## 2018 ATC Projected Budget and Rates

*Stakeholder Inquiries*

On October 11, 2017 and October 12, 2017, respectively, WEC Energy Group (WEC) asked the following questions and on October 26, 2017, ATC provided the following responses:

**WEC**: I have a question on your presentation. I'm looking at the ATC Rate Projection through 2022 sheet posted on the OASIS, I am wondering why the large increase in the ATC in 2020 (See my analysis below). What is driving the 5.63% rate increase in 2020?

| | Coincident Load | % Chg | ATC Rate | % Chg |
|---|---|---|---|---|
| 2018 | 9,717,367 | | 5.06 | |
| 2019 | 9,766,925 | 0.51% | 5.15 | 1.78% |
| 2020 | 9,816,737 | 0.51% | 5.44 | 5.63% |
| 2021 | 9,866,802 | 0.51% | 5.56 | 2.21% |
| 2022 | 9,917,123 | 0.51% | 5.70 | 2.52% |

**ATC Response**: The rate increase in ATC's Schedule 9 rate from 2019-2020 (as compared to 2018-2019) that you identified is primarily due to the change in ATC's ROE. Per relevant MISO Tariff requirements, ATC's 2018 Network rates are projected using the current FERC authorized ROE of 10.82% (includes a 50 bp adder for RTO participation). Network bills for 2019 and beyond (which are not subject the MISO Tariff posting requirements) are projected using the FERC Administrative Law Judge recommended ROE in the second MISO TO ROE complaint proceeding (Docket No. EL15-45) of 10.20% (including the 50 bp adder). In addition, our estimate for precertification expenses in 2020 is higher than in previous years, which also contributes to a higher projected Network rate for 2020.

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**WEC**: I did have one more question regarding ATC's portion of Schedule 26 (and this may relate to my first question). In 2020 I noticed that rather large increase in in the charges starting in 2020 within the ATC Pricing Zone. 2019 is $110M, but in 2020 it jumps to $118M. Is there some large projects planned to drive that number up?

**ATC Response:** The numbers you referenced above were provided by MISO. ATC disagrees with certain of those MISO figures. ATC's estimate for Schedule 26 charges to the ATC zone are as follows: $101.6M (2018), $104.0M (2019), and $102.6M (2020).