

Formula Rate - Non-Levelized

Rate Formula Template
 Utilizing FERC Form 1 Data

For the 12 months ended 12/31/11

American Transmission Company LLC

Thirteen Monthly Balances
Composite Depreciation Rates

Line No.		Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 513,993,699
	REVENUE CREDITS (Note T)			
2	Account No. 454 (page 4, line 34)	1,267,069	TP 1.00000	1,267,069
3	Account No. 456.1 (page 4, line 37)	7,200,000	TP 1.00000	7,200,000
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)			8,467,069
7	NET REVENUE REQUIREMENT (line 1 minus line 6)			\$ 505,526,629
	DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service (Note A)			9,787,401
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)			9,787,401
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)	51.651		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)	4.304		
		Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)	0.993		\$0.993
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)	0.199	Capped at weekly rate	\$0.142
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 times 1,000)	12.416	Capped at weekly and daily rates	\$5.896
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	3,485,794,356	TP	1.00000	3,485,794,356
2b	CWIP	134,536,273	TP	1.00000	134,536,273
3	Distribution 207.75.g	0	NA		0
4	General & Intangible 205.5.g & 207.99.g	125,257,445	W/S	1.00000	125,257,445
5	Common 356.1	0	CE	1.00000	0
6	TOTAL GROSS PLANT (sum lines 1-5)	3,745,588,074	GP=	100.0%	3,745,588,074
ACCUMULATED DEPRECIATION					
7	Production 219.20-24.c	0	NA		0
8a	Transmission 219.25.c	821,065,119	TP	1.00000	821,065,119
8b	CWIP	0	TP	1.00000	0
9	Distribution 219.26.c	0	NA		0
10	General & Intangible 219.28.c	64,066,890	W/S	1.00000	64,066,890
11	Common 356.1	0	CE	1.00000	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)	885,132,009			885,132,009
NET PLANT IN SERVICE					
13	Production (line 1- line 7)	0			
14a	Transmission (line 2- line 8)	2,664,729,237			2,664,729,237
14b	CWIP	134,536,273			134,536,273
15	Distribution (line 3 - line 9)	0			
16	General & Intangible (line 4 - line 10)	61,190,555			61,190,555
17	Common (line 5 - line 11)	0			0
18	TOTAL NET PLANT (sum lines 13-17)	2,860,456,065	NP=	100.0%	2,860,456,065
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	(330,625,222)	NP	1.00000	(330,625,222)
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)	(330,625,222)			(330,625,222)
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	17,822,869			16,741,555
27	Materials & Supplies (Note G) 227.8.c & .16.c	1,103,224	TE	0.89544	987,876
28	Prepayments (Account 165) 111.57.c	5,203,894	GP	1.00000	5,203,894
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)	24,129,988			22,933,326
30	RATE BASE (sum lines 18, 24, 25, & 29)	2,565,021,263			2,563,824,601

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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)		
O&M (Note U)						
1	Transmission 321.112.b	82,423,612	TE	0.89544	73,805,761	
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	60,722,640	W/S	1.00000	60,722,640	
4	Less FERC Annual Fees	0	W/S	1.00000	0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)	875,669	W/S	1.00000	875,669	
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)	312,369	TE	0.89544	279,709	
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)	142,582,952			133,932,442	
DEPRECIATION EXPENSE						
9	Transmission 336.7.b&d	93,195,007	TP	1.00000	93,195,007	
10	General & Intangible 336.10.b&d, 336.1.b&d	8,151,446	W/S	1.00000	8,151,446	
11	Common 336.11.b&d	0	CE	1.00000	0	
12	TOTAL DEPRECIATION (sum lines 9 - 11)	101,346,452			101,346,452	
TAXES OTHER THAN INCOME TAXES (Note J)						
LABOR RELATED						
13	Payroll 263.i	3,409,499	W/S	1.00000	3,409,499	
14	Highway and vehicle 263.i	0	W/S	1.00000	0	
PLANT RELATED						
16	Property 263.i	8,428,800	GP	1.00000	8,428,800	
17	Gross Receipts 263.i	0	NA	zero	0	
18	Other 263.i	4,762,267	GP	1.00000	4,762,267	
19	Payments in lieu of taxes	0	GP	1.00000	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)	16,600,566			16,600,566	
INCOME TAXES (Note K)						
21	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} * (1-TEP)=$	36.75%				
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.	40.65%				
23	$1 / (1 - T) =$ (from line 21)	1.5809				
24	Amortized Investment Tax Credit (266.8f) (enter negative)	(431,286)				
24a	Excess Deferred Income Taxes (enter negative)	(155,249)				
24b	Tax Affect of Permanent Differences	367,642				
25	Income Tax Calculation = line 22 * line 28	90,896,157	NA		90,853,751	
26	ITC adjustment (line 23 * line 24)	(681,834)	NP	1.00000	(681,834)	
26a	Excess Deferred Income Tax Adjustment (line 23 * line 24a)	(245,438)	NP	1.00000	(245,438)	
26b	Permanent Differences Tax Adjustment	581,217	NP	1.00000	581,217	
27	Total Income Taxes (line 25 plus line 26 plus lines 26a and 26b)	90,550,103			90,507,697	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	223,628,600	NA		223,524,270	
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)	574,708,673			565,911,427	
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]	(51,917,728)			(51,917,728)	
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30)	522,790,945			513,993,699	

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For the 12 months ended 12/31/11

American Transmission Company LLC

SUPPORTING CALCULATIONS AND NOTES

Line

TRANSMISSION PLANT INCLUDED IN ISO RATES									
1	Total Transmission plant (page 2, line 2a, column 3)								3,485,794,356
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)								3,485,794,356
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)								82,423,612
7	Less revenue received attributable to account 457.1 (Note L)								8,617,851
8	Included Transmission expenses (line 6 less line 7)								73,805,761
9	Percentage of Transmission expenses after adjustment (line 8 divided by line 6)								0.89544
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=		0.89544
WAGES & SALARY ALLOCATOR (W&S)									
		Form 1 Reference	\$	TP		Allocation			
12	Production	354.20.b	0	0.00		0			
13	Transmission	354.21.b	30,361,320	1.00		30,361,320			
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)		30,361,320			30,361,320	=	1.00000	= WS
COMMON PLANT ALLOCATOR (CE) (Note O)									
			\$			% Electric		W&S Allocator	
17	Electric	200.3.c	2,664,729,237			(line 17 / line 20)		(line 16)	CE
18	Gas	200.3.d	0			1.00000	*	1.00000	= 1.00000
19	Water	200.3.e	0						
20	Total (sum lines 17 - 19)		2,664,729,237						
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		Weighted	
27	Long Term Debt (112, sum of 18.c through 21.c)		0	50%		0.0524		0.0262	=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					0.0872	=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)								\$1,267,069
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note V) (330.x.n)									
35	a. Transmission charges for all transmission transactions								\$564,644,357
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1								\$505,526,629
36a	c. Transmission charges associated with Schedule 26 (Note Y)								\$51,917,728
37	Total of (a)-(b)-(c)								\$7,200,000

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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

- 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
- 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 Te
- 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 u

Inputs Required:	FIT =	35.00%
	SIT=	7.33% (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

- 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

- 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
- 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

- 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. T

- 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.