



Legal Department

American Electric Power
801 Pennsylvania Ave NW, Suite 735
Washington, DC 20004-2615
AEP.com

June 30, 2017

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

Amanda Riggs Conner
Senior Counsel -
Regulatory Services
(202) 383-3436 (P)
(202) 383-3459 (F)
arconner@aep.com

**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 2016 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 2016 true-up template
3. Appendix B - Formula Rate Workpaper
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, 2017. The Annual Update provides the calculation of the true-up of the 2016 projected revenue requirement to the actual 2016 revenue requirement. This 2016 true-up amount will be included in customer rates beginning January 1, 2018. 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 1:00 to 2:00 p.m. (Central Time) on August 11, 2017, 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,

/s/ Amanda Riggs Conner
Amanda Riggs Conner
American Electric Power Service Corporation
801 Pennsylvania Avenue, N.W.
Suite 735
Washington, D.C. 20004-2684
202-383-3436
arconner@aep.com

Counsel for American Electric Power Service
Corporation

Attachments

Appendix A
Transource Missouri 2016 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 12/31/2016	
			Transource Missouri, LLC				
			(1)		(2)	(3)	
Line No.						Allocated Amount	
1	GROSS REVENUE REQUIREMENT	(line 73)			12 months	\$ 33,750,040	
REVENUE CREDITS				Total	Allocator		
2	Total Revenue Credits	Attachment 1, line 6		2,484,945	TP 1.0000	2,484,945	
3	True-up Adjustment	Attachment 7		(2,457,355)	DA 1.0000	(2,457,355)	
4	NET REVENUE REQUIREMENT	(line 1 minus line 2 plus line 3)				\$ 28,807,740	

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data				For the 12 Months Ended 12/31/2016
Transource Missouri, LLC						
Line No.	(1) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	
	GROSS PLANT IN SERVICE					
5	Production	(Attachment 2)	-	NA	-	-
6	Transmission	(Attachment 2)	82,339,020	TP	1.0000	82,339,020
7	Distribution	(Attachment 2)	-	NA	-	-
8	General & Intangible	(Attachment 2)	531,796	W/S	1.0000	531,796
9	TOTAL GROSS PLANT (sum lines 5-8)	(GP=1 if plant =0)	82,870,815	GP=	1.0000	82,870,815
10	ACCUMULATED DEPRECIATION & AMORTIZATION					
11	Production	(Attachment 2)	-	NA	-	-
12	Transmission	(Attachment 2)	1,113,438	TP	1.0000	1,113,438
13	Distribution	(Attachment 2)	-	NA	-	-
14	General & Intangible	(Attachment 2)	72,150	W/S	1.0000	72,150
15	TOTAL ACCUM. DEPRECIATION (sum lines 11-14)		1,185,588			1,185,588
16	NET PLANT IN SERVICE					
17	Production	(line 5- line 11)	-			-
18	Transmission	(line 6- line 12)	81,225,582			81,225,582
19	Distribution	(line 7- line 13)	-			-
20	General & Intangible	(line 8- line 14)	459,645			459,645
21	TOTAL NET PLANT (sum lines 17-20)	(NP=1 if plant =0)	81,685,227	NP=	1.0000	81,685,227
22	ADJUSTMENTS TO RATE BASE (Note A)					
23	ADIT	(Attachment 6a)	(14,861,153)	TP	1.0000	(14,861,153)
24	Account No. 255 (enter negative) (Note F)	(Attachment 2)	-	NP	1.0000	-
25	CWIP	(Attachment 2)	524,539	DA	1.0000	524,539
26	Reserves (enter negative)	(Attachment 2)	-	DA	1.0000	-
27	Unamortized Regulatory Assets	(Attachment 2)	1,767,334	DA	1.0000	1,767,334
28	Unamortized Abandoned Plant	(Attachment 2) (Note K)	-	DA	1.0000	-
29	TOTAL ADJUSTMENTS (sum lines 23-28)		(12,569,280)			(12,569,280)
30	LAND HELD FOR FUTURE USE	(Attachment 2)	-	TP	1.0000	-
31	WORKING CAPITAL (Note C)					
32	CWC	calculated (1/8 * Line 44)	259,070			259,070
33	Materials & Supplies (Note B)	(Attachment 2)	-	TP	1.0000	-
34	Prepayments (Account 165 - Note C)	(Attachment 2)	138,403	GP	1.0000	138,403
35	TOTAL WORKING CAPITAL (sum lines 32-34)		397,473			397,473
36	RATE BASE (sum lines 21, 29, 30, & 35)		69,513,421			69,513,421

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 Months Ended 12/31/2016

		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	1,167,221	TP=	1,167,221
39	Less Accounts 565, 561 and 561.1 to 561.8	321.84.b to 92.b	17,974	TP=	17,974
40	A&G	323.197.b	898,580	W/S	898,580
41	Less EPRI & Reg. Comm. Exp. & Other Ad.	(Note D & Attach 2)	4,120	DA	4,120
42	Plus Transmission Related Reg. Comm. Exp.	(Note D & Attach 2)	3,423	TP=	3,423
43	PBOP expense adjustment	(Attachment 2)	25,427	TP=	25,427
44	TOTAL O&M (sum lines 38, 40, 42, 43 less lines 39 & 41)	2,072,557			2,072,557
45	DEPRECIATION EXPENSE				
46	Transmission	336.7.b & c	1,022,156	TP	1,022,156
47	General and Intangible	336.1.d&e + 336.10.b&c	100,541	W/S	100,541
48	Amortization of Abandoned Plant	(Attachment 2) (Note K)	-	DA	-
49	TOTAL DEPRECIATION (Sum lines 46-48)	1,122,697			1,122,697
50	TAXES OTHER THAN INCOME TAXES (Note E)				
51	LABOR RELATED				
52	Payroll	263._i (enter FN1 line #)	-	W/S	-
53	Highway and vehicle	263._i (enter FN1 line #)	-	W/S	-
54	PLANT RELATED				
55	Property	263._i (enter FN1 line #)	350,413	GP	350,413
56	Gross Receipts	263._i (enter FN1 line #)	-	NA	-
57	Other	263._i (enter FN1 line #)	(0)	GP	(0)
58	TOTAL OTHER TAXES (sum lines 52-57)	350,413			350,413
59	INCOME TAXES (Note F)				
60	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.3839			
61	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	0.4765			
62	where WCLTD=(line 90) and R= (line 93)				
63	and FIT, SIT & p are as given in footnote F.				
64	$1 / (1 - T) = (T \text{ from line 60})$	1.6231			
65	Amortized Investment Tax Credit (266.8f) (enter negative)	-			
66	Income Tax Calculation = line 61 * line 70	2,308,775	NA		2,308,775
67	ITC adjustment (line 64 * line 65)	-	NP	1.0000	-
68	Total Income Taxes (line 66 plus line 67)	2,308,775			2,308,775
69	RETURN				
70	[Rate Base (line 36) * Rate of Return (line 93)]	4,845,309	NA		4,845,309
71	Rev Requirement before 60/40 Projects (sum lines 44, 49, 58, 68, 70)	10,699,752			10,699,752
72	Return and Income Tax on 60/40 Projects (Attachment 4)	23,050,288	DA	100%	23,050,288
73	Total Revenue Requirement (sum lines 71 & 72)	33,750,040			33,750,040

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 Months Ended 12/31/2016

Transource Missouri, LLC
SUPPORTING CALCULATIONS AND NOTES

74	TRANSMISSION PLANT INCLUDED IN RTO RATES									
75	Total transmission plant (line 6, column 3)							82,339,020		
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)							82,339,020		
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)	113,323,077	48.2%		3.399%		1.64%	=WCLTD	
91	Preferred Stock	(Attachment 2)	-	0%		-		0.00%		
92	Common Stock	(Attachment 2)	121,557,180	51.8%		10.300%		5.33%		
93	Total (sum lines 90-92)		234,880,257					6.97%	=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)				81,225,582		-		
95	CWIP	(Line 25)				658		187,773,412		
96	Unamortized Abandoned Plant	(Line 28)				-		-		
96	Regulatory Assets	(Line 27)				1,767,334				
97	Sum Of Net Plant, CWIP, Regulatory Asset and Abandoned Plant					82,993,574		187,773,412	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 12/31/2016

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

- A The 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.
- B Identified 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
- E Includes 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.

- G The 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.
- H Removes 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.
- I Enter dollar amounts
- J ROE 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
...	
...	

- K Unamortized 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 12/31/2016

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)		2,484,945 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	2,484,945

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	\$ 35,334,683	35,334,683		
1x	Trans. Fac. Charge	-			
2	Trans Studies	-			
3	Total	\$ 35,334,683	\$ 35,334,683	\$ -	\$ -
4	Less:				
5	Revenue for Demands in Divisor	32,849,738	32,849,738	-	-
6	Sub Total Revenue Credit	\$ 2,484,945	\$ 2,484,945	\$ -	\$ -
7	Prior Period Adjustments	-	-	-	-
8	Total	\$ 2,484,945	\$ 2,484,945	\$ -	\$ -
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	32,849,738			
	SPP Schedule 11 Base Plan Point to Point	2,484,945			
	Subtotal - Revenue	35,334,683			

Form 1, page 330, column N

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

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	2015	63,561,089
3	January	company records	2016	63,511,472
4	February	company records	2016	63,497,562
5	March	company records	2016	63,623,861
6	April	company records	2016	63,352,721
7	May	company records	2016	63,794,198
8	June	company records	2016	63,381,276
9	July	company records	2016	63,781,389
10	August	company records	2016	63,761,286
11	September	company records	2016	63,763,145
12	October	company records	2016	63,762,737
13	November	company records	2016	63,765,461
14	December	p207.58.g	2016	306,851,062
15	Transmission Plant In Service	(sum lines 2-14) /13		82,339,020
16	<u>Calculation of Distribution Plant In Service</u>	Source		
17	December	p206.75.b	2015	-
18	January	company records	2016	-
19	February	company records	2016	-
20	March	company records	2016	-
21	April	company records	2016	-
22	May	company records	2016	-
23	June	company records	2016	-
24	July	company records	2016	-
25	August	company records	2016	-
26	September	company records	2016	-
27	October	company records	2016	-
28	November	company records	2016	-
29	December	p207.75.g	2016	-
30	Distribution Plant In Service	(sum lines 17-29) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

Line No.

Plant in Service Worksheet

31	<u>Calculation of Intangible Plant In Service</u>	Source		
32	December	p204.5.b	2015	366,177
33	January	company records	2016	389,452
34	February	company records	2016	413,560
35	March	company records	2016	440,318
36	April	company records	2016	469,906
37	May	company records	2016	496,098
38	June	company records	2016	516,309
39	July	company records	2016	535,611
40	August	company records	2016	555,214
41	September	company records	2016	574,857
42	October	company records	2016	622,331
43	November	company records	2016	657,848
44	December	p205.5.g	2016	875,664
45	Intangible Plant In Service	(sum lines 32 & 44) /2		531,796
46	<u>Calculation of General Plant In Service</u>	Source		
47	December	p206.99.b	2015	-
48	January	company records	2016	-
49	February	company records	2016	-
50	March	company records	2016	-
51	April	company records	2016	-
52	May	company records	2016	-
53	June	company records	2016	-
54	July	company records	2016	-
55	August	company records	2016	-
56	September	company records	2016	-
57	October	company records	2016	-
58	November	company records	2016	-
59	December	p207.99.g	2016	-
60	General Plant In Service	(sum lines 47 & 59) /2		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

Line No.

Plant in Service Worksheet

61	<u>Calculation of Production Plant In Service</u>	Source		
62	December	p204.46b	2015	-
63	January	company records	2016	-
64	February	company records	2016	-
65	March	company records	2016	-
66	April	company records	2016	-
67	May	company records	2016	-
68	June	company records	2016	-
69	July	company records	2016	-
70	August	company records	2016	-
71	September	company records	2016	-
72	October	company records	2016	-
73	November	company records	2016	-
74	December	p205.46.g	2016	-
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)		82,870,815

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

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	2015	591,013
79	January	company records	2016	666,690
80	February	company records	2016	742,293
81	March	company records	2016	882,303
82	April	company records	2016	963,462
83	May	company records	2016	1,044,275
84	June	company records	2016	1,125,653
85	July	company records	2016	1,206,503
86	August	company records	2016	1,287,854
87	September	company records	2016	1,369,168
88	October	company records	2016	1,450,497
89	November	company records	2016	1,531,825
90	December	p219.25.b	2016	1,613,157
91	Transmission Accumulated Depreciation	(sum lines 78-90) /13		1,113,438
92	<u>Calculation of Distribution Accumulated Depreciation</u>	Source		
93	December	Prior year p219.26.b	2015	-
94	January	company records	2016	-
95	February	company records	2016	-
96	March	company records	2016	-
97	April	company records	2016	-
98	May	company records	2016	-
99	June	company records	2016	-
100	July	company records	2016	-
101	August	company records	2016	-
102	September	company records	2016	-
103	October	company records	2016	-
104	November	company records	2016	-
105	December	p219.26.b	2016	-
106	Distribution Accumulated Depreciation	(sum lines 93-105) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

Line No.

Plant in Service Worksheet

107	<u>Calculation of Intangible Accumulated Depreciation</u>	Source		
108	December	Prior year p200.21.c	2015	26,534
109	January	company records	2016	32,637
110	February	company records	2016	39,128
111	March	company records	2016	45,934
112	April	company records	2016	53,273
113	May	company records	2016	61,105
114	June	company records	2016	69,373
115	July	company records	2016	77,978
116	August	company records	2016	86,905
117	September	company records	2016	96,159
118	October	company records	2016	105,739
119	November	company records	2016	116,112
120	December	p200.21.c	2016	127,076
121	Accumulated Intangible Depreciation	(sum lines 108-120) /13		72,150
122	<u>Calculation of General Accumulated Depreciation</u>	Source		
123	December	Prior year p219.28.b	2015	-
124	January	company records	2016	-
125	February	company records	2016	-
126	March	company records	2016	-
127	April	company records	2016	-
128	May	company records	2016	-
129	June	company records	2016	-
130	July	company records	2016	-
131	August	company records	2016	-
132	September	company records	2016	-
133	October	company records	2016	-
134	November	company records	2016	-
135	December	p219.28.b	2016	-
136	Accumulated General Depreciation	(sum lines 123-135) /13		-

Attachment 2 - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

Line No.

Plant in Service Worksheet

137	<u>Calculation of Production Accumulated Depreciation</u>	Source		
138	December	p219.20:24.b (prior year)	2015	-
139	January	company records	2016	-
140	February	company records	2016	-
141	March	company records	2016	-
142	April	company records	2016	-
143	May	company records	2016	-
144	June	company records	2016	-
145	July	company records	2016	-
146	August	company records	2016	-
147	September	company records	2016	-
148	October	company records	2016	-
149	November	company records	2016	-
150	December	p219.20 thru 219.24.b	2016	-
151	Production Accumulated Depreciation	(sum lines 138-150) /13		-
152	<u>Total Accumulated Depreciation</u>	(sum lines 91, 106, 121, 136, & 151)		1,185,588

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

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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			Beginning of Year	End of Year	Average Balance
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	2015	876	
158	January	company records	2016	158,973	
159	February	company records	2016	136,484	
160	March	company records	2016	218,439	
161	April	company records	2016	196,110	
162	May	company records	2016	219,990	
163	June	company records	2016	192,169	
164	July	company records	2016	165,388	
165	August	company records	2016	138,606	
166	September	company records	2016	111,824	
167	October	company records	2016	117,658	
168	November	company records	2016	84,754	
169	December	111.57.c	2016	57,972	
170	Prepayments	(sum lines 157-169) /13		138,403	

							Nebraska City – Sibley 345 kV - CWIP - 60/40 and ROE	Iatan – Nashua 345 kV CWIP	Non 60/40 Projects	Total	
171	Calculation of Transmission CWIP	Source	Year	Non 60/40 Projects	60/40 Projects	Total					
172	December	216.b (prior Year)	2015	40,769	158,348,018	158,388,787	158,348,018	(368,956)	409,725	158,388,787	-
173	January	company records	2016	(37)	167,420,541	167,420,504	167,420,541	(37)	-	167,420,504	-
174	February	company records	2016	52	178,404,859	178,404,911	178,404,859	52	-	178,404,911	-
175	March	company records	2016	4,223	184,517,306	184,521,529	184,517,306	47	4,176	184,521,529	-
176	April	company records	2016	390,352	196,650,980	197,041,331	196,650,980	373,625	16,727	197,041,331	-
177	May	company records	2016	25,581	202,576,477	202,602,058	202,576,477	498	25,084	202,602,058	-
178	June	company records	2016	28,528	210,393,552	210,422,080	210,393,552	6	28,521	210,422,080	-
179	July	company records	2016	64,130	218,780,803	218,844,933	218,780,803	117	64,013	218,844,933	-
180	August	company records	2016	1,532,488	225,179,099	226,711,587	225,179,099	1,204	1,531,283	226,711,587	-
181	September	company records	2016	2,345,713	227,871,199	230,216,912	227,871,199	10	2,345,703	230,216,912	-
182	October	company records	2016	1,973,166	233,736,831	235,709,997	233,736,831	1,967	1,971,199	235,709,997	-
183	November	company records	2016	193,458	237,147,343	237,340,801	237,147,343	5	193,453	237,340,801	-
184	December	216.b	2016	220,586	27,347	247,933	27,347	14	220,572	247,933	-
185	Transmission CWIP	(sum lines 172-184) /13		524,539	187,773,412	188,297,951	187,773,412	658	523,881	188,297,951	

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

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	-	-	-	
			Non-transmission Related	-	-		
			Transmission Related	-	-	-	

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 697	

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		3,423	3,423	-	
				FERC Formula Rate for SPP Projects			

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

Attachment 2a - Cost Support

ADJUSTMENTS TO RATE BASE (Note A)

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									
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			Missouri	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				Stores Expense Undistributed	Transmission Materials & Supplies	Construction Materials & Supplies	Total
Note: for the projection, the prior year's actual balances will be used 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)

Regulatory Asset

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

			Iatan – Nashua 345 kV line Project	Nebraska City – Sibley 345 kV line Project	Total	
207	Beginning Balance of Regulatory Asset		318,120	1,802,681	2,120,801	Uncapitalized costs as of date the rates become effective
208	Months remaining in Amortization Period		36	36	36	As approved by FERC
209	Monthly Amortization to Account 566	(line 207 / line 208)	8,837	50,074	58,911	All amortizations of the Regulatory Asset are to be booked to Account 566 over a 5 year period beginning on the first month that the revenue requirement for the project is assessed
210	Months in Year to be amortized		12	12	12	Number of months rates are in effect during the calendar year
211	Ending Balance of Regulatory Asset	(line 207 - line 209 * 210)	212,080	1,201,788	1,413,868	Enter docket nos. for orders authorizing recovery here:
212	Average Balance of Regulatory Asset	(line 207 + line 211)/2	265,100	1,502,234	1,767,334	Docket Number Amortization period
						ER12-2554 60 Months

Attachment 2a - Cost Support
Transource Missouri, LLC
For the 12 Months Ended 12/31/2016

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)	2015	104,000,000	-	85,609,293	189,609,293
215	January	2016	104,000,000	-	96,265,162	200,265,162
216	February	2016	107,000,000	-	97,733,964	204,733,964
217	March	2016	109,500,000	-	98,915,860	208,415,860
218	April	2016	115,500,000	-	114,655,265	230,155,265
219	May	2016	115,500,000	-	121,158,510	236,658,510
220	June	2016	115,500,000	-	122,565,483	238,065,483
221	July	2016	115,500,000	-	133,083,227	248,583,227
222	August	2016	115,500,000	-	137,562,771	253,062,771
223	September	2016	115,500,000	-	138,689,187	254,189,187
224	October	2016	115,500,000	-	141,310,604	256,810,604
225	November	2016	116,500,000	-	143,661,850	260,161,850
226	December	2016	123,700,000	-	149,032,167	272,732,167
227	Average		113,323,077 48.2%	-	121,557,180 0.51753	234,880,257

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)	2,615,062
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)	-
231	less: Account 429	Amortization of Premium on Debt (FF1, 117/65/c)	-
232	less: Account 429.1	Amortization of Gain on Reacquired Debt (FF1, 117/66/c)	-
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)	-
234	Total		2,906,161

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	-
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 12/31/2016

ADJUSTMENTS TO RATE BASE (Note A)

Attachment 2a - Cost Support

PBOPs

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Details
238	<u>Calculation of PBOP Expenses</u>		
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		364,004
244	PBOP Expense for current year		\$22,267
245	PBOP Expense in Account 926 for current year		-
246	PBOP Adjustment for Appendix A, Line 54		\$22,267
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		42,334
252	PBOP Expense for current year		\$3,160
253	PBOP Expense in Account 926 for current year		-
254	PBOP Adjustment for Appendix A, Line 54		\$3,160
255	Lines 248-250 cannot change absent approval or acceptance by FERC in a separate proceeding.		
256	PBOP expense adjustment	(sum lines 246 & 254)	\$25,427

Incentive ROE and 60/40 Project Worksheet
Attachment 3
For the 12 Months Ended 12/31/2016

Actual Cap Structure w/100 basis point adder

Incentive ROE					Total
1	Rate Base				69,513,421
2	100 Basis Point Incentive Return			\$	
3	Long Term Debt	\$	%	Cost	Weighted
4	Preferred Stock	113,323,076.92	48%	0.0340	0.0164
5	Common Stock Including 100 basis points	-	0%	-	-
6	Total (sum lines 3-5)	121,557,180.21	52%	0.1130	0.0585
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)	234,880,257.13			0.0749
8	INCOME TAXES				5,205,061
9	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.3839			
10	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.4866			
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 from line 9)	1.6231			
14	Amortized Investment Tax Credit (266.8f) (enter negative)	-			
15					
16	Income Tax Calculation = line 10 * line 7				2,532,928
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)	-			2,532,928
19	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 7 and 18		7,737,989
20	Return (Appendix A line 70 col 5)				4,845,309
21	Income Tax (Appendix A line 68 col 5)				2,308,775
22	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 20 and 21		7,154,085
23	Incremental Return and Income Taxes for 100 basis point increase in ROE		Line 19 less line 22		583,905
24	Sum Of Net Plant, CWIP, Abandoned Plant And Regulatory Assets		Appendix A, line 97h		82,993,574
25	Carrying Charge Difference for 100 Basis point of ROE		(Line 23 divided by line 24)		0.70%

Incentive ROE associated with 60/40 Projects
Attachment 3

60/40 Cap Structure w/100 points

26	Rate Base					<u>Total</u> 69,513,421
27	100 Basis Point Incentive Return				\$	
28	Long Term Debt	\$	%	Cost	Weighted	
29	Preferred Stock	113,323,076.92	40%	0.0340	0.0136	
30	Common Stock Including 100 basis points	-	0%	-	-	
31	Total (sum lines 28-30)	121,557,180.21	60%	0.1130	0.0678	
32	100 Basis Point Incentive Return multiplied by Rate Base (line 26 * line 31)	234,880,257.13			0.0814	5,658,033
33	INCOME TAXES					
34	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.3839				
35	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.5190				
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 from line 34)	1.6231				
39	Amortized Investment Tax Credit (266.8f) (enter negative)	-				
40	Income Tax Calculation = line 35 * line 32				2,936,568	
41	ITC adjustment (line 38 * line 39) and line 41 allocated on NP allocator	-	NP	-	-	
42	Total Income Taxes (line 40 plus line 41)	-				2,936,568
43	Return and Income Taxes with 100 basis point increase in ROE		Sum lines 32 and 42			8,594,601
44	Return (Appendix A line 70 col 5)					5,240,953
45	Income Tax (Appendix A line 68 col 5)					2,676,694
46	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 44 and 45			7,917,647
47	Incremental Return and Income Taxes for 100 basis point increase in ROE		Line 43 less line 46			676,954
48	Sum Of Net Plant, CWIP, Abandoned Plant And Regulatory Assets		Appendix A, line 97a			82,993,574
49	Carrying Charge Difference for 100 Basis point of ROE		(Line 47 divided by line 48)			0.82%

Base FCR for 60/40 Projects
Attachment 3

60/40 Cap Structure without 100 points

50	60/40 Projects	(Appendix A, line 97b)			<u>Total</u> 187,773,412
				\$	
		\$	%	Cost	Weighted
51	Long Term Debt	113,323,076.92	40%	0.0340	0.0136
52	Preferred Stock	-	0%	-	-
53	Common Stock Including 100 basis points	121,557,180.21	60%	0.1030	0.0618
54	Total (sum lines 28-30)	234,880,257.13			0.0754
55	100 Basis Point Incentive Return multiplied by Rate Base (line 26 * line 31)				14,157,145
56	INCOME TAXES				
57	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	0.3839			
58	CIT=(T/1-T) * (1-(WCLTD/R)) =	0.5107			
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				7,230,432
64	ITC adjustment (line 61 * line 62) and line 64 allocated on NP allocator	-	NP	-	-
65	Total Income Taxes (line 63 plus line 64)	-			7,230,432
66	Return and Income Taxes without 100 basis point increase in ROE		Sum lines 55 and 65		21,387,577
67	60/40 Projects		Appendix A, line 97b		187,773,412
68	Base FCR for 60/40 Projects		Line 66 / line 67		11.39%

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)	10,699,752	21,387,577	32,087,329
2	Less Transmission Depreciation Expense plus Abandoned Plant and Regulatory Asset Amortization Expense	(Appendix A, line 97a & b)	1,729,090	-	1,729,090
3	Net Rev Req less Depreciation expense	(Line 1 minus line 2)	8,970,662	21,387,577	30,358,239
4	Sum Of Net Plant, Regulatory Asset and Abandoned Plant (Attachment A, line 97)		82,993,574	187,773,412	270,766,986
5	Base Fixed Charge Rate (Base FCR)	(Line 3 / line 4)	10.81%	11.39%	
6	Carrying Charge Difference for 100 Basis point of ROE	(Attachment 3, line 25 and 49)	0.70%	0.82%	

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
						2016			
	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	10.81%	10.81%	265,100	106,040	134,694	134,694
7b	Nebraska City – Sibley 345 kV (SPP # 938) (Reg Assets)	5	0	10.81%	10.81%	1,502,234	600,894	763,268	763,268
7c									
7d	Iatan – Nashua 345 kV CWIP		0	10.81%	10.81%	658	-	71	71
7e									
7f	Iatan – Nashua 345 kV Net Plant		0	10.81%	10.81%	62,591,695	1,022,156	7,787,607	7,787,607
7g	Nebraska City – Sibley 345 kV Net Plant		0	10.81%	10.81%	18,633,883	-	2,014,111	2,014,111
7h	Iatan – Nashua 345 kV Subtotal					62,857,453	1,128,196	7,922,372	7,922,372
7i	Nebraska City – Sibley 345 kV Subtotal					20,136,117	600,894	2,777,379	2,777,379
7j	Subtotal Gross Revenue Requirement Before Incentives					82,993,570	1,729,090	10,699,751	10,699,751
7k	Incentive Return Components - ROE and 60/40 Cap Structure								
7l	Nebraska City – Sibley 345 kV - CWIP - 60/40 and ROE		100	11.39%	12.21%	187,773,412	-	21,387,577	22,919,188
7m	Nebraska City – Sibley 345 kV -EPIS - 100 bp ROE only		100		0.70%	18,633,883	-	-	131,099
7n	Subtotal - Return on Amounts Eligible for Incentives					206,407,295		21,387,577	23,050,288
7o	Iatan – Nashua 345 kV Subtotal					62,857,453	1,128,196	7,922,372	7,922,372
7p	Nebraska City – Sibley 345 kV Subtotal					207,909,529	600,894	24,164,956	25,827,667
7q	Subtotal Gross Revenue Requirement					270,766,982	1,729,090	32,087,328	33,750,039
7r	Iatan – Nashua 345 kV (Revenue Credit) (Note 3)		N/A	N/A	N/A			(576,870)	(576,870)
7s	Nebraska City – Sibley 345 kV (Revenue Credit) (Note 3)		N/A	N/A	N/A			(1,908,075)	(1,908,075)
7t	Iatan – Nashua 345 kV (True-Up) (Note 3)		N/A	N/A	N/A			(570,465)	(570,465)
7u	Nebraska City – Sibley 345 kV (True Up) (Note 3)		N/A	N/A	N/A			(1,886,890)	(1,886,890)
7v	Iatan – Nashua 345 kV Total							6,775,038	6,775,038
7w	Nebraska City – Sibley 345 kV Total							20,369,991	22,032,702
8	Total Net Revenue Requirement					270,766,982	1,729,090	27,145,029	28,807,740
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.

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
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Internal Rate of Return ¹	3.399%
Based on following Financial Formula ² :	
$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^{pwr(t)}$	

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%		
Spread	1.75%	1.75%	1.75%		
Interest Rate	1.95%	2.05%	2.25%		

(A) Year	(B)	(C) Capital Expenditures (\$000's)	(D) Principal Drawn In Quarter (\$000's)	(E) Principal Drawn To Date (\$000's)	(F) Interest & Principal (\$000's)	(G) Origination Fees (\$000's)	(H) Commitment & Utilization Fee (\$000's)	(I) 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	26,270	5,500	109,500	589		125	4,786
6/30/2016	Q2	25,734	6,000	115,500	650		83	5,266
9/30/2016	Q3	20,235	-	115,500	672		84	(756)
12/31/2016	Q4	13,420	8,200	123,700	704		82	7,415
3/31/2017	Q1	3,664	7,000	130,700	807		111	6,083
6/30/2017	Q2		-	130,700	130,877		14	(130,891)
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	-	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			
Beginning of Year	1,196,881	6,538,917	-		
End of year from Attachment 6b, line End of Year ADIT	6,311,909	15,687,499	(12,900)		
Average of Beginning of Year and End of Year ((7 +8)/2)	3,754,395	11,113,208	(6,450)	14,861,153	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	42,869	42,869				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		in 2015
014C-MO - NOL-State C/F-Deferred Tax Asset	719,328			719,328		service in 2015
Subtotal - p234	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 6a - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)
Beginning of Year

A	B	C	D	F	G	H
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 latan-Nashua Depreciation Timing Differences
Subtotal - p275	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
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
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	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
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	
	Related	Related	Related	Plant & Labor Related	
ADIT- 282	-	47,927,406	-		From Acct. 282 total, below
ADIT-283	9,533,793	-	-		From Acct. 283 total, below
ADIT-190	3,221,884	32,239,907	12,900.00		From Acct. 190 total, below
Subtotal	6,311,909	15,687,499	(12,900)		
Wages & Salary Allocator			1.00		
Net Plant Allocator		1.00			
End of Year ADIT	6,311,909	15,687,499	(12,900)	21,986,508	

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						
520A Provs Poss Rev Refds - A/L	3,621,159	3,621,159				
601T TMO Land Purchase Prem Amort	214,340	214,340				Underlying land purchase premium asset excluded from rate base by FERC order
612Y Accrd Companywide Incentv Plan	12,900				12,900	
631U Def Sec 195 Start Up Costs	483,573		483,573			Related to Reg Asset which is included in rate base
911Q-DSIT DSIT Entry-Normalized	2,738,311		2,738,311			Electric operations DSIT
960Z - NOL-Deferred Tax Asset Reclass	27,354,061			27,354,061		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	4,885,846			4,885,846		Missouri loss due to 50% bonus depr on latan-Nashua assets placed in service in 2015
Subtotal - p234 line 18	39,310,190	3,835,499	3,221,884	32,239,907	12,900	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	39,310,190	3,835,499	3,221,884	32,239,907	12,900	

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
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282						
230A ACRS Benefit Normalized -	47,927,406			47,927,406		Related to Iatan-Nashua Depreciation Timing Differences
712K Capitalized Software Cost-Book	186,670	186,670				
Subtotal - p275 line 9	48,114,076	186,670	-	47,927,406	-	
Less FASB 109 Above if not separately removed				-		
Less FASB 106 Above if not separately removed						
Total	48,114,076	186,670	-	47,927,406	-	

- 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
	Total	Gas, Prod Or Other Related	Transmission Related	Plant Related	Labor Related	
ADIT- 283						
911Q-DSIT DSIT Entry-Normalized	7,823,747		7,823,747			Electric operations DSIT
014C-MO - NOL-State C/F-Deferred Tax Asset	1,710,046		1,710,046			DFIT on Missouri State NOL carryforward in 190
Other	17,977	17,977				Excluded - Non Utility Other Income and Deductions
Subtotal - p277 line 19	9,551,770	17,977	9,533,793	-	-	
Less FASB 109 Above if not separately removed	-			-		
Less FASB 106 Above if not separately removed	-					
Total	9,551,770	17,977	9,533,793	-	-	

- 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

2016		2016		Over (Under) Recovery
Revenue Requirement Billed		Actual Revenue Requirement		
\$32,150,056	Less	\$28,807,740	Equals	\$3,342,315

Interest Rate on Amount of Refunds or Surcharges	Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 7a 0.296%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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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 2016	278,526	0.296%	12	(9,895)	(288,421)
February	Year 2016	278,526	0.296%	11	(9,070)	(287,596)
March	Year 2016	278,526	0.296%	10	(8,246)	(286,772)
April	Year 2016	278,526	0.296%	9	(7,421)	(285,947)
May	Year 2016	278,526	0.296%	8	(6,596)	(285,123)
June	Year 2016	278,526	0.296%	7	(5,772)	(284,298)
July	Year 2016	278,526	0.296%	6	(4,947)	(283,474)
August	Year 2016	278,526	0.296%	5	(4,123)	(282,649)
September	Year 2016	278,526	0.296%	4	(3,298)	(281,825)
October	Year 2016	278,526	0.296%	3	(2,474)	(281,000)
November	Year 2016	278,526	0.296%	2	(1,649)	(280,175)
December	Year 2016	278,526	0.296%	1	(825)	(279,351)
					(64,315)	(3,406,631)
					Annual	
January through December	Year 2017	(3,406,631)	0.296%	12	(121,021)	(3,527,651)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2018	3,527,651	0.296%		(10,443)	299,658
February	Year 2018	3,238,436	0.296%		(9,587)	299,658
March	Year 2018	2,948,365	0.296%		(8,728)	299,658
April	Year 2018	2,657,435	0.296%		(7,867)	299,658
May	Year 2018	2,365,644	0.296%		(7,003)	299,658
June	Year 2018	2,072,989	0.296%		(6,137)	299,658
July	Year 2018	1,779,467	0.296%		(5,268)	299,658
August	Year 2018	1,485,077	0.296%		(4,396)	299,658
September	Year 2018	1,189,815	0.296%		(3,522)	299,658
October	Year 2018	893,679	0.296%		(2,646)	299,658
November	Year 2018	596,666	0.296%		(1,766)	299,658
December	Year 2018	298,774	0.296%		(884)	299,658
					(68,249)	0
Total Amount of True-Up Adjustment					\$	(3,595,901)
Less Over (Under) Recovery					\$	3,342,315
Total Interest					\$	(253,585)

Avg. Ann Short Term Interest		
Short term Interest Rate (Notes A & C)		
1	Other Interest Exp.(Notes, p.117) (Note A)	373,898
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)	-
Pursuant to 35.19 (a)		
FERC Quarterly Interest Rate		
5	Qtr 3 (Previous Year)	3.50%
6	Qtr 4 (Previous Year)	3.50%
7	Qtr 1 (Current Year)	3.50%
8	Qtr 2 (Current Year)	3.71%
9	Average of the last 4 quarters (Lines 5-8 / 4)	3.55%
10	Interest Rate Used for True-up adjustment (Note B)	3.55%
11	Monthly Interest Rate (Line 10 / 12)	0.30%

- Note:**
- A

The 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.
- B

If 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.
- C

The numerator and denominator of the short-term interest rate calculation will reflect consistent debt components.

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

			SUMMARY					
			Revenue Requirement					
YEAR		Estimated Effective cost of debt used in true up	Final Effective cost of debt for the construction loan:	Based on Estimated Effective cost of debt	Based on Actual Effective cost of debt	Over (Under) Recovery	Monthly Interest Rate applicable over the ATRR period	Total Amount of Construction Loan Related True-Up included in rates effective Jan 2018 (Refund)/Owed
2014	*	3.551%	3.399%	9,386,485	9,346,666	39,820	0.271%	(45,754)
2015	*	3.545%	3.399%	18,708,333	18,613,455	94,878	0.275%	(105,563)
2016	**	3.399%	3.399%	33,750,040	33,750,040	-	0.296%	-
2017							0.296%	(151,317)

* True up information obtained from prior year true-up revenue requirement templates.

** The Company's construction loan was retired in April of 2017 prior to filing the 2016 True-Up.

Calculation of Applicable Interest Expense for each ATRR period

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

Calculation of Interest for 2014 True-Up Period						
An over or under collection will be recovered prorata over 2014, held for 2015, 2016, 2017 and returned prorata over 2018				Monthly		
January	Year 2014	3,318	0.2708%	12.00	(108)	(3,426)
February	Year 2014	3,318	0.2708%	11.00	(99)	(3,417)
March	Year 2014	3,318	0.2708%	10.00	(90)	(3,408)
April	Year 2014	3,318	0.2708%	9.00	(81)	(3,399)
May	Year 2014	3,318	0.2708%	8.00	(72)	(3,390)
June	Year 2014	3,318	0.2708%	7.00	(63)	(3,381)
July	Year 2014	3,318	0.2708%	6.00	(54)	(3,372)
August	Year 2014	3,318	0.2708%	5.00	(45)	(3,363)
September	Year 2014	3,318	0.2708%	4.00	(36)	(3,354)
October	Year 2014	3,318	0.2708%	3.00	(27)	(3,345)
November	Year 2014	3,318	0.2708%	2.00	(18)	(3,336)
December	Year 2014	3,318	0.2708%	1.00	(9)	(3,327)
					(701)	(40,521)
				Annual		
January through December	Year 2015	(40,521)	0.2752%	12.00	(1,338)	(41,859)
January through December	Year 2016	(41,859)	0.2960%	12.00	(1,487)	(43,346)
January through December	Year 2017	(43,346)	0.2960%	12.00	(1,540)	(44,886)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months				Monthly		
January	Year 2018	44,886	0.2960%		(133)	(41,206)
February	Year 2018	41,206	0.2960%		(122)	(37,515)
March	Year 2018	37,515	0.2960%		(111)	(33,813)
April	Year 2018	33,813	0.2960%		(100)	(30,100)
May	Year 2018	30,100	0.2960%		(89)	(26,377)
June	Year 2018	26,377	0.2960%		(78)	(22,642)
July	Year 2018	22,642	0.2960%		(67)	(18,896)
August	Year 2018	18,896	0.2960%		(56)	(15,139)
September	Year 2018	15,139	0.2960%		(45)	(11,371)
October	Year 2018	11,371	0.2960%		(34)	(7,592)
November	Year 2018	7,592	0.2960%		(22)	(3,802)
December	Year 2018	3,802	0.2960%		(11)	0
					(868)	
Total Amount of True-Up Adjustment for 2014 ATRR					\$	(45,754)
Less Over (Under) Recovery					\$	39,820
Total Interest					\$	(5,934)

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

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
Calculation of Interest for 2015 True-Up Period							
An over or under collection will be recovered prorata over 2015, held for 2016 and 2017 returned prorata over 2018					Monthly		
January	Year 2015	7,907	0.2752%	12.00	(261)		(8,168)
February	Year 2015	7,907	0.2752%	11.00	(239)		(8,146)
March	Year 2015	7,907	0.2752%	10.00	(218)		(8,124)
April	Year 2015	7,907	0.2752%	9.00	(196)		(8,102)
May	Year 2015	7,907	0.2752%	8.00	(174)		(8,081)
June	Year 2015	7,907	0.2752%	7.00	(152)		(8,059)
July	Year 2015	7,907	0.2752%	6.00	(131)		(8,037)
August	Year 2015	7,907	0.2752%	5.00	(109)		(8,015)
September	Year 2015	7,907	0.2752%	4.00	(87)		(7,994)
October	Year 2015	7,907	0.2752%	3.00	(65)		(7,972)
November	Year 2015	7,907	0.2752%	2.00	(44)		(7,950)
December	Year 2015	7,907	0.2752%	1.00	(22)		(7,928)
					(1,697)		(96,575)
					Annual		
January through December	Year 2016	(96,575)	0.2960%	12.00	(3,431)		(100,006)
January through December	Year 2017	(100,006)	0.2960%	12.00	(3,553)		(103,559)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2018	103,559	0.2960%		(307)	(8,797)	(95,069)
February	Year 2018	95,069	0.2960%		(281)	(8,797)	(86,553)
March	Year 2018	86,553	0.2960%		(256)	(8,797)	(78,013)
April	Year 2018	78,013	0.2960%		(231)	(8,797)	(69,447)
May	Year 2018	69,447	0.2960%		(206)	(8,797)	(60,855)
June	Year 2018	60,855	0.2960%		(180)	(8,797)	(52,239)
July	Year 2018	52,239	0.2960%		(155)	(8,797)	(43,596)
August	Year 2018	43,596	0.2960%		(129)	(8,797)	(34,929)
September	Year 2018	34,929	0.2960%		(103)	(8,797)	(26,235)
October	Year 2018	26,235	0.2960%		(78)	(8,797)	(17,516)
November	Year 2018	17,516	0.2960%		(52)	(8,797)	(8,771)
December	Year 2018	8,771	0.2960%		(26)	(8,797)	0
					(2,004)		
Total Amount of True-Up Adjustment for 2015 ATRR						\$	(105,563)
Less Over (Under) Recovery						\$	94,878
Total Interest						\$	(10,684)

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 2016 true-up year because one of the 2 projects continued to earn on a 60/40 cap structure during a portion of 2016 until it went in service, and the Capital Structure on Appendix A is the Company's actual capital structure, not 60% Equity/40% Debt.

(1)		(2)		(3)	(4)
		Company Total			Transmission
Line No.	Source				
1	Rate Base	Appendix A line 36	\$69,513,421		\$69,513,421
2	INCOME TAXES				
3	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	Appendix A line 60	0.3839		
4	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		0.5107		
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		2,676,694	NA	2,676,694
10	ITC adjustment (line 7 * line 8)		-	NP	-
11	Total Income Taxes	(line 9 plus line 10)	2,676,694	1.0000	2,676,694
12	RETURN				
13	[Rate Base (line 1) * Rate of Return (line 20)]		5,240,953	NA	5,240,953
14	RETURN (R)				
15					
16					
17	Long Term Debt		\$	Cost	Weighted
18	Preferred Stock		%	3.399%	0.014 =WCLTD
19	Common Stock		40%	0.000%	-
20	Total (sum lines 17-19)		60%	10.300%	0.062
			-		0.075 =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, 2016

Excluding Interest

Page 1 of 3

Line		FY2016 True-Up	FY2016 Projected	Variance
	GROSS REVENUE REQUIREMENT			
1	Base Plan Gross Revenue Requirement (Nebraska City-Sibley)	25,827,667	25,541,038	286,629
2	Balanced Portfolio Gross Revenue Requirement (Iatan-Nashua)	7,922,373	11,446,586	(3,524,214)
3	Zonal Gross Revenue Requirements	-	-	-
4	TOTAL GROSS REVENUE REQUIREMENT	\$ 33,750,040	\$ 36,987,624	\$ (3,237,584)
	REVENUE CREDITS			
5	Base Plan Gross Revenue Credit	(1,901,637)	(1,643,607)	(258,030)
6	Balanced Portfolio Revenue Credit	(583,308)	(736,606)	153,299
7	Zonal Gross Revenue Credit	-	-	-
8	TOTAL REVENUE CREDITS	\$ (2,484,945)	\$ (2,380,214)	\$ (104,731)
	2014 TRUE-UP INCLUDED IN 2016 PROJECTION			
9	Base Plan True-Up	(1,880,523)	(1,880,523)	-
10	Balanced Portfolio True-Up	(576,831)	(576,831)	-
11	Zonal Gross True-Up	-	-	-
12	TOTAL 2014 TRUE-UP	\$ (2,457,355)	\$ (2,457,355)	\$ -
	NET REVENUE REQUIREMENT			
13	Base Plan Net Revenue Requirement	22,045,507	22,016,907	28,600
14	Balanced Portfolio Gross Revenue Requirement	6,762,234	10,133,149	(3,370,915)
15	Zonal Net Revenue Requirement	-	-	-
16	TOTAL NET REVENUE REQUIREMENT	\$ 28,807,740	\$ 32,150,056	\$ (3,342,315)

The primary variances between the 2016 Projection and the 2016 True-Up revenue requirements are as follows:

Actual cost of service was lower than projected cost of service primarily because fixed charge rate applied to the Iatan-Nashua project's rate base in the 2016 projection was higher than the actual rate. This resulted in the projection of return on rate base for that project being too high. The fixed charge rate was too high primarily because the forecast of the rate base offset for Accumulated Deferred Income Taxes was lower than the actual. In addition the forecasted property tax expense included in the numerator of that fixed charge rate was higher than actual property taxes.

Additional variance information is provided on pages 2 and 3.

TRANSOURCE MISSOURI
True-Up Variance Schedule for the 12-Months Ended December 31, 2016
Excluding Interest

Line	Description	FY2016 True-Up	FY2016 Projected	Variance
RATE BASE:				
PLANT IN SERVICE				
1	Production	\$ -	-	\$ -
2	Transmission	82,339,020	81,301,966	1,037,054
3	Distribution	-	-	-
4	General & Intangible	531,796	195,845	335,950
5	TOTAL GROSS PLANT	82,870,815	81,497,811	1,373,005
ACCUMULATED DEPRECIATION				
6	Production	-	-	-
7	Transmission	1,113,438	1,100,345	13,093
8	Distribution	-	-	-
9	General & Intangible	72,150	45,417	26,733
10	TOTAL ACCUM. DEPRECIATION	1,185,588	1,145,762	39,826
NET PLANT IN SERVICE				
11	Production	-	-	-
12	Transmission	81,225,582	80,201,621	1,023,961
13	Distribution	-	-	-
14	General & Intangible	459,645	150,428	309,218
15	TOTAL NET PLANT	81,685,227	80,352,049	1,333,179
ADJUSTMENTS TO RATE BASE				
16	Accumulated Deferred Income taxes	(14,861,153)	(2,250,448)	(12,610,706)
17	Construction Work in Process	188,297,951	187,503,571	794,380
18	Unamortized Regulatory Assets	1,767,334	1,767,335	(1)
19	Unamortized Abandoned Plant	-	-	-
20	TOTAL ADJUSTMENTS	175,204,132	187,020,458	(11,816,326)
21	LAND HELD FOR FUTURE USE	-	-	-
22	WORKING CAPITAL			
23	Cash Working Capital	259,070	186,210	72,860
24	Materials & Supplies	-	-	-
25	Prepayments (Account 165)	138,403	113,191	25,212
26	TOTAL WORKING CAPITAL	397,473	299,401	98,072
27	TOTAL RATE BASE (line 15 + 20 + 21 + 26)	\$ 257,286,833	\$ 267,671,908	\$ (10,385,075)

TRANSOURCE MISSOURI
True-Up Variance Schedule for the 12-Months Ended December 31, 2016
Excluding Interest

Line	Description	FY2016 True-Up	FY2016 Projected	Variance
O&M				
1	Transmission	\$ 1,167,221	\$ 836,787	\$ 330,434
2	Less Accounts 565, and 561.1 to 561.8	17,974	-	17,974
3	Total Transmission O&M	1,149,247	836,787	312,460
4	A&G -Adjusted	898,580	623,298	275,282
5	Less EPRI & Reg. Comm. Exp. & Other Ad.	4,120	12,370	(8,250)
6	Plus Transmission Related Reg. Comm. Exp.	3,423	12,370	(8,947)
7	PBOP expense adjustment	25,427	29,594	(4,166)
8	TOTAL O&M	2,072,557	1,489,679	582,879
DEPRECIATION EXPENSE				
10	Transmission	1,022,156	964,750	57,406
11	General and Intangible	100,541	39,169	61,372
12	Amortization of Abandoned Plant	-	-	-
13	TOTAL DEPRECIATION	1,122,697	1,003,919	118,778
TAXES OTHER THAN INCOME TAXES				
LABOR RELATED				
16	Payroll	-	-	-
17	Highway and vehicle	-	-	-
PLANT RELATED				
19	Property	350,413	947,000	(596,587)
20	Gross Receipts	-	-	-
21	Other	(0)	-	(0)
22	TOTAL OTHER TAXES	350,413	947,000	(596,587)
23	RETURN AND INCOME TAXES	30,204,372	33,547,026	(3,342,654)
24	GROSS REVENUE REQUIREMENT (line 8 + 13 + 22 + 23)	\$ 33,750,040	\$ 36,987,624	\$ (3,237,585)
25	LESS: REVENUE CREDITS	2,484,945	2,380,214	104,731
26	LESS: 2014 TRUE UP INCLUDED IN 2016 RATES	2,457,355	2,457,355	-
27	NET REVENUE REQUIREMENT (line 24 - 25 - 26)	28,807,740	32,150,056	(3,342,315)

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, 2016

	(A)	(B)	(C)	(D)
	CWIP	AFUDC	AFUDC Regulatory	Revenue
	as of 12/31/16	1/1/16 - 12/31/16	Liability	Requirement
			1/1/16 - 12/31/16	1/1/16 - 12/31/16
Iatan-Nashua Project	\$14	\$0	\$0	\$71
Sibley-Nebraska City Project	\$27,347	\$0	\$0	\$22,919,188
TOTAL	\$27,361	\$0	\$0	\$22,919,259

NOTE:

Column (A) reflects 100% of CWIP Balances as of December 31, 2016.

Column (B) represents total AFUDC accumulated from 1/1/16 - 12/31/16.

Column (C) represents the total AFUDC regulatory liability booked from 1/1/16 - 12/31/16.

Column (D) represents the estimated 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-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
CWIP	-\$37	\$52	\$47	\$373,625	\$498	\$6	\$117	\$1,204	\$10	\$1,967	\$5	\$14
AFUDC (Activity)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AFUDC - 50%	-	-	-	-	-	-	-	-	-	-	-	-
<u>Sibley-Nebraska City Project</u>												
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
CWIP	167,420,541	178,404,859	184,517,306	196,650,980	202,576,477	210,393,552	218,780,803	225,179,099	227,871,199	233,736,831	237,147,343	27,347
AFUDC (Activity)	-	-	-	-	-	-	-	-	-	-	-	-
AFUDC - 50%	-	-	-	-	-	-	-	-	-	-	-	-

NOTE: This worksheet reflects actual data.

Note - The Iatan-Nashua Project was placed in service in April, 2015, and the Sibley-Nebraska City project was placed in service in December, 2016.

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 and placed 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 owns 170 miles of the project. Transource Missouri owns and operates the Missouri portion of the project, approximately 135 miles, including the Mullin Creek station. OPPD owns and operates the Nebraska portion of the project, approximately 45 miles. This project was completed and placed in service in December, 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 11, 2017.

Date: August 11, 2017

Time: 1:00 p.m. – 2:00 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 teleconference. 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 Friday, August 4, 2017 to James Martin (614) 716-6014 or jfmartin@aep.com.