	9,242,502	125,384.16		(125,384)	6,042	6,042
3/24/2008	Q1	25,543,000		10,000,000	9,123,160			(155,048)	22,684	(132,363)
03/31/2008	Q1			10,000,000	8,990,797	17,011.00		(17,011)	8,230	8,230
04/30/2008	Q2			10,000,000	8,982,016	197,269.56		(197,270)	35,289	35,289
05/19/2008	Q2			10,000,000	8,820,035	109,824.88		(109,825)	21,931	21,931
6/23/2008	Q2	20,509,000		10,000,000	8,732,141	97,477.43		(97,477)	40,038	(57,439)
06/26/2008	Q2			10,000,000	8,674,702	43,098.82		(43,099)	3,402	3,402
06/30/2008	Q2			10,000,000	8,635,005	13,267.50		(13,268)	4,516	4,516
08/8/2008	Q3			10,000,000	8,626,253	1,577.79		(1,578)	44,084	44,084
08/13/2008	Q3			10,000,000	8,668,760	62,776.98		(62,777)	5,667	5,667
8/15/2008	Q3		55,000,000	65,000,000	8,611,650	7,780,953.85		47,159,357	2,251	(57,458)
8/20/2008	Q3			65,000,000	55,773,258	530.00		(530)	36,461	36,461
8/25/2008	Q3			65,000,000	55,809,189	15,125.00		(15,125)	36,485	36,485
9/3/2008	Q3			65,000,000	55,830,549	82,654.66		(82,655)	65,714	65,714
9/8/2008	Q3			65,000,000	55,813,609	1,957.50		(1,958)	36,487	36,487
9/11/2008	Q3			65,000,000	55,848,138	41,845.84		(41,846)	21,903	21,903
9/15/2008	Q3			45,000,000	55,828,196	243,199.31		(20,243,199)	29,196	(214,004)
9/25/2008	Q3		(20,000,000)	45,000,000	35,614,192	7,525.25		(7,525)	46,580	46,580
9/29/2008	Q3			45,000,000	35,653,247	98,058.08		(98,058)	18,645	18,645
9/30/2008	Q3	24,995,000		45,000,000	35,573,834	18,136.90	235,520.83	(253,658)	4,650	4,650
10/2/2008	Q4		20,000,000	65,000,000	35,324,826		78,506.96	19,921,493	9,235	9,235
10/17/2008	Q4			65,000,000	55,255,554	2,030.03		(2,030)	108,439	108,439

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TrailCo anticipates its financing will be a 7 year loan, where by TrailCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TrailCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TrailCo will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
-------------------	----------------

Internal Rate of Return ¹	4.886348%
--------------------------------------	-----------

Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$$

Origination Fees	7,780,854
Origination Fees	15,125
Addition Origination Fees	
Total Issuance Expense	7,796,079

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
		0.0037

After borrowing is at the midpoint (\$275,000)

1/3/2011	Q1		820,000,000	814,283,991		140,277.78	(140,278)	1,171,579	1,171,579
1/18/2011	Q1		820,000,000	815,315,292	9,000,000		(9,000,000)	1,600,050	(7,399,950)
1/26/2011	Q1	(115,000,000)	705,000,000	807,915,342	966,600.56		(115,966,601)	845,228	(121,373)
1/26/2011	Q1	115,000,000	820,000,000	692,793,969			115,000,000	-	-
2/9/2011	Q1	(20,000,000)	800,000,000	807,793,969	118,552.78		(20,118,553)	1,479,507	1,360,954
2/9/2011	Q1	(95,000,000)	705,000,000	789,154,923	797,767.78		(95,797,768)	-	(797,768)
2/9/2011	Q1	115,000,000	820,000,000	693,357,156			115,000,000	-	-
2/14/2011	Q1	(140,000,000)	680,000,000	808,357,156	1,201,215.56		(141,201,216)	528,453	(672,763)
2/14/2011	Q1	140,000,000	820,000,000	667,684,393			140,000,000	-	-
2/16/2011	Q1		820,000,000	807,684,393		3,098.63	(3,099)	211,164	211,164
4/1/2011	Q2		820,000,000	807,892,458			(97,778)	4,659,577	4,659,577
4/14/2011	Q2	10,000,000	830,000,000	812,454,257			10,000,000	1,381,663	1,381,663
4/26/2011	Q2	(115,000,000)	715,000,000	823,835,920	949,900.00		(115,949,900)	1,293,164	343,264
4/26/2011	Q2	115,000,000	830,000,000	709,179,184	-		115,000,000	-	-
5/9/2011	Q2	(115,000,000)	715,000,000	824,179,184	941,620.00		(115,941,620)	1,401,603	459,983
5/9/2011	Q2	(140,000,000)	575,000,000	709,639,166	1,081,920.00		(141,081,920)	-	(1,081,920)
5/9/2011	Q2	(10,000,000)	565,000,000	568,557,246	22,375.00		(10,022,375)	-	(22,375)
5/9/2011	Q2	235,000,000	800,000,000	568,534,871	-		235,000,000	-	-
5/16/2011	Q2	(235,000,000)	565,000,000	793,534,871	145,034.17		(235,145,034)	726,363	581,329
5/16/2011	Q2	235,000,000	800,000,000	559,116,200	-		235,000,000	-	-
5/23/2011	Q2	(235,000,000)	565,000,000	794,116,200	144,805.69		(235,144,806)	726,895	582,089
5/23/2011	Q2	50,000,000	615,000,000	559,698,289	-		50,000,000	-	-
5/26/2011	Q2	(115,000,000)	500,000,000	609,698,289	307,912.50	233.657	(115,541,569)	239,118	(68,795)
6/23/2011	Q2	(50,000,000)	450,000,000	494,395,838	88,994.45		(50,088,994)	1,812,670	1,723,675
6/23/2011	Q2	20,000,000	470,000,000	446,119,513	-		20,000,000	-	-
7/6/2011	Q3		470,000,000	466,119,513		171,736.11	(171,736)	792,685	792,685
7/15/2011	Q3		470,000,000	466,740,462	9,000,000		(9,000,000)	549,369	(8,450,631)
7/25/2011	Q3	(20,000,000)	450,000,000	458,289,831	34,417.78		(20,034,418)	599,398	564,980
10/18/2011	Q4		450,000,000	438,854,811		290,416.67	(290,417)	4,902,813	4,902,813
1/17/2012	Q1		450,000,000	443,467,207	9,000,000		(9,000,000)	5,306,145	(3,693,855)
3/2/2012	Q1		450,000,000	439,773,352		3,070.00	(3,070)	2,594,240	2,594,240
7/15/2012	Q3		450,000,000	442,364,522	9,000,000		(9,000,000)	7,874,847	(1,125,153)
1/15/2013	Q1		450,000,000	441,239,369	9,000,000		(9,000,000)	10,740,283	1,740,283
7/15/2013	Q3		450,000,000	442,979,652	9,000,000		(9,000,000)	10,604,752	1,604,752
1/15/2014	Q1		450,000,000	444,584,404	9,000,000		(9,000,000)	10,821,705	1,821,705
7/15/2014	Q3		450,000,000	446,406,108	9,000,000		(9,000,000)	10,686,780	1,686,780
1/15/2015	Q1	(450,000,000)	-	448,092,888	9,000,000		(459,000,000)	10,907,105	1,907,105

Commitment fees for 4th quarter 2008