

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2013

American Transmission Company LLC

Thirteen Monthly Balances
Composite Depreciation Rates

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 540,850,320
	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)			\$ 531,152,392
	DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service		(Note A)	9,965,604
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)			9,965,604
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)	53.299		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)	4.442		
		Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)	1.025		\$1.025
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)	0.205 Capped at weekly rate		\$0.146
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 times 1,000)	12.812 Capped at weekly and daily rates		\$6.084
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.	RATE BASE:		Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)
GROSS PLANT IN SERVICE						
1	Production	205.46.g		0	NA	0
2a	Transmission & Intangible	207.58.g & 205.5g		3,941,598,950	TP	3,941,598,950
2b	CWIP			209,329,589	TP	209,329,589
3	Distribution	207.75.g		0	NA	0
4	General	207.99.g		103,111,814	W/S	103,111,814
5	Common	356.1		0	CE	0
6	TOTAL GROSS PLANT (sum lines 1-5)			4,254,040,352	GP=	4,254,040,352
ACCUMULATED DEPRECIATION						
7	Production	219.20-24.c		0	NA	0
8a	Transmission & Intangible	219.25.c&d & 200.21.c		995,297,716	TP	995,297,716
8b	CWIP			0	TP	0
9	Distribution	219.26.c		0	NA	0
10	General	219.28.c		25,413,417	W/S	25,413,417
11	Common	356.1		0	CE	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)			1,020,711,132		1,020,711,132
NET PLANT IN SERVICE						
13	Production	(line 1- line 7)		0		0
14a	Transmission	(line 2- line 8)		2,946,301,234		2,946,301,234
14b	CWIP			209,329,589		209,329,589
15	Distribution	(line 3 - line 9)		0		0
16	General & Intangible	(line 4 - line 10)		77,698,397		77,698,397
17	Common	(line 5 - line 11)		0		0
18	TOTAL NET PLANT (sum lines 13-17)			3,233,329,220	NP=	3,233,329,220
ADJUSTMENTS TO RATE BASE (Note F)						
19	Account No. 281 (enter negative)	273.8.k		0	NA	zero
20	Account No. 282 (enter negative)	275.2.k		-464,172,849	NP	1.00000
21	Account No. 283 (enter negative)	277.9.k		0	NP	1.00000
22	Account No. 190	234.8.c		0	NP	1.00000
23	Account No. 255 (enter negative)	267.8.h		0	NP	1.00000
24	TOTAL ADJUSTMENTS (sum lines 19- 23)			(464,172,849)		-464,172,849
25	LAND HELD FOR FUTURE USE	214.x.d (Note G)		13,545,235	TP	1.00000
WORKING CAPITAL (Note H)						
26	CWC	calculated		21,340,534		19,976,240
27	Materials & Supplies (Note G)	227.8.c & .16.c		2,399,755	TE	0.90479
28	Prepayments (Account 165)	111.57.c		6,606,573	GP	1.00000
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)			30,346,862		28,754,095
30	RATE BASE (sum lines 18, 24, 25, & 29)			2,813,048,468		2,811,455,702

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For the 12 months ended 12/31/2013

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, Note CC)					
1	Transmission	321.112.b	114,283,325	TE	0.90479	103,402,775
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	56,840,947	W/S	1.00000	56,840,947
4	Less FERC Annual Fees		0	W/S	1.00000	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		755,000	W/S	1.00000	755,000
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		355,000	TE	0.90479	321,202
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)		170,724,272			159,809,923
	DEPRECIATION AND AMORTIZATION EXPENSE					
9	Transmission & Intangible	336.7.b & 336.1.d	107,359,635	TP	1.00000	107,359,635
10	General	336.10.b&d	5,874,067	W/S	1.00000	5,874,067
11	Common	336.11.b&d	0	CE	1.00000	0
12	TOTAL DEPRECIATION (sum lines 9 - 11)		113,233,702			113,233,702
	TAXES OTHER THAN INCOME TAXES (Note J)					
	LABOR RELATED					
13	Payroll	263.i	4,035,093	W/S	1.00000	4,035,093
14	Highway and vehicle	263.i	0	W/S	1.00000	0
15	PLANT RELATED					
16	Property	263.i	9,517,200	GP	1.00000	9,517,200
17	Gross Receipts	263.i		NA	zero	0
18	Other	263.i	4,627,037	GP	1.00000	4,627,037
19	Payments in lieu of taxes			GP	1.00000	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		18,179,330			18,179,330
	INCOME TAXES (Note K)					
21	$T=1 - \{(1 - \text{SIT}) * (1 - \text{FIT})\} / (1 - \text{SIT} * \text{FIT} * p) * (1 - \text{TEP}) =$		36.85%			
22	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / \text{R})) =$		41.88%			
	where WCLTD = (page 4, line 27) and R = (page 4, line 30) and FIT, SIT & p are as given in footnote K.					
23	$1 / (1 - T) =$ (from line 21)		1.5836			
24	Amortized Investment Tax Credit (266.8f) (enter negative)		-163,479			
24a	Excess Deferred Income Taxes (enter negative)		39,060			
24b	Tax Affect of Permanent Differences		319,747			
25	Income Tax Calculation = line 22 * line 28		100,137,443	NA		100,080,745
26	ITC adjustment (line 23 * line 24)		-258,880	NP	1.00000	-258,880
26a	Excess Deferred Income Tax Adjustment (line 23 * line 24a)		61,854	NP	1.00000	61,854
26b	Permanent Differences Tax Adjustment		506,340	NP	1.00000	506,340
27	Total Income Taxes (line 25 plus line 26 plus lines 26a and 26b)		100,446,758			100,390,060
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		239,096,060	NA		238,960,682
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		641,680,123			630,573,697
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]		79,697,906			79,697,906
30a	LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 15] (Note AA) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM]		10,025,471			10,025,471
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		551,956,745			540,850,320

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)			3,941,598,950	
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)			3,941,598,950	
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)			114,283,325	
7	Less revenue received attributable to account 457.1 (Note L)			10,880,551	
8	Included Transmission expenses (line 6 less line 7)			103,402,775	
9	Percentage of Transmission expenses after adjustment (line 8 divided by line 6)			0.90479	
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=	0.90479	
WAGES & SALARY ALLOCATOR (W&S)					
	Form 1 Reference	\$	TP	Allocation	
12	Production 354.20.b	0	0.00	0	
13	Transmission 354.21.b	31,513,050	1.00	31,513,050	
14	Distribution 354.23.b	0	0.00	0	W&S Allocator
15	Other 354.24,25,26.b	0	0.00	0	(\$ / Allocation)
16	Total (sum lines 12-15)	31,513,050		31,513,050	= 1.00000 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)					
		\$	% Electric	W&S Allocator	CE
17	Electric 200.3.c	2,946,301,234	(line 17 / line 20)	(line 16)	
18	Gas 200.3.d	0	1.00000 *	1.00000 =	1.00000
19	Water 200.3.e	0			
20	Total (sum lines 17 - 19)	2,946,301,234			
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)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c)	0	50%	0.0480	0.0240 =WCLTD
28	Preferred Stock (112.3.c)	0	0%	0.0000	0.0000
29	Common Stock (line 26)	0	50%	0.1220	0.0610
30	Total (sum lines 27-29)	0			0.0850 =R
REVENUE CREDITS					
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)				Load	
31	a. Bundled Non-RQ Sales for Resale (311.x.h)			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			\$629,275,769	
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1			\$531,152,392	
36a	c. Transmission charges associated with Schedules 26 and 37 (Note Y)			\$79,697,906	
36b	d. Transmission charges associated with Schedule 26-A (Note BB)			\$10,025,471	
37	Total of (a)-(b)-(c)-(d)			\$8,400,000	

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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 = | 7.48% (State Income Tax Rate or Composite SIT) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
| | TEP = | 7.56% (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 and 561.8 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 Schedules 26 and 37 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.
- CC Schedule 10-FERC charges should not be included in O&M recovered under this Attachment O.