

American Transmission Company LLC
Responses to Rate Protocol Questions from John Weyer, Alliant Energy
October 27, 2014

1. Alliant Question: Prepayments in Attachment O, Page 2, Line 28 increased from \$7.6 million in 2014 to \$9.7 million in 2015. Can you please explain the increase?

ATC Response: The increase in the 2015 balance is the result of new IT maintenance contracts as well as the renewal of some existing IT Maintenance contracts.

2. Alliant Question: Transmission revenue received, Attachment O, Page 4, Line 7 increased from \$10.7 million in 2014 to \$15.5 million in 2015. Can you please explain the increase?

ATC Response: The increase in the 2015 value is the result of a new cost allocation methodology applied to A&G expenses associated with system operations. These additional A&G expenses are now being collected under Schedule 1 (Scheduling, System Control and Dispatch Service).

3. Alliant Question: From the 2015 Budget/Stakeholder Presentation, Slide 17, the top ten projects only represent 50% of spending. How does this compare to previous years? Is ATC spending more on smaller projects than in the past?

ATC Response: The proportional spend on our larger projects is consistent with that of past years. Over the last 5 years the top 10 projects have averaged 50% of the total capital spend.

4. Alliant Question: Comparing to ATC FERC Form 1s, it appears that depreciation as a percentage of gross plant appears to have increased in recent years. Is there an explanation for this? For example, please see calculations below comparing the ATC FERC Form 1 from 2009 to the 2015 Projected Attachment O:

	YE 2009	2015 (Projected Att. O)
Transmission Plant	\$ 3,145,612,224	\$ 4,523,840,493
Transmission Depreciation	\$ 77,442,073	123,724,902
	2.5%	2.7%

ATC Response: The observed increase in depreciation as a percentage of gross plant is due to ATC's depreciation study which was completed in 2011 and new rates were effective 1/1/2012.

5. Alliant Question: Referencing Attachment O for 2014 and 2014, Page 3, Line 16, what is driving increase in property tax? Is it tied specifically to an increase in gross plant? It was \$11.4 million in 2014, projected to be \$14.2 million in 2015.

ATC Response: The increase is driven by higher Michigan property taxes due primarily to the Straits Flow Control Project which was placed in service in August 2014.