



Legal Department

American Electric Power
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June 30, 2016

Honorable Kimberly D Bose
Secretary
Federal Energy Regulatory Commission
888 First St., N.E.
Washington D.C. 20426

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**Re: American Electric Power Service Corporation
Docket No. ER12-2554-000**

American Electric Power Service Corporation, on behalf of its affiliate, Transource Missouri, LLC ("Transource Missouri"), hereby submits for filing for informational purposes the True-Up Adjustment to Transource Missouri's 2015 annual transmission revenue requirements ("Annual Update"). The following is a list of documents submitted with this Annual Update:

1. Transmittal Letter
2. Appendix A - Transource Missouri 2015 true-up template
3. Appendix B - Formula Rate Workpapers
4. Appendix C - Variance Analysis
5. Appendix D - CWIP Report and Status Report for Iatan - Nashua and Nebraska City - Sibley 345 kV Projects
6. Appendix E - Customer Meeting Notice

The Annual Update attached hereto has been submitted to Southwest Power Pool, Inc. ("SPP") for posting and is available on its website at:

<http://sppoasis.spp.org/documents/SWPP/MemberRelatedPostings/MemberRelatedPostings.asp>

A copy of this notice of such posting was provided to SPP, SPP customers, and the parties in this docket, and to all affected state commissions on June 30, 2016. The Annual Update provides the calculation of the true-up of the 2015 projected revenue requirement to the actual 2015 revenue requirement. This 2015 true-up amount will be included in customer rates beginning January 1, 2017. The Annual Update contains no expenses or costs that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as

defined in 18 C.F.R. § 35.13(b)(7). In addition, Transource Missouri has not made any material changes in its accounting policies and practices from those in effect during the previous Rate Year and upon which the current rate is based.

Fully functioning spreadsheet files supporting the Annual Update are also provided. AEP will host a webinar and teleconference meeting from 2:00 to 3:00 p.m. (Central Time) on August 9, 2016, to afford interested parties the opportunity to discuss the Annual Update.

Thank you for your attention to this informational filing. Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

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Attachments

Appendix A
Transource Missouri 2014 True-up Template

Formula Rate - Non-Levelized			Rate Formula Template Utilizing FERC Form 1 Data			True-Up Annual Transmission Revenue Requirement For the 12 Months Ended 12/31/2015		
Transource Missouri, LLC								
			(1)			(2)	(3)	
Line No.						Allocated Amount		
1	GROSS REVENUE REQUIREMENT	(line 73)				12 months	\$	18,708,333
REVENUE CREDITS			Total		Allocator			
2	Total Revenue Credits	Attachment 1, line 6	2,394,397		TP	1.0000	2,394,397	
3	True-up Adjustment	Attachment 7	-		DA	1.0000	-	
4	NET REVENUE REQUIREMENT	(line 1 minus line 2 plus line 3)					\$	16,313,937

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data				For the 12 Months Ended 12/31/2015
		Transource Missouri, LLC				
		(1)	(2)	(3)	(4)	(5)
			Form No. 1			Transmission
Line No.	RATE BASE:	Page, Line, Col.	Company Total	Allocator		(Col 3 times Col 4)
	GROSS PLANT IN SERVICE					
5	Production	(Attachment 2)	-	NA	-	-
6	Transmission	(Attachment 2)	43,063,463	TP	1.0000	43,063,463
7	Distribution	(Attachment 2)	-	NA	-	-
8	General & Intangible	(Attachment 2)	110,278	W/S	1.0000	110,278
9	TOTAL GROSS PLANT (sum lines 5-8)	(GP=1 if plant =0)	43,173,741	GP=	1.0000	43,173,741
10	ACCUMULATED DEPRECIATION & AMORTIZATION					
11	Production	(Attachment 2)	-	NA	-	-
12	Transmission	(Attachment 2)	202,593	TP	1.0000	202,593
13	Distribution	(Attachment 2)	-	NA	-	-
14	General & Intangible	(Attachment 2)	8,813	W/S	1.0000	8,813
15	TOTAL ACCUM. DEPRECIATION (sum lines 11-14)		211,406			211,406
16	NET PLANT IN SERVICE					
17	Production	(line 5- line 11)	-			-
18	Transmission	(line 6- line 12)	42,860,870			42,860,870
19	Distribution	(line 7- line 13)	-			-
20	General & Intangible	(line 8- line 14)	101,465			101,465
21	TOTAL NET PLANT (sum lines 17-20)	(NP=1 if plant =0)	42,962,335	NP=	1.0000	42,962,335
22	ADJUSTMENTS TO RATE BASE (Note A)					
23	ADIT	(Attachment 6a)	(3,773,086)	TP	1.0000	(3,773,086)
24	Account No. 255 (enter negative) (Note F)	(Attachment 2)	-	NP	1.0000	-
25	CWIP	(Attachment 2)	189,894	DA	1.0000	189,894
26	Reserves (enter negative)	(Attachment 2)	-	DA	1.0000	-
27	Unamortized Regulatory Assets	(Attachment 2)	2,474,268	DA	1.0000	2,474,268
28	Unamortized Abandoned Plant	(Attachment 2) (Note K)	-	DA	1.0000	-
29	TOTAL ADJUSTMENTS (sum lines 23-28)		(1,108,924)			(1,108,924)
30	LAND HELD FOR FUTURE USE	(Attachment 2)	189,655	TP	1.0000	189,655
31	WORKING CAPITAL (Note C)					
32	CWC	calculated (1/8 * Line 44)	213,480			213,480
33	Materials & Supplies (Note B)	(Attachment 2)	-	TP	1.0000	-
34	Prepayments (Account 165 - Note C)	(Attachment 2)	119,785	GP	1.0000	119,785
35	TOTAL WORKING CAPITAL (sum lines 32-34)		333,265			333,265
36	RATE BASE (sum lines 21, 29, 30, & 35)		42,376,331			42,376,331

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 Months Ended 12/31/2015

Transource Missouri, LLC						
(1)	(2)	(3)	(4)	(5)		
	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)		
37	O&M					
38	Transmission	321.112.b	998,627	TP=	1.0000	998,627
39	Less Accounts 565, 561 and 561.1 to 561.8	321.84.b to 92.b	-	TP=	1.0000	-
40	A&G	323.197.b	694,015	W/S	1.0000	694,015
41	Less EPRI & Reg. Comm. Exp. & Other Ad.	(Note D & Attach 2)	(1,324)	DA	1.0000	(1,324)
42	Plus Transmission Related Reg. Comm. Exp.	(Note D & Attach 2)	-	TP=	1.0000	-
43	PBOP expense adjustment	(Attachment 2)	16,521	TP=	1.0000	16,521
44	TOTAL O&M (sum lines 38, 40, 42, 43 less lines 39 & 41)		1,707,839			1,707,839
45	DEPRECIATION EXPENSE					
46	Transmission	336.7.b & c	591,013	TP	1.0000	591,013
47	General and Intangible	336.1.d&e + 336.10.b&c	29,944	W/S	1.0000	29,944
48	Amortization of Abandoned Plant	(Attachment 2) (Note K)	-	DA	1.0000	-
49	TOTAL DEPRECIATION (Sum lines 46-48)		620,957			620,957
50	TAXES OTHER THAN INCOME TAXES (Note E)					
51	LABOR RELATED					
52	Payroll	263.__i (enter FN1 line #)	-	W/S	1.0000	-
53	Highway and vehicle	263.__i (enter FN1 line #)	-	W/S	1.0000	-
54	PLANT RELATED					
55	Property	263.__i (enter FN1 line #)	-	GP	1.0000	-
56	Gross Receipts	263.__i (enter FN1 line #)	-	NA	-	-
57	Other	263.__i (enter FN1 line #)	-	GP	1.0000	-
58	TOTAL OTHER TAXES (sum lines 52-57)		-			-
59	INCOME TAXES (Note F)					
60	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.3839			
61	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.4296			
62	where WCLTD=(line 90) and R= (line 93)					
63	and FIT, SIT & p are as given in footnote F.					
64	1 / (1 - T) = (T from line 60)		1.6231			
65	Amortized Investment Tax Credit (266.8f) (enter negative)		-			
66	Income Tax Calculation = line 61 * line 70		1,177,830	NA		1,177,830
67	ITC adjustment (line 64 * line 65)		-	NP	1.0000	-
68	Total Income Taxes (line 66 plus line 67)		1,177,830			1,177,830
69	RETURN					
70	[Rate Base (line 36) * Rate of Return (line 93)]		2,741,962	NA		2,741,962
71	Rev Requirement before 60/40 Projects (sum lines 44, 49, 58, 68, 70)		6,248,588			6,248,588
72	Return and Income Tax on 60/40 Projects (Attachment 4)		12,459,745	DA	100%	12,459,745
73	Total Revenue Requirement (sum lines 71 & 72)		18,708,333			18,708,333

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 Months Ended 12/31/2015

Transource Missouri, LLC
SUPPORTING CALCULATIONS AND NOTES

74	TRANSMISSION PLANT INCLUDED IN RTO RATES									
75	Total transmission plant (line 6, column 3)							43,063,463		
76	Less transmission plant excluded from RTO rates (Note H)							-		
77	Less transmission plant included in OATT Ancillary Services (Note H)							-		
78	Transmission plant included in RTO rates (line 75 less lines 76 & 77)							43,063,463		
79	Percentage of transmission plant included in RTO Rates (line 78 divided by line 75) [If line 75 equal zero, enter 1]					TP=		1.0000		
80	WAGES & SALARY ALLOCATOR (W&S) (Note I)									
81		Form 1 Reference	\$	TP		Allocation				
82	Production	354.20.b	-			0				
83	Transmission	354.21.b	-	1.00		0				
84	Distribution	354.23.b	-			0			W&S Allocator	
85	Other	354.24,25,26.b	-			0			(\$ / Allocation)	
86	Total (sum lines 82-85) [TP equals 1 if there are no wages & salaries]		-			-	=	1.0000	=	WS
87	RETURN (R) (Note J)									
88										
89			\$	%		Cost		Weighted		
90	Long Term Debt (Note G)	(Attachments 2 and 5)	69,253,846	56.7%		3.545%		2.01%	=WCLTD	
91	Preferred Stock	(Attachment 2)	-	0%		-		0.00%		
92	Common Stock	(Attachment 2)	52,906,845	43.3%		10.300%		4.46%		
93	Total (sum lines 90-92)		122,160,692					6.47%	=R	
	Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant									
						(a)		(b)		
						Non 60/40 Projects		60/40 Projects		
94	Net Transmission Plant in Service	(Line 18)				42,860,870		-		
95	CWIP	(Line 25)				-		102,146,451		
96	Unamortized Abandoned Plant	(Line 28)				-		-		
96	Regulatory Assets	(Line 27)				2,474,268				
97	Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant					45,335,138		102,146,451	For use on Attachment 3 Line 24 and Attachment 4, line 4	

Formula Rate - Non-Levelized

SUPPORTING CALCULATIONS AND NOTES
Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 Months Ended 12/31/2015

Transource Missouri, LLC

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- AThe balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated.
- BIdentified in Form 1 as being only transmission related.
- C
Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission
Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
- D
Line 41 removes EPRI Annual Membership Dues listed in Form 1 at 353.3.f (enter FN1 line #),
any EPRI Lobbying expenses included in line 44 of the template and all Regulatory Commission Expenses itemized at 351.h
Line 41 removes all advertising included in Account 930.1, except safety, education or out-reach related advertising
Line 41 removes EEI and EPRI research, development and demonstration expenses associated with projects in which transmission customers can voluntarily participate to the extent such expenses exceed a maximum annual aggregate amount of \$100,000
Line 42 reflects all Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized at 351.h
- EIncludes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- F
The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p =
"the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) .

Inputs Required:	FIT =	35.00%	
	SIT=	6.25%	(State Income Tax Rate or Composite SIT from Attachment 2)
	p =	50.00%	(percent of federal income tax deductible for state purposes)

For each Rate Year (including both Annual Projections and True-Up Adjustments) the statutory income tax rates utilized in the Formula Rate shall reflect the weighted average rates actually in effect during the Rate Year. For example, if the statutory tax rate is 10% from January 1 through June 30, and 5% from July 1 through December 31, such rates would be weighted 181/365 and 184/365, respectively, for a non-leap year.

- GThe cost of debt is determined using the internal rate of return methodology shown on Attachment 5 until the Actual Capital Structure Date, and is determined using the methodology in Attachment 2 thereafter. Attachment 5 contains a hypothetical example of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Appendix A.
- HRemoves dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- IEnter dollar amounts
- JROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC under FPA Section 205 or 206.

The capital structure will be 60% equity and 40% debt for the CWIP associated with the projects listed below (60/40 Projects), and the return on such projects will be calculated on Attachments 3 and 4 and input on line 71. The CWIP associated with the 60/40 Projects will not be included in rate base (line 25). The capital structure shown on lines 89-92 will be 60% equity and 40% debt until the first of the 60/40 Projects is placed into service. After the first 60/40 project is placed in service, the capital structure on lines 89-92 will reflect the actual capital structure, and will be capped at 55% equity. If the actual equity ratio exceeds 55%, the common stock ratio will be reset to 55% and the debt ratio will be equal to 1 minus sum of the preferred stock ratio and common stock ratio. Any remaining 60/40 projects will continue to earn a return predicated on a 60% equity capital structure until such time as they are placed into commercial operation.

Projects for which the Comission has authorized a 60/40 proxy capital structure during construction:	Docket Number
Iatan – Nashua 345 kV line Project	ER12-2554
Nebraska City – Sibley 345 kV line Project	ER12-2554
...	
...	

- KUnamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Company must submit a Section 205 filing to recover the cost of abandoned plant. Any such filing to recover the cost of an abandoned plant item shall be made no later than 730 days after the date that Company formally declares such plant item abandoned.

Attachment 1 - Revenue Credit Workpaper*
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.			
	Account 454 - Rent from Electric Property	Notes 1 & 3	
1	Rent from FERC Form No. 1		-
	Account 456 and 456.1	Notes 1 & 3	
2	Other Electric Revenues (Note 2)		2,394,397 See workpaper
3	Professional Services		-
4	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		-
5	Rent or Attachment Fees associated with Transmission Facilities		-
6	Total Revenue Credits	Sum lines 2-5 + line 1	2,394,397

Note 1 All revenues booked to Account 454 that are derived from cost items classified as transmission-related will be included as a revenue credit. All revenues booked to Account 456 that are derived from cost items classified as transmission-related, and are not derived from rates under this transmission formula rate will be included as a revenue credit. Work papers will be included to properly classify revenues booked to these accounts to the transmission function. A breakdown of all Account 454 revenues by subaccount will be provided below, and will be used to derive the proper calculation of revenue credits. A breakdown of all Account 456 revenues by subaccount and customer will be provided and tabulated below, and will be used to develop the proper calculation of revenue credits.

Note 2 If the facilities associated with the revenues are not included in the formula, the revenue is shown below, but not included in the total above and explained in the Attachment 3.

Note 3 All Account 454 and 456 Revenues must be itemized below

Line No.		TOTAL	SPP	Other 1	Other 2
1	Account 456				
1a	Transmission Service, Including Point-to-Point	\$ 25,833,053	\$25,833,053		
1x	Trans. Fac. Charge	-			
2	Trans Studies	-			
3	Total	\$ 25,833,053	\$ 25,833,053	\$ -	\$ -
4	Less:				
5	Revenue for Demands in Divisor	23,438,656	23,438,656	-	-
6	Sub Total Revenue Credit	\$ 2,394,397	\$ 2,394,397	\$ -	\$ -
7	Prior Period Adjustments	-	-	-	-
8	Total	\$ 2,394,397	\$ 2,394,397	\$ -	\$ -
9	Account 454	\$			
9a	Joint pole attachments - telephone	-			
9b	Joint pole attachments - cable	-			
9c	Underground rentals	-			
9d	Transmission tower wireless rentals	-			
9e	Other rentals	-			
9f	Corporate headquarters sublease	-			
9g	Misc non-transmission rentals	-			
9x					
10	Total	-			
	Account 456				
	NITS, Base Plan and Balanced Plan	23,438,656			
	SPP Schedule 11 Base Plan Point to Point	2,394,397			
	Subtotal - Revenue	25,833,053			
	Less: 2015 Over-recovery deferral	-			
	FERC Form 1 Total account 456	25,833,053			

Form 1, page 330, column N

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

1	<u>Calculation of Transmission Plant In Service</u>	Source	Year	Balance
2	December	p206.58.b	2014	-
3	January	company records	2015	-
4	February	company records	2015	-
5	March	company records	2015	-
6	April	company records	2015	58,788,017
7	May	company records	2015	60,566,327
8	June	company records	2015	61,856,923
9	July	company records	2015	62,949,252
10	August	company records	2015	63,023,621
11	September	company records	2015	63,027,777
12	October	company records	2015	63,160,530
13	November	company records	2015	62,891,482
14	December	p207.58.g	2015	63,561,089
15	Transmission Plant In Service	(sum lines 2-14) /13		43,063,463
16	<u>Calculation of Distribution Plant In Service</u>	Source		
17	December	p206.75.b	2014	-
18	January	company records	2015	-
19	February	company records	2015	-
20	March	company records	2015	-
21	April	company records	2015	-
22	May	company records	2015	-
23	June	company records	2015	-
24	July	company records	2015	-
25	August	company records	2015	-
26	September	company records	2015	-
27	October	company records	2015	-
28	November	company records	2015	-
29	December	p207.75.g	2015	-
30	Distribution Plant In Service	(sum lines 17-29) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

31	<u>Calculation of Intangible Plant In Service</u>	Source		
32	December	p204.5.b	2014	-
33	January	company records	2015	-
34	February	company records	2015	-
35	March	company records	2015	-
36	April	company records	2015	-
37	May	company records	2015	-
38	June	company records	2015	46,120
39	July	company records	2015	-
40	August	company records	2015	204,570
41	September	company records	2015	214,978
42	October	company records	2015	292,620
43	November	company records	2015	309,153
44	December	p205.5.g	2015	366,177
45	Intangible Plant In Service	(sum lines 32 & 44) /2		110,278
46	<u>Calculation of General Plant In Service</u>	Source		
47	December	p206.99.b	2014	-
48	January	company records	2015	-
49	February	company records	2015	-
50	March	company records	2015	-
51	April	company records	2015	-
52	May	company records	2015	-
53	June	company records	2015	-
54	July	company records	2015	-
55	August	company records	2015	-
56	September	company records	2015	-
57	October	company records	2015	-
58	November	company records	2015	-
59	December	p207.99.g	2015	-
60	General Plant In Service	(sum lines 47 & 59) /2		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

61	<u>Calculation of Production Plant In Service</u>	Source		
62	December	p204.46b	2014	-
63	January	company records	2015	-
64	February	company records	2015	-
65	March	company records	2015	-
66	April	company records	2015	-
67	May	company records	2015	-
68	June	company records	2015	-
69	July	company records	2015	-
70	August	company records	2015	-
71	September	company records	2015	-
72	October	company records	2015	-
73	November	company records	2015	-
74	December	p205.46.g	2015	-
75	<u>Production Plant In Service</u>	(sum lines 62-74) /13		-
76	<u>Total Plant In Service</u>	(sum lines 15, 30, 45, 60, & 75)		43,173,741

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

Accumulated Depreciation Worksheet

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

77	<u>Calculation of Transmission Accumulated Depreciation</u>	Source	Year	Balance
78	December	Prior year p219.25.b	2014	-
79	January	company records	2015	-
80	February	company records	2015	-
81	March	company records	2015	-
82	April	company records	2015	-
83	May	company records	2015	70,342
84	June	company records	2015	142,394
85	July	company records	2015	215,990
86	August	company records	2015	290,913
87	September	company records	2015	365,940
88	October	company records	2015	440,966
89	November	company records	2015	516,146
90	December	p219.25.b	2015	591,013
91	Transmission Accumulated Depreciation	(sum lines 78-90) /13		202,593
92	<u>Calculation of Distribution Accumulated Depreciation</u>	Source		
93	December	Prior year p219.26.b	2014	-
94	January	company records	2015	-
95	February	company records	2015	-
96	March	company records	2015	-
97	April	company records	2015	-
98	May	company records	2015	-
99	June	company records	2015	-
100	July	company records	2015	-
101	August	company records	2015	-
102	September	company records	2015	-
103	October	company records	2015	-
104	November	company records	2015	-
105	December	p219.26.b	2015	-
106	Distribution Accumulated Depreciation	(sum lines 93-105) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

107	<u>Calculation of Intangible Accumulated Depreciation</u>	Source		
108	December	Prior year p200.21.c	2014	-
109	January	company records	2015	-
110	February	company records	2015	-
111	March	company records	2015	-
112	April	company records	2015	-
113	May	company records	2015	-
114	June	company records	2015	7,975
115	July	company records	2015	9,512
116	August	company records	2015	9,512
117	September	company records	2015	16,331
118	October	company records	2015	19,914
119	November	company records	2015	24,791
120	December	p200.21.c	2015	26,534
121	Accumulated Intangible Depreciation	(sum lines 108-120) /13		8,813
122	<u>Calculation of General Accumulated Depreciation</u>	Source		
123	December	Prior year p219.28.b	2014	-
124	January	company records	2015	-
125	February	company records	2015	-
126	March	company records	2015	-
127	April	company records	2015	-
128	May	company records	2015	-
129	June	company records	2015	-
130	July	company records	2015	-
131	August	company records	2015	-
132	September	company records	2015	-
133	October	company records	2015	-
134	November	company records	2015	-
135	December	p219.28.b	2015	-
136	Accumulated General Depreciation	(sum lines 123-135) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

Line No.

Plant in Service Worksheet

137	<u>Calculation of Production Accumulated Depreciation</u>	Source		
138	December	p219.20:24.b (prior year)	2014	-
139	January	company records	2015	-
140	February	company records	2015	-
141	March	company records	2015	-
142	April	company records	2015	-
143	May	company records	2015	-
144	June	company records	2015	-
145	July	company records	2015	-
146	August	company records	2015	-
147	September	company records	2015	-
148	October	company records	2015	-
149	November	company records	2015	-
150	December	p219.20 thru 219.24.b	2015	-
151	Production Accumulated Depreciation	(sum lines 138-150) /13		-
152	<u>Total Accumulated Depreciation</u>	(sum lines 91, 106, 121, 136, & 151)		211,406

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 2a - Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Details
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			<u>Beginning of Year</u>	<u>End of Year</u>	<u>Average Balance</u>
153	Account No. 255 (enter negative)	267.8.h	-	-	-
154	Unamortized Abandoned Plant (recovery of abandoned plant requires a FERC order approving the amount and recovery period)	Per FERC Order	-	-	-
155	Amortization of Abandoned Plant			-	
156	Prepayments (Account 165) (Prepayments exclude Prepaid Pension Assets)		<u>Year</u>	<u>Balance</u>	
157	December	111.57.d	2014	-	
158	January	company records	2015	241,793	
159	February	company records	2015	219,812	
160	March	company records	2015	205,025	
161	April	company records	2015	197,516	
162	May	company records	2015	172,827	
163	June	company records	2015	148,137	
164	July	company records	2015	123,448	
165	August	company records	2015	98,758	
166	September	company records	2015	74,069	
167	October	company records	2015	49,379	
168	November	company records	2015	25,565	
169	December	111.57.c	2015	876	
170	Prepayments	(sum lines 157-169) /13		119,785	

	Calculation of Transmission CWIP	Source	Year	Non 60/40 Projects	60/40 Projects	Total
172	December	216.b (prior Year)	2014	66,040	92,078,464	92,144,504
173	January	company records	2015	82,011	98,960,605	99,042,616
174	February	company records	2015	105,985	102,511,603	102,617,587
175	March	company records	2015	118,697	109,865,905	109,984,603
176	April	company records	2015	112,560	56,553,466	56,666,026
177	May	company records	2015	126,462	63,641,302	63,767,764
178	June	company records	2015	139,173	69,466,544	69,605,717
179	July	company records	2015	195,845	81,546,097	81,741,943
180	August	company records	2015	204,570	99,402,665	99,607,235
181	September	company records	2015	225,509	115,351,802	115,577,311
182	October	company records	2015	332,758	132,678,102	133,010,860
183	November	company records	2015	349,291	147,868,247	148,217,538
184	December	216.b	2015	409,725	157,979,062	158,388,787
185	Transmission CWIP	(sum lines 172-184) /13		189,894	102,146,451	102,336,345

Nebraska City – Sibley 345 kV (CWIP)	Iatan – Nashua 345 kV (CWIP)	Non 60/40 Projects	Total	
37,206,214	54,872,250	66,040	92,144,504	-
41,820,565	57,140,041	82,011	99,042,616	-
44,251,602	58,260,001	105,985	102,617,587	-
49,637,599	60,228,306	118,697	109,984,603	-
54,070,603	2,482,863	112,560	56,666,026	-
61,687,324	1,953,979	126,462	63,767,764	-
68,583,198	883,346	139,173	69,605,717	-
81,545,757	340	195,845	81,741,943	-
99,606,924	(204,259)	204,570	99,607,235	-
115,566,780	(214,978)	225,509	115,577,311	-
132,970,804	(292,702)	332,758	133,010,860	-
147,808,916	59,331	349,291	148,217,538	-
158,348,018	(368,956)	409,725	158,388,787	-
84,084,946	18,061,505	189,894	102,336,345	

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

LAND HELD FOR FUTURE USE

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Beg of year	End of Year	Average	Details
186	LAND HELD FOR FUTURE USE	p214	Total	379,310	-	189,655	
			Non-transmission Related	-	-		
			Transmission Related	379,310	-	189,655	

Reserves

187	List of all reserves:	Amount	Enter 1 if Customer Funded, O if not	Allocation (Plant or Labor Allocator)	Amount Allocated
	Reserve 1	-	-		-
	Reserve 2	-	-		-
	Reserve 3				
	Reserve 4				
	...				
	...	-	-		-
	Total	-			-

The Formula Rate shall include a credit to rate base for all funded and unfunded reserves (i.e. , those for which the funds collected have not been set aside in escrow and the earnings thereon included in the reserve fund) that are funded by customers and for which the associated accrued costs are recoverable under the Formula Rate. Company will include a spreadsheet (to be included in the Formula Rate template) each year as part of the Annual Update that lists the reserves and indicates which ones meet the test for crediting to rate base.

EPRI Dues Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
Allocated General & Common Expenses				
188	EPRI Dues	EPRI Dues p353.3.f	EPRI Dues	
			1,324	

Regulatory Expense Related to Transmission Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details*
Directly Assigned A&G							
189	Regulatory Commission Exp Account 928	p323.189.b		-	-	-	
				FERC Formula Rate for SPP Projects			

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

ADJUSTMENTS TO RATE BASE (Note A) Attachment 2a - Cost Support

Multi-state Workpaper

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		State 1	State 2	State 3	State 4	State 5	Weighed Average
Income Tax Rates		Missouri					
190	SIT=State Income Tax Rate or Composite Multiple state rates are weighted based on the state apportionment factors on the state income tax returns	6.250%					6.250%
		0					

Safety Related and Education and Out Reach Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related, Education, Siting & Outreach Related	Other	Details
Directly Assigned A&G					
191	General Advertising Exp Account 930.1 p323.191.b	-	-	-	

Excluded Plant Cost Support

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
192	Excluded Transmission Facilities	-	General Description of the Facilities

Add more lines if necessary

Materials & Supplies

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Note: for the projection, the prior year's actual balances will be used			Stores Expense Undistributed	Transmission Materials & Supplies	Construction Materials & Supplies	Total
Form No.1 page			p227.16	p227.8	p227.5	
193	December	Column B	-	-	-	-
194	January		-	-	-	-
195	February		-	-	-	-
196	March		-	-	-	-
197	April		-	-	-	-
198	May		-	-	-	-
199	June		-	-	-	-
200	July		-	-	-	-
201	August		-	-	-	-
202	September		-	-	-	-
203	October		-	-	-	-
204	November		-	-	-	-
205	December	Column C	-	-	-	-
206	Average					-

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 2a - Cost Support

Regulatory Asset

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

ER12-2554	60 Months
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Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 2a - Cost Support

Capital Structure

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

213	Monthly Balances for Capital Structure	Year	Debt	Preferred Stock	Common Stock	Total Capitalization
214	December (prior year)	2014	52,600,000	-	28,002,199	80,602,199
215	January	2015	52,600,000	-	30,153,367	82,753,367
216	February	2015	57,200,000	-	32,061,867	89,261,867
217	March	2015	57,200,000	-	42,580,713	99,780,713
218	April	2015	61,300,000	-	43,666,777	104,966,777
219	May	2015	62,300,000	-	47,132,929	109,432,929
220	June	2015	65,300,000	-	49,815,353	115,115,353
221	July	2015	65,300,000	-	50,019,683	115,319,683
222	August	2015	71,000,000	-	61,114,940	132,114,940
223	September	2015	73,000,000	-	67,589,880	140,589,880
224	October	2015	81,000,000	-	74,729,801	155,729,801
225	November	2015	97,500,000	-	75,312,190	172,812,190
226	December	2015	104,000,000	-	85,609,293	189,609,293
227	Average		69,253,846 56.7%	-	52,906,845 0.43309	122,160,692

Debt is equal to 112.18c less 112.19c plus 112.20c plus 112.21c, recognizing that 112.19c is entered into the Form 1 as a negative number and shall remain negative (i.e., it is not a double minus in the formula that mathematically would lead to adding in line 112.19c) so that Reacquired Bonds (Account 222) are subtracted from other long term debt outstanding and that Line 112.20c may contain both short term and long term indebtedness to affiliates and therefore any short term affiliate debt shall be removed from 112.20c before adding it into the above long term debt balance formula in the formula rate.

Preferred Stock is equal to 112.3c less any Preferred Treasury Stock plus any Preferred Additional Paid-in-Capital, recognizing that if there is any Preferred Treasury Stock or Preferred Additional Paid-in-Capital, then the respective amounts shall be appropriately disclosed in a footnote to the capital structure cost support in the formula rate template.

Common Equity is equal to 112.16c less 112.3c less 112.12c less 112.15c, recognizing that line 112.15c may be a positive or negative number and if it is positive, it shall be subtracted in the formula, and if it is entered as a negative in the Form 1, it shall be added (a double minus sign when subtracting a negative number) in the formula.

The cost of long-term debt for a Rate Year will be the sum of the interest expense and cost of issuances divided by the 13-month average long-term debt balance for the Rate Year. The cost of long-term debt issuances shall include long-term interest expense amounts recorded in the following FERC accounts:

			Amount
228	Account 427	Interest on Long-Term Debt (limited solely to interest expense for long-term debt reported in Accounts 221-224) (FF1, 117/62/c)	1,381,582
229	plus: Account 428	Amortization of Debt Discount and Expense (FF1, 117/63/c)	291,100
230	plus: Account 428.1	Amortization of Loss on Reacquired Debt (FF1, 117/64/c)	0
231	less: Account 429	Amortization of Premium on Debt (FF1, 117/65/c)	0
232	less: Account 429.1	Amortization of Gain on Reacquired Debt (FF1, 117/66/c)	0
233	plus: Account 430	Interest on Debt to Associated Companies but limited solely to the expense associated with long-term debt recorded in Account 223.(FF1. 117.67.c)	0
234	Total		1,672,681

Interest expenses not directly related to the long-term bond issuances included in the capital structure will be excluded.

The cost of preferred stock will be preferred stock dividends (booked in FERC Account 437) divided by the average preferred stock balance for the rate year.

235	Preferred Dividends in Account 437	0
236	13 Month average balance of Preferred Stock	0
237	Cost of Preferred Stock	0

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2015

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 2a - Cost Support

PBOPs

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Details
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238	Calculation of PBOP Expenses		
239	<u>AEP Employees</u>		
240	Total PBOP expenses	does not change	\$72,293,585
241	Labor dollars	does not change	\$1,181,809,072
242	Cost per labor dollar		\$0.061
243	labor (labor not capitalized) current year		\$236,347
244	PBOP Expense for current year		\$14,458
245	PBOP Expense in Account 926 for current year		\$0
246	PBOP Adjustment for Appendix A, Line 54		\$14,458
247	Lines 240-242 cannot change absent approval or acceptance by FERC in a separate proceeding.		
247	<u>KCP&L Employees</u>		
248	Total PBOP expenses	does not change	\$10,853,189
249	Labor dollars	does not change	\$145,384,684
250	Cost per labor dollar		\$0.075
251	labor (labor not capitalized) current year		\$27,636
252	PBOP Expense for current year		\$2,063
253	PBOP Expense in Account 926 for current year		\$0
254	PBOP Adjustment for Appendix A, Line 54		\$2,063
255	Lines 248-250 cannot change absent approval or acceptance by FERC in a separate proceeding.		
256	PBOP expense adjustment	(sum lines 246 & 254)	\$16,521

**Incentive ROE and 60/40 Project Worksheet
Attachment 3
For the 12 Months Ended 12/31/2015**

Incentive ROE

Total

1	Rate Base					42,376,331
2	100 Basis Point Incentive Return				\$	
		\$	%	Cost	Weighted	
3	Long Term Debt	69,253,846.15	57%	0.0354	0.0201	
4	Preferred Stock	-	0%	-	-	
5	Common Stock Including 100 basis points	52,906,845.45	43%	0.1130	0.0489	
6	Total (sum lines 3-5)	122,160,691.60			0.0690	
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)					2,925,491
8	INCOME TAXES					
9	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.3839				
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	0.4417				
11	where WCLTD=(line 3) and R= (line 6)					
12	and FIT, SIT & p are as given in footnote F on Appendix A.					
13	$1 / (1 - T) = (T \text{ from line 9})$	1.6231				
14	Amortized Investment Tax Credit (266.8f) (enter negative)	-				
15						
16	Income Tax Calculation = line 10 * line 7				1,292,182	
17	ITC adjustment (line 13 * line 14) and line 17 allocated on NP allocator	-	NP	1.00	-	
18	Total Income Taxes (line 16 plus line 17)	-				1,292,182
19	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 7 and 18			4,217,673
20	Return (Appendix A line 70 col 5)					2,741,962
21	Income Tax (Appendix A line 68 col 5)					1,177,830
22	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 20 and 21			3,919,792
23	Incremental Return and Income Taxes for 100 basis point increase in ROE		Line 19 less line 22			297,881
24	Sum Of Net Plant, CWIP, Abandoned Plant And Regulatory Assets		Appendix A, line 97h			45,335,138
25	Carrying Charge Difference for 100 Basis point of ROE		(Line 23 divided by line 24)			0.66%

**Incentive ROE associated with 60/40 Projects
Attachment 3**

26	Rate Base					<u>Total</u> 42,376,331
27	100 Basis Point Incentive Return				\$	
		\$	%	Cost	Weighted	
28	Long Term Debt	69,253,846.15	40%	0.0354	0.0142	
29	Preferred Stock	-	0%	-	-	
30	Common Stock Including 100 basis points	52,906,845.45	60%	0.1130	0.0678	
31	Total (sum lines 28-30)	122,160,691.60			0.0820	
32	100 Basis Point Incentive Return multiplied by Rate Base (line 26 * line 31)					3,474,002
33	INCOME TAXES					
34	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.3839				
35	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	0.5153				
36	where WCLTD=(line 28) and R= (line 31)					
37	and FIT, SIT & p are as given in footnote on Appendix A.					
38	$1 / (1 - T) = (T \text{ from line 34})$	1.6231				
39	Amortized Investment Tax Credit (266.8f) (enter negative)	-				
40	Income Tax Calculation = line 35 * line 32				1,790,172	
41	ITC adjustment (line 38 * line 39) and line 41 allocated on NP allocator	-	NP	-	-	
42	Total Income Taxes (line 40 plus line 41)	-				1,790,172
43	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 32 and 42			5,264,173
44	Return (Appendix A line 70 col 5)					3,219,744
45	Income Tax (Appendix A line 68 col 5)					1,631,750
46	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 44 and 45			4,851,493
47	Incremental Return and Income Taxes for 100 basis point increase in ROE		Line 43 less line 46			412,680
48	Sum Of Net Plant, CWIP, Abandoned Plant And Regulatory Assets		Appendix A, line 97a			45,335,138
49	Carrying Charge Difference for 100 Basis point of ROE		(Line 47 divided by line 48)			0.91%

Base FCR for 60/40 Projects
Attachment 3

50	60/40 Projects	(Appendix A, line 97b)			<u>Total</u> 102,146,451
				\$	
		\$	%	Cost	Weighted
51	Long Term Debt	69,253,846.15	40%	0.0354	0.0142
52	Preferred Stock	-	0%	-	-
53	Common Stock Including 100 basis points	52,906,845.45	60%	0.1030	0.0618
54	Total (sum lines 28-30)	122,160,691.60			0.0760
55	100 Basis Point Incentive Return multiplied by Rate Base (line 26 * line 31)				7,761,063
56	INCOME TAXES				
57	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.3839			
58	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.5068			
59	where WCLTD=(line 51) and R= (line 54)				
60	and FIT, SIT & p are as given in footnote on Appendix A.				
61	1 / (1 - T) = (T from line 57)	1.6231			
62	Amortized Investment Tax Credit (266.8f) (enter negative)	-			
63	Income Tax Calculation = line 58 * line 55			3,933,267	
64	ITC adjustment (line 61 * line 62) and line 64 allocated on NP allocator	-	NP	-	
65	Total Income Taxes (line 63 plus line 64)	-			3,933,267
66	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 55 and 65		11,694,330
67	60/40 Projects		Appendix A, line 97b		102,146,451
68	Base FCR for 60/40 Projects		Line 66 / line 67		11.45%

Transmission Enhancement Charge Worksheet
Attachment 4

			For all but 60/40 Projects	For 60/40 Projects only (Attachment 3)	Total
1	Rev Requirement	(Appendix A, line 71 & 72)	6,248,588	11,694,330	17,942,918
2	Less Transmission Depreciation Expense plus Abandoned Plant and Regulatory Asset Amortization Expense	(Appendix A, line 97a & b)	1,297,947	-	1,297,947
3	Net Rev Req less Depreciation expense	(Line 1 minus line 2)	4,950,641	11,694,330	16,644,971
4	Sum Of Net Plant, Regulatory Asset and Abandoned Plant (Attachment A, line 97)		45,335,138	102,146,451	147,481,589
5	Base Fixed Charge Rate (Base FCR)	(Line 3 / line 4)	10.92%	11.45%	
6	Carrying Charge Difference for 100 Basis point of ROE	(Attachment 3, line 25 and 49)	0.66%	0.91%	

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
						2015			
	Project Name and SPP Identification	Useful life of project/Amort period	Input the allowed ROE Incentive	Line 5	Line 6 times Col C divided by 100 basis points plus Col D	Actual Rev Req at Base FCR		Actual Rev Req at Increased ROE	
			Increased ROE (Basis Points)	Base FCR	FCR for This Project	13 Month Balance Net Plant;	Depreciation or Amortization Expense	Revenue Requirement	Revenue Requirement
						[Col D x Col F + Col G]		(Col E x Col F + Col G)	
7a	Iatan – Nashua 345 kV (SPP # 703) (Reg Assets)	5	0	10.92%	10.92%	371,140	106,040	146,569	146,569
7b	Nebraska City – Sibley 345 kV (SPP # 938) (Reg Assets)	5	0	10.92%	10.92%	2,103,128	600,894	830,557	830,557
7c									
7d	Iatan – Nashua 345 kV (CWIP)		0	11.45%	11.45%	18,061,505	-	2,067,788	2,067,788
7e	Nebraska City – Sibley 345 kV (CWIP)		100	11.45%	12.36%	84,084,946	-	9,626,542	10,391,957
7f									
7g	Iatan – Nashua 345 kV (PIS)		0	10.92%	10.92%	42,860,870	591,013	5,271,462	5,271,462
7h	Nebraska City – Sibley 345 kV (PIS)		100	10.92%	11.83%	-	-	-	-
7i									
7j	Iatan – Nashua 345 kV Subtotal					61,293,515	697,053	7,485,819	7,485,819
7k	Nebraska City – Sibley 345 kV Subtotal					86,188,074	600,894	10,457,099	11,222,514
7l	Subtotal Gross Revenue Requirement					147,481,589	1,297,947	17,942,918	18,708,333
7m									
7n	Iatan – Nashua 345 kV (Revenue Credit) (Note 3)		N/A	N/A	N/A			(995,114)	(995,114)
7o	Nebraska City – Sibley 345 kV (Revenue Credit) (Note 3)		N/A	N/A	N/A			(1,399,283)	(1,399,283)
7p									
7q	Iatan – Nashua 345 kV (True-Up -Projections only) (Note 3)		N/A	N/A	N/A			-	-
7r	Nebraska City – Sibley 345 kV (True Up-Projections only) (Note 3)		N/A	N/A	N/A			-	-
7s									
7t	Iatan – Nashua 345 kV Total					61,293,515	697,053	6,490,705	6,490,705
7u	Nebraska City – Sibley 345 kV Total					86,188,074	600,894	9,057,817	9,823,232
8	Total Net Revenue Requirement					147,481,589	1,297,947	15,548,522	16,313,937
9	Line 8 must tie to the lines above as shown					Total of Col F ties to Line 4	Total of Col G ties to Line 2 Total	Total of Col H ties to Line 1 Total	Total Amount to be Charged

Note 1: Add additional lines after line 7i for additional projects

Note 2: Regulatory Assets, CWIP, and plant in-service shall be listed on separate lines for each project

Note 3: Revenue credits and True-Ups allocated to projects based on ratio of Net Plant on lines 7J and 7K to Line 7L. True-Ups only included in Projections.

Attachment 5 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology **Transource Missouri, LLC**

Assumes financing will be a 5 year loan with Origination Fees of \$1.1 million and a Commitments Fee of 0.3% on the undrawn principal.
 Consistent with GAAP, the Origination Fees and Commitments Fees will be amortized using the standard Internal Rate of Return formula below.
 Each year, the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount will be updated on this attachment.
 The IRR calculation will use the Excel Worksheet Function XIRR.

Total Loan Amount	\$ 225,000,000
--------------------------	-----------------------

Internal Rate of Return¹	3.545%
Based on following Financial Formula²:	
NPV = 0 =	$\sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$

Origination Fees	
Underwriting Discount	-
Arrangement Fee	300,000
Upfront Fee	750,000
Rating Agency Fee	-
Legal Fees	21,077
Total Issuance Expense	1,071,077
Annual Rating Agency Fee	
	-
Annual Bank Agency Fee	35,000
Revolving Credit Commitment Fee	0.300%

	2014	2015	2016	2017	2018
LIBOR Rate	0.1975%	0.3000%	0.5000%	0.7986%	1.0125%
Spread	1.75%	1.75%	1.75%	1.75%	1.75%
Interest Rate	1.95%	2.05%	2.25%	2.55%	2.76%

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Year		Capital Expenditures (\$000's)	Principal Drawn In Quarter (\$000's)	Principal Drawn To Date (\$000's)	Interest & Principal (\$000's)	Origination Fees (\$000's)	Commitment & Utilization Fee (\$000's)	Net Cash Flows (\$000's) (D-F-G-H)
1/1/2014	Prior Periods	-	-	-				1
3/31/2014	Q1	41,981	27,200	27,200	132	1,071	201	25,796
6/30/2014	Q2	19,592	12,100	39,300	160		203	11,737
9/30/2014	Q3	10,943	9,300	48,600	223		196	8,881
12/31/2014	Q4	6,710	4,000	52,600	251		226	3,523
3/31/2015	Q1	17,840	4,600	57,200	267		194	4,140
6/30/2015	Q2	21,524	8,100	65,300	305		180	7,615
9/30/2015	Q3	47,311	7,700	73,000	348		131	7,221
12/31/2015	Q4	43,496	31,000	104,000	462		104	30,433
3/31/2016	Q1	25,470	13,244	117,244	532		126	12,587
6/30/2016	Q2	26,052	13,547	130,791	658		81	12,809
9/30/2016	Q3	15,890	8,740	139,531	742		71	7,927
12/31/2016	Q4	14,576	8,017	147,548	791		64	7,161
3/31/2017	Q1	27,796	15,288	162,836	819		93	(148,459)
6/30/2017	Q2							
9/30/2017	Q3							
12/31/2017	Q4							
3/31/2018	Q1							
6/30/2018	Q2							
9/30/2018	Q3							

1 The IRR is the Debt Cost shown on Line 88 of Appendix A.

2 The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation can only be solved through iterations performed by a computer program (i.e., NPV function with goal seek in a spreadsheet program).

Transource Missouri, LLC
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

Item	Transmission Related	Plant Related	Labor Related	Total Plant & Labor Related	
ADIT- 282	-	-	-		From Acct. 282 total, below
ADIT-283	(27,262)	-	-		From Acct. 283 total, below
ADIT-190	162,364	-	-		From Acct. 190 total, below
Subtotal	(189,626)	-	-		
Wages & Salary Allocator			1.00		
Net Plant Allocator		1.00			
Beginning of Year	(189,626)	-	-		
End of year from Attachment 6b, line End of Year ADIT	1,196,881	6,538,917	-		
Average of Beginning of Year and End of Year ((7 +8)/2)	503,628	3,269,459	-	3,773,086	Enter as negative Appendix A, line 23.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, Dissimilar items with amounts exceeding \$100,000 will be listed separately. For ADIT directly related to project depreciation or CWIP, the balance must shown in a separate column for each project.

A	B	C	D	F	269	H
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT-190						
601T TMO Land Purchase Prem Amort	25,695	25,695		-		Underlying land purchase premium asset excluded from rate base by FERC order
631U Def Sec 195 Start Up Costs	171,906		171,906			Related to Reg Asset which is included in rate base
911Q-DSIT DSIT Entry-Normalized	(9,542)		(9,542)			Electric operations DSIT
Subtotal - p234	188,059	25,695	162,364	-	-	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	188,059	25,695	162,364	-	-	

- Instructions for Account 190:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
 - 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

Transource Missouri, LLC
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

A	B	C	D	F	G	H
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282						
			-			Related to Depreciation Timing Differences
Subtotal - p275	-	-	-	-	-	
Less FASB 109 Above if not separately removed				-		
Less FASB 106 Above if not separately removed						
Total	-	-	-	-	-	

- Instructions for Account 282:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

Transource Missouri, LLC
Attachment 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

A	B	C	D	F	G	H
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
ADIT- 283						
911Q-DSIT DSIT Entry-Normalized	(27,262)		(27,262)			Electric operations DSIT
Other	44,934	44,934				Excluded - Non Utility Other Income and Deductions
Subtotal - p277	17,672	44,934	(27,262)	-	-	
Less FASB 109 Above if not separately removed	-			-		
Less FASB 106 Above if not separately removed	-					
Total	17,672	44,934	(27,262)	-	-	

- Instructions for Account 283:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

Transource Missouri, LLC
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

	Transmission	Plant	Labor	Total Plant & Labor Related	
	Related	Related	Related		
ADIT- 282	-	11,279,800	-		From Acct. 282 total, below
ADIT-283	2,205,206	-	-		From Acct. 283 total, below
ADIT-190	1,008,325	4,740,883	-		From Acct. 190 total, below
Subtotal	1,196,881	6,538,917	-		
Wages & Salary Allocator			1.00		
Net Plant Allocator		1.00			
End of Year ADIT	1,196,881	6,538,917	-	7,735,798	

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

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT-190						
601T TMO Land Purchase Prem Amort	42,869	42,869				Underlying land purchase premium asset excluded from rate base by FERC order
631U Def Sec 195 Start Up Costs	324,620		324,620			Related to Reg Asset which is included in rate base
911Q-DSIT DSIT Entry-Normalized	683,705		683,705			Electric operations DSIT
960Z - NOL-Deferred Tax Asset Reclass	4,021,555			4,021,555		Federal loss due to 50% bonus depr on latan-Nashua assets placed in service in 2015
014C-MO - NOL-State C/F-Deferred Tax Asset	719,328			719,328		Missouri loss due to 50% bonus depr on latan-Nashua assets placed in service in 2015
Subtotal - p234 line 18	5,792,077	42,869	1,008,325	4,740,883	-	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	5,792,077	42,869	1,008,325	4,740,883	-	

- Instructions for Account 190:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
 - 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

Transource Missouri, LLC
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

A	B	C	D	E	F	G
ADIT- 282	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
230A ACRS Benefit Normalized -	11,279,800		-	11,279,800		Related to Iatan-Nashua Depreciation Timing Differences
Subtotal - p275 line 9	11,279,800	-	-	11,279,800	-	
Less FASB 109 Above if not separately removed				-		
Less FASB 106 Above if not separately removed						
Total	11,279,800	-	-	11,279,800	-	

- Instructions for Account 282:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
 - 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

Transource Missouri, LLC
Attachment 6b - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)
End of Year

A	B	C	D	E	F	G
ADIT- 283	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
911Q-DSIT DSIT Entry-Normalized	1,953,442		1,953,442			Electric operations DSIT
014C-MO - NOL-State C/F-Deferred Tax Asset	251,764		251,764			DFIT on Missouri State NOL carryforward in 190
Other	26,961	26,961				Excluded - Non Utility Other Income and Deductions
Subtotal - p277 line 19	2,232,167	26,961	2,205,206	-	-	
Less FASB 109 Above if not separately removed	-			-		
Less FASB 106 Above if not separately removed	-					
Total	2,232,167	26,961	2,205,206	-	-	

- Instructions for Account 283:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 - ADIT items related only to Transmission are directly assigned to Column D
 - ADIT items related to Plant and not in Columns C & D are included in Column E
 - ADIT items related to labor and not in Columns C & D are included in Column F
 - 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

Attachment 7 - True-Up Calculation
Transource Missouri, LLC

2015		2015			
Revenue Requirement Billed		Actual Revenue Requirement		Over (Under) Recovery	
\$23,503,838	Less	\$16,313,937	Equals	\$7,189,901	

Interest Rate on Amount of Refunds or Surcharges	Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 7a	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.275%				

An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year

Calculation of Interest					Monthly	
January	Year 2015	599,158	0.275%	12	(19,787)	(618,946)
February	Year 2015	599,158	0.275%	11	(18,138)	(617,297)
March	Year 2015	599,158	0.275%	10	(16,489)	(615,648)
April	Year 2015	599,158	0.275%	9	(14,840)	(613,999)
May	Year 2015	599,158	0.275%	8	(13,191)	(612,350)
June	Year 2015	599,158	0.275%	7	(11,543)	(610,701)
July	Year 2015	599,158	0.275%	6	(9,894)	(609,052)
August	Year 2015	599,158	0.275%	5	(8,245)	(607,403)
September	Year 2015	599,158	0.275%	4	(6,596)	(605,754)
October	Year 2015	599,158	0.275%	3	(4,947)	(604,105)
November	Year 2015	599,158	0.275%	2	(3,298)	(602,456)
December	Year 2015	599,158	0.275%	1	(1,649)	(600,807)
					(128,617)	(7,318,518)
January through December					Annual	
	Year 2016	(7,318,518)	0.275%	12	(241,694)	(7,560,212)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2017	7,560,212	0.275%		(20,806)	641,345
February	Year 2017	6,939,674	0.275%		(19,099)	641,345
March	Year 2017	6,317,428	0.275%		(17,386)	641,345
April	Year 2017	5,693,469	0.275%		(15,669)	641,345
May	Year 2017	5,067,794	0.275%		(13,947)	641,345
June	Year 2017	4,440,396	0.275%		(12,220)	641,345
July	Year 2017	3,811,272	0.275%		(10,489)	641,345
August	Year 2017	3,180,416	0.275%		(8,753)	641,345
September	Year 2017	2,547,825	0.275%		(7,012)	641,345
October	Year 2017	1,913,492	0.275%		(5,266)	641,345
November	Year 2017	1,277,413	0.275%		(3,516)	641,345
December	Year 2017	639,584	0.275%		(1,760)	641,345
					(135,923)	
Total Amount of True-Up Adjustment					\$	(7,696,135)
Less Over (Under) Recovery					\$	7,189,901
Total Interest					\$	(506,233)

	Short term Interest Rate (Notes A & C)		Avg. Ann Short Term Interest
1	Other Interest Exp.(Notes, p.117)	(Note A)	609,226
2	Notes Payable (Acct. 231-daily balances wksht.)	(Note A)	-
3	No. of Months		12
4	Annual Short-term Int Rate	(line 1 / line 2)	-
	FERC Quarterly Interest Rate		Purusant to 35.19 (a)
5	Qtr 3 (Previous Year)		3.25%
6	Qtr 4 (Previous Year)		3.25%
7	Qtr 1 (Current Year)		3.25%
8	Qtr 2 (Current Year)		3.46%
9	Average of the last 4 quarters	(Lines 5-8 / 4)	3.30%
10	Interest Rate Used for True-up adjustment (Note B)		3.30%
11	Monthly Interest Rate	(Line 10 / 12)	0.28%

Note:

- AThe short term interest rate is based on a 12 month rate ending June of the year in which the Annual Update is prepared, with denominator calculated using daily balances and the numerator based on Form 3Q.
- BIf the True-up amount on Attachment 7 is a surcharge to customers use the lower of line 4 and line 9, however, if line 4 is zero, then use line 9. Use line 9 if the True-up amount is a refund to customers.
- CThe numerator and denominator of the short-term interest rate calculation will reflect consistent debt components.

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
Transource Missouri, LLC

SUMMARY							
YEAR	Estimated Effective cost of debt used in true up	Final Effective cost of debt for the construction loan:	Revenue Requirement			Monthly Interest Rate applicable over the ATRR period	Total Amount of Construction Loan Related True-Up included in rates effective Jan 2017 (Refund)/Owed
			Based on Estimated Effective cost of debt	Based on Actual Effective cost of debt	Over (Under) Recovery		
2012	7.18%	6.50%	\$ 2,500,000.00	\$ 2,400,000.00	\$ 100,000.00	0.550%	\$ (148,288.33)
2013	6.8%	6.50%	\$5,000,000.00	\$5,150,000.00	\$ (150,000.00)	0.560%	\$ 209,670.43
2014	7.2%	6.50%	\$8,300,000.00	\$8,200,000.00	\$ 100,000.00	0.540%	\$ (131,109.09)
2015	7.3%	6.50%	\$12,300,000.00	\$12,000,000.00	\$ 300,000.00	0.580%	\$ (368,656.73)
2016	*	6.50%	\$18,000,000.00	\$17,900,000.00	\$ 100,000.00	0.570%	\$ (114,946.28)
2016	**	6.50%	\$25,000,000.00	\$25,000,000.00	\$ -		
							\$ (553,329.99)

The Hypothetical Example:

* Assumes that the construction loan is retired on Sept 1, 2016

** Assumes permanent debt structure is put in place on Sept 1, 2016 with effective rate of 6.5%

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Hypothetical Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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Calculation of Interest for 2011 True-Up Period							
An over or under collection will be recovered prorata over 2011, held for 2012, 2013, 2014, 2015, 2016 and returned prorata over 2017					Monthly		
January	Year 2012	-	0.5500%	12.00	-	-	-
February	Year 2012	-	0.5500%	11.00	-	-	-
March	Year 2012	10,000	0.5500%	10.00	(550)		(10,550)
April	Year 2012	10,000	0.5500%	9.00	(495)		(10,495)
May	Year 2012	10,000	0.5500%	8.00	(440)		(10,440)
June	Year 2012	10,000	0.5500%	7.00	(385)		(10,385)
July	Year 2012	10,000	0.5500%	6.00	(330)		(10,330)
August	Year 2012	10,000	0.5500%	5.00	(275)		(10,275)
September	Year 2012	10,000	0.5500%	4.00	(220)		(10,220)
October	Year 2012	10,000	0.5500%	3.00	(165)		(10,165)
November	Year 2012	10,000	0.5500%	2.00	(110)		(10,110)
December	Year 2012	10,000	0.5500%	1.00	(55)		(10,055)
					(3,025)		(103,025)
					Annual		
January through December	Year 2013	(103,025)	0.5600%	12.00	(6,923)		(109,948)
January through December	Year 2014	(109,948)	0.5400%	12.00	(7,125)		(117,073)
January through December	Year 2015	(117,073)	0.5800%	12.00	(8,148)		(125,221)
January through December	Year 2016	(125,221)	0.5700%	12.00	(8,565)		(133,786)
January through December	Year 2017	(133,786)	0.5700%	12.00	(9,151)		(142,937)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2018	142,937	0.5700%		(815)	(12,357)	(131,395)
February	Year 2018	131,395	0.5700%		(749)	(12,357)	(119,786)
March	Year 2018	119,786	0.5700%		(683)	(12,357)	(108,112)
April	Year 2018	108,112	0.5700%		(616)	(12,357)	(96,371)
May	Year 2018	96,371	0.5700%		(549)	(12,357)	(84,563)
June	Year 2018	84,563	0.5700%		(482)	(12,357)	(72,687)
July	Year 2018	72,687	0.5700%		(414)	(12,357)	(60,744)
August	Year 2018	60,744	0.5700%		(346)	(12,357)	(48,733)
September	Year 2018	48,733	0.5700%		(278)	(12,357)	(36,653)
October	Year 2018	36,653	0.5700%		(209)	(12,357)	(24,505)
November	Year 2018	24,505	0.5700%		(140)	(12,357)	(12,287)
December	Year 2018	12,287	0.5700%		(70)	(12,357)	0
					(5,351)		
Total Amount of True-Up Adjustment for 2012 ATRR					\$	(148,288)	
Less Over (Under) Recovery					\$	100,000	
Total Interest					\$	(48,288)	

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
Transource Missouri, LLC**

<u>Calculation of Interest for 2012 True-Up Period</u>							
An over or under collection will be recovered prorata over 2012, held for 2013, 2014, 2015, 2016 and returned prorata over 2017						Monthly	
January	Year 2013	(12,500)	0.5600%	12.00	840		13,340
February	Year 2013	(12,500)	0.5600%	11.00	770		13,270
March	Year 2013	(12,500)	0.5600%	10.00	700		13,200
April	Year 2013	(12,500)	0.5600%	9.00	630		13,130
May	Year 2013	(12,500)	0.5600%	8.00	560		13,060
June	Year 2013	(12,500)	0.5600%	7.00	490		12,990
July	Year 2013	(12,500)	0.5600%	6.00	420		12,920
August	Year 2013	(12,500)	0.5600%	5.00	350		12,850
September	Year 2013	(12,500)	0.5600%	4.00	280		12,780
October	Year 2013	(12,500)	0.5600%	3.00	210		12,710
November	Year 2013	(12,500)	0.5600%	2.00	140		12,640
December	Year 2013	(12,500)	0.5600%	1.00	70		12,570
					<u>5,460</u>		<u>155,460</u>
						Annual	
January through December	Year 2014	155,460	0.5400%	12.00	10,074		165,534
January through December	Year 2015	165,534	0.5800%	12.00	11,521		177,055
January through December	Year 2016	177,055	0.5700%	12.00	12,111		189,166
January through December	Year 2017	189,166	0.5700%	12.00	12,939		202,104
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>						Monthly	
January	Year 2018	(202,104)	0.5700%		1,152	17,473	185,784
February	Year 2018	(185,784)	0.5700%		1,059	17,473	169,370
March	Year 2018	(169,370)	0.5700%		965	17,473	152,863
April	Year 2018	(152,863)	0.5700%		871	17,473	136,262
May	Year 2018	(136,262)	0.5700%		777	17,473	119,566
June	Year 2018	(119,566)	0.5700%		682	17,473	102,775
July	Year 2018	(102,775)	0.5700%		586	17,473	85,888
August	Year 2018	(85,888)	0.5700%		490	17,473	68,905
September	Year 2018	(68,905)	0.5700%		393	17,473	51,826
October	Year 2018	(51,826)	0.5700%		295	17,473	34,649
November	Year 2018	(34,649)	0.5700%		197	17,473	17,374
December	Year 2018	(17,374)	0.5700%		<u>99</u>	<u>17,473</u>	<u>(0)</u>
					7,566		
Total Amount of True-Up Adjustment for 2013 ATRR						\$	209,670
Less Over (Under) Recovery						\$	(150,000)
Total Interest						\$	59,670

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
Transource Missouri, LLC

<u>Calculation of Interest for 2013 True-Up Period</u>							
An over or under collection will be recovered prorata over 2013, held for 2014, 2015, 2016 and returned prorata over 2017					Monthly		
January	Year 2014	8,333	0.5400%	12.00	(540)		(8,873)
February	Year 2014	8,333	0.5400%	11.00	(495)		(8,828)
March	Year 2014	8,333	0.5400%	10.00	(450)		(8,783)
April	Year 2014	8,333	0.5400%	9.00	(405)		(8,738)
May	Year 2014	8,333	0.5400%	8.00	(360)		(8,693)
June	Year 2014	8,333	0.5400%	7.00	(315)		(8,648)
July	Year 2014	8,333	0.5400%	6.00	(270)		(8,603)
August	Year 2014	8,333	0.5400%	5.00	(225)		(8,558)
September	Year 2014	8,333	0.5400%	4.00	(180)		(8,513)
October	Year 2014	8,333	0.5400%	3.00	(135)		(8,468)
November	Year 2014	8,333	0.5400%	2.00	(90)		(8,423)
December	Year 2014	8,333	0.5400%	1.00	(45)		(8,378)
					(3,510)		(103,510)
					Annual		
January through December	Year 2015	(103,510)	0.5800%	12.00	(7,204)		(110,714)
January through December	Year 2016	(110,714)	0.5700%	12.00	(7,573)		(118,287)
January through December	Year 2017	(118,287)	0.5700%	12.00	(8,091)		(126,378)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2018	126,378	0.5700%		(720)	(10,926)	(116,173)
February	Year 2018	116,173	0.5700%		(662)	(10,926)	(105,909)
March	Year 2018	105,909	0.5700%		(604)	(10,926)	(95,587)
April	Year 2018	95,587	0.5700%		(545)	(10,926)	(85,206)
May	Year 2018	85,206	0.5700%		(486)	(10,926)	(74,766)
June	Year 2018	74,766	0.5700%		(426)	(10,926)	(64,266)
July	Year 2018	64,266	0.5700%		(366)	(10,926)	(53,707)
August	Year 2018	53,707	0.5700%		(306)	(10,926)	(43,087)
September	Year 2018	43,087	0.5700%		(246)	(10,926)	(32,407)
October	Year 2018	32,407	0.5700%		(185)	(10,926)	(21,666)
November	Year 2018	21,666	0.5700%		(123)	(10,926)	(10,864)
December	Year 2018	10,864	0.5700%		(62)	(10,926)	0
					(4,731)		
Total Amount of True-Up Adjustment for 2014 ATRR					\$	(131,109)	
Less Over (Under) Recovery					\$	100,000	
Total Interest					\$	(31,109)	

**Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
Transource Missouri, LLC**

<u>Calculation of Interest for 2014 True-Up Period</u>									
An over or under collection will be recovered prorata over 2014, held for 2015, 2016 and returned prorata over 2017									
						Monthly			
January	Year 2015	25,000	0.5800%	12.00		(1,740)			(26,740)
February	Year 2015	25,000	0.5800%	11.00		(1,595)			(26,595)
March	Year 2015	25,000	0.5800%	10.00		(1,450)			(26,450)
April	Year 2015	25,000	0.5800%	9.00		(1,305)			(26,305)
May	Year 2015	25,000	0.5800%	8.00		(1,160)			(26,160)
June	Year 2015	25,000	0.5800%	7.00		(1,015)			(26,015)
July	Year 2015	25,000	0.5800%	6.00		(870)			(25,870)
August	Year 2015	25,000	0.5800%	5.00		(725)			(25,725)
September	Year 2015	25,000	0.5800%	4.00		(580)			(25,580)
October	Year 2015	25,000	0.5800%	3.00		(435)			(25,435)
November	Year 2015	25,000	0.5800%	2.00		(290)			(25,290)
December	Year 2015	25,000	0.5800%	1.00		(145)			(25,145)
						(11,310)			(311,310)
						Annual			
January through December	Year 2016	(311,310)	0.5700%	12.00		(21,294)			(332,604)
January through December	Year 2017	(332,604)	0.5700%	12.00		(22,750)			(355,354)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>									
						Monthly			
January	Year 2018	355,354	0.5700%			(2,026)	(30,721)		(326,658)
February	Year 2018	326,658	0.5700%			(1,862)	(30,721)		(297,798)
March	Year 2018	297,798	0.5700%			(1,697)	(30,721)		(268,774)
April	Year 2018	268,774	0.5700%			(1,532)	(30,721)		(239,585)
May	Year 2018	239,585	0.5700%			(1,366)	(30,721)		(210,229)
June	Year 2018	210,229	0.5700%			(1,198)	(30,721)		(180,706)
July	Year 2018	180,706	0.5700%			(1,030)	(30,721)		(151,015)
August	Year 2018	151,015	0.5700%			(861)	(30,721)		(121,154)
September	Year 2018	121,154	0.5700%			(691)	(30,721)		(91,123)
October	Year 2018	91,123	0.5700%			(519)	(30,721)		(60,921)
November	Year 2018	60,921	0.5700%			(347)	(30,721)		(30,547)
December	Year 2018	30,547	0.5700%			(174)	(30,721)		0
						(13,303)			
Total Amount of True-Up Adjustment for 2015 ATRR							\$	(368,657)	
Less Over (Under) Recovery							\$	300,000	
Total Interest							\$	(68,657)	

Attachment 8 - Hypothetical Example of Final True-Up of Interest Rates and Interest Calculations for the Construction Loan
Transource Missouri, LLC

<u>Calculation of Interest for 2015 True-Up Period</u>									
An over or under collection will be recovered prorata over 2015, held for 2016 and returned prorata over 2017									
Monthly									
January	Year 2016	8,333	0.5700%	12.00	(570)				(8,903)
February	Year 2016	8,333	0.5700%	11.00	(523)				(8,856)
March	Year 2016	8,333	0.5700%	10.00	(475)				(8,808)
April	Year 2016	8,333	0.5700%	9.00	(428)				(8,761)
May	Year 2016	8,333	0.5700%	8.00	(380)				(8,713)
June	Year 2016	8,333	0.5700%	7.00	(333)				(8,666)
July	Year 2016	8,333	0.5700%	6.00	(285)				(8,618)
August	Year 2016	8,333	0.5700%	5.00	(238)				(8,571)
September	Year 2016	8,333	0.5700%	4.00	(190)				(8,523)
October	Year 2016	8,333	0.5700%	3.00	(143)				(8,476)
November	Year 2016	8,333	0.5700%	2.00	(95)				(8,428)
December	Year 2016	8,333	0.5700%	1.00	(48)				(8,381)
					(3,705)				(103,705)
Annual									
January through December	Year 2017	(103,705)	0.5700%	12.00	(7,093)				(110,798)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>									
Monthly									
January	Year 2018	110,798	0.5700%		(632)	(9,579)			(101,851)
February	Year 2018	101,851	0.5700%		(581)	(9,579)			(92,853)
March	Year 2018	92,853	0.5700%		(529)	(9,579)			(83,803)
April	Year 2018	83,803	0.5700%		(478)	(9,579)			(74,702)
May	Year 2018	74,702	0.5700%		(426)	(9,579)			(65,549)
June	Year 2018	65,549	0.5700%		(374)	(9,579)			(56,344)
July	Year 2018	56,344	0.5700%		(321)	(9,579)			(47,086)
August	Year 2018	47,086	0.5700%		(268)	(9,579)			(37,776)
September	Year 2018	37,776	0.5700%		(215)	(9,579)			(28,412)
October	Year 2018	28,412	0.5700%		(162)	(9,579)			(18,995)
November	Year 2018	18,995	0.5700%		(108)	(9,579)			(9,525)
December	Year 2018	9,525	0.5700%		(54)	(9,579)			0
					(4,148)				
Total Amount of True-Up Adjustment for 2016 ATRR						\$	(114,946)		
Less Over (Under) Recovery						\$	100,000		
Total Interest						\$	(14,946)		

Attachment 9 - Depreciation and Amortization Rates
Transource Missouri, LLC

Account Number	FERC Account	Rate (Annual) Percent
TRANSMISSION PLANT		
1 350.1	Land Rights	1.33
2 352	Structures and Improvements	2.05
3 353	Station Equipment	1.73
4 354	Towers and Fixtures	1.33
5 355	Poles and Fixtures	2.85
6 356	Overhead Conductor and Devices	1.97
7 358	Underground Conductor and Devices	2.50
GENERAL PLANT		
8 390	Structures & Improvements	1.63
9 391	Office Furniture & Equipment	4.13
10 391.1	Computers	20.00
11 392	Transportation Equipment	6.67
12 393	Stores Equipment	3.43
13 394	Tools, Shop & Garage Equipment	4.00
14 395	Laboratory Equipment	3.54
15 396	Power Operated Equipment	4.04
16 397	Communication Equipment	5.42
17 398	Miscellaneous Equipment	5.00

These depreciation rates will not change absent the appropriate filing at FERC.

Note: In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in lines 1-7 above and the weighted average depreciation rate will be used to amortize the CIAC.

Appendix B
Formula Rate Workpapers

WORKPAPER PURPOSE:

To compute the Return and Income Taxes used in the Calculation of the Incremental Effect of a 100 basis point change in the return on equity for 60/40 projects on lines 44 and 45 of Attachment 3. All inputs needed for this calculation except for the percent of debt and equity in the capital structure are referenced from Appendix A. The Debt and Equity components of capital structure on this workpaper are set to 40% Debt and 60% Equity. The resulting Income tax and Return values in column 4 are then used in Attachment 3 lines 44 and 45.

This alternate calculation is needed in the 2015 true-up year because one of the Company's 2 current projects was placed in service in 2015, and therefore the Capital Structure on Appendix A is the Company's actual capital structure for 2015, not 60% Equity/40% Debt.

(1)		(2)		(3)	(4)
		Company Total			Transmission
Line No.	Source				
1	Rate Base	Appendix A line 36	\$42,376,331		\$42,376,331
2	INCOME TAXES				
3	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	Appendix A line 60	0.3839		
4	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		0.5068		
5	where WCLTD=(line 17) and R= (line 20)				
6	and FIT, SIT & p are as given in footnote F.				
7	$1 / (1 - T) = (T \text{ from line 3})$		1.6231		
8	Amortized Investment Tax Credit (266.8f) (enter negative)	Appendix A line 65	-		
9	Income Tax Calculation = line 4 * line 13		1,631,750	NA	1,631,750
10	ITC adjustment (line 7 * line 8)		-	NP	-
11	Total Income Taxes	(line 9 plus line 10)	1,631,750	1.0000	1,631,750
12	RETURN				
13	[Rate Base (line 1) * Rate of Return (line 20)]		3,219,744	NA	3,219,744
14	RETURN (R)				
15					
16					
17	Long Term Debt		\$	Cost	Weighted
18	Preferred Stock		%	3.545%	0.014 =WCLTD
19	Common Stock		40%	0.000%	-
20	Total (sum lines 17-19)		0%	10.300%	0.062
			60%		0.076 =R

Footnote references are to Appendix A footnotes.

Appendix C

Variance Analysis

TRANSOURCE MISSOURI

True-Up Variance Schedule for the 12-Months Ended December 31, 2015

Excluding Interest

Line		FY2015 True-Up	FY2015 Projected	Variance
	GROSS REVENUE REQUIREMENT			
1	Base Plan Gross Revenue Requirement (Nebraska City-Sibley)	11,222,514	19,159,904	(7,937,390)
2	Balanced Portfolio Gross Revenue Requirement (Iatan-Nashua)	7,485,819	4,343,934	3,141,885
3	Zonal Gross Revenue Requirements	-	-	-
4	TOTAL GROSS REVENUE REQUIREMENT	\$ 18,708,333	\$ 23,503,838	\$ (4,795,505)
	REVENUE CREDITS			
5	Base Plan Gross Revenue Credit	(1,436,320)	-	(1,436,320)
6	Balanced Portfolio Revenue Credit	\$ (958,077)	-	(958,077)
7	Zonal Gross Revenue Credit	-	-	-
8	TOTAL REVENUE CREDITS	\$ (2,394,397)	\$ -	\$ (2,394,397)
	NET REVENUE REQUIREMENT			
9	Base Plan Net Revenue Requirement	9,786,195	19,159,904	(9,373,709)
10	Balanced Portfolio Gross Revenue Requirement	6,527,742	4,343,934	2,183,808
11	Zonal Net Revenue Requirement	-	-	-
12	TOTAL NET REVENUE REQUIREMENT	\$ 16,313,937	\$ 23,503,838	\$ (7,189,901)

The primary variances between the 2015 Projection and the 2015 True-Up revenue requirements are as follows:

The actual revenue requirement was below the projection for three main reasons. First, return on rate base was below the projection due to lower capital investment than projected. Second, the projection included \$1,589,000 of property tax expense which was capitalized in Constuction Work in Progress as a component of the capital cost of assets under construction per applicable Accounting standards. Third, the Company received SPP point to point revenues of \$2.3 million which were not included in the projection. These revenues are credits against the Company's gross revenue requirement.

Additional variance information is provided on pages 2 and 3.

TRANSOURCE MISSOURI
True-Up Variance Schedule for the 12-Months Ended December 31, 2015
Excluding Interest

Line	Description	FY2015 True-Up	FY2015 Projected	Variance
RATE BASE:				
PLANT IN SERVICE				
1	Production	\$ -	\$ -	\$ -
2	Transmission	43,063,463	32,001,375	11,062,088
3	Distribution	-	-	-
4	General & Intangible	110,278	7,825,747	(7,715,469)
5	TOTAL GROSS PLANT	43,173,741	39,827,122	3,346,619
ACCUMULATED DEPRECIATION				
6	Production	-	-	-
7	Transmission	202,593	143,856	58,737
8	Distribution	-	-	-
9	General & Intangible	8,813	38,042	(29,229)
10	TOTAL ACCUM. DEPRECIATION	211,406	181,897	29,508
NET PLANT IN SERVICE				
11	Production	-	-	-
12	Transmission	42,860,870	31,857,519	11,003,351
13	Distribution	-	-	-
14	General & Intangible	101,465	7,787,705	(7,686,240)
15	TOTAL NET PLANT	42,962,335	39,645,225	3,317,111
ADJUSTMENTS TO RATE BASE				
16	ADIT	(3,773,086)	(325,692)	(3,447,394)
17	CWIP	102,336,345	120,462,973	(18,126,628)
18	Unamortized Regulatory Assets	2,474,268	2,474,269	(1)
19	Unamortized Abandoned Plant	-	-	-
20	TOTAL ADJUSTMENTS	101,037,528	122,611,550	(21,574,022)
21	LAND HELD FOR FUTURE USE	189,655	-	189,655
22	WORKING CAPITAL			
23	CWC	213,480	174,817	38,663
24	Materials & Supplies	-	-	-
25	Prepayments (Account 165)	119,785	109,099	10,686
26	TOTAL WORKING CAPITAL	333,265	283,916	49,349
27	TOTAL RATE BASE (line 15 + 20 + 21 + 26)	\$ 144,522,783	\$ 162,540,691	\$ (18,017,908)

TRANSOURCE MISSOURI
True-Up Variance Schedule for the 12-Months Ended December 31, 2015
Excluding Interest

Line	Description	FY2015 True-Up	FY2015 Projected	Variance
	O&M			
1	Transmission	\$ 998,627	\$ 841,024	\$ 157,603
2	Less Accounts 565, and 561.1 to 561.8	-	-	-
3	Total Transmission O&M	998,627	841,024	157,603
4	A&G -Adjusted	694,015	557,515	136,500
5	Less EPRI & Reg. Comm. Exp. & Other Ad.	(1,324)	-	(1,324)
6	Plus Transmission Related Reg. Comm. Exp.	-	-	-
7	PBOP expense adjustment	16,521	-	16,521
8	TOTAL O&M	1,707,839	1,398,539	309,300
9	DEPRECIATION EXPENSE			
10	Transmission	591,013	467,531	123,482
11	General and Intangible	29,944	123,636	(93,692)
12	Amortization of Abandoned Plant	-	-	-
13	TOTAL DEPRECIATION	620,957	591,167	29,790
14	TAXES OTHER THAN INCOME TAXES			
15	LABOR RELATED			
16	Payroll	-	-	-
17	Highway and vehicle	-	-	-
18	PLANT RELATED			
19	Property	-	1,589,000	(1,589,000)
20	Gross Receipts	-	-	-
21	Other	-	-	-
22	TOTAL OTHER TAXES	-	1,589,000	(1,589,000)
23	RETURN AND INCOME TAXES	16,379,537	19,925,132	(3,545,595)
24	GROSS REVENUE REQUIREMENT (line 8 + 13 + 22 + 23)	\$ 18,708,333	\$ 23,503,838	\$ (4,795,505)
25	LESS: REVENUE CREDITS	2,394,397	-	2,394,397
26	NET REVENUE REQUIREMENT (line 24 - 25)	16,313,937	23,503,838	(7,189,901)

Appendix D
CWIP Report and Status Report for
Iatan-Nashua and Nebraska City – Sibley 345 kV Projects

Transource Missouri, LLC
CWIP and AFUDC Balances for
Iatan-Nashua & Sibley-Nebraska City Projects
as of December 31, 2015

	(A)	(B)	(C)	(D)
	CWIP	AFUDC	AFUDC Regulatory	CWIP Effect on
	as of 12/31/15	1/1/15 - 12/31/15	Liability	Revenue
			1/1/15 - 12/31/15	Requirement
				1/1/15 - 12/31/15
Iatan-Nashua Project	(368,955.54)	-	-	2,067,788.00
Sibley-Nebraska City Project	158,348,017.98	-	-	10,391,957.00
Other CWIP	409,725.04			
TOTAL	158,388,787.48	-	-	12,459,745.00

NOTE:

Column (A) reflects 100% of CWIP Balances as of December 31, 2015.

Column (B) represents total AFUDC accumulated from 1/1/15 - 12/31/15.

Column (C) represents the total AFUDC regulatory liability booked from 1/1/15 - 12/31/15.

Column (D) represents the CWIP portion of the revenue requirements as shown on Attachment 4.

Transource Missouri, LLC
Actual CWIP and AFUDC Monthly Balances
Iatan-Nashua & Sibley-Nebraska City Projects

<u>Iatan-Nashua Project</u>												
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
CWIP	57,140,040.75	58,260,000.94	60,228,306.46	2,482,863.44	1,953,978.66	883,346.04	340.20	(204,259.41)	(214,978.03)	(292,701.51)	59,330.67	(368,955.54)
AFUDC (Activity)	-	-	-	-	-	-	-	-	-	-	-	-
AFUDC - 50%	-	-	-	-	-	-	-	-	-	-	-	-

<u>Sibley-Nebraska City Project</u>												
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
CWIP	41,820,564.62	44,251,601.65	49,637,598.65	54,070,602.68	61,687,323.67	68,583,198.20	81,545,757.20	99,606,923.92	115,566,779.62	132,970,803.71	147,808,916.21	158,348,017.98
AFUDC (Activity)	-	-	-	-	-	-	-	-	-	-	-	-
AFUDC - 50%	-	-	-	-	-	-	-	-	-	-	-	-

NOTE: This worksheet reflects actual data.

*Iatan-Nashua Project was placed in service on April 8, 2015.

Transource Missouri, LLC
Project Descriptions and Current Status

Iatan-Nashua Project

The Iatan-Nashua Project is a 30-mile, 345-kV line from the Iatan substation near Weston, MO, to the Nashua substation near Smithville, MO. Transource completed this project and placed it into service on April 8, 2015.

Sibley-Nebraska City Project

The Sibley-Nebraska City Project is a 175-mile, 345-kV line linking the Nebraska City substation, owned by Omaha Public Power District ("OPPD") near Nebraska City, NE with the Sibley substation near Sibley, MO. Transource Missouri is constructing, and will own and operate, the Missouri portion of the project, approximately 135 miles, including the Mullin Creek station. OPPD will construct, finance, own, operate and maintain the Nebraska portion of the project, approximately 45 miles. Transource Missouri, in coordination with OPPD, is projected to complete the line by year-end 2016.

Appendix E
TMO Customer Meeting Notice



MEETING NOTICE

Transource Missouri, LLC

Annual Transmission Formula Rate True-Up Meeting

To All Interested Parties:

In accordance with the formula rate implementation protocols of the SPP Open Access Transmission Tariff, Transource Missouri, LLC (TMO) will host an open meeting among Interested Parties regarding the 2016 Annual True-Up filed for informational purposes with the Federal Energy Regulatory Commission on August 9, 2016.

Date: August 9, 2016

Time: 2:00 p.m. – 3:00 p.m. Central Time (webinar and phone bridges will be open half hour earlier)

Agenda:

- Review the Formula Rate True-Up for TMO, including discussion of variances
- Q&A

Participants may attend by web or tele conference. The audio call in number is **1-877-253-4307** Passcode **7777001#**. To access the Webinar, please go to:

<http://aep.adobeconnect.com/trans/>

To ensure that enough phone lines are reserved, please **RSVP by Monday, August 1, 2016** to James Martin (614) 716-6014 or jfmartin@aep.com.