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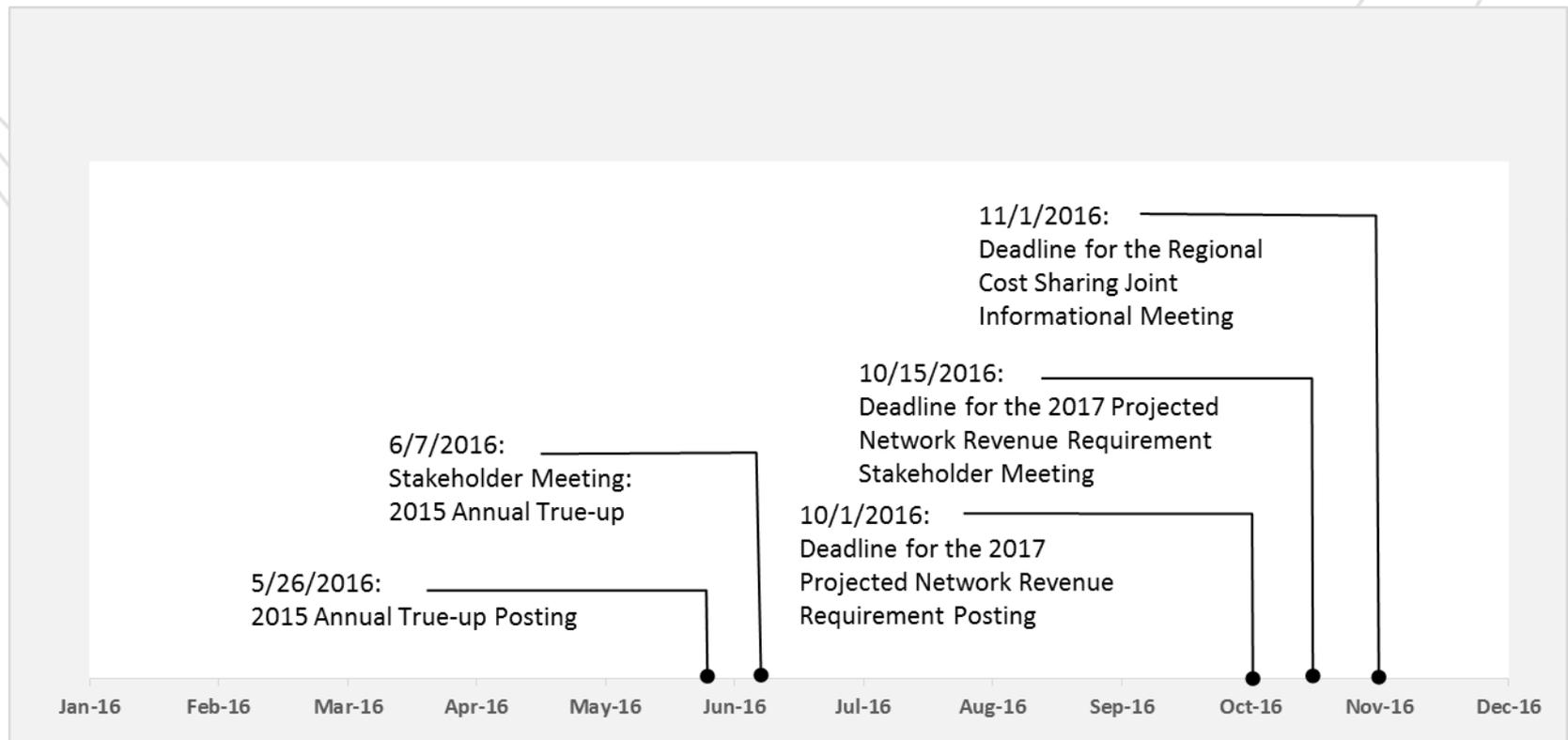
2015 Annual True-up Meeting

June 7, 2016

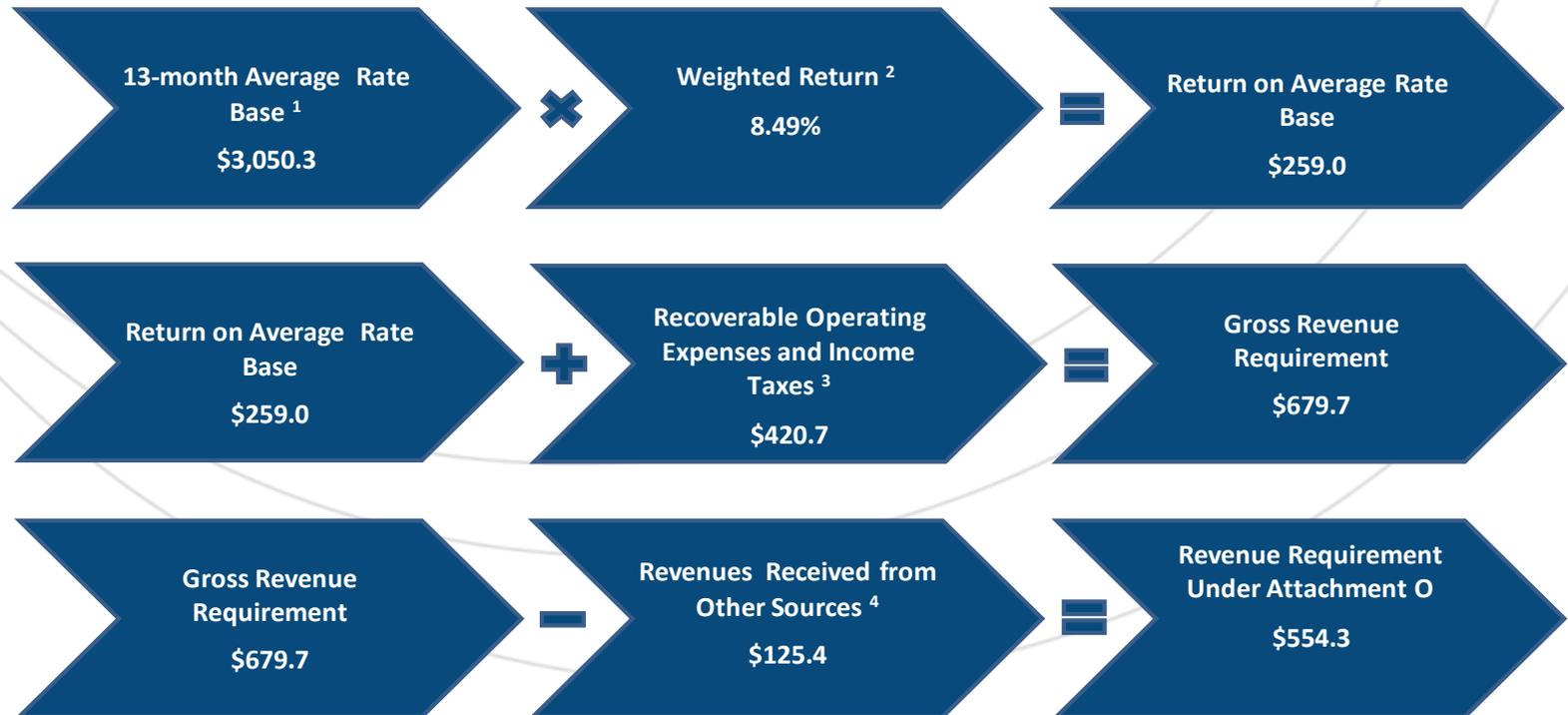
Welcome & Overview

- Introductions – Randy Karls
- 2015 Attachment O and True-up – Tiffany Figliuzzi
- Q&A
- Summary & Close – Randy Karls

Rate Protocols Timeline



2015 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

2015 Network Revenue Requirement

Actual vs. Projected

(in thousands)

	[A] 2015 Actual	[B] 2015 Projected ^(a)	[C] True-up
Average Rate Base	\$ 3,050,267	\$ 3,050,028	
Weighted Rate of Return	8.49%	8.50%	
Return on Average Rate Base	259,008	259,101	93
Provision for Members' Income Taxes	107,445	108,540	1,095
Total Return and Members' Income Taxes	366,453	367,641	1,188
Recoverable Operating Expenses			
Operations & Maintenance ^(b)	156,848	161,225	4,377
Depreciation and Amortization	133,265	132,069	(1,196)
Taxes Other Than Income	23,104	25,020	1,916
Total Recoverable Operating Expenses	313,217	318,314	5,097
Total Revenue Requirement	679,670	685,955	6,285
Amounts Collected from Other Sources			
Regional Cost-sharing (includes Multi-value Projects)	(99,530)	(104,726)	(5,196)
Scheduling	(16,078)	(15,505)	573
Point-to-Point	(8,168)	(9,300)	(1,132)
Other	(1,633)	(1,300)	333
Total Amounts Collected from Other Sources	(125,409)	(130,831)	(5,422)
Network Revenue	\$ 554,261	\$ 555,124	\$ 863

(a) The network amount billed includes an adjustment for prior years' revenue true-ups (\$9,854) resulting in network revenue billed during the year of \$545,270.

(b) 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
[1] Actual	\$496.6	\$511.0	\$514.5	\$531.8	\$554.3
[2] True-up ^(a)	(\$8.9)	\$2.1	(\$16.7)	(\$6.5)	(\$0.9)
[3] True-up / Actual	-1.8%	0.4%	-3.2%	-1.2%	-0.2%

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

Questions



Please direct future inquiries to atcrates@atcllc.com