

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2012

American Transmission Company LLC

Thirteen Monthly Balances
Composite Depreciation Rates

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)				\$ 518,613,957
	REVENUE CREDITS (Note T)		Total	Allocator	
2	Account No. 454 (page 4, line 34)		1,297,928	TP 1.00000	1,297,928
3	Account No. 456.1 (page 4, line 37)		8,400,000	TP 1.00000	8,400,000
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000	0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)				9,697,928
7	NET REVENUE REQUIREMENT (line 1 minus line 6)				\$ 508,916,029
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	10,014,399
9	Plus 12 CP of firm bundled sales over one year not in line 8			(Note B)	0
10	Plus 12 CP of Network Load not in line 8			(Note C)	0
11	Less 12 CP of firm P-T-P over one year (enter negative)			(Note D)	0
12	Plus Contract Demand of firm P-T-P over one year				0
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)				0
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)				10,014,399
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)		50.818		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)		4.235		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)		0.977		\$0.977
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)		0.195 Capped at weekly rate		\$0.139
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 times 1,000)		12.216 Capped at weekly and daily rates		\$5.801
21	FERC Annual Charge (\$/MWh) (Note E)		\$0.000 Short Term		\$0.000 Short Term
22			\$0.000 Long Term		\$0.000 Long Term

Formula Rate - Non-Levelized
Thirteen Month Average Rate Base Balances (Note Z)

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		American Transmission Company LLC				
(1)	(2)	(3)	(4)	(5)		
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)		
RATE BASE:						
GROSS PLANT IN SERVICE						
1	Production 205.46.g	0	NA		0	
2a	Transmission 207.58.g	3,643,828,009	TP	1.00000	3,643,828,009	
2b	CWIP	217,597,946	TP	1.00000	217,597,946	
3	Distribution 207.75.g	0	NA		0	
4	General & Intangible 205.5.g & 207.99.g	164,065,064	W/S	1.00000	164,065,064	
5	Common 356.1	0	CE	1.00000	0	
6	TOTAL GROSS PLANT (sum lines 1-5)	4,025,491,019	GP=	100.000%	4,025,491,019	
ACCUMULATED DEPRECIATION						
7	Production 219.20-24.c	0	NA		0	
8a	Transmission 219.25.c	881,921,541	TP	1.00000	881,921,541	
8b	CWIP	0	TP	1.00000	0	
9	Distribution 219.26.c	0	NA		0	
10	General & Intangible 219.28.c	71,680,115	W/S	1.00000	71,680,115	
11	Common 356.1	0	CE	1.00000	0	
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)	953,601,656			953,601,656	
NET PLANT IN SERVICE						
13	Production (line 1 - line 7)	0				
14a	Transmission (line 2 - line 8)	2,761,906,469			2,761,906,469	
14b	CWIP	217,597,946			217,597,946	
15	Distribution (line 3 - line 9)	0				
16	General & Intangible (line 4 - line 10)	92,384,948			92,384,948	
17	Common (line 5 - line 11)	0			0	
18	TOTAL NET PLANT (sum lines 13-17)	3,071,889,363	NP=	100.000%	3,071,889,363	
ADJUSTMENTS TO RATE BASE (Note F)						
19	Account No. 281 (enter negative) 273.8.k	0	NA	zero	0	
20	Account No. 282 (enter negative) 275.2.k	-419,553,581	NP	1.00000	-419,553,581	
21	Account No. 283 (enter negative) 277.9.k	0	NP	1.00000	0	
22	Account No. 190 234.8.c	0	NP	1.00000	0	
23	Account No. 255 (enter negative) 267.8.h	0	NP	1.00000	0	
24	TOTAL ADJUSTMENTS (sum lines 19- 23)	(419,553,581)			-419,553,581	
25	LAND HELD FOR FUTURE USE 214.x.d (Note G)	11,060,433	TP	1.00000	11,060,433	
WORKING CAPITAL (Note H)						
26	CWC calculated	17,966,115			16,750,355	
27	Materials & Supplies (Note G) 227.8.c & .16.c	1,212,690	TE	0.88610	1,074,568	
28	Prepayments (Account 165) 111.57.c	5,449,472	GP	1.00000	5,449,472	
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)	24,628,277			23,274,395	
30	RATE BASE (sum lines 18, 24, 25, & 29)	2,688,024,491			2,686,670,610	

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For the 12 months ended 12/31/2012

		American Transmission Company LLC				
Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	
O&M (Note U)						
1	Transmission	321.112.b	85,079,957	TE	0.88610	75,389,616
1a	Less LSE Expenses Included in Transmission O&M Accounts (Note W)		0		1.00000	0
2	Less Account 565	321.96.b	0		1.00000	0
3	A&G	323.197.b	59,074,494	W/S	1.00000	59,074,494
4	Less FERC Annual Fees		0	W/S	1.00000	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		739,320	W/S	1.00000	739,320
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		313,786	TE	0.88610	278,047
6	Common	356.1	0	CE	1.00000	0
7	Transmission Lease Payments		0		1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 1a, 2, 4, 5)		143,728,918			134,002,837
DEPRECIATION EXPENSE						
9	Transmission	336.7.b&d	98,037,453	TP	1.00000	98,037,453
10	General & Intangible	336.10.b&d, 336.1.b&d	8,338,141	W/S	1.00000	8,338,141
11	Common	336.11.b&d	0	CE	1.00000	0
12	TOTAL DEPRECIATION (sum lines 9 - 11)		106,375,594			106,375,594
TAXES OTHER THAN INCOME TAXES (Note J)						
LABOR RELATED						
13	Payroll	263.i	3,784,634	W/S	1.00000	3,784,634
14	Highway and vehicle	263.i	0	W/S	1.00000	0
PLANT RELATED						
16	Property	263.i	8,752,800	GP	1.00000	8,752,800
17	Gross Receipts	263.i		NA	zero	0
18	Other	263.i	5,214,648	GP	1.00000	5,214,648
19	Payments in lieu of taxes			GP	1.00000	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		17,752,082			17,752,082
INCOME TAXES (Note K)						
21	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} * (1-TEP)=$		36.79%			
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD = (page 4, line 27) and R = (page 4, line30) and FIT, SIT & p are as given in footnote K.		41.32%			
23	$1 / (1 - T) =$ (from line 21)		1.5820			
24	Amortized Investment Tax Credit (266.8f) (enter negative)		-415,849			
24a	Excess Deferred Income Taxes (enter negative)		-155,249			
24b	Tax Affect of Permanent Differences		319,459			
25	Income Tax Calculation = line 22 * line 28		95,437,215	NA		95,389,146
26	ITC adjustment (line 23 * line 24)		-657,891	NP	1.00000	-657,891
26a	Excess Deferred Income Tax Adjustment (line 23 * line 24a)		-245,611	NP	1.00000	-245,611
26b	Permanent Differences Tax Adjustment		505,398	NP	1.00000	505,398
27	Total Income Taxes (line 25 plus line 26 plus lines 26a and 26b)		95,039,111			94,991,042
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		230,983,684	NA		230,867,344
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		593,879,388			583,988,899
30	LESS ATTACHMENT GG ADJUSTMENT [Attachment GG, page 2, line 3, column 10] (Note X) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment GG]		65,085,316			65,085,316
30a	LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 10] (Note AA) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM]		289,625			289,625
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line30a)		528,504,446			518,613,957

American Transmission Company LLC

SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES				
1	Total Transmission plant (page 2, line 2a, column 3)				3,643,828,009
2	Less Transmission plant excluded from ISO rates (Note M)				0
3	Less Transmission plant included in OATT Ancillary Services (Note N)				0
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)				3,643,828,009
5	Percentage of Transmission plant included in ISO Rates (line 4 divided by line 1)			TP=	1.00000
TRANSMISSION EXPENSES					
6	Total Transmission expenses (page 3, line 1, column 3)				85,079,957
7	Less revenue received attributable to account 457.1 (Note L)				9,690,341
8	Included Transmission expenses (line 6 less line 7)				75,389,616
9	Percentage of Transmission expenses after adjustment (line 8 divided by line 6)				0.88610
10	Percentage of Transmission plant included in ISO Rates (line 5)			TP	1.00000
11	Percentage of Transmission expenses included in ISO Rates (line 9 times line 10)			TE=	0.88610
WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation
12	Production	354.20.b	0	0.00	0
13	Transmission	354.21.b	29,537,247	1.00	29,537,247
14	Distribution	354.23.b	0	0.00	0
15	Other	354.24,25,26.b	0	0.00	0
16	Total (sum lines 12-15)		29,537,247		29,537,247 = 1.00000 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)					
			\$	% Electric	W&S Allocator
17	Electric	200.3.c	2,761,906,469	(line 17 / line 20)	(line 16)
18	Gas	200.3.d	0	1.00000 *	1.00000 =
19	Water	200.3.e	0		1.00000
20	Total (sum lines 17 - 19)		2,761,906,469		CE
RETURN (R)					
21	Long Term Interest (117, sum of 62.c through 66.c)				\$ n/a
22	Preferred Dividends (118.29c) (positive number)				n/a
Development of Common Stock:					
23	Proprietary Capital (112.16.c)				n/a
24	Less Preferred Stock (line 28)				n/a
25	Less Account 216.1 (112.12.c) (enter negative)				n/a
26	Common Stock (sum lines 23-25)				n/a
			\$	%	Cost (Note P)
27	Long Term Debt (112, sum of 18.c through 21.c)		0	50%	0.0499
28	Preferred Stock (112.3.c)		0	0%	0.0000
29	Common Stock (line 26)		0	50%	0.1220
30	Total (sum lines 27-29)		0		0.0859 =R
REVENUE CREDITS					
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)					
31	a. Bundled Non-RQ Sales for Resale (311.x.h)				Load 0
32	b. Bundled Sales for Resale included in Divisor on page 1				0
33	Total of (a)-(b)				0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)				\$1,297,928
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note V) (330.x.n)					
35	a. Transmission charges for all transmission transactions				\$582,690,971
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1				\$508,916,029
36a	c. Transmission charges associated with Schedule 26 (Note Y)				\$65,085,316
36b	d. Transmission charges associated with Schedule 26-A (Note BB)				\$289,625
37	Total of (a)-(b)-(c)-(d)				\$8,400,000

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For the 12 months ended 12/31/2012

American Transmission Company LLC

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note

Letter

- A Peak as would be reported on page 401, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
- F The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. The maximum deferred tax offset to rate base is calculated in accordance with the proration formula prescribed by IRS regulation section 1.167(l)-1(h)(6).
- G Identified in Form 1 as being only transmission related.
- H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.
- I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes" and TEP = "the tax exempt ownership interest". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | SIT = | 7.40% (State Income Tax Rate or Composite SIT) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
| | TEP = | 7.59% (percent of the tax exempt ownership) |
- L Removes revenues that are distributed pursuant to Schedule 1 of the Midwest ISO Tariff. The projected dollar amount of transmission expenses to be included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA will be used as the estimated revenues for the calculation of prospective rates used for billing. The revenues received pursuant to Schedule 1 as reported in Account 457.1 will be used in the annual calculation of the Attachment O True-Up.
- M Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
- N Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- O Enter dollar amounts
- P Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
- Q Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
- R Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4, page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- T The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
- U Preliminary Survey and Investigation charges related to transmission construction projects started on or after January 1, 2004 are included in account 566 and not in account 183.
- V Account 456.1 entry shall be the annual total of the quarterly values reported at Form 1, page 300.22.b.
- W Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
- X Pursuant to Attachment GG of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment GG and recovered under Schedule 26 of the Midwest ISO Tariff.
- Y Removes from revenue credits revenues that are distributed pursuant to Schedule 26 of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment GG revenue requirements.
- Z All amounts shown on this page (with the exception of CWC, line 26) are based on 13 month averages. Work papers will be provided.
- AA Pursuant to Attachment MM of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment MM and recovered under Schedule 26-A of the Midwest ISO Tariff.
- BB Removes from revenue credits revenues that are distributed pursuant to Schedule 26-A of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment MM revenue requirements.