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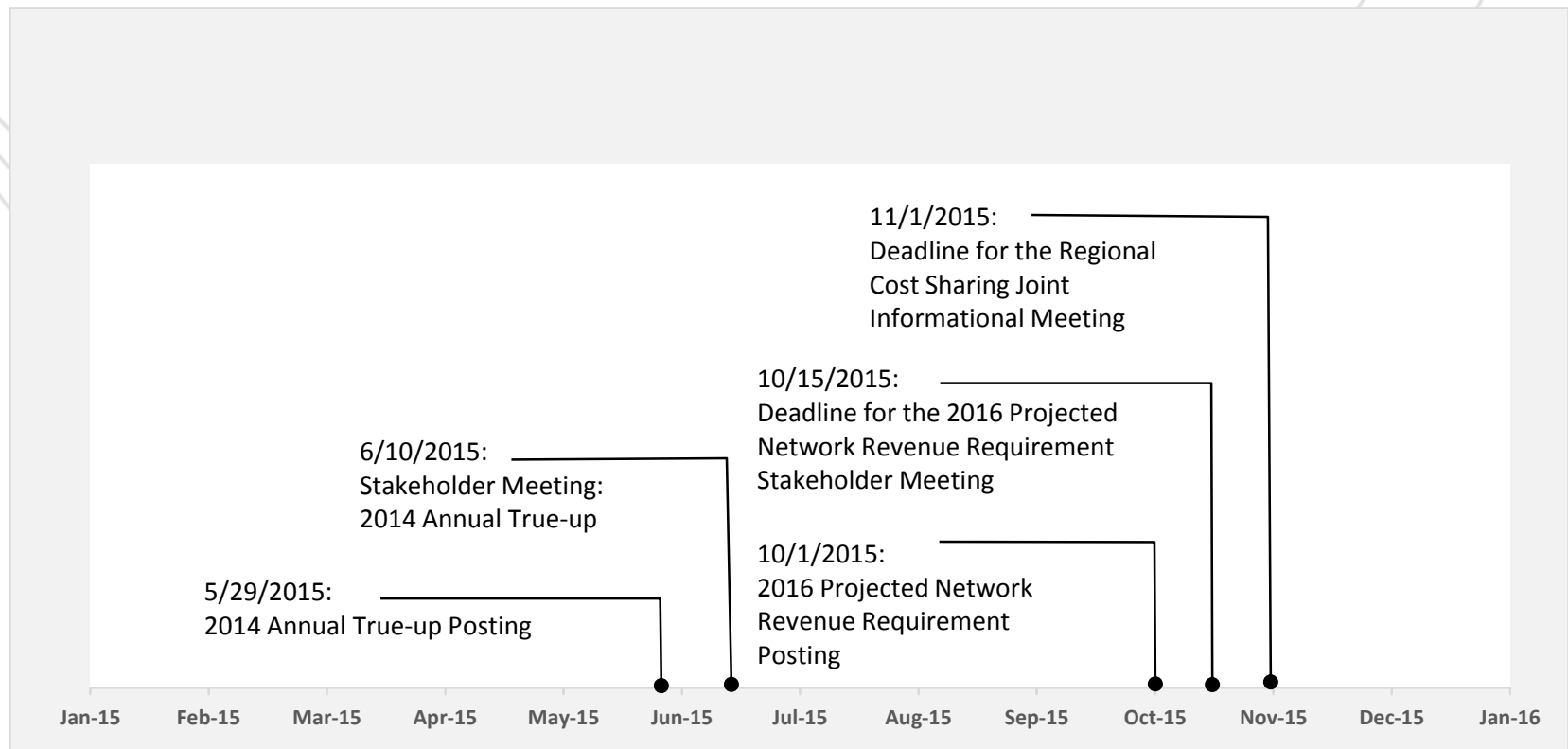
2014 Annual True-up Meeting

June 10, 2015

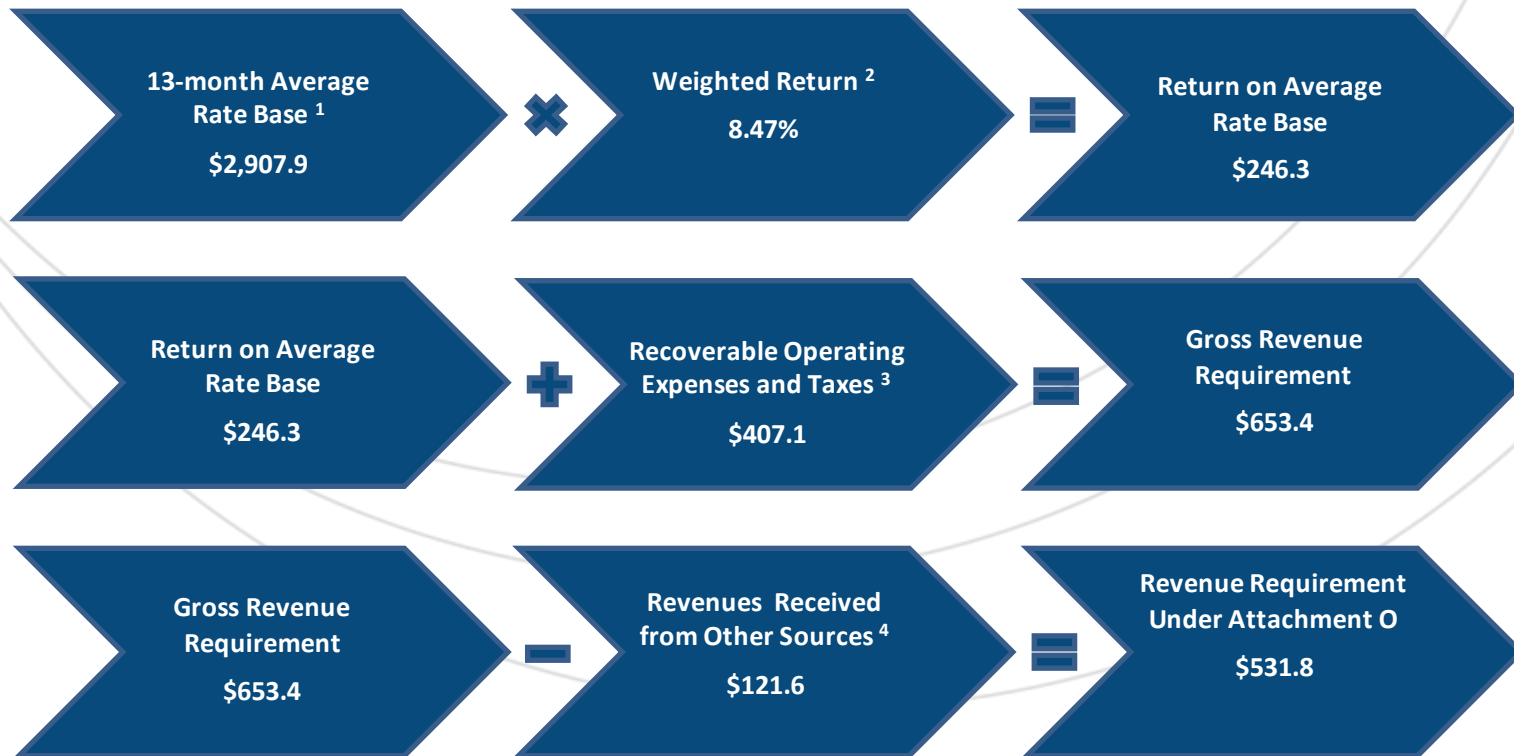
Welcome & Overview

- Introductions – Randy Karls
- 2014 Attachment O and True-up – Tiffany Figliuzzi
- Q&A
- Summary & Close – Randy Karls

Rate Protocols Timeline



2014 Actual Network Revenue Requirement (in millions)



¹ Includes CWIP and new assets placed in-service

² Comprised of 50% Weighted Cost of Debt and 50% Allowed Return on Equity

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

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

2014 Network Revenue

Actual vs. Billed

(in thousands)

	[A] 2014 Actual	[B] 2014 Billed	[C] True-up
[1] Average Rate Base	\$ 2,907,885	\$ 2,912,618	
[2] Weighted Rate of Return	8.47%	8.44%	
[3] Return on Average Rate Base	246,304	245,729	(575)
[4] Provision for Members' Income Taxes	103,489	103,944	455
[5] Total Return and Members' Income Taxes	349,793	349,673	(120)
[6] Recoverable Operating Expenses			
[7] Operations & Maintenance ^(a)	159,109	161,944	2,835
[8] Depreciation and Amortization	124,074	123,306	(768)
[9] Taxes Other Than Income	20,406	21,550	1,144
[10] Total Recoverable Operating Expenses	303,589	306,800	3,211
[11] Total Revenue Requirement	653,382	656,473	3,091
[12] Amounts Collected from Other Sources			
[13] Regional Cost-sharing (includes Multi-value Projects)	(94,991)	(97,137)	(2,146)
[14] Scheduling	(15,972)	(10,694)	5,278
[15] Point-to-Point	(9,063)	(9,000)	63
[16] Other	(1,544)	(1,298)	246
[17] Total Amounts Collected from Other Sources	(121,570)	(118,129)	3,441
[18] Network Revenue	\$ 531,812	\$ 538,344	\$ 6,532

(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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
[1]	Actual	\$490.1	\$496.6	\$511.0	\$514.5	\$531.8
[2]	True-up ^(a)	(\$10.7)	(\$8.9)	\$2.1	(\$16.7)	(\$6.5)
[3]	True-up / Actual	-2.2%	-1.8%	0.4%	-3.2%	-1.2%

^(a) (Negatives) represent a revenue over-collection / positives represent a revenue under-collection

Questions



Please direct future inquiries to atcrates@atcllc.com