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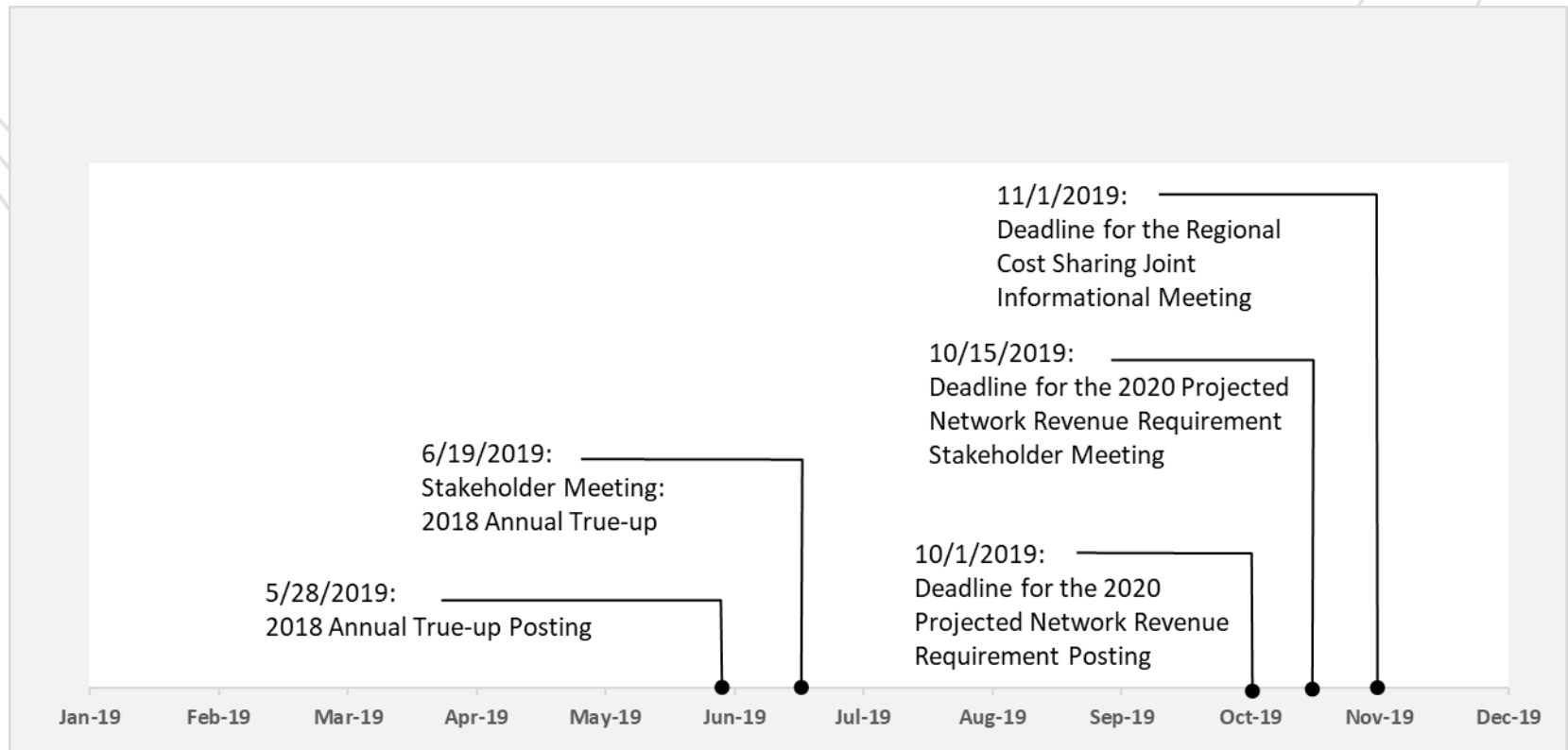
# 2018 Annual True-up Meeting

June 19, 2019

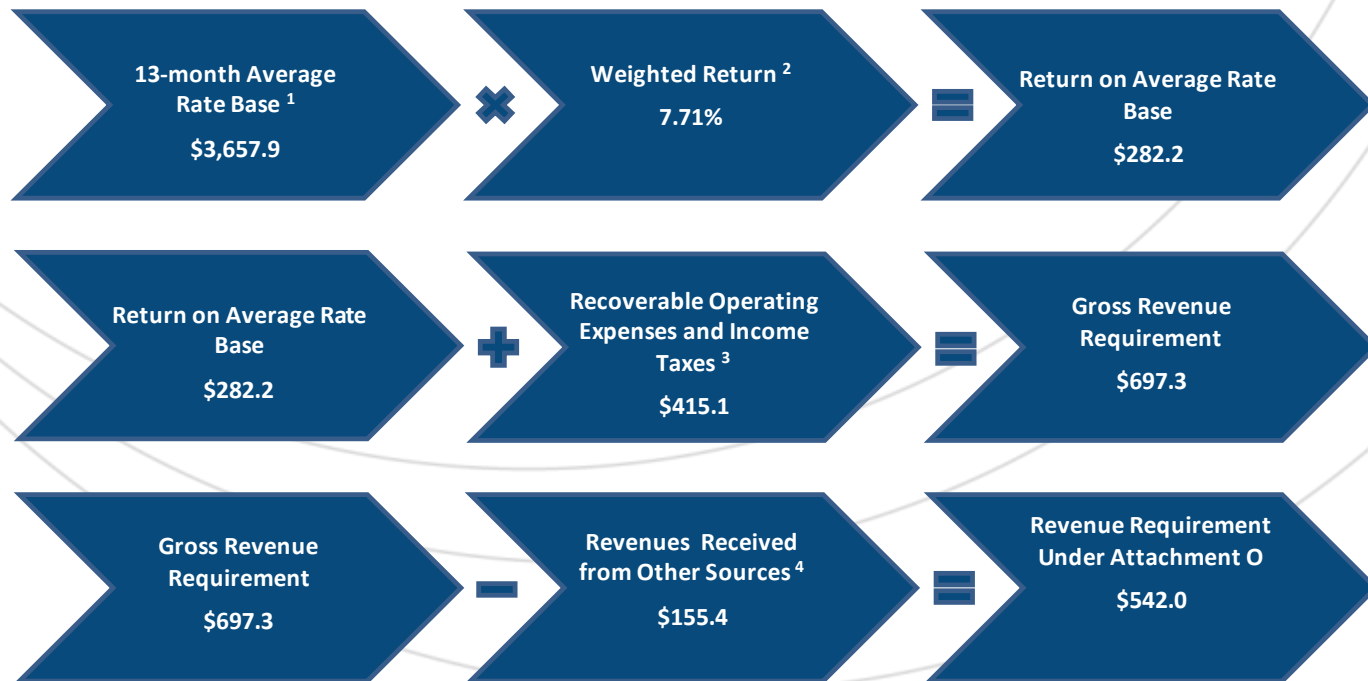
# Welcome & Overview

- Introductions – Randy Karls
- 2018 Attachment O and True-up – Tiffany Figliuzzi
- Q&A
- Summary & Close – Randy Karls

# Rate Protocols Timeline



# 2018 Actual Network Revenue Requirement (in millions)



<sup>1</sup> Includes eligible CWIP and new assets placed in-service

<sup>2</sup> Comprised of 50% Weighted Cost of Debt and 50% Allowed Return on Equity (ROE)

<sup>3</sup> Includes O&M, precertification, depreciation and taxes collected in rates on behalf of taxable owners

<sup>4</sup> Includes revenues collected under MISO Schedule 26 (RECB), Schedule 26-A (MVP), Schedule 1 and other credits such as Point-to-Point revenues and other operating revenues

# 2018 Network Revenue Requirement

## Actual vs. Projected

(in thousands)

	[A] 2018 Actual	[B] 2018 Projected	[C] True-up
[1] <b>Average Rate Base</b>	\$ 3,657,936	\$ 3,703,664	
[2] <b>Weighted Rate of Return</b>	7.71%	7.69%	
[3] <b>Return on Average Rate Base</b>	282,163	284,975	2,812
[4] <b>Provision for Members' Income Taxes</b>	58,326	64,254	5,928
[5] <b>Total Return and Members' Income Taxes</b>	340,489	349,229	8,740
[6] <b>Recoverable Operating Expenses</b>			
[7]   Operations & Maintenance <sup>(a)</sup>	162,200	166,688	4,488
[8]   Depreciation and Amortization	166,723	167,488	765
[9]   Taxes Other Than Income	27,897	28,924	1,027
[10] <b>Total Recoverable Operating Expenses</b>	356,820	363,100	6,280
[11] <b>Total Revenue Requirement</b>	697,309	712,329	15,020
[12] <b>Amounts Collected from Other Sources</b>			
[13]   Regional Cost-sharing (includes Multi-value Projects)	(131,258)	(133,604)	(2,346)
[14]   Scheduling	(14,332)	(17,172)	(2,840)
[15]   Point-to-Point	(7,987)	(8,400)	(413)
[16]   Other	(1,774)	(1,300)	474
[17] <b>Total Amounts Collected from Other Sources</b>	(155,351)	(160,476)	(5,125)
[18] <b>Network Revenue</b>	\$ 541,958	\$ 551,853	\$ 9,895

(a) Includes Preliminary Survey and Investigation, Project O&M, and non-Project O&M expenses

# Historical Network True-Ups

(in millions)

		[A]	[B]	[C]	[D]	[E]
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
[1]	Actual	\$531.8	\$554.3	\$567.8	\$573.5	\$542.0
[2]	True-up <sup>(a)</sup>	(\$6.5)	(\$0.9)	(\$7.4)	\$2.1	(\$9.9)
[3]	<b>True-up / Actual</b>	<b>-1.2%</b>	<b>-0.2%</b>	<b>-1.3%</b>	<b>0.4%</b>	<b>-1.8%</b>

<sup>(a)</sup> (Negatives) represent a revenue over-collection / positives represent a revenue under-collection

# Questions



Please direct future inquiries to [atcrates@atcllc.com](mailto:atcrates@atcllc.com)