

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

**Thirteen Monthly Balances
Composite Depreciation Rates**

ATC

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 29)		\$ 514,169,509
	REVENUE CREDITS	(Note T)	Total	Allocator
2	Account No. 454	(page 4, line 34)	0	TP 1.00000 1,267,069
3	Account No. 456	(page 4, line 37)	0	TP 1.00000 50,642,255
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)			<u>51,909,324</u>
7	NET REVENUE REQUIREMENT	(line 1 minus line 6)		<u>\$ 462,260,185</u>
DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			10,915,162
9	Plus 12 CP of firm bundled sales over one year not in line 8	(Note A)		0
10	Plus 12 CP of Network Load not in line 8	(Note B)		0
11	Less 12 CP of firm P-T-P over one year (enter negative)	(Note C)		0
12	Plus Contract Demand of firm P-T-P over one year	(Note D)		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)			<u>10,915,162</u>
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	42.350	
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.529	
			Peak Rate	Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.814	\$0.814
19	Point-To-Point Rate (\$/kW/Day)	(line 18 / 5; line 18 / 7)	0.163 Capped at weekly rate	\$0.116
20	Point-To-Point Rate (\$/MWh)	(line 19 / 16; line 19 / 24 times 1,000)	0.010 Capped at weekly and daily rates	\$0.005
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 Plant Balanc

Rate Formula Template
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Line No.	(1)	(2) Form No. 1 Page, Line, Col.	ATC		(5) Transmission (Col 3 times Col 4)
			(3) Company Total	(4) Allocator	
RATE BASE:					
GROSS PLANT IN SERVICE					
1	Production	206.42.g	0	NA	0
2a	Transmission - 13 month average		2,927,544,894	TP 1.00000	2,927,544,894
2b	CWIP - 13 month average		246,037,987	1.00000	246,037,987
3	Distribution	206.69.g	0	NA	0
4	General & Intangible	206.5.g & 83.g	112,561,682	W/S 1.00000	112,561,682
5	Common	356.1	0	CE 0.00000	0
6	TOTAL GROSS PLANT (sum lines 1-5)		3,286,144,563	GP= 100.000%	3,286,144,563
ACCUMULATED DEPRECIATION					
7	Production	219.18-22.c	0	NA	0
8a	Transmission - 13 month average	219.23.c	(733,481,516)	TP 1.00000	(733,481,516)
8b	CWIP - 13 month average		-	1.00000	-
9	Distribution	219.24.c	0	NA	0
10	General & Intangible	219.25.c	(48,802,605)	W/S 1.00000	-48,802,605
11	Common	356.1	0	CE 0.00000	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		(782,284,120)		(782,284,120)
NET PLANT IN SERVICE					
13	Production	(line 1 - line 7)	-		-
14a	Transmission - 13 month average	(line 2 - line 8)	2,194,063,378		2,194,063,378
14b	CWIP - 13 month average		246,037,987		246,037,987
15	Distribution	(line 3 - line 9)	0		0
16	General & Intangible	(line 4 - line 10)	63,759,077		63,759,077
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		2,503,860,443	NP= 100.000%	2,503,860,443
ADJUSTMENTS TO RATE BASE (Note F)					
19	Account No. 281 (enter negative)	273.8.k	0	NA zero	0
20	Account No. 282 (13 month avg)	275.2.k	(195,061,416)	NP 1.00000	(195,061,416)
21	Account No. 283 (enter negative)	277.9.k	-	NP 1.00000	-
22	Account No. 190	234.8.c	0	NP 1.00000	0
23	Account No. 255 (enter negative)	267.h.8	0	NP 1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19- 23)		(195,061,416)		(195,061,416)
25	LAND HELD FOR FUTURE USE	214.x.d (Note G)	11,263,177	TP 1.00000	11,263,177
WORKING CAPITAL (Note H)					
26	CWC		16,685,756		15,547,139
27	Materials & Supplies (Note G)	227.6.c & .15.c	636,196	TE 0.88450	562,714
28	Prepayments (Account 165)	111.57.c	3,685,698	GP 1.00000	3,685,698
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		21,007,650		19,795,551
30	RATE BASE (sum lines 18, 24, 25, & 29)		2,341,069,853		2,339,857,754

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Line No.	(1)	(2) Form No. 1 Page, Line, Col.	ATC		(5) Transmission (Col 3 times Col 4)
			(3) Company Total	(4) Allocator	
O&M (Note U)					
1	Transmission	321.100.b	78,519,587	TE 0.88450	69,450,386
2	Less Account 565	321.88.b	0	1.00000	0
3	A&G	323.168.b	54,966,459	W/S 1.00000	54,966,459
4	Less FERC Annual Fees		-	W/S 1.00000	-
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		-343,981	W/S 1.00000	-343,981
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		343,981	TE 0.88450	304,250
6	Common	356.1	0	CE 0.00000	0
7	Transmission Lease Payments		0	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		133,486,046		124,377,114
DEPRECIATION EXPENSE					
9	Transmission	336.7.b	77,808,890	TP 1.00000	77,808,890
10	General	336.9.b	7,932,384	W/S 1.00000	7,932,384
11	Common	336.10.b	0	CE 0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		85,741,274		85,741,274
TAXES OTHER THAN INCOME TAXES (Note J)					
LABOR RELATED					
13	Payroll	262.i	2,588,423	W/S 1.00000	2,588,423
14	Highway and vehicle	262.i	0	W/S 1.00000	-
PLANT RELATED					
16	Property	262.i	6,789,600	GP 1.00000	6,789,600
17	Gross Receipts	262.i		NA zero	
18	Other	262.i	2,295,528	GP 1.00000	2,295,528
19	Payments in lieu of taxes			GP 1.00000	-
20	TOTAL OTHER TAXES (sum lines 13 - 19)		11,673,551		11,673,551
INCOME TAXES (Note K)					
21	$T=1 - \frac{((1 - \text{SIT}) * (1 - \text{FIT}))}{(1 - \text{SIT} * \text{FIT} * p)}$		36.68%		
22	$\text{CIT} = (T/1-T) * (1 - (\text{WCLTD}/R))$		39.42%		
where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote K.					
23	$1 / (1 - T) =$ (from line 21)		1.5792		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		(573,315)		
24a	Excess Deferred Income Taxes (enter negative)		(214,380)		
24b	Tax Affect of Permanent Differences		784,085		
25	Income Tax Calculation = line 22 * line 28		82,707,216	NA	82,664,394
26	ITC adjustment (line 23 * line 24)		(905,357)	NP 1.00000	(905,357)
26a	Excess Deferred Income Tax Adjustment (line 23 * line 24a)		(338,541)	NP 1.00000	(338,541)
26b	Permanent Differences Tax Adjustment		1,238,196	1.00000	1,238,196
27	Total Income Taxes (line 25 plus line 26 plus line 26a)		82,701,515		82,658,693
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		209,827,516	NA	209,718,877
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		523,429,903		514,169,509

ATC

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

Note: ISO refers to ATC until Midwest ISO is operational

- A Peak as would be reported on page 401, column d of Form 1 at the time of the ISO coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the ISO coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the ISO 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.
- 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 Page 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 = | 7.27% | (State Income Tax Rate or Composite SIT) |
| | $p =$ | 0.00% | (percent of federal income tax deductible for state purposes) |
| | TEP = | 7.68% | (percent of the tax exempt ownership) |
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
- 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 included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be 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, ancillary services, 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.