



June 29, 2018

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: PJM Interconnection, L.L.C. and NextEra Energy Transmission MidAtlantic, LLC  
Docket No. ER18-1902-000 (PJM Open Access Transmission Tariff)  
Docket No. ER18-1903-000 (PJM Consolidated Transmission Owners Agreement)

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),<sup>2</sup> PJM Interconnection, L.L.C. (“PJM”), NextEra Energy Transmission MidAtlantic, LLC (“NEET MidAtlantic”), and the City of Rochelle (“Rochelle”) (together referred to herein as the “Parties”) jointly submit this filing proposing certain revisions to PJM’s Consolidated Transmission Owners Agreement (“CTOA”) and the PJM Open Access Transmission Tariff (“Tariff”) necessary to accommodate NEET MidAtlantic’s acquisition from Rochelle of transmission facilities that are currently under PJM’s functional control (“RMU Transmission System”). As discussed below, PJM<sup>3</sup> proposes (i) modifications to the CTOA to reflect the addition of NEET MidAtlantic and removal of Rochelle as Transmission Owners and (ii) to replace within the Tariff Rochelle’s formula rate with NEET MidAtlantic’s formula rate.<sup>4</sup>

The Parties requests that the Commission issue an order approving the revisions to the CTOA and Tariff to be effective as of the closing date of the acquisition of the RMU Transmission System by NEET MidAtlantic, as proposed in an application pursuant to FPA section 203 submitted by NEET MidAtlantic on May 7, 2018, in Docket No. EC18-91-000 (the “203 Application”). NEET MidAtlantic also has filed an application before the Illinois Commerce Commission (“ICC”) for approval of a certificate of public convenience and necessity (“CPCN”) for

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<sup>1</sup> 16 U.S.C. §824d (2006).

<sup>2</sup> 18 C.F.R. Part 35 (2017).

<sup>3</sup> The division between PJM and NEET MidAtlantic of filing responsibilities herein is consistent with the filing rights allocated to PJM and the PJM Transmission Owners pursuant to Section 9 of the PJM Tariff and Article 7 of the PJM CTOA.

<sup>4</sup> Due to e-tariff restrictions, the proposed revisions to the PJM Tariff and the CTOA-Attachment A will be filed under separate cover using the same transmittal letter with specified attachments corresponding to each filing.

NEET MidAtlantic to own, operate, and control the RMU Transmission System (“CPCN Application”).<sup>5</sup> Subject to such action, and the Commission’s approval of the 203 Application, Rochelle and NEET MidAtlantic anticipate closing the transfer of the RMU Transmission System on August 31, 2018. To accommodate that schedule, PJM, NEET MidAtlantic, and Rochelle respectfully request that the Commission issue an order on this submission by August 29, 2018, which is the first business day falling 60 days after this filing. NEET MidAtlantic commits to notifying the Commission of the exact closing date of its acquisition of the RMU Transmission System and thus the effective date for the proposed Tariff and CTOA revisions filed with this Transmittal Letter. To that end, PJM, NEET MidAtlantic, and Rochelle further request that the Commission’s order condition approval on a further compliance filing informing the Commission of the actual closing date of the transfer of the RMU Transmission System and associated update to the effective date in the eTariff records for the CTOA and Tariff revisions propose herein. Commission action as requested will provide NEET MidAtlantic, and Rochelle the certainty necessary for them to complete activities related to the transfer of the RMU Transmission System by August 31, 2018.

## I. Background

### a. NEET MidAtlantic

NEET MidAtlantic is a wholly-owned direct subsidiary of NextEra Energy Transmission, LLC (“NEET”). NEET was formed in 2007 to develop, own, and operate, directly or through subsidiaries, transmission facilities across the United States and Canada. The operational transmission assets of NEET and its subsidiaries include transmission projects and facilities in Texas (owned by Lone Star Transmission, LLC) and New Hampshire (owned by New Hampshire Transmission, LLC). NEET is developing other transmission projects across North America through NEET MidAtlantic and other NEET subsidiaries, several of which have transmission formula rates on file with the Commission, including NEET MidAtlantic.<sup>6</sup> Although NEET MidAtlantic has a Commission-approved formula rate, it has no transmission facilities for which a revenue requirement is currently recovered under that formula rate.

### b. Rochelle

The City of Rochelle is a political subdivision of Illinois located in Ogle County. Rochelle currently owns and operates a municipal electric system, Rochelle Municipal Utilities (“RMU”), that provides electricity, water, waste water, and communications services to residential and commercial customers. Through RMU, Rochelle owns and operates approximately 20 miles of 138 kV transmission lines, along with associated transmission assets within substation facilities located

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<sup>5</sup> See Application for a Certificate of Public Convenience and Necessity pursuant to Section 8-406 of the Public Utilities Act; for Consent and Approval to Enter into Agreements with Affiliated Interests pursuant to Section 7-101; to Issue Debt and to Mortgage and Pledge Assets as Collateral in connection therewith pursuant to Sections 6-102 and 7-102; and for related relief, Docket No. 18-0843, Illinois Commerce Commission (Apr. 20, 2018).

<sup>6</sup> See *NextEra Energy Transmission MidAtlantic, LLC*, 161 FERC ¶ 61,141 (2017); *NextEra Energy Transmission Midwest, LLC*, 161 FERC ¶ 61,140 (2017); *NextEra Energy Transmission New York, LLC*, 161 FERC ¶ 61,138 (2017); *NextEra Energy Transmission Southwest, LLC*, 161 FERC ¶ 61,139 (2017).

within the Commonwealth Edison (“ComEd”) transmission zone in the PJM system. The facilities comprising the RMU Transmission System are interconnected with ComEd transmission facilities at two interconnection points located approximately two miles apart in the ComEd zone and are thus integrated with the PJM transmission system. In 2015, Rochelle transferred functional control over those facilities to PJM, becoming a Transmission Owner under the CTOA and obtaining Commission approval of a formula rate pursuant to which Rochelle recovers its revenue requirement for the RMU Transmission System through PJM Tariff.<sup>7</sup>

c. PJM

PJM is a Commission established independent system operator and Regional Transmission Organization.<sup>8</sup> PJM is a transmission provider under, and the administrator of, the PJM Tariff, operates the PJM interchange energy market, Reliability Pricing Model (*i.e.*, PJM’s forward capacity market), and coordinates the movement of wholesale electricity in the PJM region.<sup>9</sup>

d. Transfer of the RMU Transmission System

As noted above, Rochelle currently recovers the costs of owning and operating the RMU Transmission System pursuant to a Commission-approved formula rate that is incorporated in the PJM Tariff. Owning and operating of these facilities has served Rochelle well by enabling the City to meet PJM reliability requirements and regional compliance obligations. However, Rochelle has determined that RMU’s primary focus as a municipal electric utility should remain on the provision of electric distribution service to its retail (residential and business) customers, not the provision of transmission-related services. Accordingly, in July 2017, RMU issued a request for proposals to explore opportunities either for a transmission-related strategic partnership with, or an outright sale of its transmission system to, a transmission-focused company. After consideration of the proposals submitted, RMU found that NEET MidAtlantic offered Rochelle the best overall value for the outright sale of Rochelle’s transmission system, including a commitment to work in close partnership with RMU on future transmission-related enhancements. To that end, NEET MidAtlantic and Rochelle entered into an Asset Purchase Agreement providing for the transfer of the RMU Transmission System, subject to the receipt of regulatory approvals. NEET MidAtlantic and Rochelle are planning to close the transfer on August 31, 2018, subject to the receipt of regulatory approvals. NEET MidAtlantic has requested Commission authorization for this acquisition in an application pursuant to FPA section 203 submitted on May 7, 2018, in Docket No. EC18-91-000 (the “203 Application”). In that filing, NEET MidAtlantic committed to keep the RMU Transmission System under the functional control of PJM under NEET MidAtlantic’s ownership. The revisions to the CTOA and Tariff proposed herein are intended to accomplish that commitment.

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<sup>7</sup> See Letter Order dated June 23, 2015, Docket No. ER15-1464-000, *et al.*

<sup>8</sup> *Pennsylvania-New Jersey-Maryland Interconnection*, 81 FERC ¶ 61,252 (1997), *reh’g denied*, 92 FERC ¶ 61,282 (2000); *PJM Interconnection, L.L.C.*, 101 FERC ¶ 61,345 (2002).

<sup>9</sup> The PJM Region includes all or parts of the states of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia and West Virginia, as well as the District of Columbia.

## II. Description of Filing

### a. PJM's Revisions to the CTOA

Attachment A to the CTOA lists the Transmission Owners in the PJM Region. The CTOA states that Transmission Owner “shall mean those entities that own or lease (with rights equivalent to ownership) Transmission Facilities. . .”<sup>10</sup> In turn, “Transmission Facilities” are defined as:

those facilities that: (i) are within the PJM Region; (ii) meet the definition of transmission facilities pursuant to FERC’s Uniform System of Accounts or have been classified as transmission facilities in a ruling by FERC addressing such facilities; and (iii) have been demonstrated to the satisfaction of PJM to be integrated with the Transmission System of the PJM Region and integrated into the planning and operation of such to serve the power and transmission customers within such region, regardless of whether the facilities are listed in the PJM Designated Facilities List contained in the PJM Manual of Transmission Operations or successor thereto.<sup>11</sup>

NEET MidAtlantic will be a PJM Transmission Owner upon acquisition of the RMU Transmission System because, on that date, NEET MidAtlantic will replace Rochelle as the PJM Transmission Owner whose transmission facilities will: (i) continue to be within the PJM Region; (ii) continue to meet the definition of Transmission Facilities in Section 1.27 of the PJM CTOA; and (iii) have been demonstrated through their current operation by Rochelle to be integrated with the Transmission System of the PJM Region and integrated into the planning and operation of such. To that end, NEET MidAtlantic executed the CTOA on June 26, 2018.

Therefore, PJM hereby submit for filing, a revised Attachment A to the CTOA adding NEET MidAtlantic to, and removing Rochelle from, the list of PJM Transmission Owners.

### b. Revisions to the PJM Tariff

#### i. Incorporation of NEET MidAtlantic’s Formula Rate Template into the PJM Tariff and Removal of Rochelle from the PJM Tariff

Transmission Owners in PJM also are listed in Attachment L to the PJM Tariff. The PJM Tariff defines “Transmission Owner” as: “[e]ach entity that owns, leases or otherwise has a possessory interest in facilities used for the transmission of electric energy in interstate commerce under the Tariff.”<sup>12</sup> NEET MidAtlantic will meet this definition upon acquisition of the RMU Transmission System, and Rochelle will no longer meet this definition upon its sale of the RMU

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<sup>10</sup> CTOA, Section 1.28.

<sup>11</sup> CTOA, Section 1.27.

<sup>12</sup> PJM Tariff, Section 1.45F.

Transmission System. Thus, PJM submits for filing a revised Attachment L to the PJM Tariff adding NEET MidAtlantic to, and removing Rochelle from, the list of PJM Transmission Owners.

NEET MidAtlantic also proposes to move its formula rate and associated protocols, which already have been found by the Commission to be just and reasonable,<sup>13</sup> into Attachment H-25, Attachment H-25A, and Attachment H-25B, respectively, of the PJM Tariff to replace Rochelle's formula rate and associated protocols. The revenue requirement associated with NEET MidAtlantic's formula will be collected in the ComEd zone, as also is currently the case with the revenue requirement collected by Rochelle and, therefore, no concerns are raised with respect to zonal placement of the RMU Transmission System. No modifications to NEET MidAtlantic's formula rate, formula rate protocols, or formula rate template are necessary in order to be incorporated into the PJM Tariff.<sup>14</sup>

As indicated above, Rochelle proposes to remove its previously-approved formula rate, formula rate protocols, and formula rate template from the current Attachment H-25, Attachment H-25A, and Attachment H-25B, respectively, of the PJM Tariff. Upon the closing of the sale of those facilities, Rochelle will no longer own Transmission Facilities subject to PJM functional control and, therefore, will no longer require a formula rate within the PJM Tariff.

i. Incorporation of NEET MidAtlantic's Formula Rate Template into the PJM Tariff and Removal of Rochelle from the PJM Tariff

NEET MidAtlantic seeks authorization for any yet-to-be formed affiliate and yet-to-be formed subsidiary of NEET MidAtlantic to use its formula rate template and protocols. Due to differences in state legal and regulatory requirements, NEET intends to establish additional transmission development companies in PJM similar to NEET MidAtlantic, in order to compete in PJM's Order No. 1000 competitive transmission development processes associated with transmission projects in states other than Illinois, in which the RMU Transmission System is located. Allowing NEET MidAtlantic's yet-to-be formed affiliates or subsidiaries to use NEET MidAtlantic's formula rate template and protocols will avoid the burden of opening a new proceeding to re-litigate

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<sup>13</sup> See *NextEra Energy Transmission MidAtlantic, LLC*, 161 FERC ¶ 61,141 at P 46. In its November 3, 2017 order on NEET MidAtlantic's formula rate template and protocols, the Commission found that NEET MidAtlantic's template generally conformed to other Commission-accepted formula rate templates and that the accompanying formula rate protocols met the standards set forth in the Commission's precedent; however, the Commission directed NEET MidAtlantic to make certain discrete corrections to its formula rate and to remove a provision from its protocols that defined the scope of future section 205 filings. See *id.* NEET MidAtlantic made its compliance filing in Docket No. ER16-2716-002 on December 4, 2017, in accordance with the Commission's instructions, and that filing remains pending before the Commission

<sup>14</sup> NEET MidAtlantic notes that the attached formula rate does not yet reflect the base ROE agreed upon in the pending settlement agreement that was certified to the Commission on April 30, 2018, in Docket No. ER16-2716-000. NEET MidAtlantic will coordinate with PJM to make the appropriate filing to reflect the settlement ROE after approval of the settlement agreement by the Commission.

the justness and reasonableness of the identical formula rate.<sup>15</sup> The Commission has granted the same authorization to transmission developers in a number of cases.<sup>16</sup>

NEET MidAtlantic further requests specific authorization for its yet-to-be formed affiliates or subsidiaries to use the following rate treatments approved by the Commission for NEET MidAtlantic: (i) the hypothetical capital structure of 60% equity and 40% debt, to be applicable for each affiliate or subsidiary with respect to transmission projects developed through PJM's Order No. 1000 transmission planning process and until the entity places its first transmission facility into service;<sup>17</sup> (ii) the regulatory asset for prudently-incurred pre-commercial costs;<sup>18</sup> and (iii) the 50 basis point return on equity adder for RTO participation.<sup>19</sup> Like NEET MidAtlantic, the yet-to-be formed affiliates and subsidiaries would be non-incumbent transmission developers with no existing assets. The affiliates would incur pre-commercial and formation costs prior to charging customers under a formula rate, and would be without any actual capital structure during their start-up phase, when financing is needed. The Commission has granted the authority to replicate the hypothetical capital structure and regulatory asset incentives under similar circumstances.<sup>20</sup> Granting this authorization for NEET MidAtlantic's yet-to-be formed affiliates will facilitate the formation of additional entities for purposes of participating as nonincumbent transmission developers in the Order No. 1000 competitive transmission processes, which is consistent with the Commission's goals of removing barriers to transmission development and ensuring just and reasonable transmission rates through competitive processes.<sup>21</sup>

To implement the requested replication authority, NEET MidAtlantic encloses revisions its previously-accepted formula rate template to reflect the Commission's guidance. For example, in *Transource Kansas, LLC*, the Commission granted the replication authority to Transource Kansas and

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<sup>15</sup> *Kanstar Transmission, LLC*, 152 FERC ¶ 61,209 at P 84 (2015).

<sup>16</sup> *Transource Wisconsin, LLC*, 149 FERC ¶ 61,180 (2014); *Midwest Power Transmission Arkansas, LLC*, 152 FERC ¶ 61,210 (2015); *Kanstar Transmission, LLC*, 152 FERC ¶ 61,209 (2015); *ATX Southwest, LLC*, 152 FERC ¶ 61,193 (2015); *Transource Kansas, LLC*, 151 FERC ¶ 61,010 (2015); *TransCanyon DCR LLC*, 152 FERC ¶ 61,017 (2015); *PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 (2016); *DesertLink, LLC*, 161 FERC ¶ 61,126 (2017). Although in the majority of these cases the replication authority was requested simultaneously with the rate incentives, the Commission granted the replication authority to DesertLink, LLC, when DesertLink, LLC filed its Transmission Owner Tariff to recover its revenue requirement in the California Independent System Operator Corporation (CAISO) region, which was after the Commission's order granting rate incentives to DesertLink, LLC. See *DesertLink, LLC*, 156 FERC ¶ 61,118 (2016). Similarly, NEET MidAtlantic is making its request for replication authority after the Commission's order granting it rate incentives, but at the same time as its filing of the formula rate to recover its revenue requirement in the PJM region.

<sup>17</sup> See *NextEra Energy Transmission MidAtlantic, LLC*, 161 FERC ¶ 61,141 at P 30.

<sup>18</sup> See *id.* at P 25.

<sup>19</sup> See *id.* at P 35.

<sup>20</sup> *Kanstar Transmission, LLC*, 152 FERC ¶ 61,209 at P 85 (2015); *DesertLink, LLC*, 161 FERC ¶ 61,126 at P 39 (2017).

<sup>21</sup> *Id.*

explained that, when Transource Kansas filed to make its formula rate part of the Southwest Power Pool, Inc. tariff, “Transource Kansas should label the formula rate templates and protocols as the *pro forma* formula rate templates and protocols for use by any Transource SPP Entity, which will obviate the need to make additional section 205 filings.”<sup>22</sup> Accordingly, NEET MidAtlantic has revised the formula rate template and protocols previously accepted by the Commission to reflect that they will be used for any NEET PJM Entity, thereby obviating the need to make additional section 205 filings. Specifically, NEET MidAtlantic has revised the template to enable its use by “NEET PJM Entities,” which are defined as NEET MidAtlantic and “any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff.”

Furthermore, in order to facilitate billing by PJM and align with the rate years used in the ComEd zone, NEET MidAtlantic proposes to revise the rate year used in its formula rate and protocols from a calendar year construct to a June – May rate year. In addition, NEET MidAtlantic has revised the formula rate protocols so that they are flexible enough to be used by NEET PJM Entities in PJM zones that use a January – December rate year.<sup>23</sup> Among other things, the revisions modify the protocols to include alternate deadlines or otherwise modify fixed dates to accommodate the needed flexibility while maintaining the length of the original time periods. These changes impact timing, but do not affect the level of revenues collected under the formula rate previously accepted by the Commission.<sup>24</sup>

### III. Effective Date, Request for Waiver, and Requested Action Date

The Parties request that the Commission issue an order accepting the proposed revisions to the CTOA and Tariff, permitting them to become effective as of the closing date of the acquisition of the RMU Transmission System by NEET MidAtlantic. The closing of NEET MidAtlantic’s acquisition of the RMU Transmission System cannot occur until both the 203 Application and the CPCN Application have been approved by the Commission and the ICC, respectively. To the extent approval of the 203 Application or CPCN Application occurs outside of the timing requirements contained in the Commission’s regulations,<sup>25</sup> PJM, NEET MidAtlantic, and Rochelle respectfully request waiver of the notice requirement to allow the Commission to accept this filing and allow NEET MidAtlantic’s the proposed CTOA and Tariff revisions to become effective as the date accepted by the Commission.

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<sup>22</sup> See also *Kanstar Transmission, LLC*, 152 FERC ¶ 61,209 at P 84 (explaining that when Kanstar and SPP make a joint section 205 filing to incorporate the Formula Rate into the SPP Tariff, “Kanstar should label the formula rate template and protocols as the *pro forma* formula rate template and protocols for use by any Midwest Power SPP Entity.”).

<sup>23</sup> While NEET MidAtlantic’s revisions to the formula rate protocols establish the necessary flexibility for additional NEET PJM Entities’ use, NEET MidAtlantic notes that at this time no other NEET PJM Entities currently own transmission facilities in other PJM zones.

<sup>24</sup> Included with this filing are a separate set of redlines illustrating the revisions to the previously-accepted protocols of NEET MidAtlantic to accomplish these changes.

<sup>25</sup> 18 C.F.R. § 35.3(a)(1).

NEET MidAtlantic currently anticipates ICC action on the CPCN Application on or around August 29, 2018. Subject to such action, and the Commission's approval of the 203 Application, Rochelle and NEET MidAtlantic anticipate closing the transfer of the RMU Transmission System on August 31, 2018. To accommodate that schedule, PJM, NEET MidAtlantic, and Rochelle respectfully request that the Commission issue an order on this submission by August 29, 2018, which is the first business day falling 60 days after this filing. PJM, NEET MidAtlantic, and Rochelle further request that the Commission's order condition approval on a further compliance filing informing the Commission of the actual closing date of the transfer of the RMU Transmission System and associated update to the effective date in the eTariff records for the CTOA and Tariff revisions propose herein. Commission action as requested will provide NEET MidAtlantic, and Rochelle the certainty necessary for them to complete activities related to the transfer of the RMU Transmission System by August 31, 2018.<sup>26</sup>

#### IV. Request for Regulatory Asset

NEET MidAtlantic requests Commission authorization to establish a regulatory asset for transaction costs related to the transfer of the RMU Transmission System. Absent authorization, Commission policy prohibits recovery of transaction-related costs through jurisdictional rates. Although NEET MidAtlantic does not seek such authorization herein, it does anticipate the likelihood of a future filing under section 205 of the Federal Power Act requesting that authorization, once it has begun operating the RMU Transmission System and has actual revenue requirement data against which to compare prior revenue requirements.<sup>27</sup> To that end, NEET MidAtlantic requests Commission approval to establish a regulatory asset for transaction costs related to transfer of the RMU Transmission System and to amortize that regulatory asset over five years, beginning in the first year that costs are assessed to customers under the NEET MidAtlantic formula rate.

#### V. Additional Information

##### a. Communications

Please place the names of the following persons on the official service list established by the Secretary in this proceeding:<sup>28</sup>

*For PJM*

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<sup>26</sup> In the 203 Application, NEET MidAtlantic requested authorization to acquire the RMU Transmission System no later than September 15, 2018, in order to allow for preparation of materials necessary to support closing the transfer in October 2018. Commensurate with this filing, NEET MidAtlantic is adjusting the requested action date in the 203 Application to reflect its expectation that the ICC will act on the CPCN Application on or before August 29, 2018.

<sup>27</sup> See 203 Application at pg. 12-13.

<sup>28</sup> PJM, Rochelle and NEET MidAtlantic request waiver of 18 CFR § 385.2010(i) to the extent necessary to include more than two names on the official service list



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b. Part 35 Filing Requirements

To the extent necessary, Parties respectfully requests waiver of the part 35 of the Commission's filing requirements in order to accept the revisions to the CTOA and PJM Tariff as proposed herein.

c. List of Documents Submitted with Filing

Together with this filing letter, the Parties submit the revised provisions of the CTOA and PJM Tariff in marked (Attachment A) and clean (Attachment B) formats. In addition, NEET MidAtlantic submits a populated formula rate template for reference (Attachment C), and a redline of the formula rate protocols (Attachment D) to illustrate the changes proposed for replication authority for NEET PJM Entities and the change to a June – May rate year.

d. Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the

Commission's regulations,<sup>29</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>30</sup> alerting them that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission's official service list for this docket. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.<sup>31</sup>

## VI. Conclusion

For the foregoing reasons, the Parties respectfully request that the Commission accept the revisions to the CTOA and PJM Tariff as proposed herein to be effective as of the closing date of the acquisition of the RMU Transmission System by NEET MidAtlantic or as directed by the Commission, as discussed above.

Respectfully submitted,

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<sup>29</sup> See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3)(2017).

<sup>30</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

<sup>31</sup> Electronic Tariff Filings, Order No. 714, FERC Stats. & Regs., Regulations Preambles 2008-2013 ¶31,276 (2008).

The Honorable Kimberly D. Bose

June 29, 2018

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# **Attachment A**

## **Revisions to the PJM Open Access Transmission Tariff**

**(Marked/Redline Format)**

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Transource Pennsylvania, LLC Formula Rate Template

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1.5	Market Sellers
1.5A	Economic Load Response Participant
1.6	Office of the Interconnection
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1.8	Selection, Scheduling and Dispatch Procedure Adjustment Process
1.9	Prescheduling
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2.3	Determination of System Conditions Using the State Estimator
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3.2	Market Buyers
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- 3.8 *Market-to-Market Coordination*
- 4. **[Reserved For Future Use]**
- 5. **CALCULATION OF CHARGES AND CREDITS FOR TRANSMISSION CONGESTION AND LOSSES**
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- 7. **FINANCIAL TRANSMISSION RIGHTS AUCTIONS**
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- 8. **EMERGENCY AND PRE-EMERGENCY LOAD RESPONSE PROGRAM**
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**Energy Procedure Manual for Determining Supplier Peak Load Share  
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**ATTACHMENT M-2 (ComEd)**

**Determination of Capacity Peak Load Contributions and Network Service Peak Load Contributions**

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**Procedures for Determination of Peak Load Contributions and Hourly Load Obligations for Retail Customers**

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**Procedures for Determination of Peak Load Contributions and Hourly Load Obligations for Retail Customers**

**ATTACHMENT M-2 (Delmarva Power & Light Company)**

**Procedures for Determination of Peak Load Contributions and Hourly Load Obligations for Retail Customers**

**ATTACHMENT M-2 (Delmarva Power & Light Company)**

**Procedures for Determination of Peak Load Contributions and Hourly Load Obligations for Retail Customers**

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**Procedures for Determination of Peak Load Contributions, Network Service Peak Load and Hourly Load Obligations for Retail Customers**

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**Additional Procedures for Planning of Supplemental Projects**

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**Form of System Impact Study Agreement**

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**Form of Facilities Study Agreement**

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### **Form of Optional Interconnection Study Agreement**

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- 2.0 Authority
- 3.0 Customer Facility Specifications
- 4.0 Effective Date
- 5.0 Security
- 6.0 Project Specific Milestones
- 7.0 Provision of Interconnection Service
- 8.0 Assumption of Tariff Obligations
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- 10.0 Construction of Transmission Owner Interconnection Facilities
- 11.0 Interconnection Specifications
- 12.0 Power Factor Requirement
- 12.0A RTU
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- 20.0 Addendum of Non-Standard Terms and Conditions for Interconnection Service
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to Conform with IRS Safe Harbor Provisions for Non-Taxable Status
- 22.0 Addendum of Interconnection Requirements for a Wind Generation Facility
- 23.0 Infrastructure Security of Electric System Equipment and Operations and Control  
Hardware and Software is Essential to Ensure Day-to-Day Reliability and  
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Region
- 2.0 Rights
- 3.0 Construction Responsibility and Ownership of Interconnection Facilities
- 4.0 Subject to Modification Pursuant to the Negotiated Contract Option
- 4.1 Attachment Facilities Charge
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- 4.3 Local Upgrades Charge
- 4.4 Other Charges
- 4.5 Cost breakdown
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  - 1.2 Conditions Precedent
  - 1.3 Term
  - 1.4 Initial Operation
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  - 1.5 Survival
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  - 2.1 Scope of Service
  - 2.2 Non-Standard Terms
  - 2.3 No Transmission Services
  - 2.4 Use of Distribution Facilities
  - 2.5 Election by Behind The Meter Generation
- 3 Modification Of Facilities**
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  - 3.2 Interconnection Request
  - 3.3 Standards
  - 3.4 Modification Costs
- 4 Operations**
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  - 4.2 [Reserved]
  - 4.3 Interconnection Customer Obligations
  - 4.4 Transmission Interconnection Customer Obligations
  - 4.5 Permits and Rights-of-Way
  - 4.6 No Ancillary Services
  - 4.7 Reactive Power
  - 4.8 Under- and Over-Frequency and Under- and Over- Voltage Conditions
  - 4.9 System Protection and Power Quality
  - 4.10 Access Rights
  - 4.11 Switching and Tagging Rules
  - 4.12 Communications and Data Protocol
  - 4.13 Nuclear Generating Facilities
- 5 Maintenance**
  - 5.1 General
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  - 5.3 Outage Authority and Coordination
  - 5.4 Inspections and Testing
  - 5.5 Right to Observe Testing
  - 5.6 Secondary Systems
  - 5.7 Access Rights
  - 5.8 Observation of Deficiencies
- 6 Emergency Operations**
  - 6.1 Obligations
  - 6.2 Notice
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- 6.4 Record-Keeping Obligations
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  - 7.1 General
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  - 8.1 General
  - 8.2 Standards
  - 8.3 Testing of Metering Equipment
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  - 9.2 Duration of Force Majeure
  - 9.3 Obligation to Make Payments
  - 9.4 Definition of Force Majeure
- 10 Charges**
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  - 10.2 FERC Filings
- 11 Security, Billing And Payments**
  - 11.1 Recurring Charges Pursuant to Section 10
  - 11.2 Costs for Transmission Owner Interconnection Facilities
  - 11.3 No Waiver
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  - 12.1 Assignment with Prior Consent
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  - 12.3 Successors and Assigns
- 13 Insurance**
  - 13.1 Required Coverages for Generation Resources Of More Than 20 Megawatts and Merchant Transmission Facilities
  - 13.1A Required Coverages for Generation Resources Of 20 Megawatts Or Less
  - 13.2 Additional Insureds
  - 13.3 Other Required Terms
  - 13.3A No Limitation of Liability
  - 13.4 Self-Insurance
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  - 14.5 Limitation on Damages
  - 14.6 Limitation of Liability in Event of Breach

- 14.7 Limited Liability in Emergency Conditions
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  - 15.6 Remedies Cumulative
- 16 Termination**
  - 16.1 Termination
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- 17 Confidentiality**
  - 17.1 Term
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  - 17.3 Release of Confidential Information
  - 17.4 Rights
  - 17.5 No Warranties
  - 17.6 Standard of Care
  - 17.7 Order of Disclosure
  - 17.8 Termination of Interconnection Service Agreement
  - 17.9 Remedies
  - 17.10 Disclosure to FERC or its Staff
  - 17.11 No Interconnection Party Shall Disclose Confidential Information
  - 17.12 Information that is Public Domain
  - 17.13 Return or Destruction of Confidential Information
- 18 Subcontractors**
  - 18.1 Use of Subcontractors
  - 18.2 Responsibility of Principal
  - 18.3 Indemnification by Subcontractors
  - 18.4 Subcontractors Not Beneficiaries
- 19 Information Access And Audit Rights**
  - 19.1 Information Access
  - 19.2 Reporting of Non-Force Majeure Events
  - 19.3 Audit Rights
- 20 Disputes**
  - 20.1 Submission
  - 20.2 Rights Under The Federal Power Act
  - 20.3 Equitable Remedies
- 21 Notices**
  - 21.1 General
  - 21.2 Emergency Notices
  - 21.3 Operational Contacts
- 22 Miscellaneous**
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	22.2	Waiver
	22.3	Amendments and Rights Under the Federal Power Act
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	22.5	Regulatory Requirements
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<b>24</b>		<b>Tax Liability</b>
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	2.0	Authority
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	4.0	Effective Date and Term
	4.1	Effective Date
	4.2	Term
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	7.0	Scope of Work
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- 11.0 Waiver
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- 14.0 Addendum of Interconnection Customer's Agreement  
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- 17.0 Infrastructure Security of Electric System Equipment and Operations and Control  
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## **ATTACHMENT P - APPENDIX 1 – DEFINITIONS**

## **ATTACHMENT P - APPENDIX 2 – STANDARD CONSTRUCTION TERMS AND CONDITIONS**

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#### **1 Facilitation by Transmission Provider**

#### **2 Construction Obligations**

- 2.1 Interconnection Customer Obligations
- 2.2 Transmission Owner Interconnection Facilities and Merchant  
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- 2.2A Scope of Applicable Technical Requirements and Standards
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- 3.2.1 Standard Option
- 3.2.2 Negotiated Contract Option
- 3.2.3 Option to Build
- 3.3 Revisions to Schedule of Work
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  - 3.4.1 Costs
  - 3.4.2 Duration of Suspension
- 3.5 Right to Complete Transmission Owner Interconnection  
Facilities
- 3.6 Suspension of Work Upon Default
- 3.7 Construction Reports
- 3.8 Inspection and Testing of Completed Facilities
- 3.9 Energization of Completed Facilities
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#### **4 Transmission Outages**

- 4.1 Outages; Coordination

#### **5 Land Rights; Transfer of Title**



- 5.1 Grant of Easements and Other Land Rights
- 5.2 Construction of Facilities on Interconnection Customer Property
- 5.3 Third Parties
- 5.4 Documentation
- 5.5 Transfer of Title to Certain Facilities Constructed By Interconnection Customer
- 5.6 Liens
- 6 Warranties**
  - 6.1 Interconnection Customer Warranty
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- 7 [Reserved.]**
- 8 [Reserved.]**
- 9 Security, Billing And Payments**
  - 9.1 Adjustments to Security
  - 9.2 Invoice
  - 9.3 Final Invoice
  - 9.4 Disputes
  - 9.5 Interest
  - 9.6 No Waiver
- 10 Assignment**
  - 10.1 Assignment with Prior Consent
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  - 10.3 Successors and Assigns
- 11 Insurance**
  - 11.1 Required Coverages For Generation Resources Of More Than 20 Megawatts and Merchant Transmission Facilities
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  - 11.3A No Limitation of Liability
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  - 11.5 Notices; Certificates of Insurance
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  - 11.7 Reporting Incidents
- 12 Indemnity**
  - 12.1 Indemnity
  - 12.2 Indemnity Procedures
  - 12.3 Indemnified Person
  - 12.4 Amount Owing
  - 12.5 Limitation on Damages
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- 13 Breach, Cure And Default**
  - 13.1 Breach
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- 13.3 Cure and Default
  - 13.3.1 Cure of Breach
- 13.4 Right to Compel Performance
- 13.5 Remedies Cumulative
- 14 Termination**
  - 14.1 Termination
  - 14.2 [Reserved.]
  - 14.3 Cancellation By Interconnection Customer
  - 14.4 Survival of Rights
- 15 Force Majeure**
  - 15.1 Notice
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  - 15.4 Definition of Force Majeure
- 16 Subcontractors**
  - 16.1 Use of Subcontractors
  - 16.2 Responsibility of Principal
  - 16.3 Indemnification by Subcontractors
  - 16.4 Subcontractors Not Beneficiaries
- 17 Confidentiality**
  - 17.1 Term
  - 17.2 Scope
  - 17.3 Release of Confidential Information
  - 17.4 Rights
  - 17.5 No Warranties
  - 17.6 Standard of Care
  - 17.7 Order of Disclosure
  - 17.8 Termination of Construction Service Agreement
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  - 17.10 Disclosure to FERC or its Staff
  - 17.11 No Construction Party Shall Disclose Confidential Information of Another Construction Party 17.12 Information that is Public Domain
  - 17.13 Return or Destruction of Confidential Information
- 18 Information Access And Audit Rights**
  - 18.1 Information Access
  - 18.2 Reporting of Non-Force Majeure Events
  - 18.3 Audit Rights
- 19 Disputes**
  - 19.1 Submission
  - 19.2 Rights Under The Federal Power Act
  - 19.3 Equitable Remedies
- 20 Notices**
  - 20.1 General
  - 20.2 Operational Contacts
- 21 Miscellaneous**
  - 21.1 Regulatory Filing

21.2	Waiver
21.3	Amendments and Rights under the Federal Power Act
21.4	Binding Effect
21.5	Regulatory Requirements
<b>22</b>	<b>Representations and Warranties</b>
22.1	General
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<b>ATTACHMENT S</b>	
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<b>ATTACHMENT T</b>	<b>Identification of Merchant Transmission Facilities</b>
<b>ATTACHMENT U</b>	<b>Independent Transmission Companies</b>
<b>ATTACHMENT V</b>	<b>Form of ITC Agreement</b>
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**ATTACHMENT GG - APPENDIX I –**

**SCOPE AND SCHEDULE OF WORK FOR DIRECT ASSIGNMENT  
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- 1 Definitions
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  - 1.2 Applicable Laws and Regulations
  - 1.3 Applicable Regional Reliability Council
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  - 1.5 Breach
  - 1.6 Breaching Party
  - 1.7 Cancellation Costs
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  - 1.9 Confidential Information
  - 1.10 Constructing Entity
  - 1.11 Control Area
  - 1.12 Costs
  - 1.13 Default
  - 1.14 Delivering Party
  - 1.15 Emergency Condition
  - 1.16 Environmental Laws
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  - 1.20 Firm Point-To-Point
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- 1.25 Incidental Expenses
- 1.26 Local Upgrades
- 1.27 Long-Term Firm Point-To-Point Transmission Service
- 1.28 MAAC
- 1.29 MAAC Control Zone
- 1.30 NERC
- 1.31 Network Upgrades
- 1.32 Office of the Interconnection
- 1.33 Operating Agreement of the PJM Interconnection, L.L.C. or Operating Agreement
- 1.34 Part I
- 1.35 Part II
- 1.36 Part III
- 1.37 Part IV
- 1.38 Part VI
- 1.39 PJM Interchange Energy Market
- 1.40 PJM Manuals
- 1.41 PJM Region
- 1.42 PJM West Region
- 1.43 Point(s) of Delivery
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- 1.45 Project Financing
- 1.46 Project Finance Entity
- 1.47 Reasonable Efforts
- 1.48 Receiving Party
- 1.49 Regional Transmission Expansion Plan
- 1.50 Schedule and Scope of Work
- 1.51 Security
- 1.52 Service Agreement
- 1.53 State
- 1.54 Transmission System
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#### **ATTACHMENT GG - APPENDIX III – GENERAL TERMS AND CONDITIONS**

- 1.0 Effective Date and Term
  - 1.1 Effective Date
  - 1.2 Term
  - 1.3 Survival
- 2.0 Facilitation by Transmission Provider
- 3.0 Construction Obligations
  - 3.1 Direct Assignment Facilities or Customer-Funded Upgrades
  - 3.2 Scope of Applicable Technical Requirements and Standards
- 4.0 Tax Liability
  - 4.1 New Service Customer Payments Taxable
  - 4.2 Income Tax Gross-Up
  - 4.3 Private Letter Ruling
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- 4.5 Contests
  - 4.6 Taxes Other Than Income Taxes
  - 4.7 Tax Status
- 5.0 Safety
  - 5.1 General
  - 5.2 Environmental Releases
- 6.0 Schedule Of Work
  - 6.1 Standard Option
  - 6.2 Option to Build
  - 6.3 Revisions to Schedule and Scope of Work
  - 6.4 Suspension
- 7.0 Suspension of Work Upon Default
  - 7.1 Notification and Correction of Defects
- 8.0 Transmission Outages
  - 8.1 Outages; Coordination
- 9.0 Security, Billing and Payments
  - 9.1 Adjustments to Security
  - 9.2 Invoice
  - 9.3 Final Invoice
  - 9.4 Disputes
  - 9.5 Interest
  - 9.6 No Waiver
- 10.0 Assignment
  - 10.1 Assignment with Prior Consent
  - 10.2 Assignment Without Prior Consent
  - 10.3 Successors and Assigns
- 11.0 Insurance
  - 11.1 Required Coverages
  - 11.2 Additional Insureds
  - 11.3 Other Required Terms
  - 11.4 No Limitation of Liability
  - 11.5 Self-Insurance
  - 11.6 Notices: Certificates of Insurance
  - 11.7 Subcontractor Insurance
  - 11.8 Reporting Incidents
- 12.0 Indemnity
  - 12.1 Indemnity
  - 12.2 Indemnity Procedures
  - 12.3 Indemnified Person
  - 12.4 Amount Owing
  - 12.5 Limitation on Damages
  - 12.6 Limitation of Liability in Event of Breach
  - 12.7 Limited Liability in Emergency Conditions
- 13.0 Breach, Cure And Default
  - 13.1 Breach
  - 13.2 Notice of Breach

- 13.3 Cure and Default
- 13.4 Right to Compel Performance
- 13.5 Remedies Cumulative
- 14.0 Termination
  - 14.1 Termination
  - 14.2 Cancellation By New Service Customer
  - 14.3 Survival of Rights
  - 14.4 Filing at FERC
- 15.0 Force Majeure
  - 15.1 Notice
  - 15.2 Duration of Force Majeure
  - 15.3 Obligation to Make Payments
- 16.0 Confidentiality
  - 16.1 Term
  - 16.2 Scope
  - 16.3 Release of Confidential Information
  - 16.4 Rights
  - 16.5 No Warranties
  - 16.6 Standard of Care
  - 16.7 Order of Disclosure
  - 16.8 Termination of Upgrade Construction Service Agreement
  - 16.9 Remedies
  - 16.10 Disclosure to FERC or its Staff
  - 16.11 No Party Shall Disclose Confidential Information of Party 16.12  
Information that is Public Domain
  - 16.13 Return or Destruction of Confidential Information
- 17.0 Information Access And Audit Rights
  - 17.1 Information Access
  - 17.2 Reporting of Non-Force Majeure Events
  - 17.3 Audit Rights
  - 17.4 Waiver
  - 17.5 Amendments and Rights under the Federal Power Act
  - 17.6 Regulatory Requirements
- 18.0 Representation and Warranties
  - 18.1 General
- 19.0 Inspection and Testing of Completed Facilities
  - 19.1 Coordination
  - 19.2 Inspection and Testing
  - 19.3 Review of Inspection and Testing by Transmission Owner
  - 19.4 Notification and Correction of Defects
  - 19.5 Notification of Results
- 20.0 Energization of Completed Facilities
- 21.0 Transmission Owner's Acceptance of Facilities Constructed  
by New Service Customer
- 22.0 Transfer of Title to Certain Facilities Constructed By New Service Customer
- 23.0 Liens



**ATTACHMENT HH – RATES, TERMS, AND CONDITIONS OF SERVICE FOR PJMSETTLEMENT, INC.**

**ATTACHMENT II – MTEP PROJECT COST RECOVERY FOR ATSI ZONE**

**ATTACHMENT JJ – MTEP PROJECT COST RECOVERY FOR DEOK ZONE**

**ATTACHMENT KK - FORM OF DESIGNATED ENTITY AGREEMENT**

**ATTACHMENT LL - FORM OF INTERCONNECTION COORDINATION AGREEMENT**

**ATTACHMENT MM – FORM OF PSEUDO-TIE AGREEMENT – WITH NATIVE BA AS PARTY**

**ATTACHMENT MM-1 – FORM OF SYSTEM MODIFICATION COST REIMBURSEMENT AGREEMENT – PSEUDO-TIE INTO PJM**

**ATTACHMENT NN – FORM OF PSEUDO-TIE AGREEMENT WITHOUT NATIVE BA AS PARTY**

**ATTACHMENT OO – FORM OF DYNAMIC SCHEDULE AGREEMENT INTO THE PJM REGION**

**ATTACHMENT PP – FORM OF FIRM TRANSMISSION FEASIBILITY STUDY AGREEMENT**

## SCHEDULE 12 – APPENDIX A

| (27) ~~City of Rochelle~~NextEra Energy Transmission MidAtlantic, LLC

Required Transmission Enhancements		Annual Revenue Requirement	Responsible Customer(s)
b2751	Rebuild/Resag the H440 – H440 Tap 138 kV line 16914-2 (Hays Road – SW 1403 138 kV)		ComEd (100%)

## ATTACHMENT H-25

### **Annual Transmission Rates – ~~Rochelle Municipal Utilities~~ for Network Integration Transmission Service and Point-to-Point Transmission Service in the ComEd Zone** NEET PJM Entities

1. This Attachment H-25 is applicable to the Annual Transmission Revenue Requirement (“ATRR”) of NextEra Energy Transmission MidAtlantic, LLC (“NEET MidAtlantic”), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff (“NEET PJM Entity”). The ATRR for each NEET PJM Entity is equal to the result of the formula rates contained in Attachment H-25B, and reflects the cost of providing transmission service over the transmission facilities of each NEET PJM Entity.
- ~~1. The Annual Transmission Revenue Requirement (“ATR”) of Rochelle Municipal Utilities (“RMU”) is equal to the result of the formula rate contained in Attachment H-25B, and reflects the cost of providing transmission service over the transmission facilities of RMU.~~
2. The ~~RMU~~ ATRR of each NEET PJM Entity will be allocated and invoiced by PJM on a monthly basis to customers taking Network Integration Transmission Service in the following ComEd-zone(s) on the basis of each customer’s respective annual Network Service Peak Load ratio share in the applicable zone(s):-

<u>NEET PJM Entity</u>	<u>Formula Rate</u>	<u>Facilities</u>	<u>Zone</u>
<u>NextEra Energy Transmission MidAtlantic, LLC</u>	<u>H-25B(1)</u>	<u>Two substations and associated 138 kV transmission and related power line poles, transmission-related facilities and equipment located in the substations, transferred from Rochester Municipal Utilities to NextEra Energy Transmission MidAtlantic, LLC, pursuant to authorization granted in EC18-91-000.</u>	<u>ComEd Zone</u>

3. The ~~RMU~~ ATRR shall be updated annually, and the updated formula rate spreadsheet supporting the annual update shall be posted on the PJM website. The annual ATRR update process shall be conducted pursuant to the Formula Rate Implementation Protocols contained in Attachment H-25A, and the Formula Rate Template in Attachment H-25B.

4. The formula rate in this attachment shall be effective until amended by RMU-NextEra Energy Transmission MidAtlantic, LLC, another NEET PJM Entity, or modified by the Commission.

Attachment H-25A

**NextEra Energy Transmission PJM Entities**  
**FORMULA RATE IMPLEMENTATION**  
**PROTOCOLS**  
**FOR ROCHELLE MUNICIPAL UTILITIES**  
**USING A HISTORICAL FORMULA RATE TEMPLATE**

**Section I. Applicability**

The following procedures shall apply to the calculation of the actual net revenue requirements, True-Up Adjustments, and projected net revenue requirements of NextEra Energy Transmission MidAtlantic, LLC's ("NEET MidAtlantic"), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Interconnection, L.L.C. ("PJM") Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff ("NEET PJM Entity").

The NEET PJM Entities shall use either a January - December rate year or a June - May rate year, as specified below:

<u>NEET PJM Entity</u>	<u>Formula Rate</u>	<u>Zone</u>	<u>Rate Year</u>
<u>NextEra Energy Transmission MidAtlantic, LLC</u>	<u>H-25B(1)</u>	<u>ComEd Zone</u>	<u>June to May</u>

~~The following Annual Update, Information Exchange, and Challenge Procedures shall apply to Annual Updates pursuant to the Rochelle Municipal Utilities ("RMU" or "Transmission Owner") Attachment H-25B Formula Rate Template.~~

**Section II. Annual ~~Updates~~ True-Up and Projected Net Revenue Requirement**

- A. On or before May 15 of each year, each NEET PJM Entity shall determine its Annual True-Up in accordance with the formula rate for each NEET PJM Entity and Section VII of these protocols, to derive a True-Up Adjustment to be included in projected net revenue requirement for each NEET PJM Entity for the subsequent rate year. The Annual Transmission Revenue Requirement applicable under this Attachment H-25 and the Network Integration Transmission Service and Point-to-Point Transmission Service charges derived therefrom shall be applicable to services on and after June 1 of a given year through May 31 of the subsequent year (the "Rate Year").
- B. On or before June 1 of each year, each NEET PJM Entity using a January – December rate year shall provide its Annual True-Up, actual net revenue

requirement, and True-Up Adjustment to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June - May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of such posting, PJM shall provide notice of such posting via an email exploder list. Interested Parties can subscribe to the PJM exploder list on the PJM website. For purposes of these protocols, the term Interested Party includes, but is not limited to, customers under the PJM Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.~~On or before June 1, 2016, and on or before June 1 of each succeeding Rate Year, RMU shall recalculate its Annual Transmission Revenue Requirement, producing the Annual Update for the upcoming Rate Year, and shall provide such information to PJM and cause such information to be posted on the PJM website and OASIS.~~

- C. On or before September 30 of each year, each NEET PJM Entity using a January - December rate year shall provide its projected net revenue requirement to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June to May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of posting of the projected net revenue requirement, PJM shall provide notice of such posting to an email exploder list. In the event the NEET PJM Entity's formula rate is first included in the PJM Tariff such that the first projected net revenue requirement cannot be provided to PJM by May 15 or September 30, as applicable, each NEET PJM Entity will nevertheless prepare a projection of its net revenue requirement for the first Rate Year using the most recent information available, and the projection will be posted on the PJM website and OASIS at least sixty (60) days prior to the rates becoming effective. The projected net revenue requirement for a partial first Rate Year will reflect the NEET PJM Entity's net revenue requirement only over the remaining months during the partial Rate Year. The NEET PJM Entities will conduct a meeting with Interested Parties on the projected net revenue requirement for the first Rate Year between twenty (20) to forty (40) days after posting. Notice of the customer meeting, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the e-mail exploder list no less than seven (7) days prior to such meeting. If the date for posting the Annual Update falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day. The date on which such posting occurs shall be that year's "Publication Date."

- D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of information requests

discussed in Section III of these protocols.

ED. The Annual ~~Update for the Rate Year~~True-Up shall:

1. Include a workable data-populated ~~f~~Formula ~~r~~Rate ~~t~~Template and underlying workpapers in native format with all formulas and links intact;
2. Be based on ~~the each NEET PJM Entity's RMU~~FERC Form No. 1 for the ~~immediately~~prior calendar year (~~"Applicable Form"~~);
3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the ~~formula rate~~Annual True-Up that are not otherwise available in the ~~Applicable Form~~FERC Form No. 1;
4. Provide sufficient information to enable Interested Parties (~~as that term is defined in Section II.E of these protocols~~) to replicate the calculation of the Annual True-Up formula results from the FERC Form No. 1 ~~Applicable Form~~;
5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1~~Applicable Form~~;
6. Identify all material adjustments made to the ~~Applicable Form~~FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the ~~Applicable Form~~FERC Form No. 1 and any adjustments not shown in ~~the an Applicable Form~~FERC Form No. 1;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the ~~Applicable Form~~FERC Form No. 1;
8. With respect to any ~~material~~ change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (~~"Material Accounting Change"~~):
  - a. Identify ~~any Material Accounting Changes not previously reported in the Applicable Form~~, including
    - i. ~~The~~the initial implementation of an accounting standard or policy, ~~consistent with what is required to be disclosed under the Applicable Form~~;

- ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
  - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation~~revenue requirement, limited to adjustments that alter what is reported in the Applicable Form and require resubmittal of the Applicable Form;~~
  - iv. the implementation of new estimation methods or policies that change prior estimates; and
  - v. changes to income tax elections;
- b. Identify items included in the Annual True-Up formula rate~~at an amount other than on a historic cost basis (e.g., fair value adjustments);~~
  - c. Identify any reorganization or merger transaction during the previous year ~~that required submission of a filing under section 203 or 205 of the Federal Power Act~~ and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up formula rate;
  - d. Provide, for each item identified pursuant to items II.~~ED~~.8.a - II.~~ED~~.8.c of these protocols, a narrative explanation of the individual impact of such changes on ~~charges billed under the formula rate~~ True-Up Adjustment.

9. Provide for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between each NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation methodologies from the prior year and the reasons and justifications for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between each NEET PJM Entity and each affiliate by service category or function.

~~FE~~. The projected net revenue requirement shall:

- 1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;



2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
  3. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement; and
  4. With respect to any Accounting Change:
    - a. Identify any Accounting Changes, including
      - i. the initial implementation of an accounting standard or policy;
      - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
      - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
      - iv. the implementation of new estimation methods or policies that change prior estimates;
      - v. changes to income tax elections;
    - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
    - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and
    - d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.
- G. A NEET PJM Entity shall hold an open meeting among Interested Parties ("Annual True-Up Meeting") no sooner than twenty (20) days after the Publication Date. For NEET PJM Entities using a January – December rate year, the Annual True-Up Meeting shall occur no later than September 1, and for NEET PJM Entities using a June – May rate year, the Annual True-Up Meeting

shall occur no later than June 15. The NEET PJM Entities will make the Annual True-Up Meeting remotely accessible. No less than seven (7) days prior to such Annual True-Up Meeting, the NEET PJM Entities shall provide notice on PJM's internet website and OASIS of the time, date, location, and remote access information for the Annual True-Up Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual True-Up Meeting shall (i) permit each NEET PJM Entity to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from each NEET PJM Entity about the Annual True-Up and True-Up Adjustment.

H. A NEET PJM Entity shall hold an open meeting among Interested Parties ("Annual Projected Rate Meeting") no sooner than twenty (20) days after the date that the projected net revenue requirement is posted to the PJM website and OASIS (as described in Section ILC of these protocols). For NEET PJM Entities using a January – December rate year, the Annual Projected Rate Meeting shall occur no later than October 31, and for NEET PJM Entities using a June – May rate year, the Annual Projected Rate Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual Projected Rate Meeting remotely accessible. No less than seven (7) days prior to such Annual Projected Rate Meeting, the NEET PJM Entities shall provide notice on PJM's internet website and OASIS of the time, date, location, and remote access information for the Annual Projected Rate Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual Projected Rate Meeting shall (i) permit each NEET PJM Entity to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from the NEET PJM Entities about the projected net revenue requirements.

I. Transmission owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational meeting to enable all interested parties to understand how those transmission owners are implementing their formula rates for cost recovery of such projects. The NEET PJM Entities will make the joint informational meeting remotely accessible. Notice of joint informational meetings, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the email exploder list no less than seven (7) days prior to such meetings. Each NEET PJM Entity will participate in joint informational meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated. ~~The Transmission Owner shall hold an open meeting among Interested Parties ("Annual Meeting"), and shall provide notice on PJM's internet website and OASIS of the time, date, and location of the Annual Meeting, which shall not be sooner than 10 days after the Publication date nor later than June 30. For purposes of these procedures, the term Interested Party includes, but is not limited to, customers under the Tariff, state utility regulatory commissions, OMS, consumer advocacy agencies, and state attorneys~~

~~general. The Annual Meeting shall (i) permit the Transmission Owner to explain and clarify its Annual Update and (ii) provide Interested Parties an opportunity to seek information and clarifications from the Transmission Owner about the Annual Update.~~

### Section III. Information Exchange Procedures

Each Annual True-Up and projected net revenue requirement Update shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

A. Interested Parties shall have ~~up to one hundred twenty and eighty (180+20)~~ days ~~following after each annual~~ Publication Date (unless such period is extended with the written consent of the NEET PJM Entities Transmission Owner or by FERC order) to serve reasonable information and document requests on a NEET PJM Entity the Transmission Owner (“Information Exchange Period”); ~~provided, however, that the parties making such requests shall make a good faith effort to submit consolidated sets of information and document requests that limit the number and overlap of questions to the maximum extent practicable~~ If the due date for information and document requests falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:

- ~~(1.)~~ the extent or effect of an Material Accounting Change;
- ~~(2.)~~ whether the Annual True-Up or projected net revenue requirement Update fails to include data properly recorded in accordance with these protocols;
- ~~(3.)~~ the proper application of the formula rate and procedures in these protocols;
- ~~(4.)~~ the accuracy of data and consistency with the formula rate of the charges calculations shown in the Annual ~~Update~~ True-Up or projected net revenue requirement;
- ~~(5.)~~ the prudence of actual costs and expenditures, including procurement methods and cost control methodologies; and
- ~~(6.)~~ the effect of any change to the underlying Uniform System of Accounts or ~~the Applicable Form~~ FERC Form No. 1; or:
7. any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

The information and document requests shall not otherwise be directed to

ascertaining whether the formula rate is just and reasonable. ~~All information and document requests must be submitted by no later than October 1, unless the Information Exchange Period is extended by the Transmission Owner or FERC.~~

- B. ~~The Transmission Owner~~ A NEET PJM Entity shall make a good faith effort to respond to information and document requests ~~pertaining to the Annual Update~~ within fifteen (15) business days of receipt of such requests. The ~~Transmission Owner~~ NEET PJM Entity shall respond to all information and document requests by no later than two hundred and twenty (220) days following the Publication Date~~December 1~~, unless the Information Exchange Period is extended by the applicable NEET PJM Entity ~~the Transmission Owner~~ or FERC. If January 10 falls on a weekend or a holiday recognized by FERC, the deadline for responses to information requests shall be extended to the next business day.
- C. ~~Each NEET PJM Entity~~ The Transmission Owner will cause to be posted on the PJM website and OASIS all information requests from Interested Parties and such NEET PJM Entity's ~~the Transmission Owner's~~ response(s) to such requests; ~~except, however, if responses to information and document requests include material deemed by the NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by such NEET PJM Entity and the requesting party. Such posting will be subject to all applicable confidentiality protections under the Tariff.~~
- D. A NEET PJM Entity shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing a NEET PJM Entity's Annual True-Up or projected net revenue requirement.

#### Section IV. Challenge Procedures

- A. Interested Parties shall have until two hundred and forty (240) days following up to one hundred fifty (150) days after the Publication Date (unless such period is extended with the written consent of the ~~Transmission Owner~~ applicable NEET PJM Entity or by FERC order) to review the inputs, ~~supporting explanations, allocations, and calculations~~ ("Review Period") and to notify the applicable NEET PJM Entity ~~Transmission Owner~~ in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. ~~The period of time from the Publication Date until the date that is two hundred and forty (240) days later shall be referred to as the Review Period. If the final day of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day.~~ Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement ~~Update~~ shall bar pursuit of such issue with respect to that Annual Update ~~True-Up or projected net revenue requirement under the challenge~~

procedures set forth in these protocols, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement. This Section IV.A in no way shall affect a party's rights under section 206 of the Federal Power Act ("FPA") as set forth in Section IV.I of these protocols~~Update~~.

~~B. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall be filed under and satisfy all requirements established by 18 C.F.R. § 385.206.~~

BE. A party submitting an Informal Challenge to a ~~Transmission Owner~~NEET PJM Entity must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. ~~The Transmission Owner~~A NEET PJM Entity shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. ~~The Transmission Owner~~A NEET PJM Entity, and where applicable, ~~the Transmission Provider~~PJM, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If the ~~Transmission Owner~~applicable NEET PJM Entity disagrees with such challenge, the ~~Transmission Owner~~NEET PJM Entity will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after ~~November 4~~the final day of the Review Period, and ~~the a Transmission Owner~~NEET PJM Entity must respond to all Informal Challenges by no later than ~~December 4~~thirty (30) days after the end of the Review Period, unless the Review Period is extended by the ~~Transmission Owner~~NEET PJM Entity or FERC. If the end of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. If the deadline for a NEET PJM Entity to respond to all Informal Challenges falls on a weekend or a holiday recognized by FERC, the deadline for responding to Informal Challenges shall be extended to the next business day.

C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.

1. A Formal Challenge shall:

a. Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;

b. Explain how the action or inaction violates the filed rate formula or protocols;

- c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
  - i. The extent or effect of an Accounting Change;
  - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
  - iii. The proper application of the formula rate and procedures in these protocols;
  - iv. The accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected net revenue requirement;
  - v. The prudence of actual costs and expenditures;
  - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
  - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
- e. State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
- g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
- h. State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why

not.

2. Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on the NEET PJM Entity. Service to the NEET PJM Entity must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with 18 C.F.R. § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on the NEET PJM Entity's Informational Filing required under Section VI of these protocols.
- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Material–Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement Update–fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations charges–shown in the Annual True-Up or and projected net revenue requirement Update; (5) the prudence of actual costs and expenditures; –and–(6) the effect of any change to the underlying Uniform System of Accounts or the Applicable FormFERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- E. The Transmission Owner Each NEET PJM Entity will cause to be posted to PJM's website and OASIS all Informal Challenges from Interested Parties and the NEET PJM Entity Transmission Owner's response(s) to such Informal Challenges ; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by such NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the NEET PJM Entity and the requesting party.  
– Such posting will be subject to all applicable confidentiality protections under the Tariff.
- F. Any changes or adjustments to the Annual Update–True-Up Adjustment or projected net revenue requirement resulting from the Information Exchange and Informal Challenge processes that are agreed to by a NEET PJM Entity the Transmission Owner will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by a NEET PJM Entity on or before the last day of the Information Exchange Period will be reflected in the projected net revenue requirement for the upcoming Rate Year. and–Any changes or adjustments agreed to by a NEET PJM Entity after the last day of the Information Exchange Period will be reflected in the following year's Annual True-UpUpdate–for the following Rate–Year, as discussed in Section V of these protocols.



- G. ~~If the Transmission Owner and any An Interested Party(ies) shall have until seventy-five (75) days following not resolved any Informal Challenge within thirty (30) days after the Review Period, an Interested Party shall have an additional thirty (30) days (unless such period date is extended with the written consent of the Transmission Owner applicable NEET PJM Entity to continue efforts to resolve the Informal Challenge or unless the deadline for the NEET PJM Entity to submit its informational filing is extended) to make a Formal Challenge with FERC, which shall be served on the NEET PJM Entity on the date of such filings as specified in Section IV.C(2) above. Transmission Owner If the last day of the seventy-five day period to make a Formal Challenge falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Formal Challenges shall be extended to the next business day by electronic service on the date of such filing. Any interested party will have until April 15 of the year following the Publication date to make a~~ A Formal Challenge shall be filed in the same docket as the NEET PJM Entity's Informational Filing discussed in Section VI of these protocols. with the Commission. The ~~Transmission Owner~~ NEET PJM Entity shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue Issues raised by a party's Formal Challenge are not restricted to issues that were the subject of that party's if that party did not submit an Informal Challenge on any issue during the applicable Review Period.
- H. In any proceeding initiated by FERC concerning the Annual Update True-Up or projected net revenue requirement or in response to a Formal Challenge, the ~~Transmission Owner~~ NEET PJM Entity shall bear the burden, consistent with section 205 of the ~~Federal Power Act~~ FPA, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in ~~this Attachment O these protocols, in that year's Annual Update.~~ Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- ~~I. Subject to judicial review of FERC orders, each Annual Update shall become final as to the Annual Transmission Revenue Requirement calculated for the Rate Year for which the Annual Update was calculated and no longer subject to challenge pursuant to these Annual Review protocols or by any other means by FERC or any other entity on the later to occur of (i) passage of the thirty (30) day period (or extended period, if applicable) for making a Formal Challenge if no such challenge has been made and FERC has not initiated a proceeding to consider the Annual Update, or (ii) a final FERC order issued in response to a Formal Challenge or a proceeding initiated by FERC to consider the Annual Update.~~
- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of a NEET PJM Entity ~~the Transmission Owner~~ to file unilaterally, pursuant to ~~Federal Power Act~~ section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the formula rate with a stated rate, or the right of any other party to



request such changes pursuant to section 206 of the ~~Federal Power Act FPA~~ and the regulations thereunder.

~~JK.~~ No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up and projected net revenue requirement Update shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, ~~a-an Federal Power Act FPA~~ section 205 or section 206 filing.

~~KL.~~ Any Interested Party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or ~~the Applicable Form FERC Form No. 1~~, shall first raise the matter with the ~~Transmission Owner-applicable NEET PJM Entity~~ in accordance with this Section IV before pursuing a Formal Challenge.

## **Section V. Changes to Annual True-Up Adjustment or Projected Net Revenue Requirement**

### **Updates**

~~Except as provided in Section IV.F of these protocols, a~~Any changes to the data inputs, including but not limited to revisions to ~~the Transmission Owner's-a NEET PJM Entity's Applicable Form FERC Form No. 1~~, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement Update, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement Annual Update for the next ~~effective~~Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols, 18 C.F.R. § 35.19a ("FERC's Interest Rate"), and interest on ~~any surcharge shall be calculated using the lower of FERC's Interest Rate or the Transmission Owner's short term borrowing rate, if applicable.~~

## **Section VI. Informational Filings**

A. By ~~January 31~~March 15 of each year, ~~the each NEET PJM Entity using a January – December rate year~~Transmission Owner shall submit to FERC an informational filing ("Informational Filing") of its projected net revenue requirement for the Rate Year, including its Annual Update True-Up and True-Up Adjustment (unless the Review Period is extended by the NEET PJM Entity or FERC). Such filing shall be made by each NEET PJM Entity using a June – May rate year no later than May 15 of each year. If the due date for the informational filing falls on a weekend or a holiday recognized by FERC, the deadline for submitting the Informational Filing shall be extended to the next business day. This Informational Filing must include the information that is reasonably necessary to

determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that the NEET PJM Entity Transmission Owner has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the Actual Transmission Revenue Requirement and rates under review; ~~and~~ (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge Procedures. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between a NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between a NEET PJM Entity and each affiliate by service category or function. Within five (5) days of such Informational Filing, PJM shall provide notice of the Informational Filing via an email exploder list and by posting the docket number assigned to each NEET PJM Entity's Informational Filing on the PJM website and OASIS.

- B. Any challenges to the implementation of the Attachment H-25B-NEET PJM Entity formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

## **Section VII. Calculation of True-Up Adjustment**

The True-Up Adjustment will be determined in the following manner:

1. Actual transmission revenues received the previous calendar year ("True-Up Year") shall be compared to the actual net revenue requirement (calculated in accordance with the NEET PJM Entity's formula rate) for the True-Up Year as determined using the NEET PJM Entity's completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the "True-Up Adjustment." The True-Up Adjustment and related calculations shall be posted to PJM's website and OASIS no later than June 1 for NEET PJM Entities using a January – December rate year or May 15 for NEET PJM Entities using a June – May rate year (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.

2. Interest on any over recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R § 35.19a. Interest on any under recovery of the net revenue requirement shall be determined using the interest rate equal to: (i) the NEET PJM Entity's actual short-term debt costs capped at the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a; or (ii) if the NEET PJM Entity does not have short-term debt, then the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the twenty-one (21) months preceding October of the current year. The interest amount will be included in the projected costs made available by either May 15 or September 30, as described in Section II.C above.
3. The net revenue requirement for transmission services for the following Rate Year shall be the sum of the projected net revenue requirement for the following year, plus or minus the True-Up Adjustment from the True-Up Year, if any, including interest, as explained above, and as described in Attachment 3 of the NEET PJM Entity's formula rate.
4. A NEET PJM Entity may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

### **Section VIII. Competitive Bid Concessions**

For transmission development projects assigned to a NEET PJM Entity as a result of the PJM competitive project sponsor process, such NEET PJM Entity may, in its sole discretion, agree with PJM to apply a Competitive Bid Concession that will result in a lower net revenue requirement on a project-specific basis than that which would otherwise be produced by the NEET PJM Entity's formula rate. Any Competitive Bid Concession will appear as a zero or negative input to the formula, and will be determined on a project-specific basis using a workpaper that will be provided to Interested Parties as supporting documentation for each Annual True-Up by such NEET PJM Entity.

ATTACHMENT H-25B					Summary
Rochelle Municipal Utilities (RMU) Transmission Cost of Service Formula Rate					
Appendix A -- Transmission Service Revenue Requirement -- RMU					
Formula Rate -- Itemized Costs	FERC Account No.	Notes	FERC Form 1 Page # or Instruction		Actual
			Shaded cells are input cells		
Allocators					

### Wages & Salary Allocation Factor

1	Transmission Wages Expense		p354.21.b		-
2	Total Wages Expense		p354.28.b		0
3	Less A&G Wages Expense		p354.27.b		0
4	Total Wages Less A&G Wages Expense	-	(Line 2 - Line 3)	-	0
5	Wages & Salary Allocator	-	(Line 1 / Line 4)	-	0.00%

### Plant Allocation Factors

6	Electric Plant in Service	101+102p-102s+103+106	(Note B)	p207.104.g	0
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7	Accumulated Depreciation (Total Electric Plant)	108	(Note J)	p219.29.c		0
8	Accumulated Amortization	119	(Note A)	p200.21.c		0
9	Total Accumulated Depreciation	-		(Line 7 + 8)	-	0
40	Net Plant	-	-	(Line 6 - Line 9)	-	0
41	Transmission Gross Plant			(Line 29 - Line 28)		0
42	Gross Plant Allocator	-	-	(Line 11 / Line 6)	-	0.00%
43	Transmission Net Plant			(Line 41 - Line 28)		0
44	Net Plant Allocator	-	-	(Line 13 / Line 10)	-	0.00%

### Electric Plant In Rate Base

#### Plant In Service

45	Transmission Plant In Service		(Note B)	p207.58.g		0
46	For Reconciliation only -- remove New Transmission Plant Additions for Current Calendar Year		For Reconciliation Only	Attachment 6 -- Enter negative		0
47	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		(Note B)	Attachment 6	-	0
48	Total Transmission Plant			(Line 15 - Line 16 + Line 17)		0
49	General			p207.99.g		0

2						
0	Intangible		p205.5.g			0
2						
1	Total General and Intangible Plant	-	-	(Line 19 + Line 20)	-	0
2	—Less: General Plant Account 397—					
2	Communications	-	-	p207.94.g	-	0
2	General and Intangible Excluding					
3	Acct. 397			(Line 21 - Line 22)		0
2						
4	Wage & Salary Allocator			(Line 5)		0.00%
2	General and Intangible Plant					
5	Allocated to Transmission	-	-	(Line 23 * Line 24)	-	0
2	Account No. 397 Directly Assigned to					
6	Transmission	-	-	Attachment 5	-	0
2	<b>Total General and Intangible</b>					
7	<b>Functionalized to Transmission</b>			(Line 25 + Line 26)		0
			-		-	
2	<b>Plant Held for Future Use</b>					
8	<b>(Including Land)</b>	-	(Note C)	Attachment 5	-	0
2						
9	<b>Total Plant In Rate Base</b>	-	-	(Line 18 + Line 27 + Line 28)	-	0

### Accumulated Depreciation

3	Transmission Accumulated					
0	Depreciation		(Note J)	p219.25.c		0
3						
4	Accumulated General Depreciation		(Note J)	p219.28.c		0
3	Less: Amount of General					
3	Depreciation Associated with Acct.					
2	397	-	(Note J)	Attachment 5	-	0
3	Balance of Accumulated General					
3	Depreciation			(Line 31 - Line 32)		0
3	Accumulated Amortization	-	-	(Line 8)	-	0

4					
3	<del>Accumulated General and Intangible</del>				
5	<del>Depreciation Ex. Acct. 397</del>		<del>(Line 33 + 34)</del>		<del>0</del>
3					
6	<del>Wage &amp; Salary Allocator</del>		<del>(Line 5)</del>		<del>0.00%</del>
3	<del>Subtotal General and Intangible Accum. Depreciation</del>				
7	<del>Allocated to Transmission</del>	<del>-</del>	<del>(Line 35 * Line 36)</del>	<del>-</del>	<del>0</del>
3	<del>Percent of Acct. 397 Directly</del>				
8	<del>Assigned to Transmission</del>		<del>(Line 26 / Line 22)</del>		<del>0.00%</del>
3	<del>Amount of Gen. Depr. Associated with Acct. 397 Directly</del>				
9	<del>Assigned to Trans.</del>		<del>(Line 38 * Line 32)</del>		<del>0</del>
<hr/>					
4					
0	<del>Total Accumulated Depreciation</del>	<del>-</del>	<del>-</del>	<del>(Sum Lines 30, 37 &amp; 39)</del>	<del>-</del>
					<del>0</del>
<hr/>					
4					
1	<del>Total Net Property, Plant &amp; Equipment</del>	<del>-</del>	<del>-</del>	<del>(Line 29 - Line 40)</del>	<del>-</del>
					<del>0</del>

<del>4</del>	<del>ADIT net of FASB 106 and 109</del>	<del>Attachment 1</del>	<del>0</del>
--------------	---	-------------------------	--------------

4					
3	CWIP Balances for Current Rate Year	(Note H)	Attachment 6		0

4	Prepayments (excluding Prepaid			
4	Pension Asset)	(Note A)	Attachment 5	0

4						
5	Undistributed Stores Expense		(Note A)	p227.6.c & 16.c		0
4						
6	Wage & Salary Allocator	-	-	(Line 5)	-	0.00%
4	Total Undistributed Stores Expense					
7	Allocated to Transmission			(Line 45 * Line 46)		0
4						
8	Transmission Materials & Supplies			p227.8.c		0
4	Total Materials & Supplies					
9	Allocated to Transmission	-	-	(Line 47 + Line 48)	-	0
	<b>Cash Working Capital</b>					
5	Operation & Maintenance Expense (excluding Interest					
0	Only Return on Prepaid Pension Asset)			(Line 85 - Line 84)		0
5						
4	1/8th Rule			-1/8		12.5%
5	Total Cash Working Capital					
2	Allocated to Transmission	-	-	(Line 50 * Line 51)	-	0
	<b>Network Credits</b>					
5						
3	Outstanding Network Credits		(Note N)	Attachment 5		0
5						
4	Total Adjustment to Rate Base	-	-	(Lines 42 + 43 + 44 + 49 + 52 - 53)	-	0
5						
5	Rate Base	-	-	(Line 41 + Line 54)	-	0
	<b>Operations &amp; Maintenance Expense</b>					
	<b>Transmission O&amp;M</b>					
5						
6	Transmission O&M			Attachment 5		0



5							
7	—Less Account 565			Attachment 5			0
5							
8	—Plus (Reserved)			Attachment 5			0
5	—Plus Schedule 12 Charges billed to Transmission						
9	Owner and booked to Account 565	(Note O)		PJM Data			
6	—Plus Transmission Lease						
0	Payments	(Note A)		p200.4.c			0
6				(Lines 56 + 57 + 58 + 59 +			
4	<b>Transmission O&amp;M</b>	-	-	60)	-		0
	<b>Allocated Administrative &amp; General Expenses</b>						
6							
2	Total A&G			Attachment 5			0
6							
3	—Plus: Fixed PBOP expense	(Note J)		fixed			0
6							
4	—Less: Actual PBOP expense			Attachment 5			0
6							
5	—Less: Reserved			Attachment 5			0
6	—Less: Power Procurement						
6	Expense			Attachment 5			0
6	—Less Property Insurance Account						
7	924			p323.185.b			0
6	—Less Regulatory Commission Exp						
8	Account 928	(Note E)		p323.189.b			0
6	—Less General Advertising Exp						
9	Account 930.1			p323.191.b			0
7							
0	—Less EPRI Dues	(Note D)		p352 & 353			0
7	<b>Administrative &amp; General Expenses</b>			Sum (Lines 62 to 63) — Sum			
4		-	-	(Lines 64 to 70)	-		0
7							
2	Wage & Salary Allocator			(Line 5)			0.00%
7	<b>Administrative &amp; General Expenses Allocated to</b>						
3		-	-	(Line 71 * Line 72)	-		0

## Transmission

### Directly Assigned A&G

7	Regulatory Commission Exp Account					
4	928		(Note G)	Attachment 5		0
7	General Advertising Exp Account					
5	930.1 Edu. & Outreach	-	(Note K)	Attachment 5	-	0
7	Subtotal Accounts 928 and 930.1					
6	Transmission Related			(Line 74 + Line 75)		0
7						
7	Property Insurance Account 924			(Line 67)		0
7	General Advertising Exp Account					
8	930.1 Safety		(Note F)	Attachment 5		0
7	Total Accounts 928 and 930.1					
9	General	-	-	(Line 77 + Line 78)	-	0
8						
0	Net Plant Allocator			(Line 14)		0.00%
8	A&G Directly Assigned to					
1	Transmission	-	-	(Line 79 * Line 80)	-	0
	Interest on Prepaid Pension Asset					
8	Prepaid Pension Asset (net of					
2	associated ADIT)			Attachment 5		0
8						
3	LTD Cost Rate	-	-	(Line 120)	-	0.00%
8						
4	Interest on Prepaid Pension Asset			(Line 82 * Line 83)		0
8	Total Transmission O&M and			(Lines 61 + 73 + 76 + 81 +		
5	Interest on Prepaid Pension Asset	-	-	84)	-	0

## Depreciation & Amortization Expense

**Depreciation Expense**

8	Transmission Depreciation Expense Including					
6	Amortization of Limited Term Plant	(Note J)	p336.7.b&c&d			0
8	General Depreciation Expense Including Amortization of					
7	Limited Term Plant	(Note J)	p336.10.b&c&d			0
8	Amount of General Depreciation					
8	Expense Associated with Acct. 397	-	(Note J)	Attachment 5	-	0
8	Balance of General Depreciation					
9	Expense		(Line 87 - Line 88)			0
9						
0	Intangible Amortization	-	(Note A)	p336.1.d&e	-	0
9						
4	Total		(Line 89 + Line 90)			0
9						
2	Wage & Salary Allocator	-	-	(Line 5)	-	0.00%
9	General Depreciation & Intangible Amortization Allocated					
3	to Transmission		(Line 91 * Line 92)			0
9	General Depreciation Expense for Acct. 397 Directly					
4	Assigned to Transmission	-	(Line 88 * Line 38)	-		0
9	General Depreciation and Intangible Amortization					
5	Functionalized to Transmission		(Line 93 + Line 94)			0
9						
9	Total Transmission Depreciation &					
6	Amortization	-	-	(Lines 86 + 95)	-	0

**Taxes Other than Income Taxes**

9						
7	Taxes Other than Income Taxes		Attachment 2		-	
9						
8	Total Taxes Other than Income Taxes	-	-	(Line 97)	-	0

## Return \ Capitalization Calculations

### Long Term Interest

9						
9	Long Term Interest		p117.62-67.e		-	
4	—Less LTD Interest on Securitization					
0	Bonds	-	(Note P)	Attachment 8	-	0

4						
0						
4	Long Term Interest		(Line 99 - Line 100)			0

4						
0						
2	Preferred Dividends	-enter positive	p118.29.e			0

### Common Stock

4						
0						
3	Proprietary Capital		p112.16.e			0
4	—Less Accumulated Other					
0	Comprehensive Income Account 219		p112.15.e			0
4						
0						
5	—Less Preferred Stock		(Line 114)			0
4						
0						
6	—Less Account 216.1	-	-	p112.12.e	-	0

4						
0						
7	Common Stock		(Line 103 - 104 - 105 - 106)			0

### Capitalization

1						
0						
8	Long Term Debt		p112.18-21.e			0
4						
0						
9	<del>— Less Loss on Reacquired Debt</del>		p111.81.e			0
4						
4						
0	<del>— Plus Gain on Reacquired Debt</del>		p113.61.e			0
4						
1	<del>— Less ADIT associated with Gain</del>					
4	<del>or Loss</del>		Attachment 1			0
4						
4						
2	<del>— Less LTD on Securitization Bonds</del>	(Note P)	Attachment 8			0
4						
4			(Line 108 - 109 + 110 - 111			
3	Total Long Term Debt	-	- 112)	-		0
4						
4						
4	Preferred Stock		p112.3.e			0
4						
4						
5	Common Stock		(Line 107)			0
4						
4						
6	Total Capitalization	-	(Sum Lines 113 to 115)	-		0
4						
4		Total Long Term				
7	Debt %	Debt	(Note Q)	(Line 113 / Line 116)		100.0%
4						
4						
8	Preferred %	Preferred Stock		(Line 114 / Line 116)		0.0%
4						
4						
9	Common %	Common Stock	(Note Q)	(Line 115 / Line 116)		0.0%

1					
2					
0	Debt Cost	Total Long Term Debt		(Line 101 / Line 113)	0.00%
4					
2					
1	Preferred Cost	Preferred Stock		(Line 102 / Line 114)	0.00%
4					
2					
2	Common Cost	Common Stock	(Note-J)	Fixed	11.50%
4					
2					
3	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 117 * Line 120)	0.00%
4					
2					
4	Weighted Cost of Preferred	Preferred Stock		(Line 118 * Line 121)	0.00%
4					
2					
5	- Weighted Cost of Common	Common Stock	-	(Line 119 * Line 122)	- 0.00%
4					
2					
6	Rate of Return on Rate Base ( ROR )			(Sum Lines 123 to 125)	0.00%
4					
2	Investment Return = Rate Base * Rate				
7	of Return	-	-	(Line 55 * Line 126)	- 0

### Composite Income Taxes

#### Income Tax Rates

1				
2				
8	FIT=Federal Income Tax Rate	(Note-I)		0.00%
4	SIT=State Income Tax Rate or			0.00%

2	Composite				
9					
4					
3		(percent of federal income tax			
0	p	deductible for state purposes)	Per State Tax Code		0.00%
4					
3		$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1$			
4	T	$- SIT * FIT * p)\} =$			0.00%
4					
3					
2	$T / (1 - T)$				0.00%
	<b>ITC Adjustment</b>		<b>(Note I)</b>		
4					
3					
3	Amortized Investment Tax Credit	enter negative	p266.8.f		0
4					
3					
4	$1 / (1 - T)$		$1 / (1 - \text{Line } 131)$		100.00%
4					
3					
5	Net Plant Allocation Factor	-	-	(Line 14)	0.00%
4					
3	<b>ITC Adjustment Allocated to</b>			(Line 133 * Line 134 * Line	
6	<b>Transmission</b>	-		135)	- 0
4					
3		$(T / 1 - T) * \text{Investment Return} *$	[Line 132 * Line 127 * (1-		
7	<b>Income Tax Component =</b>	$(1 - (WCLTD / ROR)) =$	(Line 123 / Line 126))]	-	
4					
3					
8	<b>Total Income Taxes</b>	-	-	(Line 136 + Line 137)	- -
					-

## Revenue Requirement

### Summary

1						
3						
9	Net Property, Plant & Equipment		(Line 41)			0
4						
4						
0	Total Adjustment to Rate Base		(Line 54)			0
4						
4						
4	Rate Base	-		(Line 55)	-	0
4						
4						
2	Total Transmission O&M		(Line 85)			0
4						
4	Total Transmission Depreciation & Amortization		(Line 96)			0
3						
4						
4						
4	Taxes Other than Income		(Line 98)			0
4						
4						
5	Investment Return		(Line 127)			0
4						
4						
6	Income Taxes		(Line 138)			0
4						
4						
7	- Gross Revenue Requirement	-		(Sum Lines 142 to 146)	-	0

**Adjustment to Remove Revenue Requirements  
Associated with Excluded Transmission Facilities**



1						
4						
8	Transmission Plant In Service		(Line 15)			0
4						
4						
9	Excluded Transmission Facilities	-	(Note M)	Attachment 5	-	0
4						
5						
0	Included Transmission Facilities		(Line 148 - Line 149)			0
4						
5						
4	Inclusion Ratio		(Line 150 / Line 148)			0.00%
4						
5						
2	Gross Revenue Requirement	-	-	(Line 147)	-	0
4						
5	Adjusted Gross Revenue					
3	Requirement			(Line 151 * Line 152)		0
	Revenue Credits & Interest on					
	Network Credits					
4						
5						
4	Revenue Credits			Attachment 3		0
4						
5						
5	Interest on Network Credits		(Note N)	Attachment 5		0
4						
5						
6	- Net Revenue Requirement	-	-	(Line 153 - Line 154 + Line 155)	-	0
	Net Plant Carrying Charge					
4						
5						
7	Gross Revenue Requirement			(Line 152)	-	
4	Net Transmission Plant			(Line 15 - Line 30)		

5			-
8			
4			
5			
9	Net Plant Carrying Charge	(Line 157 / Line 158)	0.00%
4			
6	Net Plant Carrying Charge without	(Line 157 - Line 86) / Line	
0	Depreciation	158	0.00%
4			
6	Net Plant Carrying Charge without Depreciation, Return,	(Line 157 - Line 86 - Line	
4	nor Income Taxes	127 - Line 138) / Line 158	0.00%
<b>Net Plant Carrying Charge Calculation with 100 Basis Point increase in ROE</b>			
4			
6	Gross Revenue Requirement Less	(Line 152 - Line 145 - Line	
2	Return and Taxes	146)	-
4			
6			
3	Increased Return and Taxes	Attachment 4	-
4			
6	Net Revenue Requirement per 100		
4	Basis Point increase in ROE	(Line 162 + Line 163)	-
4			
6			
5	Net Transmission Plant	(Line 15 - Line 30)	-
4			
6	Net Plant Carrying Charge with 100		
6	Basis Point increase in ROE	(Line 164 / Line 165)	0.00%
4			
6	Net Plant Carrying Charge with 100 Basis Point increase	(Line 164 - Line 86) / Line	
7	in ROE without Depreciation	165	0.00%
4			
6			
8	Net Revenue Requirement	(Line 156)	-
4	True-up amount	Attachment 6	



~~Line 17 includes New Transmission Plant to be placed in service in the current calendar year that is not included in the PJM regional Transmission Plan (RTEP) (time-weighted) as shown on Attachment 6.~~

~~Includes Transmission portion only. At each annual informational filing, Company will identify for each parcel of land an intended use within a 15 year period.~~

~~Includes all EPRI Annual Membership~~

**D** ~~Dues~~

~~Includes all Regulatory Commission~~

**E** ~~Expenses~~

~~Includes Safety related advertising~~

**F** ~~included in Account 930.1~~

~~Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or~~

**G** ~~transmission siting itemized in Form 1 at 351.h.~~

~~CWIP can only be included if~~

**H** ~~authorized by the Commission.~~

~~The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income~~

**I** ~~tax rate, and p =~~

~~—the percentage of federal income tax deductible for state income taxes.~~

~~ROE will be supported in the original filing and no change in ROE will be~~

**J** ~~made absent a filing at FERC.~~

~~PBOP expense is fixed until changed as the result of a filing at FERC.~~

~~Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.~~

~~If book depreciation rates are different than the Attachment 9 rates, ComEd will provide workpapers at the annual update to reconcile formula~~

~~depreciation expense and depreciation accruals to Form~~

~~No. 1 amounts.~~

~~Education and outreach expenses relating to~~

**K** ~~transmission, for example siting or billing~~

~~As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be~~

**L** ~~revised or updated in the annual rate reconciliations.~~

~~Amount of transmission plant excluded from rates per~~

**M** ~~Attachment 5.~~

~~Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission~~

**N** ~~Customers who have made lump-sum payments~~

~~—towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A.~~

~~—Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmisison Owner whole on Line 155.~~

~~Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone~~

~~Q under Schedule 12 are included~~

~~in Transmission O&M on Line 56. If they are booked to Acct 565, they are included on Line 59.~~

~~Securitization bonds may be included~~

~~P in the capital structure.~~

~~Equity and debt ratios will be the ratios determined by the actual capital structure and the specified~~

~~Q calculation processes of the formula, except that if during the~~

~~period May 1, 2007 through May 31, 2009 the formula produces an equity ratio exceeding 58.0%, the formulaic value at Line 119 shall be manually set to 58.0%~~

~~and the formulaic value at Line 117 shall be manually set to 42.0% less the percentage shown at Line 118.~~

~~If, during the period June 1, 2009 through May 31, 2010, the formula produces an equity ratio exceeding 57.0%, the formulaic value at Line 119 shall be manually~~

~~set to 57% and the value at Line 117 shall be manually set to 43.0% less the percentage shown at Line 118.~~

~~If, during the period June 1, 2010 through May 31, 2011, the formula produces an equity ratio exceeding 56.0%, the formulaic value at Line 119 shall be manually~~

~~set to 56% and the value at Line 117 shall be manually set to 44.0% less the percentage shown at Line 118.~~

~~If, during any period following May 31, 2011, the formula produces an equity ratio exceeding 55.0%, the formulaic value at Line 119 shall be manually set to 55.0%~~

~~and the formulaic value at Line 117 shall be manually set to 45.0% less the percentage shown at Line 118.~~

	A	B	C	D	E	F	G
-		Gas,	Only	-	-	-	
-		Prod	Transmis			Tot	
-		Or	sion	Plant	Labor	al	
-		Other			Relat	AD!	
-		<u>Related</u>	<u>Related</u>	<u>Related</u>	<u>ed</u>	<u>I</u>	
-		-	-	-	-	-	

[illegible][illegible]

separately.

-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
			<b>Gas, Prod</b>	<b>Only Transmiss</b>					
			<b>Or-Other</b>	<b>ion</b>	<b>Plant</b>	<b>La bor Rel</b>			
					<b>ate</b>				
					<b>ed</b>				
<b><u>ADIT-190</u></b>	<b><u>Total</u></b>	<b><u>Related</u></b>	<b><u>Related</u></b>	<b><u>Related</u></b>	<b><u>ed</u></b>	<b><u>ate</u></b>	<b><u>Justification</u></b>		
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
-	-	0	0	0	0	0	-	-	-
<b>Subtotal - p234.18.c</b>	-	0	0	0	0	0	-	-	-
<b>Less FASB 109 Above if not separately removed</b>	-	-	-	-	-	-	-	-	-
<b>Less FASB 106 Above if not separately removed</b>	-	-	-	-	-	0	-	-	-
<b>Total</b>		0	0	0	0	0	-	-	-

**Instructions for**

**Account 190:**

**1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C**

**2. ADIT items related only to Transmission are directly assigned to Column D**

**3. ADIT items related to Plant and not in Columns C & D are included in Column E**

**4. ADIT items related to labor and not in Columns C & D are included in Column F**

**5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.**



**Attachment 2 – Taxes Other Than Income Worksheet**  
**of Appendix A – Transmission Service Revenue Requirement – RMU**

Other Taxes		Page 263 Col (i)	Allocator	Allocated Amount
<b>Plant Related</b>			<b>Net Plant Allocator</b>	
1	Real property (state Municipal or Local)	0		
2	Payments in Lieu of Taxes	0		
3	Personal Property	0		
4	Federal/State Excise	0		
5	-	0		
6	-	0		
7	-			
8	<b>Total Plant Related</b>	0	0.00%	0
<b>Labor Related</b>			<b>Wages &amp; Salary Allocator</b>	
9	Payroll taxes – FICA, MC, Unemployment	0		
10		0		
11	-	0		
12	-			
13	-	-		
14	<b>Total Labor Related</b>	0	0.00%	0
<b>Other Included</b>			<b>Net Plant Allocator</b>	
15	Miscellaneous	-		
16	-	-		
17	-	-		
18	-	-		

19	<del>Total Other Included</del>	0	0.00%	0
20	<del>Total Included (Lines 8 + 14 + 19)</del>	0		0
<b>Currently Excluded</b>				
21		0		
22		0		
23		0		
24		0		
25		0		
26		0		
27		0		
28	<b>Subtotal, Excluded</b>	0		
29	<b>Total, Included and Excluded (Line 20 + Line 28)</b>	0		
30	<b>Total Other Taxes from p114.14.c</b>			
31				
32				
33				
34	<b>Difference (Line 29 – Line 30)</b>			

**Criteria for Allocation:**

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

**Attachment 3 – Revenue Credit Workpaper  
of Appendix A – Transmission Service Revenue Requirement – RMU**

<b>Accounts 450 &amp; 451</b>		
4	Late Payment Penalties Allocated to Transmission	-
<b>Account 454 – Rent from Electric Property</b>		
2	Rent from Electric Property – Transmission Related	-
<b>Account 456 – Other Electric Revenues (Note 1)</b>		
3	Transmission for Others (Note 3)	-
4	Schedule 1A	-
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 3)	-
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	-
7	PJM Transitional Revenue Neutrality (Note 1)	-
8	PJM Transitional Market Expansion (Note 1)	-
9	Professional Services	-
10	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	-
11	Rent or Attachment Fees associated with Transmission Facilities	-
12	Gross Revenue Credits	-\$
		(Sum Lines 1-11)

13 Amount offset from Note 3 below

14 Total Account 454 and 456

15 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 173 of Appendix A.

16 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

17 Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.

# ~~Attachment 4 - Calculation of 100 Basis Point Increase in ROE~~

## ~~of Appendix A - Transmission Service Revenue Requirement - RMU~~

~~Return and Taxes with 100 Basis Point  
increase in ROE~~

<del>A</del>	<del>100 Basis Point increase in ROE and Income Taxes</del>	<del>Line 30 + Line 41 from below</del>	<del>-</del>
<del>B</del>	<del>100 Basis Point increase in ROE</del>		<del>1.00%</del>

### ~~Return Calculation~~

#### ~~Appendix A Line or Source Reference~~

<del>1</del>	<del>Rate Base</del>	<del>(Line 41 + Line 54)</del>	<del>-</del>
	<del>Long Term Interest</del>		
<del>2</del>	<del>Long Term Interest</del>	<del>p117.62-67.c</del>	<del>-</del>
	<del>— Less LTD Interest on Securitization</del>		
<del>3</del>	<del>Bonds</del>	<del>Attachment 8</del>	<del>- -</del>
<del>4</del>	<del>Long Term Interest</del>	<del>(Line 99 - Line 100)</del>	<del>-</del>
<del>5</del>	<del>Preferred Dividends</del>	<del>-enter positive</del>	<del>0</del>
	<del>Common Stock</del>		

6	Proprietary Capital		p112.16.c	0
7	—Less Accumulated Other Comprehensive			
7	Income Account 219		p112.15.c	0
8	—Less Preferred Stock		(Line 114)	0
9	—Less Account 216.1	- -	p112.12.c	0
4			(Line 103 - 104 - 105 -	
0	Common Stock		106)	0
<b>Capitalization</b>				
4				
4	Long Term Debt		p112.18-21.c	0
4				
2	—Less Loss on Reacquired Debt		p111.81.c	0
4				
3	—Plus Gain on Reacquired Debt		p113.61.c	0
4				
4	—Less ADIT associated with Gain or Loss		Attachment 4	0
4				
5	—Less LTD on Securitization Bonds		Attachment 8	0
4			(Line 108 - 109 + 110 -	
6	Total Long Term Debt	- -	111 - 112)	0
4				
7	Preferred Stock		p112.3.c	0
4				
8	Common Stock	-	(Line 107)	0
4				
9	Total Capitalization	-	(Sum Lines 113 to 115)	0
2				
0	Debt %	Total Long Term Debt	(Line 113 / Line 116)	100.0%
2				
4	Preferred %	Preferred Stock	(Line 114 / Line 116)	0.0%
2				
2	Common %	Common Stock	(Line 115 / Line 116)	0.0%
2				
3	Debt Cost	Total Long Term Debt	(Line 101 / Line 113)	0.00%

2					
4	Preferred Cost	Preferred Stock	(Line 102 / Line 114)		0.00%
2			(Line 122 + 100 basis		
5	Common Cost	Common Stock	points)		12.50%
2		Total Long Term Debt			
6	Weighted Cost of Debt	(WCLTD)	(Line 117 * Line 120)		0.00%
2					
7	Weighted Cost of Preferred	Preferred Stock	(Line 118 * Line 121)		0.00%
2					
8	Weighted Cost of Common	- Common Stock	(Line 119 * Line 122)	-	0.00%
2					
9	Rate of Return on Rate Base (ROR)		(Sum Lines 123 to 125)		0.00%
3	Investment Return = Rate Base * Rate of				
0	Return	-	(Line 55 * Line 126)	-	0

### Composite Income Taxes

#### Income Tax Rates

3					
4	FIT=Federal Income Tax Rate				0.00%
3					
2	SIT=State Income Tax Rate or Composite				0.00%
3	p = percent of federal income tax deductible				
3	for state purposes			Per State Tax Code	0.00%
3		$T = 1 - \frac{[(1 - SIT) * (1 - FIT)]}{(1 - SIT * FIT * p)}$			
4	T				0.00%
3					
5	CIT = T / (1-T)				0.00%
3					
6	1 / (1-T)				100.00%

#### ITC Adjustment

3					
7	Amortized Investment Tax Credit	enter negative	p266.8.f	-	

3						
8	T/(1-T)			1 / (1 - Line 131)		100%
3						
9	Net Plant Allocation Factor	-	-	(Line 14)		0.0000%
4	<b>ITC Adjustment Allocated to</b>			(Line 133 * Line 134 * Line		
0	<b>Transmission</b>		-	135)	-	<b>0</b>
4						
1	<b>Total Income Taxes</b>	-	-	-	-	<b>0</b>







				Amount	Form 1 Amount	
<b>- Plant Allocation Factors</b>				-		
6	Electric Plant in Service	(Not e-B)	p207.104.g	- 0		None
<b>- Plant In Service</b>				-		
4		(Not				
5	Transmission Plant In Service	e-B)	p207.58.g	- 0		None
<b>- Accumulated Depreciation</b>				-		-
3	Transmission Accumulated	(Not				
0	- Depreciation	- e-J)	p219.25.c	- 0	-	None
-	-	-	-	-	-	- - - - -
-	-	-	-	-	-	- - - - -
<b>EPRI Dues Cost Support</b>				-	-	- - - - -
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	- Details
<b>Allocated General &amp; Common Expenses</b>				-		
7		(Not	p352 &			
0	- Less EPRI Dues	- e-D)	353	0	0	-
-	-	-	-	-	-	- - - - -
-	-	-	-	-	-	- - - - -
<b>Adjustments to A &amp; G Expense</b>				-	-	- - - - -
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total	Adjustment	Adjusted Total Details
<b>Allocated General &amp; Common Expenses</b>				-		
-				-		
6			p323.197.b			
2	Total A&G			0	0	0
-				-		-
6			Company			
3	- Fixed PBOP expense		Records	0		



**Regulatory Expense Related to  
Transmission Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	Trans mission Related	Non-trans mission Related	Details
- Directly Assigned A&G	-			Transmission-related = all FERC dockets per p.350-351, excl. FERC annual charge. Includes allocated portion of regulatory costs for issuing debt.
- - -	-	-	0	
- - -	-	-	-	- - - - -
- - -	-	-	-	- - - - -

**Safety Related Advertising Cost  
Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Form 1 Amount	Safety Related	Non-safety Related	Details
- Directly Assigned A&G	-			
7 General Advertising Exp (Note p323.19				
8 - Account 930.1 - Safety (F) 1.b	-	0	-	-
- - -	-	-	-	- - - - -
- - -	-	-	-	- - - - -

**MultiState Workpaper**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	State 1	State 2	State 3	State 4	State 5	Details
<b>Income Tax Rates</b>	-					-
-	IL					
4						
2 SIT=State Income Tax Rate (Note	0.00					
9 - or Composite (I) -	%	-	-	-	-	-
- - -	-	-	-	-	-	- - - - -
- - -	-	-	-	-	-	- - - - -

**Education and Out Reach Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
- Directly Assigned A&G				-			
7	General Advertising Exp						
5	Account 930.1 - Edu. & Outreach	(Note K)	p323.19 1.b	-	0	-	

**Excluded Plant Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities			
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>				-				
4	Excluded Transmission Facilities	(Note M)		-	<b>General Description of the Facilities</b>			
9				-				
Instructions:				Enter \$				
Remove all investment in generator step up transformers included in transmission plant in service that are not a result of the RTEP Process				0	None			
				-				
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**Prepayments and Prepaid Pension Asset**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments
4		W&S		-
4	<b>Prepayments</b>	Alloca		
	Prepayments (Excluding Pre-	tor	-	
-	paid Pension assets)			FERC Form 1 -- p111.57.c
-		0.00%	-	-
	<b>Prepaid Pension Asset</b>		-	-
	Prepaid Pension Asset (not			
-	to be included in			
-	Prepayments)		-	Total is shown on FERC Form 1 -- p233.25.f
-	Less ADIT		-	-
8				-
2	- Net Prepaid Pension Asset		0.00%	-

**Outstanding Network Credits Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Outst andin g Netw ork Credi ts	Description of the Credits
-	<b>Network Credits</b>			Enter	-
5				\$	
3	Outstanding Network Credits	(Note N)		0	None
-				-	-
-				0	Total
-					Add more lines if necessary

**Adjustments to Transmission  
O&M**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total	Trans m O&M LSE Adju stme nt	Trans missi on Relat ed	Details
-				-			
5		p321.11					
6	Transmission O&M	2.b		0	0	0	To remove PJM LSE expenses in Accts. 561.4 and 561.8
-				-			
5		p321.96					
7	—Less Account 565	.b		0	0	0	
-				-	-	0	
-				-	-	-	

**Interest Expense Adjustment**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Long Term Inter est per Form 1	Amor tizati on relate d to Inter est Rate Swap s	Total Long Term Inter est	Details
-				-			
-				-			
9		p117.62					
9	Long Term Interest	-67.c		0	0	0	The amortization of Rate Swaps, if any, included in Long Term Debt FERC Acct 427.
-				-	-	-	
-				-	-	-	



**Interest on Outstanding  
Network Credits Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Interest on Network Credits	Description of the Interest on the Credits
<b>Revenue Credits &amp; Interest on Network Credits</b> 4 5 5 Interest on Network Credits (Note N) Company Records - - -	- 0 - - -	- None - - Add more lines if necessary

**Facility Credits under Section 30.9 of the PJM OATT**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Amount	Description & PJM Documentation
<b>Net Revenue Requirement</b> 4 Facility Credits under 7 Section 30.9 of the PJM 4 - OATT	- 0	- None

**PJM Load Cost Support**

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	1-CP Peak	Description & PJM Documentation
<b>Network Zonal Service Rate</b> 4 7 3 - 1-CP Peak (Note L) PJM Data	- -	- ComEd Zone NSPL per PJM data

[illegible]

**Attachment 6 – Estimate and Reconciliation Worksheet: RESERVED  
of Appendix A – Transmission Service Revenue Requirement – RMU**

Step Month Year Action

**Executive Summary**

1	April	Year 2	TO populates the formula with Year 1 data
2	April	Year 2	TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2
3	April	Year 2	TO adds weighted Cap Adds to plant in service in Formula (Appendix A, Line 17)
4	May	Year 2	Post results of Step 3 on PJM web site
5	June	Year 2	Results of Step 3 go into effect
6	April	Year 3	TO populates the formula with Year 2 data
7	April	Year 3	TO estimates all transmission Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3
8	April	Year 3	Reconciliation – TO calculates Reconciliation by removing from Year 2 data – the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 Cap Adds in Reconciliation (adjusted to include any Reconciliation amount from prior year).
9	April	Year 3	Reconciliation – TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
10	May	Year 3	Post results of Step 9 on PJM web site
11	June	Year 3	Results of Step 9 go into effect

## Reconciliation Details

4 April Year 2 TO populates the formula with Year 1 data

- -

Rev Req based on Year 1 data

Must run Appendix A to get this number (without any cap adds in Appendix A, line 17)

2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2

Time Weighted Amounts					
(D) = (A) * (C)/12					
(E) = (B) * (C)/12					
	(A) Other Projects PIS (Monthly change in balance)	(B) "Project Name" CWIP-EOY Balance and Increments	(C) Wei ghti ng	Other Projects PIS (Monthly change in balance)	"Project Name" CWIP EOY Balance and Increments
Dec Balanc ee		0	12		
Jan	0	-	11.5	-	
Feb	0	-	10.5	-	
Mar	0	-	9.5	-	
Apr	0	-	8.5	-	
May	0	-	7.5	-	
Jun	0	-	6.5	-	
Jul	0	-	5.5	-	
Aug	0	-	4.5	-	
Sep	0	-	3.5	-	

				-		
Oct	0	-	2.5	-		
Nov	0	-	1.5	-		
Dec	0	-	0.5	-		
Total	-	-	-	-		Total
				0.0000		Average Months [total column (D)/ total column (A)*12]
New Transmission Plant Additions for Year 2 (weighted by months in service)				-	-	Total Column D
CWIP (weighted monthly balances)				-	-	Total Column E
				-	-	

**To line 17 of  
Appendix A  
To line 43 of  
Appendix A**

3 April Year 2

4 May Year 2 Post results of Step 3 on PJM  
web site  
\$  
-

Must run Appendix A to get this number (with prospective weighted cap  
adds in Appendix A, line 17)

5 June Year 2 Results of Step 3 go into  
effect

6 April Year 3 TO populates the formula with  
Year 2 data

\$  
- Rev Req based  
on Prior Year  
data

Must run Appendix A to get this number (without any cap adds  
in Appendix A, line 17)

7 April Year 3 TO estimates all transmission Cap Adds during Year 3 weighted based on Months  
expected to be in service in Year 3

Time-Weighted Amounts					
(D) = (A) * (C)/12      (E) = (B) * (C)/12					
	(A) Other Projects PIS (Monthly change in balance)	(B) "Project Name" EOY Balance and Increments	(C) Wei ghti ng	(D) Other Projects PIS (Monthly change in balance)	(E) "Project Name" EOY Balance and Increments
Dec Balan ce		0	12		
Jan	0	-	11.5	-	
Feb	0	-	10.5	-	
Mar	0	-	9.5	-	
Apr	0	-	8.5	-	
of Appendix A - Transmission Service Revenue Requirement - RMU					
Jun	0	-	-1	-	
Jul	0	-	-2	-	
Aug	0	-	-3	-	
Sep	0	-	-4	-	
Oct	0	-	-5	-	
Nov	0	-	-6	-	
Dec	0	-	-7	-	
Total	-	-	-		Total
					Average Months [total column (D)/ total column (A)*12]
			0.0000		
New Transmission Plant Additions for				-	Total Column D
					To line 17 of



8 April Year 3 Reconciliation TO calculates Reconciliation by removing from Year 2 data the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 Cap Adds in Reconciliation (adjusted to include any Reconciliation amount from prior year).

Remove all Cap Adds placed in service in Year 2

For Reconciliation only remove actual New Transmission Plant Additions for Year 2

\$  
-

< Input to Summary page, Line 16)

Add weighted Cap Adds actually placed in service in Year 2

	(A)	(B)	(C)	Time Weighted Amounts (D) = (A) * (E) = (B) * (C)/12 (C)/12	
	Other Projects PIS (Monthly change in balance)	"Project Name" CWIP EOY Balance and Increments	Weighting	Other Projects PIS (Monthly change in balance)	"Project Name" CWIP EOY Balance and Increments
Dec Balance		0	12		-
Jan	0	-	11.5		-
Feb	0	-	10.5		-
Mar	0	-	9.5		-
Apr	0	-	8.5		-
May	0	-	7.5		-
Jun	0	-	6.5		-
Jul	0	-	5.5		-
Aug	0	-	4.5		-
Sep	0	-	3.5		-
Oct	0	-	2.5		-
Nov	0	-	1.5		-



Dec	0	-	0.5	_____	-
-----	---	---	-----	-------	---

Total	_____	-	_____	-
-------	-------	---	-------	---

Total  
Average Months [total column (D)/  
total column (A)\*12]

New Transmission Plant Additions for Year 2 (weighted by months in service)	_____	-
CWIP (weighted monthly balances)	-	-

Total	To line of Appendix
Column-D	A
Total	To line of Appendix
Column-E	A

_____	-	-Result of Formula for Reconciliation (Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 Cap Adds added in)	Must run Appendix A with cap adds in Appendix A, line 16 & line 17
-------	---	---	---

9 April Year 3 Reconciliation TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7  
(this difference is also added to Step 8 in the subsequent year)

**of Appendix A - Transmission Service Revenue Requirement - RMU**

The Reconciliation in Step 8

\$ _____	-
----------	---

The forecast in Prior  
Year

\$ _____	=
----------	---

12 months June 12 -  
May 13

\$ _____
----------

Interest on Amount of Refunds or  
Surcharges  
Interest 35.19a for March  
Current Yr

0.0000%

Month	Yr	1/12 of Step 8	Interest 35.19a for March Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	-	0.0000%	11.5	-	_____
Jul	Year 1	-	0.0000%	10.5	-	_____
Aug	Year 1	-	0.0000%	9.5	-	_____
Sep	Year 1	-	0.0000%	8.5	-	_____
Oct	Year 1	-	0.0000%	7.5	-	_____
Nov	Year		0.0000%	6.5		_____

	4	-		-	
	Year				
Dec	4	-	0.0000%	5.5	-
	Year				
Jan	2	-	0.0000%	4.5	-
	Year				
Feb	2	-	0.0000%	3.5	-
	Year				
Mar	2	-	0.0000%	2.5	-
	Year				
Apr	2	-	0.0000%	1.5	-
	Year				
May	2	-	0.0000%	0.5	-
Total		-			-

		-Balance	Interest	Amort	Balance
	Year				
Jun	2	-	0.0000%	-	-
	Year				
Jul	2	-	0.0000%	-	-
	Year				
Aug	2	-	0.0000%	-	-
	Year				
Sep	2	-	0.0000%	-	-
	Year				
Oct	2	-	0.0000%	-	-
	Year				
Nov	2	-	0.0000%	-	-
	Year				
Dec	2	-	0.0000%	-	-
	Year				
Jan	3	-	0.0000%	-	-
	Year				
Feb	3	-	0.0000%	-	-
	Year				
Mar	3	-	0.0000%	-	-
	Year				
Apr	3	-	0.0000%	-	-
	Year				
May	3	-	0.0000%	-	-
Total with interest				-	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest

Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8)

Revenue Requirement for

-

-\$

-

~~Year 3~~

-

~~4 M  
0 ay Year 3 Post results of Step 9 on PJM web site  
Post results of Step 3  
on PJM web site~~

~~4 Ju  
4 ne Year 3 Results of Step 9 go into  
effect  
\$\_\_\_\_\_~~

## Attachment 7 - Transmission Enhancement Charge Worksheet of Appendix A - Transmission Service Revenue Requirement - RMU

4	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>		For	
			mula	
			Line	
3	A	160	Net Plant Carrying Charge without Depreciation	0.0 000 %
4	B	167	Net Plant Carrying Charge with 100 Basis Point increase in ROE without Depreciation	0.0 000 %
5	C		Line B less Line A	0.0 000 %
6	<b>FCR if a CIAC</b>			
7	D	161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.0 000 %
8	<b>The FCR resulting from Formula in a given year is used for that year only.</b>			

9

Therefore actual revenues collected in a year  
do not change based on cost data for  
subsequent years

4

0

"Yes" if a  
project  
under PJM  
OATT  
Schedule  
12,

4

otherwise  
"No"

4

Useful life  
of the  
project

4

"Yes" if the  
customer  
has paid a  
lumpsum  
payment in  
the amount  
of the  
investment  
on line 29,

2

Otherwise  
"No"

4

Input the  
allowed  
increase in  
ROE

3

From line 3  
above if  
"No" on line  
13 and  
From line 7  
above if  
"Yes" on  
line 13

4

Line 15 +  
(Line 14 x Lin  
e 5)/100

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

4

FCR for  
This  
Project

Details	-	Project Name	Project Name	Project Name	Project Name	-	-	-
Schedule 12	(Yes or No)	No	-	-	-	-	-	-
Life		-	-	-	-	-	-	-
CIAC	(Yes or No)	No	-	-	-	-	-	-
Increased ROE (Basis Points)		0	-	0	-	0	-	-
11.5%		0.000	-	0.00	-	0.0	-	-
ROE		0%	-	00%	-	0%	-	-
FCR for This Project		0.000	-	0.00	-	0.0	-	-
FCR for This Project		0%	-	00%	-	0%	-	-

[illegible]







year the project is  
placed in service)

"Beginning" is the investment on line  
17 for the first year and is the

"Ending" for the prior year after the  
first year

"Depreciation" is the annual depreciation in line 18 divided by twelve times the  
difference of thirteen minus line 19 in the first year and line 18 thereafter if "no" on line  
13. "Depreciation" is "0" (zero) if "Yes" on line 13

"Ending" is

"Beginning"

less

"Depreciatio  
n"

Revenue is "Ending" times line 16 for the current year times the quotient  
line 19 divided by 13 plus "Depreciation" for the first year and "Ending"  
times line 16 plus "Depreciation" thereafter

**IP:**

Beginning is the  
line 17 for that year

Depreciation  
is not used

Ending is the same  
as Beginning  
Revenue is Ending times  
line 16 for the current  
year

**~~Attachment 8 - Securitization Workpaper~~**  
**~~of Appendix A - Transmission Service Revenue Requirement - RMU~~**

~~Line #~~

~~100~~      ~~Long-Term Interest~~  
~~— Less LTD Interest on Securitization Bonds~~      ~~0~~

~~112~~      ~~Capitalization~~  
~~— Less LTD on Securitization Bonds~~      ~~0~~

~~Calculation of the above Securitization~~  
~~Adjustments~~

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

## **Attachment 9 - Depreciation Rates**

### **of Appendix A - Transmission Service Revenue Requirement - RMU**

Plant Type	Applied Deprec. Rate (%)
<b>Transmission (1)</b>	
Account 350 Land Rights	0.00
Account 352 Structures and Equipment	3.00
Account 353 Station Equipment	3.50
Account 354 Towers and Fixtures	3.50
Account 355 Poles and Fixtures	3.50
Account 356 Overhead Conductors and Devices	3.50
Account 357 Underground Conduits	3.50
Account 358 Underground Conductors and Devices	3.50
Account 359 Roads and Trails	3.00
<b>General and Intangible Plant</b>	
Account 390: Structures and Improvement	2.00
Account 391.01: Office Furniture & Equipment: Office Machines	10.00
Account 391.02: Office Furniture & Equipment: Furniture/Equipment	10.00
Account 391.03: Office Furniture & Equipment: Computer Equipment	25.00
Account 392.00: Transportation Equipment - Passenger Cars	10.00
Account 392.01: Transportation Equipment - Tractor Trucks	10.00
Account 392.02: Transportation Equipment - Trailers	10.00
Account 392.05: Transportation Equipment - Trucks < 13,000 pounds	10.00
Account 392.06: Transportation Equipment - Trucks > 13,000 pounds	10.00
Account 393: Stores Equipment	10.00
Account 394: Tools, Shop, & Garage Equipment	10.00

Account 395: Laboratory Equipment	10.00
Account 396: Power Operated Equipment	12.00
Account 397: Communications Equipment	5.00
Account 397.01: Communications Equipment: Mesh Comm. Network Devices	5.00
Account 398: Miscellaneous Equipment	12.00
Account 303: Miscellaneous Intangible Plant	5.00

page 1 of 5

Attachment H-25B(1)

Formula Rate - Non-Levelized

NextEra Energy Transmission MidAtlantic, LLC

Note Z

Rate Formula Template

Utilizing FERC Form 1 Data

-  
For the 12 months ended 12/31/

Line No.	(1)	(2)	(3)	(4)	(5) Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 47)			\$ =
	REVENUE CREDITS	(Note O)	Total	Allocator	
2	Account No. 454	(page 4, line 29)	=	TP	=
3	Account No. 456.1	(page 4, line 33)	=	TP	=
4	Account No. 457.1 Scheduling Revenues from Grandfathered Interzonal	Attachment 5, line 39, col e	=	TP	=
5	Transactions	(Note N)	=	TP	=
6	Revenues from service provided by the ISO at a discount		=	TP	=
7	TOTAL REVENUE CREDITS	(Sum of Lines 2 through 6)	=		=
8	NET REVENUE REQUIREMENT	(line 1 minus line 7)			\$ =
9	True-up Adjustment with Interest	Attachment 3, line 4, Col. J	=	DA	1.00000 =
10	NET REVENUE REQUIREMENT	(line 8 plus line 9)			\$ =

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data NextEra Energy Transmission MidAtlantic, LLC		For the 12 months ended 12/31/	
Line No.	(1)	(2)	(3)	(4)	(5) <u>Transmission</u> (Col 3 times Col 4)
	<b>RATE BASE:</b>	<b>Source</b>	<b>Company</b>		
	GROSS PLANT IN SERVICE (Notes U and R)				
1	Production	205.46.g for end of year, records for other months		NA	
2	Transmission	Attachment 4, Line 14, Col. (b)		TP	
3	Distribution	207.75.g for end of year, records for other months		NA	
4	General & Intangible	Attachment 4, Line 14, Col. (c)		W/S	
5	Common	356.1 for end of year, records for other months		CE	
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)		GP=	
7	ACCUMULATED DEPRECIATION (Notes U and R)				
8	Production	219.20-24.c for end of year, records for other months		NA	
9	Transmission	Attachment 4, Line 14, Col. (h)		TP	
10	Distribution	219.26.c for end of year, records for other months		NA	
11	General & Intangible	Attachment 4, Line 14, Col. (i)		W/S	
12	Common	356.1 for end of year, records for other months		CE	
13	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)			
14	NET PLANT IN SERVICE				
15	Production	(line 1 minus line 8)			
16	Transmission	(Line 2 minus line 9)			
17	Distribution	(line 3 minus line 10)			
18	General & Intangible	(Line 4 minus line 11)			
19	Common	(line 5 minus line 12)			
20	TOTAL NET PLANT	(Sum of Lines 15 through 19)		NP=	
21	ADJUSTMENTS TO RATE BASE (Note R)				
22	Account No. 281 (enter negative)	Attach 4, Line 28, Col. (d)/Attach 4a, Line 54, Col. H (Notes B and X)		NA	zero
23	Account No. 282 (enter negative)	Attach 4, Line 28, Col. (e)/Attach 4a, Line 81, Col. H (Notes B and X)		NP	
24	Account No. 283 (enter negative)	Attach 4, Line 28, Col. (f)/Attach 4a, Line 108, Col. H (Notes B and X)		NP	
25	Account No. 190	Attach 4, Line 28, Col. (g)/Attach 4a, Line 27, Col. H (Notes B and X)		NP	
26	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Notes B and X)		NP	
26a	Unfunded Reserves (enter negative)	Attachment 4, Line 31, Col. (h) (Note Y)		DA	
27	CWIP	Attachment 4, Line 14, Col. (d)		DA	
28	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note T)		DA	
29	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note S)		DA	
30	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)			
31	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note C)		TP	
32	WORKING CAPITAL	(Note D)			
33	CWC	1/8*(Page 3, Line 14 minus Page 3, Line 11)			
34	Materials & Supplies	Attachment 4, Line 14, Col. (f) (Note C)		TP	
35	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)		GP	
36	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)			
37	RATE BASE	(Sum of Lines 20, 30, 31 & 36)			

Formula Rate - Non-Levelized		Rate Formula Template		For the 12 months ended 12/31/	
		Utilizing FERC Form 1 Data			
		NextEra Energy Transmission MidAtlantic, LLC			
Line No.	(1)	(2)	(3)	(4)	(5)
		Source	Company Total		Transmission (Col 3 times Col 4)
1	O&M				
2	Transmission	321.112.b Attach. 5, Line 13, Col. (a)		TP	
3	Less Account 566 (Misc Trans Expense)	321.97.b Attach. 5, Line 13, Col. (b)		TP	
4	Less Account 565	321.96.b Attach. 5, Line 13, Col. (c)		TP	
5	A&G	323.197.b Attach. 5, Line 13, Col. (d)		W/S	
6	Less FERC Annual Fees	Attach. 5, Line 13, Col. (e)		W/S	
7	Less EPRI & Reg. Comm. Exp. & Non-safety	(Note E) Attach. 5, Line 13, Col. (f)		W/S	
8	Less PBOP Expense in Year	Attachment 7, Line 8, Col. (g)		W/S	
9	Plus Transmission Related Reg. Comm. Exp.	(Note E) Attach. 5, Line 13, Col. (g)		TP	
10	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (g)		W/S	
11	Common	356.1		CE	
12	Transmission Lease Payments	Attach. 5, Line 13, Col (h)		DA	
13	Account 566				
14	Amortization of Regulatory Asset	(Note T) Attach. 5, Line 13, Col. (i)		DA	
15	Miscellaneous Transmission Expense (less	Attach. 5, Line 13, Col. (j)		TP	
16	Total Account 566	(Line 11 plus Line 12) Ties to 321.97.b			
17	TOTAL O&M	(Sum of Lines 1, 4, 7, 7a, 8, 9, 13 less Lines 2, 3, 5, 6, 6a)			
18	DEPRECIATION EXPENSE (Note U)				
19	Transmission	336.7.b, d & e Attach. 5, Line 13, Col. (k)		TP	
20	General & Intangible	336.10.b, d & e, 336.1.b, d & e Attach. 5, Line 26, Col. (a)		W/S	
21	Common	336.11.b, d & e		CE	
22	Amortization of Abandoned Plant	(Note S) Attach. 5, Line 26, Col. (b)		DA	
23	TOTAL DEPRECIATION	(Sum of Lines 16 through 19)			
24	TAXES OTHER THAN INCOME TAXES	(Note F)			
25	LABOR RELATED				
26	Payroll	263.i Attach. 5, Line 26, Col. (c)		W/S	
27	Highway and vehicle	263.i Attach. 5, Line 26, Col. (d)		W/S	
28	PLANT RELATED				
29	Property	263.i Attach. 5, Line 26, Col. (e)		GP	
30	Gross Receipts	263.i Attach. 5, Line 26, Col. (f)		NA	zero
31	Other	263.i Attach. 5, Line 26, Col. (g)		GP	
32	Payments in lieu of taxes	263.i Attach. 5, Line 26, Col. (h)		GP	
33	TOTAL OTHER TAXES	(Sum of Lines 23 through 29)			
34	INCOME TAXES	(Note G)			
35	T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT)	WCLTD = Page 4, Line 20	-		
36	CIT=(T/1-T) * (1-(WCLTD/R)) =	R = Page 4, Line 23	-		
37	FIT & SIT & P	(Note G)			
38	1 / (1 - T) = (T from line 32)				
39	Amortized Investment Tax Credit	266.8f (enter negative) Attach. 5, Line 26, Col. (i)			
40	Excess Deferred Income Taxes	(enter negative) Attach. 5, Line 26, Col. (j)			
41	Tax Effect of Permanent Differences	Attach. 5, Line 26, Col. (k) (Note W)			
42	Income Tax Calculation	(Line 33 times Line 46)		NA	
43	ITC adjustment	(Line 36 times Line 37)		NP	
44	Excess Deferred Income Tax Adjustment	(Line 36 times Line 38)		NP	
45	Permanent Differences Tax Adjustment	(Line 36 times Line 39)		NP	
46	Total Income Taxes	(Sum of Lines 40 through 43)			
47	RETURN				
48	Rate Base times Return	(Page 2, Line 37 times Page 4, Line 23)		NA	
49	REV. REQUIREMENT	(Sum of Lines 14, 20, 30, 44 & 46)			

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data NextEra Energy Transmission MidAtlantic, LLC		For the 12 months ended 12/31/	
(1)	(2)	(3)	(4)	(5)	
SUPPORTING CALCULATIONS AND NOTES					
Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES				
1	Total Transmission plant	(Page 2, Line 2, Column 3)			
2	Less Transmission plant excluded from ISO rates	(Note H)			
3	Less Transmission plant included in OATT Ancillary Services	(Note I)			
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)			
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)		TP=	
6	WAGES & SALARY ALLOCATOR (W&S)				
	Form 1 Reference	\$	TP	Allocation	
7	Production	354.20.b	-		
8	Transmission	354.21.b	-		
9	Distribution	354.23.b	-		
10	Other	354.24,25,26.b	-		
11	Total (W& S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)			WS
12	COMMON PLANT ALLOCATOR (CE) (Note J and X)				
13	Electric	200.3.c		% Electric (line 13 / line 16)	W&S Allocator (line 11)
14	Gas	201.3.d			CE
15	Water	201.3.e			
16	Total	(Sum of Lines 13 through 15)			
17	RETURN (R)	(Note V)			
18				\$	
19			\$ %	Cost (Notes K, Q, & R)	Weighted
20	Long Term Debt	(Attachment 5, line 48 Notes Q & R)	-		=WCLTD
21	Preferred Stock (112.3.c)	(Attachment 5, line 49 Notes Q & R)	-		
22	Common Stock	(Attachment 5, line 50 Notes K, Q & R)	-	11.00%	
23	Total	(Attachment 5, line 51)			=R
24	REVENUE CREDITS				
25	ACCOUNT 447 (SALES FOR RESALE) (Note L)	310 -311			
26	a. Bundled Non-RQ Sales for Resale	311.x.h			
27	b. Bundled Sales for Resale	Attach 5, line 39, col (a)			
28	Total of (a)-(b)				
29	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	(Note M) Attach 5, line 39, col (b)			
30	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	330.x.n			
31	a. Transmission charges for all transmission transactions	Attach 5, line 39, col (c)			
32	b. Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.	Attach 5, line 39, col (d)			
33	Total of (a)-(b)				

For the 12 months ended  
12/31/

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
NextEra Energy Transmission MidAtlantic, 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	<u>Reserved</u>
B	<u>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. Account 281 is not allocated.</u>
C	<u>Identified in Form 1 as being only transmission related.</u>
D	<u>Cash Working Capital assigned to transmission is one-eighth of O&amp;M allocated to transmission at page 3, line 14, column 5 minus amortization of Regulatory Asset at page 3, line 11, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.</u>
E	<u>Page 3, Line 6 - 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 found at 323.191.b. Page 3, Line 7- Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.</u>
F	<u>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.</u>
G	<u>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". 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 36). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).</u> <u>Inputs Required:</u> <u>FIT =</u> <u>SIT =</u> <u>p =</u>
	<div style="background-color: yellow; width: 150px; height: 40px; margin: 5px 0;"></div> <div style="display: flex; justify-content: space-between; margin: 0 10px;"> <span>(State Income Tax Rate or Composite SIT)</span> <span>(percent of federal income tax deductible for state purposes)</span> </div>
H	<u>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).</u>
I	<u>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.</u>
J	<u>Enter dollar amounts</u>
K	<u>ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.</u>
L	<u>Page 4, Line 28 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1.</u>
M	<u>Includes income related only to transmission facilities, such as pole attachments, rentals and special use.</u>
N	<u>Company will not have any grandfathered agreements. Therefore, this line shall remain zero.</u>
O	<u>The revenues credited on page 1 lines 2-6 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. Revenue Credits 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) the costs of which are not recovered under this Rate Formula Template.</u>
P	<u>Reserved</u>
Q	<u>Prior to obtaining any debt, the cost of debt will be LIBOR plus 1.5%. Once any debt is obtained, the formula will use the actual cost of debt determined in Attachment 5. The capital structure will be 60% equity and 40% debt until NextEra Energy Transmission MidAtlantic, LLC's first transmission project enters service, after which the capital structure will be the actual capital structure. LIBOR refers to the London Inter Bank Offer Rate from the Federal Reserve Bank of St. Louis's <a href="https://fred.stlouisfed.org/">https://fred.stlouisfed.org/</a>.</u>
R	<u>Calculate using 13 month average balance, except ADIT.</u>
S	<u>Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must receive FERC authorization before recovering the cost of abandoned plant.</u>
T	<u>Recovery of Regulatory Asset is permitted only for pre-commercial expenses incurred prior to the date when NEET MidAtlantic may first recover costs under the PJM Tariff, as authorized by the Commission. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.</u>
U	<u>Excludes Asset Retirement Obligation balances</u>
V	<u>Company shall be allowed recovery of costs related to interest rate locks. Absent a Section 205 filing, Company shall not include in the Formula Rate, the gains, losses, or costs related to other hedges.</u>
W	<u>The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference</u>
X	<u>Calculated on Attachment 4 for the true up and on Attachment 4a for the projection</u>
Y	<u>Unfunded Reserves are customer contributed capital such as when employee vacation expense is accrued but not yet incurred. Also, pursuant to Special Instructions to Accounts 228.1 through 228.4, no amounts shall be credited to accounts 228.1 through 228.4 unless authorized by a regulatory authority or authorities to be collected in a utility's rates.</u>
Z	<u>This Formula Rate Template, including Attachments, is to be used by any NEET PJM Entity, which includes NEET MidAtlantic, LLC, and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff. Each subsequent NEET PJM Entity shall use a replication of H-25B(1) designated as a subsequent version (e.g., H-25B(2), etc.), in this Attachment H-25.</u>



To be completed in conjunction with Attachment H.

Line No.	(1)	(2) <u>Attachment H</u> <u>Page, Line, Col.</u>	(3) <u>Transmission</u>	(4) <u>Allocator</u>
<u>1</u>	Gross Transmission Plant - Total	<u>Attach H, p 2, line 2 col 5 (Note A)</u>	-	=
<u>2</u>	Net Transmission Plant - Total	<u>Attach H, p 2, line 16 col 5 plus line 27 &amp; 29 col 5 (Note B)</u>	-	-
	<u>O&amp;M EXPENSE</u>			
<u>3</u>	Total O&M Allocated to Transmission	<u>Attach H, p 3, line 14 col 5</u>	-	=
<u>4</u>	Annual Allocation Factor for O&M	<u>(line 3 divided by line 1 col 3)</u>	=	-
	<u>GENERAL, INTANGIBLE AND COMMON (G&amp;C) DEPRECIATION EXPENSE</u>			
<u>5</u>	Total G, I & C Depreciation Expense	<u>Attach H, p 3, lines 17 &amp; 18, col 5 (Note H)</u>	=	=
<u>6</u>	Annual Allocation Factor for G, I & C Depreciation Expense	<u>(line 5 divided by line 1 col 3)</u>	-	=
	<u>TAXES OTHER THAN INCOME TAXES</u>			
<u>7</u>	Total Other Taxes	<u>Attach H, p 3, line 30 col 5</u>	=	=
<u>8</u>	Annual Allocation Factor for Other Taxes	<u>(line 7 divided by line 1 col 3)</u>	=	
<u>9</u>	Less Revenue Credits	<u>Attach H, p 1, line 7 col 5</u>	-	-
<u>10</u>	Annual Allocation Factor Revenue Credits	<u>(line 9 divided by line 1 col 3)</u>	-	=
<u>11</u>	<u>Annual Allocation Factor for Expense</u>	<u>Sum of line 4, 6, 8, and 10</u>	=	=
	<u>INCOME TAXES</u>			
<u>12</u>	Total Income Taxes	<u>Attach H, p 3, line 44 col 5</u>	=	=
<u>13</u>	Annual Allocation Factor for Income Taxes	<u>(line 12 divided by line 2 col 3)</u>	=	-
	<u>RETURN</u>			
<u>14</u>	Return on Rate Base	<u>Attach H, p 3, line 46 col 5</u>	=	=
<u>15</u>	Annual Allocation Factor for Return on Rate Base	<u>(line 14 divided by line 2 col 3)</u>	=	=
<u>16</u>	<u>Annual Allocation Factor for Return</u>	<u>Sum of line 13 and 15</u>	-	=

**Attachment 1**  
Project Revenue Requirement Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(12a)	(13)	(14)	(15)	(16)
Line No.	Project Name	RTO Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant or CWIP Balance	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation/Amortization Expense	Annual Revenue Requirement	Incentive Return in basis Points	Incentive Return	Ceiling Rate	Competitive Bid Concession	Total Annual Revenue Requirement	True-Up Adjustment	Net Rev Req
			(Note C)	(Page 1 line 11)	(Col. 3 * Col. 4)	(Notes D & I)	(Page 1 line 16)	(Col. 6 * Col. 7)	(Notes E & I)	(Sum Col. 5, 8 & 9)	(Note K)	(Attachment 2, Line 28 /100 * Col. 11)	(Sum Col. 10 & 12)	(Note J)	(Sum Col. 10 & 12 Less Col. 13)	(Note F)	Sum Col. 14 & 15 (Note G)
- 15a	Example PIS	-	\$		-	\$		-		-	-	-	-		-		-
15b	-	-	\$			\$											
15c	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
-	-	-	\$			\$											
16	Annual Totals												=				=

Note Letter

- A
- Gross Transmission Plant is that identified on page 2 line 2 of Attachment H
- B
- Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C
- Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities. Gross plant does not include Unamortized Abandoned Plant.
- D
- Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.
- E
- Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 16. Project Depreciation Expense includes the amortization of Abandoned Plant
- F
- True-Up Adjustment is calculated on the Project True-up Schedule for the Rate Year
- G
- The Net Rev Req is the value to be used in the rate calculation under the applicable Schedule under the PJM OATT for each project.
- H
- The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.
- I
- The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is included in Depreciation/Amortization Expense.
- J
- The Competitive Bid Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate
- K
- Requires approval by FERC of incentive return applicable to the specified project(s)
- M
- All facilities other than those being recovered under Schedules 7, 8, 9 are to be included in Attachment 1.
- N
- Facilities that provide Wholesale Distribution Service are not to be listed as projects on lines 15, the revenue requirements associated with these facilities are calculated on Attachment 11
- O
- When an updated projected net revenue requirement is posted due to an asset acquisition as provided for in the Protocols, the difference between the updated net revenue requirement in Col (16) and the revenues collected to date will be recovered over the remaining months of the Rate Year.

Page 1 of 1

## 1.5

Notes:

For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.37 on Attachment 1 column 12.

B The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference

NextEra Energy Transmission MidAtlantic, LLC

[illegible]

#### 4      Total Annual Revenue Requirements (Note A)

Monthly Interest Rate

Interest Income (Expense)

Notes:

1) From Attachment 1, line 15, col. 14 for the projection for the Rate Year.

2) From Attachment 1, line 15, col. 14 for that project based on the actual costs for the Rate Year.

3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues. Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C. Column D, lines 3 are sourced from the projected revenue requirement for the year at issue.

4) Interest from Attachment 6.

5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

**Prior Period Adjustment**

(a)	(b)	(c)	(d)
<u>Prior Period</u>	<u>Amount</u>	<u>Interest</u>	<u>Total</u>
<u>(Note B)</u>	<u>In Dollars</u>	<u>Note B</u>	<u>Col. (b) + Col. (c)</u>

5				
Notes:	A	<p>For each project or Attachment H, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment H and any Projects paid by the RTO to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6. Column (I) adds the interest on the sum of Col.(G) and (H). Col. (J) is the sum of Col. (G), (H), and (I).</p>		

B Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.

**Attachment 4**

Page 1 of 2

Rate Base Worksheet

NextEra Energy Transmission MidAtlantic, LLC

Line No	Month	Gross Plant In Service General & Intangible		CWIP	Held for Future Use	LHFFU	Working Capital	Accumulated Depreciation	
		Transmission		Base		Materials & Supplies	Prepayments	Transmission	General & Intangible
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Attachment H, Page 2, Line No:	2	4	27	31	34	35	9	11
		207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	(Note C)	214.x.d for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year			=	=				
2	January			=	=				
3	February			=	=				
4	March			=	=				
5	April			=	=				
6	May			=	=				
7	June			=	=				
8	July			=	=				
9	August			=	=				
10	September			=	=				
11	October			=	=				
12	November			=	=				
13	December			=	=				
14	Average of the 13 Monthly Balances			=	=				

Line No	Month	Adjustments to Rate Base						
		Unamortized Regulatory Asset	Unamortized Abandoned Plant	Account No. 281 Accumulated Deferred Income Taxes (Note D)	Account No. 282 Accumulated Deferred Income Taxes (Note D)	Account No. 283 Accumulated Deferred Income Taxes (Note D)	Account No. 190 Accumulated Deferred Income Taxes (Note D)	Account No. 255 Accumulated Deferred Investment Credit
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Attachment H, Page 2, Line No:	28	29	22	23	24	25	26
		Notes A & E	Notes B & F	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December Prior Year							
16	January			-	-	-	-	
17	February			-	-	-	-	
18	March			-	-	-	-	
19	April			-	-	-	-	
20	May			-	-	-	-	
21	June			-	-	-	-	
22	July			-	-	-	-	
23	August			-	-	-	-	
24	September			-	-	-	-	
25	October			-	-	-	-	
26	November			-	-	-	-	
27	December			-	-	-	-	
28	Average of the 13 Monthly Balances			=	=			

**Attachment 4**

Page 2 of 2

**Rate Base Worksheet**

NextEra Energy Transmission MidAtlantic, LLC

Unfunded Reserves (Notes G & H)

(a) (b) (c) (d) (e) (f) (g) (h)

			Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter (0) if O if the accrual account is NOT included in the formula rate	Enter the percentage paid for by the transmission formula customers	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
29	List of all reserves:	Amount					
30a	Reserve 1	=	=	-	-	-	=
30b	Reserve 2	=	=	-	-	-	=
30c	Reserve 3	-	-	-	-	-	
30d	Reserve 4	-	-	-	-	-	
30e	...	-	-	-	-	-	
30f	...	=	=	-	-	-	=
31	Total	=					=

Notes:

- A** Recovery of regulatory asset is limited to any regulatory assets authorized by FERC.
- B** Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- C** Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 6 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in ratebase.
- D** ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.
- E** Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- F** Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.
- G** The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- H** Calculate using 13 month average balance, except ADIT.

NextEra Energy Transmission MidAtlantic, LLC  
Attachment 4a - Accumulated Deferred Income Taxes

**Year Ended December 31, 2016**

Rate Year =

**1 Account 190**

<b>2 Days in Period</b>					<b>Averaging with Proration - Projected</b>		
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	31	-	-	-	-	-	-
April	30	-	-	-	-	-	-
May	31	-	-	-	-	-	-
June	30	-	-	-	-	-	-
July	31	-	-	-	-	-	-
August	31	-	-	-	-	-	-
September	30	-	-	-	-	-	-
October	31	-	-	-	-	-	-
November	30	-	-	-	-	-	-
December	31	-	-	-	-	-	-
-	Total	-	-	-	-	-	-
Beginning Balance					234.8.b		-
Less non Prorated Items					(Line 19 less line 21)		-
Beginning Balance of Prorated items					(Line 5, Col H)		-
Ending Balance					234.8.c		-
Less non Prorated Items					(Line 22 less line 24)		-
Ending Balance of Prorated items					(Line 17, Col H)		-
Average Balance					((Lines 21 + 24) / 2) + ((Lines 20 + 23) / 2)		-
Less FASB 106 & 109 Items					Attachment H, Footnote B		-
Amount for Attachment 4					(Line 25 less line 26)		-

**28 Account 281**

<b>29 Days in Period</b>					<b>Averaging with Proration - Projected</b>		
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	31	-	-	-	-	-	-
April	30	-	-	-	-	-	-
May	31	-	-	-	-	-	-
June	30	-	-	-	-	-	-
July	31	-	-	-	-	-	-

40	August	31	-	-	-	-	-	-
41	September	30	-	-	-	-	-	-
42	October	31	-	-	-	-	-	-
43	November	30	-	-	-	-	-	-
44	December	31	-	-	-	-	-	-
45	-	Total	-	-	-	-	-	-

46	Beginning Balance	274.b	-
47	Less non Prorated Items	(Line 46 less line 48)	-
48	Beginning Balance of Prorated items	(Line 32, Col H)	-
49	Ending Balance	275.k	-
50	Less non Prorated Items	(Line 49 less line 51)	-
51	Ending Balance of Prorated items	(Line 44, Col H)	-
52	Average Balance	((Lines 48 + 51)/2)+((Lines 47 +50)/2)	-
53	Less FASB 106 & 109 Items	Attachment H, Footnote B	-
54	Amount for Attachment 4	(Line 52 less line 53)	-

55 **Account 282**

56	Days in Period					Averaging with Proration - Projected		
	A	B	C	D	E	F	G	H
	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)

58								
59	December 31st balance Prorated Items							-
60	January	31	-	-	-	-	-	-
61	February	-	-	-	-	-	-	-
62	March	31	-	-	-	-	-	-
63	April	30	-	-	-	-	-	-
64	May	31	-	-	-	-	-	-
65	June	30	-	-	-	-	-	-
66	July	31	-	-	-	-	-	-
67	August	31	-	-	-	-	-	-
68	September	30	-	-	-	-	-	-
69	October	31	-	-	-	-	-	-
70	November	30	-	-	-	-	-	-
71	December	31	-	-	-	-	-	-
72	-	Total	-	-	-	-	-	-

73	Beginning Balance	274.b	-
74	Less non Prorated Items	(Line 73 less line 75)	-
75	Beginning Balance of Prorated items	(Line 59, Col H)	-
76	Ending Balance	275.k	-
77	Less non Prorated Items	(Line 76 less line 78)	-
78	Ending Balance of Prorated items	(Line 71, Col H)	-
79	Average Balance	((Lines 75 + 78)/2)+((Lines 74 +77)/2)	-
80	Less FASB 106 & 109 Items	Attachment H, Footnote B	-
81	Amount for Attachment 4	(Line 79 less line 80)	-



82 **Account 283**

83	<u>Days in Period</u>					<u>Averaging with Proration - Projected</u>		
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
	<u>Month</u>	<u>Days in the Month</u>	<u>Number of Days Prorated</u>	<u>Total Days in Future Portion of Test Period</u>	<u>Proration Amount (C / D)</u>	<u>Projected Monthly Activity</u>	<u>Prorated Projected Monthly Activity (E x F)</u>	<u>Prorated Projected Balance (Cumulative Sum of G)</u>
84								
85								
86	December 31st balance Prorated Items							-
87	January	31	-	-	-	-	-	-
88	February	-	-	-	-	-	-	-
89	March	31	-	-	-	-	-	-
90	April	30	-	-	-	-	-	-
91	May	31	-	-	-	-	-	-
92	June	30	-	-	-	-	-	-
93	July	31	-	-	-	-	-	-
94	August	31	-	-	-	-	-	-
95	September	30	-	-	-	-	-	-
96	October	31	-	-	-	-	-	-
97	November	30	-	-	-	-	-	-
98	December	31	-	-	-	-	-	-
99	-	Total	-	-	-	-	-	-
100	Beginning Balance					276.b		-
101	Less non Prorated Items					(Line 100 less line 102)		-
102	Beginning Balance of Prorated items					(Line 86, Col H)		-
103	Ending Balance					277.k		-
104	Less non Prorated Items					(Line 103 less line 105)		-
105	Ending Balance of Prorated items					(Line 98, Col H)		-
106	Average Balance					((Lines 102 + 105) / 2) + ((Lines 101 + 104) / 2)		-
107	Less FASB 106 & 109 Items					Attachment H, Footnote B		-
108	Amount for Attachment 4					(Line 106 less line 107)		-

Attachment 5

Page 1 of 2

Attachment H, Pages 3 and 4, Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

<u>Line No.</u>	<u>Month</u>	<u>Transmission O&amp;M Expenses</u>	<u>Account No. 566 (Misc. Trans. Expense)</u>	<u>Account No. 565</u>	<u>A&amp;G Expenses</u>	<u>FERC Annual Fees</u>	<u>EPRI &amp; Reg. Comm. Exp. &amp; Non-safety Ad.</u>	<u>Transmission Related Reg. Comm. Exp.</u>	<u>Transmission Lease Payments</u>	<u>Amortization of Regulatory Asset</u>	<u>Miscellaneous Transmission Expense (less amortization of regulatory asset)</u>	<u>Depreciation Expense - Transmission</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<u>Attachment H, Page 3, Line No.:</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>9</u> <u>Portion of Transmission O&amp;M</u>	<u>11</u> <u>Portion of Account 566</u>	<u>12</u> <u>Balance of Account 566</u>	<u>16</u> <u>336.7.b, d &amp; e</u>
	<u>Form No. 1</u>	<u>321.112.b</u>	<u>321.97.b</u>	<u>321.96.b</u>	<u>323.197.b</u>	<u>(Note E)</u>	<u>(Note E)</u>	<u>(Note E)</u>				
1	January				-						-	
2	February				-						-	
3	March				-						-	
4	April				-						-	
5	May				-						-	
6	June				-						-	
7	July				-						-	
8	August				-						-	
9	September				-						-	
10	October				-						-	
11	November				-						-	
12	December				-						-	
13	Total		\$	\$	\$ -	\$	\$	\$	\$	\$	\$ -	\$
		<u>Depreciation Expense - General &amp; Intangible</u>	<u>Amortization of Abandoned Plant</u>	<u>Payroll Taxes</u>	<u>Highway &amp; Vehicle Taxes</u>	<u>Property Taxes</u>	<u>Gross Receipts Taxes</u>	<u>Other Taxes</u>	<u>Payments in lieu of Taxes</u>	<u>Amortized Investment Tax Credit (266.8f)</u>	<u>Excess Deferred Income Taxes</u>	<u>Tax Effect of Permanent Differences</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<u>Attachment H, Page 3, Line Number</u>	<u>17</u>	<u>19</u>	<u>23</u>	<u>24</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>37</u>	<u>38</u>	<u>39</u>
	<u>Form No. 1</u>	<u>336.10.b, d &amp; e, 336.1.b, d &amp; e</u>	<u>(Note S)</u>	<u>263.i</u>	<u>263.i</u>	<u>263.i</u>	<u>263.i</u>	<u>263.i</u>	<u>263.i</u>	<u>266.8.f</u>	<u>(Note G)</u>	<u>(Note W)</u>
14	January				-						-	
15	February				-						-	
16	March				-						-	
17	April				-						-	
18	May				-						-	
19	June				-						-	
20	July				-						-	
21	August				-						-	
22	September				-						-	
23	October				-						-	
24	November				-						-	
25	December				-						-	
26	Total	\$	\$	\$	\$ -	\$ -	\$	\$	\$	\$	\$ -	\$

**Attachment 5**  
Attachment H, Pages 3 and 4, Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

	<u>Bundled Sales for Resale included on page 4 of Attachment H</u> (a)	<u>ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)</u> (b)	<u>Transmission charges for all transmission transactions</u> (c)	<u>Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.</u> (d)	<u>Account No. 457.1 Scheduling</u> (e)
Attachment H, Page 4, Line No:	27	29	31	32	Attach H, p 1 line 4

	(Note L)	(Note M)	Portion of Account 456.1	Portion of Account 456.1	
27	January		-	-	-
28	February		-	-	-
29	March		-	-	-
30	April		-	-	-
31	May		-	-	-
32	June		-	-	-
33	July		-	-	-
34	August		-	-	-
35	September		-	-	-
36	October		-	-	-
37	November		-	-	-
38	December		-	-	-
39	Total	\$	\$	\$ -	\$ -

40  
41 RETURN (R)  
Notes K, Q & R from Attachment H

42	Long Term Interest (117, sum of 62.c through 67.c, Note A)	\$
43	Preferred Dividends (118.29c) (positive number)	-
44	Proprietary Capital (112.16.c)	-
45	Less Preferred Stock (line 49)	-
46	Less Account 216.1(112.12.c (enter negative)	-
47	Common Stock (sum lines 41-43)	-

			\$	\$	Cost	Weighted	
48	Long Term Debt	Note A	-	-	-	-	=WCLTD
49	Preferred Stock (112.3.c)	Note B	-	-	-	-	
50	Common Stock	Note C	-	-	11.00%	-	
51	Total	Sum of Lines 48-50	-	-		-	=R

Note:

- A Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The cost is calculated by dividing line 42 by the Long Term Debt balance in line 48.
- B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c & d in the Form No. 1
- C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 3.c & d, 12.c & d, and 16.c & d in the Form No. 1 as shown on lines 41-44 above. ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.

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### True-Up Interest Rates

NextEra Energy Transmission MidAtlantic, LLC

		[A]	[B]	[C]	[D]
		FERC Quarterly Interest Rate	Short Term Debt Rate	Rate for Surcharges (Note A (3))	Rate for Refunds (column A)
1	<u>Quarter (Note A)</u>				
	<u>1st Qtr</u>	-	-	-	
2	<u>2nd Qtr</u>	-	-	-	
3	<u>3rd Qtr</u>	-	-	-	
4	<u>4th Qtr</u>	-	-	-	
5	<u>1st Qtr</u>	-	-	-	
6	<u>2nd Qtr</u>	-	-	-	
7	<u>3rd Qtr</u>	-	-	-	
		-	-	-	
8	<u>Average of lines 1-7 above</u>			-	

Note A:

- (1) The FERC Quarterly Interest Rate in column [A] is the interest applicable to the quarter indicated.
- (2) The Short Term Debt Rate in column [B] is the weighted average Short Term Debt cost applicable to the quarter indicated.
- (3) The Rate for Surcharges is the lesser of Column A or B if short term debt is issued in the quarter and Column A if there is no short term debt issued in a quarter.

[illegible]

Note B

Interest is calculated by taking the interest rate in line 8 and applying it monthly to the balances in Column C-N (i.e., for January 12/12\* Column O, February 11/12\* Column O, etc.) plus the interest rate in line 8 times 1.5 times the sum of the balances for January through December.

PBOPs  
NextEra Energy Transmission MidAtlantic, LLC

Calculation of PBOP Expenses

	(a)	(b)
		NextEra
1		
2	Total PBOP expenses (Note A)	\$0.00
3	Labor dollars (total labor under PBOP Plan, Note A)	\$0.00
4	Cost per labor dollar (line2 / line3)	
5	labor expensed (labor not capitalized) in current year, 354.28.b.	
6	PBOP Expense for current year (line 4 * line 5)	
7	Lines 2-3 cannot change absent approval or acceptance by FERC in a separate proceeding.	
8	PBOP amount included in Company's O&M and A&G expenses included in FERC Account Nos. 500-935	

Note

Letter

A The source of the amounts from the Actuary Study supporting the numbers in Line 2 and 3 is -

**Attachment 8**  
**Depreciation Rates**  
**NextEra Energy Transmission MidAtlantic, LLC**

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<u>Line</u>	<u>Account Number</u>	<u>FERC Account</u>	<u>Rate (Annual)Percent</u>
	<b><u>TRANSMISSION PLANT</u></b>		
<u>1</u>	<u>350.1</u>	<u>Fee Land</u>	<u>0.00</u>
<u>2</u>	<u>350.2</u>	<u>Land Rights</u>	<u>1.33</u>
<u>2</u>	<u>352</u>	<u>Structures and Improvements</u>	<u>3.36</u>
<u>3</u>	<u>353</u>	<u>Station Equipment</u>	<u>2.92</u>
<u>4</u>	<u>354</u>	<u>Towers and Fixtures</u>	<u>0.00</u>
<u>5</u>	<u>355</u>	<u>Poles and Fixtures</u>	<u>2.05</u>
<u>6</u>	<u>356</u>	<u>Overhead Conductor and Devices</u>	<u>3.10</u>
<u>7</u>	<u>357</u>	<u>Underground Conduit</u>	<u>0.00</u>
<u>8</u>	<u>358</u>	<u>Underground Conductor and Devices</u>	<u>0.00</u>
<u>9</u>	<u>359</u>	<u>Roads and Trails</u>	<u>0.00</u>
	<b><u>GENERAL PLANT</u></b>		
<u>10</u>	<u>390</u>	<u>Structures &amp; Improvements</u>	<u>0.00</u>
<u>11</u>	<u>391</u>	<u>Office Furniture &amp; Equipment</u>	<u>5.25</u>
<u>12</u>	<u>392</u>	<u>Transportation Equipment</u>	<u>0.00</u>
<u>13</u>	<u>393</u>	<u>Stores Equipment</u>	<u>0.00</u>
<u>14</u>	<u>394</u>	<u>Tools, Shop &amp; Garage Equipment</u>	<u>0.00</u>
<u>15</u>	<u>395</u>	<u>Laboratory Equipment</u>	<u>0.00</u>
<u>16</u>	<u>397</u>	<u>Communication Equipment</u>	<u>25.00</u>
<u>17</u>	<u>398</u>	<u>Miscellaneous Equipment</u>	<u>2.50</u>
	<b><u>INTANGIBLE PLANT</u></b>		
<u>18</u>	<u>301</u>	<u>Organization</u>	<u>1.85</u>
<u>19</u>	<u>302</u>	<u>Intangible</u>	<u>1.85</u>
<u>20</u>	<u>303</u>	<u>Miscellaneous Intangible Plant</u>	
<u>21</u>		<u>5 Year Property</u>	<u>20.00</u>
<u>22</u>		<u>7 Year Property</u>	<u>14.29</u>
<u>23</u>		<u>10 Year Property</u>	<u>10.00</u>
<u>24</u>		<u>Transmission facility Contributions in Aid of Construction</u>	<u>Note 1</u>

Note 1: In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying transmission plant booked to the accounts shown in lines 1-9 above and the weighted average depreciation rate will be used to amortize the CIAC. The life of a facility subject to a CIAC will be equivalent to the depreciation rate calculated above, i.e., 100% ÷ depreciation rate = life in years. The estimated life of the facility or rights associated with the facility will not change over the life of a CIAC without prior FERC approval.

These depreciation rates will not change absent the appropriate filing at FERC.

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**List of Transmission Owners**

Allegheny Electric Cooperative, Inc.  
American Transmission Systems, Incorporated  
Atlantic City Electric Company  
Baltimore Gas and Electric Company  
NAEA Rock Springs, LLC  
Delmarva Power & Light Company  
Duke Energy Ohio, Inc.  
Duke Energy Kentucky, Inc.  
East Kentucky Power Cooperative, Inc.  
Hudson Transmission Partners, LLC  
ITC Interconnection LLC  
Jersey Central Power & Light Company  
Mid-Atlantic Interstate Transmission, LLC  
Neptune Regional Transmission System, LLC  
NextEra Energy Transmission MidAtlantic, LLC  
Old Dominion Electric Cooperative  
PECO Energy Company  
Pennsylvania Power & Light Company  
Potomac Electric Power Company  
Public Service Electric and Gas Company  
Rockland Electric Company  
Trans-Allegheny Interstate Line Company  
UGI Utilities, Inc.  
Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, all doing business as Allegheny Power  
Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc.  
The Dayton Power and Light Company  
AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company)  
Duquesne Light Company  
Virginia Electric and Power Company  
Linden VFT, LLC  
City of Cleveland, Department of Public Utilities, Division of Cleveland Public Power  
City of Hamilton, OH  
City of Rochelle  
Southern Maryland Electric Cooperative, Inc.

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### **Revisions to the PJM PJM Open Access Transmission Tariff**

**(Clean Format)**



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- 1.40 PJM Manuals
- 1.41 PJM Region
- 1.42 PJM West Region
- 1.43 Point(s) of Delivery
- 1.44 Point(s) of Receipt
- 1.45 Project Financing
- 1.46 Project Finance Entity
- 1.47 Reasonable Efforts
- 1.48 Receiving Party
- 1.49 Regional Transmission Expansion Plan
- 1.50 Schedule and Scope of Work
- 1.51 Security
- 1.52 Service Agreement
- 1.53 State
- 1.54 Transmission System
- 1.55 VACAR

#### **ATTACHMENT GG - APPENDIX III – GENERAL TERMS AND CONDITIONS**

- 1.0 Effective Date and Term
  - 1.1 Effective Date
  - 1.2 Term
  - 1.3 Survival
- 2.0 Facilitation by Transmission Provider
- 3.0 Construction Obligations
  - 3.1 Direct Assignment Facilities or Customer-Funded Upgrades
  - 3.2 Scope of Applicable Technical Requirements and Standards
- 4.0 Tax Liability
  - 4.1 New Service Customer Payments Taxable
  - 4.2 Income Tax Gross-Up
  - 4.3 Private Letter Ruling
  - 4.4 Refund
  - 4.5 Contests
  - 4.6 Taxes Other Than Income Taxes
  - 4.7 Tax Status

- 5.0 Safety
  - 5.1 General
  - 5.2 Environmental Releases
- 6.0 Schedule Of Work
  - 6.1 Standard Option
  - 6.2 Option to Build
  - 6.3 Revisions to Schedule and Scope of Work
  - 6.4 Suspension
- 7.0 Suspension of Work Upon Default
  - 7.1 Notification and Correction of Defects
- 8.0 Transmission Outages
  - 8.1 Outages; Coordination
- 9.0 Security, Billing and Payments
  - 9.1 Adjustments to Security
  - 9.2 Invoice
  - 9.3 Final Invoice
  - 9.4 Disputes
  - 9.5 Interest
  - 9.6 No Waiver
- 10.0 Assignment
  - 10.1 Assignment with Prior Consent
  - 10.2 Assignment Without Prior Consent
  - 10.3 Successors and Assigns
- 11.0 Insurance
  - 11.1 Required Coverages
  - 11.2 Additional Insureds
  - 11.3 Other Required Terms
  - 11.4 No Limitation of Liability
  - 11.5 Self-Insurance
  - 11.6 Notices: Certificates of Insurance
  - 11.7 Subcontractor Insurance
  - 11.8 Reporting Incidents
- 12.0 Indemnity
  - 12.1 Indemnity
  - 12.2 Indemnity Procedures
  - 12.3 Indemnified Person
  - 12.4 Amount Owed
  - 12.5 Limitation on Damages
  - 12.6 Limitation of Liability in Event of Breach
  - 12.7 Limited Liability in Emergency Conditions
- 13.0 Breach, Cure And Default
  - 13.1 Breach
  - 13.2 Notice of Breach
  - 13.3 Cure and Default
  - 13.4 Right to Compel Performance
  - 13.5 Remedies Cumulative

- 14.0 Termination
  - 14.1 Termination
  - 14.2 Cancellation By New Service Customer
  - 14.3 Survival of Rights
  - 14.4 Filing at FERC
- 15.0 Force Majeure
  - 15.1 Notice
  - 15.2 Duration of Force Majeure
  - 15.3 Obligation to Make Payments
- 16.0 Confidentiality
  - 16.1 Term
  - 16.2 Scope
  - 16.3 Release of Confidential Information
  - 16.4 Rights
  - 16.5 No Warranties
  - 16.6 Standard of Care
  - 16.7 Order of Disclosure
  - 16.8 Termination of Upgrade Construction Service Agreement
  - 16.9 Remedies
  - 16.10 Disclosure to FERC or its Staff
  - 16.11 No Party Shall Disclose Confidential Information of Party 16.12 Information that is Public Domain
  - 16.13 Return or Destruction of Confidential Information
- 17.0 Information Access And Audit Rights
  - 17.1 Information Access
  - 17.2 Reporting of Non-Force Majeure Events
  - 17.3 Audit Rights
  - 17.4 Waiver
  - 17.5 Amendments and Rights under the Federal Power Act
  - 17.6 Regulatory Requirements
- 18.0 Representation and Warranties
  - 18.1 General
- 19.0 Inspection and Testing of Completed Facilities
  - 19.1 Coordination
  - 19.2 Inspection and Testing
  - 19.3 Review of Inspection and Testing by Transmission Owner
  - 19.4 Notification and Correction of Defects
  - 19.5 Notification of Results
- 20.0 Energization of Completed Facilities
- 21.0 Transmission Owner's Acceptance of Facilities Constructed by New Service Customer
- 22.0 Transfer of Title to Certain Facilities Constructed By New Service Customer
- 23.0 Liens

**ATTACHMENT HH – RATES, TERMS, AND CONDITIONS OF SERVICE FOR PJMSETTLEMENT, INC.**

**ATTACHMENT II – MTEP PROJECT COST RECOVERY FOR ATSI ZONE**

**ATTACHMENT JJ – MTEP PROJECT COST RECOVERY FOR DEOK ZONE**

**ATTACHMENT KK - FORM OF DESIGNATED ENTITY AGREEMENT**

**ATTACHMENT LL - FORM OF INTERCONNECTION COORDINATION  
AGREEMENT**

**ATTACHMENT MM – FORM OF PSEUDO-TIE AGREEMENT – WITH NATIVE BA  
AS PARTY**

**ATTACHMENT MM-1 – FORM OF SYSTEM MODIFICATION COST  
REIMBURSEMENT AGREEMENT – PSEUDO-TIE INTO PJM**

**ATTACHMENT NN – FORM OF PSEUDO-TIE AGREEMENT WITHOUT NATIVE BA  
AS PARTY**

**ATTACHMENT OO – FORM OF DYNAMIC SCHEDULE AGREEMENT INTO THE  
PJM REGION**

**ATTACHMENT PP – FORM OF FIRM TRANSMISSION FEASIBILITY STUDY  
AGREEMENT**

## **SCHEDULE 12 – APPENDIX A**

### **(27) NextEra Energy Transmission MidAtlantic, LLC**

Required Transmission Enhancements		Annual Revenue Requirement	Responsible Customer(s)
b2751	Rebuild/Resag the H440 – H440 Tap 138 kV line 16914-2 (Hays Road – SW 1403 138 kV)		ComEd (100%)

## **ATTACHMENT H-25**

### **Annual Transmission Rates – NEET PJM Entities**

1. This Attachment H-25 is applicable to the Annual Transmission Revenue Requirement (“ATRR”) of NextEra Energy Transmission MidAtlantic, LLC (“NEET MidAtlantic”), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff (“NEET PJM Entity”). The ATRR for each NEET PJM Entity is equal to the result of the formula rates contained in Attachment H-25B, and reflects the cost of providing transmission service over the transmission facilities of each NEET PJM Entity.
2. The ATRR of each NEET PJM Entity will be allocated and invoiced by PJM on a monthly basis to customers taking Network Integration Transmission Service in the following zone(s) on the basis of each customer’s respective annual Network Service Peak Load ratio share in the applicable zone(s):

<b><u>NEET PJM Entity</u></b>	<b><u>Formula Rate</u></b>	<b><u>Facilities</u></b>	<b><u>Zone</u></b>
<u>NextEra Energy Transmission MidAtlantic, LLC</u>	<u>H-25B(1)</u>	<u>Two substations and associated 138 kV transmission and related power line poles, transmission-related facilities and equipment located in the substations, transferred from Rochester Municipal Utilities to NextEra Energy Transmission MidAtlantic, LLC, pursuant to authorization granted in EC18-91-000.</u>	<u>ComEd Zone</u>

3. The ATRR shall be updated annually, and the updated formula rate spreadsheet supporting the annual update shall be posted on the PJM website. The annual ATRR update process shall be conducted pursuant to the Formula Rate Implementation Protocols contained in Attachment H-25A, and the Formula Rate Template in Attachment H-25B.
4. The formula rate in this attachment shall be effective until amended by NextEra Energy Transmission MidAtlantic, LLC, another NEET PJM Entity, or modified by the Commission.

**Attachment H-25A**  
**NextEra Energy Transmission PJM Entities**  
**FORMULA RATE IMPLEMENTATION**  
**PROTOCOLS**

**Section I. Applicability**

The following procedures shall apply to the calculation of the actual net revenue requirements, True-Up Adjustments, and projected net revenue requirements of NextEra Energy Transmission MidAtlantic, LLC's ("NEET MidAtlantic"), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Interconnection, L.L.C. ("PJM") Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff ("NEET PJM Entity").

The NEET PJM Entities shall use either a January - December rate year or a June - May rate year, as specified below:

NEET PJM Entity	Formula Rate	Zone	Rate Year
NextEra Energy Transmission MidAtlantic, LLC	H-25B(1)	ComEd Zone	June to May

**Section II. Annual True-Up and Projected Net Revenue Requirement**

- A. On or before May 15 of each year, each NEET PJM Entity shall determine its Annual True-Up in accordance with the formula rate for each NEET PJM Entity and Section VII of these protocols, to derive a True-Up Adjustment to be included in projected net revenue requirement for each NEET PJM Entity for the subsequent rate year.
- B. On or before June 1 of each year, each NEET PJM Entity using a January – December rate year shall provide its Annual True-Up, actual net revenue requirement, and True-Up Adjustment to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June - May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of such posting, PJM shall provide notice of such posting via an email exploder list. Interested Parties can subscribe to the PJM exploder list on the PJM website. For purposes of these protocols, the term Interested Party includes, but is not limited to, customers under the PJM Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.
- C. On or before September 30 of each year, each NEET PJM Entity using a January



– December rate year shall provide its projected net revenue requirement to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June to May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of posting of the projected net revenue requirement, PJM shall provide notice of such posting to an email exploder list. In the event the NEET PJM Entity's formula rate is first included in the PJM Tariff such that the first projected net revenue requirement cannot be provided to PJM by May 15 or September 30, as applicable, each NEET PJM Entity will nevertheless prepare a projection of its net revenue requirement for the first Rate Year using the most recent information available, and the projection will be posted on the PJM website and OASIS at least sixty (60) days prior to the rates becoming effective. The projected net revenue requirement for a partial first Rate Year will reflect the NEET PJM Entity's net revenue requirement only over the remaining months during the partial Rate Year. The NEET PJM Entities will conduct a meeting with Interested Parties on the projected net revenue requirement for the first Rate Year between twenty (20) to forty (40) days after posting. Notice of the customer meeting, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the e-mail exploder list no less than seven (7) days prior to such meeting.

- D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of information requests discussed in Section III of these protocols.
- E. The Annual True-Up shall:
1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
  2. Be based on each NEET PJM Entity's FERC Form No. 1 for the prior calendar year;
  3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Annual True-Up that are not otherwise available in the FERC Form No. 1;
  4. Provide sufficient information to enable Interested Parties to replicate the calculation of the Annual True-Up results from the FERC Form No. 1

;

5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1;
6. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the FERC Form No. 1;
8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
  - a. Identify Accounting Changes, including
    - i. the initial implementation of an accounting standard or policy;
    - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
    - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
    - iv. the implementation of new estimation methods or policies that change prior estimates; and
    - v. changes to income tax elections;
  - b. Identify items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments);
  - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up;
  - d. Provide, for each item identified pursuant to items II.E.8.a - II.E.8.c of these protocols, a narrative explanation of the

individual impact of such changes on the True-Up Adjustment.

9. Provide for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between each NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation methodologies from the prior year and the reasons and justifications for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between each NEET PJM Entity and each affiliate by service category or function.
- F. The projected net revenue requirement shall:
1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
  2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
  3. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement; and
  4. With respect to any Accounting Change:
    - a. Identify any Accounting Changes, including
      - i. the initial implementation of an accounting standard or policy;
      - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
      - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
      - iv. the implementation of new estimation methods or policies that change prior estimates;
      - v. changes to income tax elections;
    - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);

- c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and
  - d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.
- G. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual True-Up Meeting”) no sooner than twenty (20) days after the Publication Date. For NEET PJM Entities using a January – December rate year, the Annual True-Up Meeting shall occur no later than September 1, and for NEET PJM Entities using a June – May rate year, the Annual True-Up Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual True-Up Meeting remotely accessible. No less than seven (7) days prior to such Annual True-Up Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual True-Up Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual True-Up Meeting shall (i) permit each NEET PJM Entity to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from each NEET PJM Entity about the Annual True-Up and True-Up Adjustment.
- H. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual Projected Rate Meeting”) no sooner than twenty (20) days after the date that the projected net revenue requirement is posted to the PJM website and OASIS (as described in Section II.C of these protocols). For NEET PJM Entities using a January – December rate year, the Annual Projected Rate Meeting shall occur no later than October 31, and for NEET PJM Entities using a June – May rate year, the Annual Projected Rate Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual Projected Rate Meeting remotely accessible. No less than seven (7) days prior to such Annual Projected Rate Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual Projected Rate Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual Projected Rate Meeting shall (i) permit each NEET PJM Entity to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from the NEET PJM Entities about the projected net revenue requirements.
- I. Transmission owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational

meeting to enable all interested parties to understand how those transmission owners are implementing their formula rates for cost recovery of such projects. The NEET PJM Entities will make the joint informational meeting remotely accessible. Notice of joint informational meetings, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the email exploder list no less than seven (7) days prior to such meetings. Each NEET PJM Entity will participate in joint informational meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated.

### **Section III. Information Exchange Procedures**

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

- A. Interested Parties shall have one hundred and eighty (180) days following Publication Date (unless such period is extended with the written consent of the NEET PJM Entities or by FERC order) to serve reasonable information and document requests on a NEET PJM Entity (“Information Exchange Period”). If the due date for information and document requests falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:
1. the extent or effect of an Accounting Change;
  2. whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
  3. the proper application of the formula rate and procedures in these protocols;
  4. the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement;
  5. the prudence of actual costs and expenditures, including procurement methods and cost control methodologies;
  6. the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
  7. any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

- B. A NEET PJM Entity shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such requests. The NEET PJM Entity shall respond to all information and document requests by no later than two hundred and twenty (220) days following the Publication Date, unless the Information Exchange Period is extended by the applicable NEET PJM Entity or FERC. If January 10 falls on a weekend or a holiday recognized by FERC, the deadline for responses to information requests shall be extended to the next business day.
- C. Each NEET PJM Entity will cause to be posted on the PJM website and OASIS all information requests from Interested Parties and such NEET PJM Entity's response(s) to such requests; except, however, if responses to information and document requests include material deemed by the NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by such NEET PJM Entity and the requesting party.
- D. A NEET PJM Entity shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing a NEET PJM Entity's Annual True-Up or projected net revenue requirement.

#### **Section IV. Challenge Procedures**

- A. Interested Parties shall have until two hundred and forty (240) days following the Publication Date (unless such period is extended with the written consent of the applicable NEET PJM Entity or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify the applicable NEET PJM Entity in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. The period of time from the Publication Date until the date that is two hundred and forty (240) days later shall be referred to as the Review Period. If the final day of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement under the challenge procedures set forth in these protocols, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement. This Section IV.A in no way shall affect a party's rights under section 206 of the Federal Power Act ("FPA") as set forth in Section IV.I of these protocols.
- B. A party submitting an Informal Challenge to a NEET PJM Entity must specify the inputs, supporting explanations, allocations, calculations, or other

information to which it objects, and provide an appropriate explanation and documents to support its challenge. A NEET PJM Entity shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. A NEET PJM Entity, and where applicable, PJM, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If the applicable NEET PJM Entity disagrees with such challenge, the NEET PJM Entity will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after the final day of the Review Period, and a NEET PJM Entity must respond to all Informal Challenges by no later than thirty (30) days after the end of the Review Period, unless the Review Period is extended by the NEET PJM Entity or FERC. If the end of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. If the deadline for a NEET PJM Entity to respond to all Informal Challenges falls on a weekend or a holiday recognized by FERC, the deadline for responding to Informal Challenges shall be extended to the next business day.

- C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.

1. A Formal Challenge shall:
  - a. Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;
  - b. Explain how the action or inaction violates the filed rate formula or protocols;
  - c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
    - i. The extent or effect of an Accounting Change;
    - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
    - iii. The proper application of the formula rate and procedures in these protocols;
    - iv. The accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected

net revenue requirement;

- v. The prudence of actual costs and expenditures;
  - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
  - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
  - e. State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
  - f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
  - g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
  - h. State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.
2. Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on the NEET PJM Entity. Service to the NEET PJM Entity must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with 18 C.F.R. § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on the NEET PJM Entity's Informational Filing required under Section VI of these protocols.

- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations



shown in the Annual True-Up and projected net revenue requirement ; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

- E. Each NEET PJM Entity will cause to be posted to PJM's website and OASIS all Informal Challenges from Interested Parties and the NEET PJM Entity response(s) to such Informal Challenges ; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by such NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the NEET PJM Entity and the requesting party.
- F. Any changes or adjustments to the Annual True-Up Adjustment or projected net revenue requirement resulting from the Information Exchange and Informal Challenge processes that are agreed to by a NEET PJM Entity will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by a NEET PJM Entity on or before the last day of the Information Exchange Period will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by a NEET PJM Entity after the last day of the Information Exchange Period will be reflected in the following year's Annual True-Up, as discussed in Section V of these protocols.
- G. An Interested Party shall have until seventy-five (75) days following the Review Period (unless such date is extended with the written consent of the applicable NEET PJM Entity to continue efforts to resolve the Informal Challenge or unless the deadline for the NEET PJM Entity to submit its informational filing is extended) to make a Formal Challenge with FERC, which shall be served on the NEET PJM Entity on the date of such filing as specified in Section IV.C(2) above. If the last day of the seventy-five day period to make a Formal Challenge falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Formal Challenges shall be extended to the next business day. A Formal Challenge shall be filed in the same docket as the NEET PJM Entity's Informational Filing discussed in Section VI of these protocols. The NEET PJM Entity shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on any issue during the applicable Review Period.
- H. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, the NEET PJM Entity shall bear the burden, consistent with section 205 of the FPA, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in these protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of a NEET PJM Entity to file unilaterally, pursuant to section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the formula rate with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the FPA and the regulations thereunder.
- J. No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up and projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, an FPA section 205 or section 206 filing.
- K. Any Interested Party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with the applicable NEET PJM Entity in accordance with this Section IV before pursuing a Formal Challenge.

#### **Section V. Changes to Annual True-Up Adjustment or Projected Net Revenue Requirement**

Except as provided in Section IV.F of these protocols, any changes to the data inputs, including but not limited to revisions to a NEET PJM Entity's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols.

#### **Section VI. Informational Filings**

- A. By March 15 of each year, each NEET PJM Entity using a January – December rate year shall submit to FERC an informational filing (“Informational Filing”) of its projected net revenue requirement for the Rate Year, including its Annual True-Up and True-Up Adjustment (unless the Review Period is extended by the NEET PJM Entity or FERC). Such filing shall be made by each NEET PJM Entity using a June – May rate year no later than May 15 of each year. If the due date for the informational filing falls on a weekend or a holiday recognized by FERC, the deadline for submitting the Informational Filing shall be extended to the next business day. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that the NEET PJM Entity

has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the transmission revenue requirement and rates under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge Procedures. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between a NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between a NEET PJM Entity and each affiliate by service category or function. Within five (5) days of such Informational Filing, PJM shall provide notice of the Informational Filing via an email exploder list and by posting the docket number assigned to each NEET PJM Entity's Informational Filing on the PJM website and OASIS.

- B. Any challenges to the implementation of the NEET PJM Entity formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

## **Section VII. Calculation of True-Up Adjustment**

The True-Up Adjustment will be determined in the following manner:

1. Actual transmission revenues received the previous calendar year ("True-Up Year") shall be compared to the actual net revenue requirement (calculated in accordance with the NEET PJM Entity's formula rate) for the True-Up Year as determined using the NEET PJM Entity's completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the "True-Up Adjustment." The True-Up Adjustment and related calculations shall be posted to PJM's website and OASIS no later than June 1 for NEET PJM Entities using a January – December rate year or May 15 for NEET PJM Entities using a June – May rate year (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.
2. Interest on any over recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R § 35.19a.

Interest on any under recovery of the net revenue requirement shall be determined using the interest rate equal to: (i) the NEET PJM Entity's actual short-term debt costs capped at the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a; or (ii) if the NEET PJM Entity does not have short-term debt, then the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the twenty-one (21) months preceding October of the current year. The interest amount will be included in the projected costs made available by either May 15 or September 30, as described in Section II.C above.

3. The net revenue requirement for transmission services for the following Rate Year shall be the sum of the projected net revenue requirement for the following year, plus or minus the True-Up Adjustment from the True-Up Year, if any, including interest, as explained above, and as described in Attachment 3 of the NEET PJM Entity's formula rate.
4. A NEET PJM Entity may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

## **Section VIII. Competitive Bid Concessions**

For transmission development projects assigned to a NEET PJM Entity as a result of the PJM competitive project sponsor process, such NEET PJM Entity may, in its sole discretion, agree with PJM to apply a Competitive Bid Concession that will result in a lower net revenue requirement on a project-specific basis than that which would otherwise be produced by the NEET PJM Entity's formula rate. Any Competitive Bid Concession will appear as a zero or negative input to the formula, and will be determined on a project-specific basis using a workpaper that will be provided to Interested Parties as supporting documentation for each Annual True-Up by such NEET PJM Entity.

Attachment H-25B(1)

Formula Rate - Non-Levelized

NextEra Energy Transmission MidAtlantic, LLC  
**Note Z**Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/\_\_\_\_

Line No.	(1)	(2)	(3)	(4)	(5) Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 47)			\$ -
	REVENUE CREDITS	(Note O)	<u>Total</u>	<u>Allocator</u>	
2	Account No. 454	(page 4, line 29)	-	TP	-
3	Account No. 456.1	(page 4, line 33)	-	TP	-
4	Account No. 457.1 Scheduling Revenues from Grandfathered Interzonal	Attachment 5, line 39, col e	-	TP	-
5	Transactions	(Note N)	-	TP	-
6	Revenues from service provided by the ISO at a discount		-	TP	-
7	TOTAL REVENUE CREDITS	(Sum of Lines 2 through 6)	-		<u>-</u>
8	NET REVENUE REQUIREMENT	(line 1 minus line 7)			\$ <u>-</u>
9	True-up Adjustment with Interest	Attachment 3, line 4, Col. J	-	DA	1.00000 -
10	NET REVENUE REQUIREMENT	(line 8 plus line 9)			\$ <u>-</u>

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
NextEra Energy Transmission MidAtlantic, LLC

For the 12 months ended 12/31/\_\_\_\_

	(1)	(2)	(3)	(4)	(5)
Line No.		Source	Company		Transmission (Col 3 times Col 4)
	<b>RATE BASE:</b>				
	GROSS PLANT IN SERVICE (Notes U and R)				
1	Production	205.46.g for end of year, records for other months		NA	
2	Transmission	Attachment 4, Line 14, Col. (b)		TP	
3	Distribution	207.75.g for end of year, records for other months		NA	
4	General & Intangible	Attachment 4, Line 14, Col. (c)		W/S	
5	Common	356.1 for end of year, records for other months		CE	
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)		GP=	
7	ACCUMULATED DEPRECIATION (Notes U and R)				
8	Production	219.20-24.c for end of year, records for other months		NA	
9	Transmission	Attachment 4, Line 14, Col. (h)		TP	
10	Distribution	219.26.c for end of year, records for other months		NA	
11	General & Intangible	Attachment 4, Line 14, Col. (i)		W/S	
12	Common	356.1 for end of year, records for other months		CE	
13	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)			
14	NET PLANT IN SERVICE				
15	Production	(line 1 minus line 8)			
16	Transmission	(Line 2 minus line 9)			
17	Distribution	(line 3 minus line 10)			
18	General & Intangible	(Line 4 minus line 11)			
19	Common	(line 5 minus line 12)			
20	TOTAL NET PLANT	(Sum of Lines 15 through 19)		NP=	
21	ADJUSTMENTS TO RATE BASE (Note R)				
22	Account No. 281 (enter negative)	Attach 4, Line 28, Col. (d)/Attach 4a, Line 54, Col. H (Notes B and X)		NA	zero
23	Account No. 282 (enter negative)	Attach 4, Line 28, Col. (e)/Attach 4a, Line 81, Col. H (Notes B and X)		NP	
24	Account No. 283 (enter negative)	Attach 4, Line 28, Col. (f)/Attach 4a, Line 108, Col. H (Notes B and X)		NP	
25	Account No. 190	Attach 4, Line 28, Col. (g)/Attach 4a, Line 27, Col. H (Notes B and X)		NP	
26	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Notes B and X)		NP	
26a	Unfunded Reserves (enter negative)	Attachment 4, Line 31, Col. (h) (Note Y)		DA	
27	CWIP	Attachment 4, Line 14, Col. (d)		DA	
28	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note T)		DA	
29	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note S)		DA	
30	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)			
31	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note C)		TP	
32	WORKING CAPITAL	(Note D)			
33	CWC	1/8*(Page 3, Line 14 minus Page 3, Line 11)			
34	Materials & Supplies	Attachment 4, Line 14, Col. (f) (Note C)		TP	
35	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)		GP	
36	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)			
37	RATE BASE	(Sum of Lines 20, 30, 31 & 36)			

Utilizing FERC Form 1 Data  
NextEra Energy Transmission MidAtlantic, LLC

For the 12 months ended 12/31/\_\_\_\_

Line No.	(1)	(2)	(3)	(4)	(5) Transmission (Col 3 times Col 4)
	<b>O&amp;M</b>	<b>Source</b>	<b>Company Total</b>		
1	Transmission	321.112.b Attach. 5, Line 13, Col. (a)		TP	
2	Less Account 566 (Misc Trans Expense)	321.97.b Attach. 5, Line 13, Col. (b)		TP	
3	Less Account 565	321.96.b Attach. 5, Line 13, Col. (c)		TP	
4	A&G	323.197.b Attach. 5, Line 13, Col. (d)		W/S	
5	Less FERC Annual Fees	Attach. 5, Line 13, Col. (e)		W/S	
6	Less EPRI & Reg. Comm. Exp. & Non-safety	(Note E) Attach. 5, Line 13, Col. (f)		W/S	
6a	Less PBOP Expense in Year	Attachment 7, Line 8, Col. (g)		W/S	
7	Plus Transmission Related Reg. Comm. Exp.	(Note E) Attach. 5, Line 13, Col. (g)		TP	
7a	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (g)		W/S	
8	Common	356.1		CE	
9	Transmission Lease Payments	Attach. 5, Line 13, Col (h)		DA	
10	Account 566				
11	Amortization of Regulatory Asset	(Note T) Attach. 5, Line 13, Col. (i)		DA	
12	Miscellaneous Transmission Expense (less	Attach. 5, Line 13, Col. (j)		TP	
13	Total Account 566	(Line 11 plus Line 12) Ties to 321.97.b			
14	TOTAL O&M	(Sum of Lines 1, 4, 7, 7a, 8, 9, 13 less Lines 2, 3, 5, 6, 6a)			
15	DEPRECIATION EXPENSE (Note U)				
16	Transmission	336.7.b, d & e Attach. 5, Line 13, Col. (k)		TP	
17	General & Intangible	336.10.b, d & e, 336.1.b, d & e Attach. 5, Line 26, Col. (a)		W/S	
18	Common	336.11.b, d & e		CE	
19	Amortization of Abandoned Plant	(Note S) Attach. 5, Line 26, Col. (b)		DA	
20	TOTAL DEPRECIATION	(Sum of Lines 16 through 19)			
21	TAXES OTHER THAN INCOME TAXES	(Note F)			
22	LABOR RELATED				
23	Payroll	263.i Attach. 5, Line 26, Col. (c)		W/S	
24	Highway and vehicle	263.i Attach. 5, Line 26, Col. (d)		W/S	
25	PLANT RELATED				
26	Property	263.i Attach. 5, Line 26, Col. (e)		GP	
27	Gross Receipts	263.i Attach. 5, Line 26, Col. (f)		NA	zero
28	Other	263.i Attach. 5, Line 26, Col. (g)		GP	
29	Payments in lieu of taxes	263.i Attach. 5, Line 26, Col. (h)		GP	
30	TOTAL OTHER TAXES	(Sum of Lines 23 through 29)			
31	INCOME TAXES	(Note G)			
32	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT})\}$	WCLTD = Page 4, Line 20	-		
33	$\text{CIT} = (T / 1 - T) * (1 - (\text{WCLTD} / \text{R})) =$	R = Page 4, Line 23	-		
34	FIT & SIT & P	(Note G)			
35					
36	$1 / (1 - T) = (\text{T from line 32})$				
37	Amortized Investment Tax Credit	266.8f (enter negative) Attach. 5, Line 26, Col. (i)			
38	Excess Deferred Income Taxes	(enter negative) Attach. 5, Line 26, Col. (j)			
39	Tax Effect of Permanent Differences	Attach. 5, Line 26, Col. (k) (Note W)			
40	Income Tax Calculation	(Line 33 times Line 46)		NA	
41	ITC adjustment	(Line 36 times Line 37)		NP	
42	Excess Deferred Income Tax Adjustment	(Line 36 times Line 38)		NP	
43	Permanent Differences Tax Adjustment	(Line 36 times Line 39)		NP	
44	Total Income Taxes	(Sum of Lines 40 through 43)			
45	RETURN				
46	Rate Base times Return	(Page 2, Line 37 times Page 4, Line 23)		NA	
47	REV. REQUIREMENT	(Sum of Lines 14, 20, 30, 44 & 46)			

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data NextEra Energy Transmission MidAtlantic, LLC		For the 12 months ended 12/31/____	
(1)	(2)	(3)	(4)	(5)	
SUPPORTING CALCULATIONS AND NOTES					
Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES				
1	Total Transmission plant	(Page 2, Line 2, Column 3)			
2	Less Transmission plant excluded from ISO rates	(Note H)			
3	Less Transmission plant included in OATT Ancillary Services	(Note I)			
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)			
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)		TP=	
6	WAGES & SALARY ALLOCATOR (W&S)				
		Form 1 Reference	\$ TP	Allocation	
7	Production	354.20.b	-		
8	Transmission	354.21.b	-		
9	Distribution	354.23.b	-		
10	Other	354.24,25,26.b	-		
11	Total (W& S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)			
12	COMMON PLANT ALLOCATOR (CE) (Note J and X)		\$	% Electric (line 13 / line 16)	W&S Allocator (line 11) = WS
13	Electric	200.3.c			
14	Gas	201.3.d			
15	Water	201.3.e			
16	Total	(Sum of Lines 13 through 15)			
17	RETURN (R)	(Note V)		\$	
18			\$ %	Cost (Notes K, Q, & R)	
19					
20	Long Term Debt	(Attachment 5, line 48 Notes Q & R)	-		
21	Preferred Stock (112.3.c)	(Attachment 5, line 49 Notes Q & R)	-		
22	Common Stock	(Attachment 5, line 50 Notes K, Q & R)	-	11.00%	
23	Total	(Attachment 5, line 51)			
24	REVENUE CREDITS				
25	ACCOUNT 447 (SALES FOR RESALE) (Note L)	310 -311			
26	a. Bundled Non-RQ Sales for Resale	311.x.h			
27	b. Bundled Sales for Resale	Attach 5, line 39, col (a)			
28	Total of (a)-(b)				
29	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	(Note M) Attach 5, line 39, col (b)			
30	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	330.x.n			
31	a. Transmission charges for all transmission transactions	Attach 5, line 39, col (c)			
32	b. Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.	Attach 5, line 39, col (d)			
33	Total of (a)-(b)				



Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
NextEra Energy Transmission MidAtlantic, 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	Reserved
B	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. Account 281 is not allocated.
C	Identified in Form 1 as being only transmission related.
D	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 14, column 5 minus amortization of Regulatory Asset at page 3, line 11, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.
E	Page 3, Line 6 - 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 found at 323.191.b. Page 3, Line 7- Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
F	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.
G	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". 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 36). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
	Inputs Required:
	FIT =
	SIT=
	p =
	(State Income Tax Rate or Composite SIT)
	(percent of federal income tax deductible for state purposes)
H	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).
I	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.
J	Enter dollar amounts
K	ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
L	Page 4, Line 28 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1.
M	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
N	Company will not have any grandfathered agreements. Therefore, this line shall remain zero.
O	The revenues credited on page 1 lines 2-6 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. Revenue Credits 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) the costs of which are not recovered under this Rate Formula Template.
P	Reserved
Q	Prior to obtaining any debt, the cost of debt will be LIBOR plus 1.5%. Once any debt is obtained, the formula will use the actual cost of debt determined in Attachment 5. The capital structure will be 60% equity and 40% debt until NextEra Energy Transmission MidAtlantic, LLC's first transmission project enters service, after which the capital structure will be the actual capital structure. LIBOR refers to the London Inter Bank Offer Rate from the Federal Reserve Bank of St. Louis's <a href="https://fred.stlouisfed.org/">https://fred.stlouisfed.org/</a> .
R	Calculate using 13 month average balance, except ADIT.
S	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must receive FERC authorization before recovering the cost of abandoned plant.
T	Recovery of Regulatory Asset is permitted only for pre-commercial expenses incurred prior to the date when NEET MidAtlantic may first recover costs under the PJM Tariff, as authorized by the Commission. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
U	Excludes Asset Retirement Obligation balances
V	Company shall be allowed recovery of costs related to interest rate locks. Absent a Section 205 filing, Company shall not include in the Formula Rate, the gains, losses, or costs related to other hedges.
W	The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference
X	Calculated on Attachment 4 for the true up and on Attachment 4a for the projection
Y	Unfunded Reserves are customer contributed capital such as when employee vacation expense is accrued but not yet incurred. Also, pursuant to Special Instructions to Accounts 228.1 through 228.4, no amounts shall be credited to accounts 228.1 through 228.4 unless authorized by a regulatory authority or authorities to be collected in a utility's rates.
Z	This Formula Rate Template, including Attachments, is to be used by any NEET PJM Entity, which includes NEET MidAtlantic, LLC, and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff. Each subsequent NEET PJM Entity shall use a replication of H-25B(1) designated as a subsequent version (e.g., H-25B(2), etc.), in this Attachment H-25.

To be completed in conjunction with Attachment H.

Line No.	(1)	(2) Attachment H Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant - Total	Attach H, p 2, line 2 col 5 (Note A)	-	-
2	Net Transmission Plant - Total	Attach H, p 2, line 16 col 5 plus line 27 & 29 col 5 (Note B)	-	-
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attach H, p 3, line 14 col 5	-	-
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-	-
	GENERAL, INTANGIBLE AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G, I & C Depreciation Expense	Attach H, p 3, lines 17 & 18, col 5 (Note H)	-	-
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	-	-
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H, p 3, line 30 col 5	-	-
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	-	-
9	Less Revenue Credits	Attach H, p 1, line 7 col 5	-	-
10	Annual Allocation Factor Revenue Credits	(line 9 divided by line 1 col 3)	-	-
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10	-	-
	INCOME TAXES			
12	Total Income Taxes	Attach H, p 3, line 44 col 5	-	-
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-	-
	RETURN			
14	Return on Rate Base	Attach H, p 3, line 46 col 5	-	-
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-	-
16	Annual Allocation Factor for Return	Sum of line 13 and 15	-	-

Attachment 1  
Project Revenue Requirement Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(12a)	(13)	(14)	(15)	(16)	
Line No.	Project Name	RTO Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant or CWIP Balance	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation/ Amortization Expense	Annual Revenue Requirement	Incentive Return in basis Points	Incentive Return	Ceiling Rate	Competitive Bid Concession	Total Annual Revenue Requirement	True-Up Adjustment	Net Rev Req	
					(Col. 3 * Col. 4)	(Notes D & I)	(Page 1 line 16)	(Col. 6 * Col. 7)	(Notes E & I)	(Sum Col. 5, 8 & 9)	(Note K)	(Attachment 2, Line 28 /100 * Col. 11)	(Sum Col. 10 & 12)	(Note J)	(Sum Col. 10 & 12 Less Col. 13)	(Note F)	Sum Col. 14 & 15 (Note G)	
15a	Example PIS	\$				\$												
15b		\$				\$												
15c		\$				\$												
		\$				\$												
		\$				\$												
		\$				\$												
		\$				\$												
		\$				\$												
		\$				\$												

16	Annual Totals	-	-
Note Letter			
A	Gross Transmission Plant is that identified on page 2 line 2 of Attachment H		
B	Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.		
C	Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities. Gross plant does not include Unamortized Abandoned Plant.		
D	Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.		
E	Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 16. Project Depreciation Expense includes the amortization of Abandoned Plant		
F	True-Up Adjustment is calculated on the Project True-up Schedule for the Rate Year		
G	The Net Rev Req is the value to be used in the rate calculation under the applicable Schedule under the PJM OATT for each project.		
H	The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.		
I	The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is included in Depreciation/Amortization Expense.		
J	The Competitive Bid Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate		
K	Requires approval by FERC of incentive return applicable to the specified project(s)		
M	All facilities other than those being recovered under Schedules 7, 8, 9 are to be included in Attachment 1.		
N	Facilities that provide Wholesale Distribution Service are not to be listed as projects on lines 15, the revenue requirements associated with these facilities are calculated on Attachment 11		
O	When an updated projected net revenue requirement is posted due to an asset acquisition as provided for in the Protocols, the difference between the updated net revenue requirement in Col (16) and the revenues collected to date will be recovered over the remaining months of the Rate Year.		

**Attachment 2**  
Incentive ROE

Page 1 of 1

NextEra Energy Transmission MidAtlantic, LLC

1	Rate Base	Attachment H, Page 2 line 37, Col.5							-
2	100 Basis Point Incentive Return							\$	
							Cost		
								Weighted	
3	Long Term Debt	(Attachment H, Notes Q and R)		\$	%				
4	Preferred Stock	(Attachment H, Notes Q and R)		-	-		-		
5	Common Stock	(Attachment H, Notes K, Q and R)	Cost = Attachment H, Page 4 Line 22, Cost plus .01	-	-		0.1200		-
6	Total (sum lines 3-5)			-					-
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)								-
8	INCOME TAXES								
9	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$			-					
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$			-					
11	WCLTD = Line 3								
12	and FIT, SIT & p are as given in footnote K.								
13	$1 / (1 - T) =$ (from line 9)			-					
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Attachment H, Page 3, Line 37		-					
15	Excess Deferred Income Taxes (enter negative)	Attachment H, Page 3, Line 38		-					
16	Tax Effect of Permanent Differences (Note B)	Attachment H, Page 3, Line 39		-					
17	Income Tax Calculation = line 10 * line 7			-		N			
18	ITC adjustment (line 13 * line 14)			-		NP	-		
19	Excess Deferred Income Tax Adjustment (line 13 * line 15)			-		NP	-		
20	Permanent Differences Tax Adjustment (line 13 * 16)			-		NP	-		
21	Total Income Taxes (sum lines 17 - 20)			-					-
22	Return and Income Taxes with 100 basis point increase in ROE	(Sum lines 7 & 21)							-
23	Return (Attach. H, page 3 line 46 col 5)								-
24	Income Tax (Attach. H, page 3 line 44 col 5)								-
25	Return and Income Taxes without 100 basis point increase in ROE	(Sum lines 23 & 24)							-
26	Incremental Return and Income Taxes for 100 basis point increase in ROE	(Line 22 - line 25)							-
27	Rate Base (line 1)								-
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base	(Line 26 / line 27)							-

Notes:

- A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any actual ROE incentive must be approved by the Commission.
- B For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.37 on Attachment 1 column 12.
- The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference

## Project True-Up

NextEra Energy Transmission MidAtlantic, LLC

[illegible]

4 Total Annual Revenue Requirements (Note A)

Monthly Interest Rate

Interest Income (Expense)

Notes:

- 1) From Attachment 1, line 15, col. 14 for the projection for the Rate Year.
- 2) From Attachment 1, line 15, col. 14 for that project based on the actual costs for the Rate Year.
- 3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues. Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C. Column D, lines 3 are sourced from the projected revenue requirement for the year at issue.
- 4) Interest from Attachment 6.
- 5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

### Prior Period Adjustment

(a)	(b)	(c)	(d)
Prior Period (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)

Notes:

A For each project or Attachment H, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment H and any Projects paid by the RTO to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-Up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6. Column (I) adds the interest on the sum of Col.(G) and (H). Col. (J) is the sum of Col. (G), (H), and (I).

B Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.

## Attachment 4

## Rate Base Worksheet

## NextEra Energy Transmission MidAtlantic, LLC

Line No	Month	Transmission (b)	Gross Plant In Service General & Intangible (c)	CWIP		LHFFU Materials & Supplies (f)	Working Capital Prepayments (g)	Accumulated Depreciation	
				CWIP in Rate Base (d)	Held for Future Use (e)			Transmission (h)	General & Intangible (i)
	Attachment H, Page 2, Line No:	2	4	27	31	34	35	9	11
		207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	(Note C)	214.x.d for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year								
2	January								
3	February								
4	March								
5	April								
6	May								
7	June								
8	July								
9	August								
10	September								
11	October								
12	November								
13	December								
14	Average of the 13 Monthly Balances								

		<u>Adjustments to Rate Base</u>						
Line No	Month	Unamortized Regulatory Asset	Unamortized Abandoned Plant	Account No. 281 Accumulated Deferred Income Taxes (Note D)	Account No. 282 Accumulated Deferred Income Taxes (Note D)	Account No. 283 Accumulated Deferred Income Taxes (Note D)	Account No. 190 Accumulated Deferred Income Taxes (Note D)	Account No. 255 Accumulated Deferred Investment Credit
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Attachment H, Page 2, Line No:	28	29	22	23	24	25	26
		Notes A & E	Notes B & F	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December Prior Year							
16	January							
17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-						

## Attachment 4

Page 2 of 2

## Rate Base Worksheet

NextEra Energy Transmission MidAtlantic, LLC

Unfunded Reserves (Notes  
G & H)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter (0) if O if the accrual account is NOT included in the formula rate	Enter the percentage paid for by the transmission formula customers	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
29	List of all reserves:	Amount						
30a	Reserve 1	-		-				-
30b	Reserve 2	-		-				-
30c	Reserve 3							
30d	Reserve 4							
30e	...							
30f	...	-		-				-
31	Total	-						-

## Notes:

- A Recovery of regulatory asset is limited to any regulatory assets authorized by FERC.
- B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.  
Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 6 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in ratebase.
- C ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.
- D Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.
- G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- H Calculate using 13 month average balance, except ADIT.

NextEra Energy Transmission MidAtlantic, LLC  
Attachment 4a - Accumulated Deferred Income Taxes

Year Ended December 31, 2016

Rate Year =

1 **Account 190**

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	31	-	-	-	-	-	-
April	30	-	-	-	-	-	-
May	31	-	-	-	-	-	-
June	30	-	-	-	-	-	-
July	31	-	-	-	-	-	-
August	31	-	-	-	-	-	-
September	30	-	-	-	-	-	-
October	31	-	-	-	-	-	-
November	30	-	-	-	-	-	-
December	31	-	-	-	-	-	-
Total					-	-	
Beginning Balance				234.8.b			-
Less non Prorated Items				(Line 19 less line 21)			-
Beginning Balance of Prorated items				(Line 5, Col H)			-
Ending Balance				234.8.c			-
Less non Prorated Items				(Line 22 less line 24)			-
Ending Balance of Prorated items				(Line 17, Col H)			-
Average Balance				((Lines 21 + 24) / 2) + ((Lines 20 + 23) / 2)			-
Less FASB 106 & 109 Items				Attachment H, Footnote B			-
Amount for Attachment 4				(Line 25 less line 26)			-

28 **Account 281**

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	31	-	-	-	-	-	-
April	30	-	-	-	-	-	-
May	31	-	-	-	-	-	-
June	30	-	-	-	-	-	-
July	31	-	-	-	-	-	-



40	August	31	-	-	-	-	-	-
41	September	30	-	-	-	-	-	-
42	October	31	-	-	-	-	-	-
43	November	30	-	-	-	-	-	-
44	December	31	-	-	-	-	-	-
45	Total					-	-	
46	Beginning Balance				274.b			-
47	Less non Prorated Items				(Line 46 less line 48)			-
48	Beginning Balance of Prorated items				(Line 32, Col H)			-
49	Ending Balance				275.k			-
50	Less non Prorated Items				(Line 49 less line 51)			-
51	Ending Balance of Prorated items				(Line 44, Col H)			-
52	Average Balance				((Lines 48 + 51) /2)+((Lines 47 +50)/2))			-
53	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
54	Amount for Attachment 4				(Line 52 less line 53)			-
55	<b>Account 282</b>							
56	Days in Period					Averaging with Proration - Projected		
	A	B	C	D	E	F	G	H
	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
57								
58								
59	December 31st balance Prorated Items							-
60	January	31	-	-	-	-	-	-
61	February	-	-	-	-	-	-	-
62	March	31	-	-	-	-	-	-
63	April	30	-	-	-	-	-	-
64	May	31	-	-	-	-	-	-
65	June	30	-	-	-	-	-	-
66	July	31	-	-	-	-	-	-
67	August	31	-	-	-	-	-	-
68	September	30	-	-	-	-	-	-
69	October	31	-	-	-	-	-	-
70	November	30	-	-	-	-	-	-
71	December	31	-	-	-	-	-	-
72	Total					-	-	
73	Beginning Balance				274.b			-
74	Less non Prorated Items				(Line 73 less line 75)			-
75	Beginning Balance of Prorated items				(Line 59, Col H)			-
76	Ending Balance				275.k			-
77	Less non Prorated Items				(Line 76 less line 78)			-
78	Ending Balance of Prorated items				(Line 71, Col H)			-
79	Average Balance				((Lines 75 + 78) /2)+((Lines 74 +77)/2))			-
80	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
81	Amount for Attachment 4				(Line 79 less line 80)			-



82 **Account 283**

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
86	December 31st balance Prorated Items						-
87	January 31	-	-	-	-	-	-
88	February -	-	-	-	-	-	-
89	March 31	-	-	-	-	-	-
90	April 30	-	-	-	-	-	-
91	May 31	-	-	-	-	-	-
92	June 30	-	-	-	-	-	-
93	July 31	-	-	-	-	-	-
94	August 31	-	-	-	-	-	-
95	September 30	-	-	-	-	-	-
96	October 31	-	-	-	-	-	-
97	November 30	-	-	-	-	-	-
98	December 31	-	-	-	-	-	-
99	Total				-	-	
100	Beginning Balance			276.b			-
101	Less non Prorated Items			(Line 100 less line 102)			-
102	Beginning Balance of Prorated items			(Line 86, Col H)			-
103	Ending Balance			277.k			-
104	Less non Prorated Items			(Line 103 less line 105)			-
105	Ending Balance of Prorated items			(Line 98, Col H)			-
106	Average Balance			((Lines 102 + 105) / 2) + ((Lines 101 + 104) / 2)			-
107	Less FASB 106 & 109 Items			Attachment H, Footnote B			-
108	Amount for Attachment 4			(Line 106 less line 107)			-

**Attachment 5**

Attachment H, Pages 3 and 4, Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

Line No.	Month	Transmission O&M Expenses	Account No. 566 (Misc. Trans. Expense)	Account No. 565	A&G Expenses	FERC Annual Fees	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Transmission Related Reg. Comm. Exp.	Transmission Lease Payments	Amortization of Regulatory Asset	Miscellaneous Transmission Expense (less amortization of regulatory asset)	Depreciation Expense - Transmission
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line No.:	1	2	3	4	5	6	7	9 Portion of Transmission O&M	11 Portion of Account 566	12 Balance of Account 566	16 336.7.b, d & e
	Form No. 1	321.112.b	321.97.b	321.96.b	323.197.b	(Note E)	(Note E)	(Note E)				
1	January											-
2	February											-
3	March											-
4	April											-
5	May											-
6	June											-
7	July											-
8	August											-
9	September											-
10	October											-
11	November											-
12	December											-
13	Total		\$	\$	\$	-	\$	\$	\$	\$	\$	-
		Depreciation Expense - General & Intangible	Amortization of Abandoned Plant	Payroll Taxes	Highway & Vehicle Taxes	Property Taxes	Gross Receipts Taxes	Other Taxes	Payments in lieu of Taxes	Amortized Investment Tax Credit (266.8f)	Excess Deferred Income Taxes	Tax Effect of Permanent Differences
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line Number	17	19	23	24	26	27	28	29	37	38	39
	Form No. 1	336.10.b, d & e, 336.1.b, d & e	(Note S)	263.i	263.i	263.i	263.i	263.i	263.i	266.8.f	(Note G)	(Note W)
14	January											-
15	February											-
16	March											-
17	April											-
18	May											-
19	June											-
20	July											-
21	August											-
22	September											-
23	October											-
24	November											-
25	December											-
26	Total	\$	\$	\$	\$	-	\$	-	\$	\$	\$	-

Attachment 5  
Attachment H, Pages 3 and 4, Worksheet  
NextEra Energy Transmission MidAtlantic, LLC

	Bundled Sales for Resale included on page 4 of Attachment H (a)	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (b)	Transmission charges for all transmission transactions (c)	Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10. (d)	Account No. 457.1 Scheduling (e)
Attachment H, Page 4, Line No:	27	29	31	32	Attach H, p 1 line 4
	(Note L)	(Note M)	Portion of Account 456.1	Portion of Account 456.1	
27	January		-	-	-
28	February		-	-	-
29	March		-	-	-
30	April		-	-	-
31	May		-	-	-
32	June		-	-	-
33	July		-	-	-
34	August		-	-	-
35	September		-	-	-
36	October		-	-	-
37	November		-	-	-
38	December		-	-	-
39	Total	\$	\$	\$	\$

40  
41 RETURN (R)  
Notes K, Q & R from Attachment H

42	Long Term Interest (117, sum of 62.c through 67.c, Note A)	\$	-
43	Preferred Dividends (118.29c) (positive number)	-	-
44	Proprietary Capital (112.16.c)	-	-
45	Less Preferred Stock (line 49)	-	-
46	Less Account 216.1(112.12.c (enter negative)	-	-
47	Common Stock (sum lines 41-43)	-	-
48	Long Term Debt	Note A	
49	Preferred Stock (112.3.c)	Note B	
50	Common Stock	Note C	
51	Total	Sum of Lines 48-50	

	\$	\$	Cost	Weighted	
48	-	-	-	-	=WCLTD
49	-	-	-	-	
50	-	-	11.00%	-	
51	-	-		-	=R

Note:  
A Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The cost is calculated by dividing line 42 by the Long Term Debt balance in line 48.  
B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c & d in the Form No. 1  
C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 3.c & d, 12.c & d, and 16.c & d in the Form No. 1 as shown on lines 41-44 above. ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.

## Page 1 of 1

Note A:

(3) The Rate for Surcharges is the lesser of Column A or B if short term debt is issued in the quarter and Column A if there is no short term debt issued in a quarter.

10

11

Interest is calculated by taking the interest rate in line 8 and applying it monthly to the balances in Column C-N (i.e., for January 12/12\* Column O, February 11/12\* Column O, etc.) plus the interest rate in line 8 times 1.5 times the sum of the balances for January through December.

PBOPs  
NextEra Energy Transmission MidAtlantic, LLC

<u>Calculation of PBOP Expenses</u>		(a)	(b)
1			<u>NextEra</u>
2	Total PBOP expenses (Note A)		\$0.00
3	Labor dollars (total labor under PBOP Plan, Note A)		\$0.00
4	Cost per labor dollar (line2 / line3)		
5	labor expensed (labor not capitalized) in current year, 354.28.b.		
6	PBOP Expense for current year	(line 4 * line 5)	
7	Lines 2-3 cannot change absent approval or acceptance by FERC in a separate proceeding.		
8	PBOP amount included in Company's O&M and A&G expenses included in FERC Account Nos. 500-935		

Note

Letter

A The source of the amounts from the Actuary Study supporting the numbers in Line 2 and 3 is -

**Attachment 8**  
Depreciation Rates  
NextEra Energy Transmission MidAtlantic, LLC

Page 1 of 1

Line	Account Number	FERC Account	Rate (Annual)Percent
<b>TRANSMISSION PLANT</b>			
1	350.1	Fee Land	0.00
2	350.2	Land Rights	1.33
2	352	Structures and Improvements	3.36
3	353	Station Equipment	2.92
4	354	Towers and Fixtures	0.00
5	355	Poles and Fixtures	2.05
6	356	Overhead Conductor and Devices	3.10
7	357	Underground Conduit	0.00
8	358	Underground Conductor and Devices	0.00
9	359	Roads and Trails	0.00
<b>GENERAL PLANT</b>			
10	390	Structures & Improvements	0.00
11	391	Office Furniture & Equipment	5.25
12	392	Transportation Equipment	0.00
13	393	Stores Equipment	0.00
14	394	Tools, Shop & Garage Equipment	0.00
15	395	Laboratory Equipment	0.00
16	397	Communication Equipment	25.00
17	398	Miscellaneous Equipment	2.50
<b>INTANGIBLE PLANT</b>			
18	301	Organization	1.85
19	302	Intangible	1.85
20	303	Miscellaneous Intangible Plant	
21		5 Year Property	20.00
22		7 Year Property	14.29
23		10 Year Property	10.00
24		Transmission facility Contributions in Aid of Construction	Note 1

Note 1: In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying transmission plant booked to the accounts shown in lines 1-9 above and the weighted average depreciation rate will be used to amortize the CIAC. The life of a facility subject to a CIAC will be equivalent to the depreciation rate calculated above, i.e.,  $100\% \div \text{depreciation rate} = \text{life in years}$ . The estimated life of the facility or rights associated with the facility will not change over the life of a CIAC without prior FERC approval.

These depreciation rates will not change absent the appropriate filing at FERC.



**ATTACHMENT L**  
**List of Transmission Owners**

Allegheny Electric Cooperative, Inc.  
American Transmission Systems, Incorporated  
Atlantic City Electric Company  
Baltimore Gas and Electric Company  
NAEA Rock Springs, LLC  
Delmarva Power & Light Company  
Duke Energy Ohio, Inc.  
Duke Energy Kentucky, Inc.  
East Kentucky Power Cooperative, Inc.  
Hudson Transmission Partners, LLC  
ITC Interconnection LLC  
Jersey Central Power & Light Company  
Mid-Atlantic Interstate Transmission, LLC  
Neptune Regional Transmission System, LLC  
NextEra Energy Transmission MidAtlantic, LLC  
Old Dominion Electric Cooperative  
PECO Energy Company  
Pennsylvania Power & Light Company  
Potomac Electric Power Company  
Public Service Electric and Gas Company  
Rockland Electric Company  
Trans-Allegheny Interstate Line Company  
UGI Utilities, Inc.  
Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, all doing business as Allegheny Power  
Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc.  
The Dayton Power and Light Company  
AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company)  
Duquesne Light Company  
Virginia Electric and Power Company  
Linden VFT, LLC  
City of Cleveland, Department of Public Utilities, Division of Cleveland Public Power  
City of Hamilton, OH  
Southern Maryland Electric Cooperative, Inc.

## **Attachment D**

Redline of the formula rate protocols  
illustrating the changes proposed for  
replication authority for NEET PJM  
Entities and the change to a June - May  
rate year

Attachment H-25A

NextEra Energy Transmission [~~MidAtlantic, LLC~~]PJM Entities

FORMULA RATE IMPLEMENTATION  
PROTOCOLS

Section I. Applicability

The following procedures shall apply to ~~NextEra Energy Transmission MidAtlantic, LLC's ("NEET MidAtlantic")~~the calculation of [~~its~~]the actual net revenue [~~requirement~~]requirements, True-Up [~~Adjustment~~]Adjustments, and projected net revenue [~~requirement~~]requirements of NextEra Energy Transmission MidAtlantic, LLC's ("NEET MidAtlantic"), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Interconnection, L.L.C. ("PJM") Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff ("NEET PJM Entity").

The NEET PJM Entities shall use either a January - December rate year or a June - May rate year, as specified below:

<u>NEET PJM Entity</u>	<u>Formula Rate</u>	<u>Zone</u>	<u>Rate Year</u>
<u>NextEra Energy Transmission MidAtlantic, LLC</u>	<u>H-25B(1)</u>	<u>ComEd Zone</u>	<u>June to May</u>

Section II. Annual True-Up and Projected Net Revenue Requirement

- A. On or before [~~June 1~~]May 15 of each year, each NEET [~~MidAtlantic~~]PJM Entity shall determine its Annual True-Up in accordance with [~~NEET MidAtlantic's~~]the formula rate for each NEET PJM Entity and Section VII of these protocols, to derive a True-Up Adjustment to be included in [~~NEET MidAtlantic's~~]projected net revenue requirement for each NEET PJM Entity for the subsequent [~~calendar~~]rate year[~~(the "Rate Year")~~].
- B. On or before June 1 of each year, [~~NEET MidAtlantic~~]each NEET PJM Entity using a January - December rate year shall provide its Annual True-Up, actual net revenue requirement, and True-Up Adjustment to PJM Interconnection, L.L.C. ("PJM") and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June - May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of such posting, PJM shall

provide notice of such posting via an email exploder list. Interested Parties can subscribe to the PJM exploder list on the PJM website. For purposes of these protocols, the term Interested Party includes, but is not limited to, customers under the PJM Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.

- C. On or before September 30 of each year, ~~[NEET MidAtlantic]~~each NEET PJM Entity using a January - December rate year shall provide its projected net revenue requirement to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June to May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of posting of the projected net revenue requirement, PJM shall provide notice of such posting to an email exploder list. In the event the NEET ~~[MidAtlantic]~~PJM Entity's formula rate is first included in the PJM Tariff such that the first projected net revenue requirement cannot be provided to PJM by May 15 or September 30, as applicable, each NEET ~~[MidAtlantic]~~PJM Entity will nevertheless prepare a projection of its net revenue requirement for the first Rate Year using the most recent information available, and the projection will be posted on the PJM website and OASIS at least sixty (60) days prior to the rates becoming effective. The projected net revenue requirement for a partial first Rate Year will reflect the NEET ~~[MidAtlantic]~~PJM Entity's net revenue requirement only over the remaining months during the partial Rate Year. The NEET ~~[MidAtlantic]~~PJM Entities will conduct a meeting with Interested Parties on the projected net revenue requirement for the first Rate Year between twenty (20) to forty (40) days after posting. Notice of the customer meeting, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the e-mail exploder list no less than seven (7) days prior to such meeting.
- D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of information requests discussed in Section III of these protocols.
- E. The Annual True-Up shall:
1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
  2. Be based on ~~[NEET MidAtlantic]~~each Neet PJM Entity's FERC Form No. 1 for the prior calendar year;
  3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Annual

True-Up that are not otherwise available in the FERC Form No. 1;

4. Provide sufficient information to enable Interested Parties to replicate the calculation of the Annual True-Up results from the FERC Form No. 1;
5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1;
6. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the FERC Form No. 1;
8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
  - a. Identify Accounting Changes, including
    - i. the initial implementation of an accounting standard or policy;
    - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
    - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
    - iv. the implementation of new estimation methods or policies that change prior estimates; and
    - v. changes to income tax elections;
  - b. Identify items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments);
  - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up;
  - d. Provide, for each item identified pursuant to items II.E.8.a - II.E.8.c

of these protocols, a narrative explanation of the individual impact of such changes on the True-Up Adjustment.

9. Provide for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between each NEET [~~MidAtlantic~~] PJM Entity and its affiliates by service category or function, including any changes to such cost allocation methodologies from the prior year and the reasons and justifications for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between each NEET [~~MidAtlantic~~] PJM Entity and each affiliate by service category or function.

F. The projected net revenue requirement shall:

1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
3. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement; and
4. With respect to any Accounting Change:
  - a. Identify any Accounting Changes, including
    - i. the initial implementation of an accounting standard or policy;
    - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
    - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
    - iv. the implementation of new estimation methods or policies that change prior estimates;
    - v. changes to income tax elections;
  - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
  - c. Identify any reorganization or merger transaction during the previous year

and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and

- d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.

- G. A NEET [MidAtlantic]PJM Entity shall hold an open meeting among Interested Parties (“Annual True-Up Meeting”) no sooner than twenty (20) days after the Publication Date~~[-and].~~ For NEET PJM Entities using a January – December rate year, the Annual True-Up Meeting shall occur no later than September ~~[1.—NEET MidAtlantic]~~1, and for NEET PJM Entities using a June – May rate year, the Annual True-Up Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual True-Up Meeting remotely accessible. No less than seven (7) days prior to such Annual True-Up Meeting, the NEET [MidAtlantic]PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual True-Up Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual True-Up Meeting shall (i) permit each NEET [MidAtlantic]PJM Entity to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from each NEET [MidAtlantic]PJM Entity about the Annual True-Up and True-Up Adjustment.
- H. A NEET [MidAtlantic]PJM Entity shall hold an open meeting among Interested Parties (“Annual Projected Rate Meeting”) no sooner than twenty (20) days after the date that the projected net revenue requirement is posted to the PJM website and OASIS (as described in Section II.C of these protocols)~~[-and no later than October 31. NEET MidAtlantic].~~ For NEET PJM Entities using a January – December rate year, the Annual Projected Rate Meeting shall occur no later than October 31, and for NEET PJM Entities using a June – May rate year, the Annual Projected Rate Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual Projected Rate Meeting remotely accessible. No less than seven (7) days prior to such Annual Projected Rate Meeting, the NEET [MidAtlantic]PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual Projected Rate Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual Projected Rate Meeting shall (i) permit each NEET [MidAtlantic]PJM Entity to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from the NEET [MidAtlantic]PJM Entities about the projected net revenue ~~[requirement]~~requirements.
- I. Transmission owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational meeting to enable all interested parties to understand how those transmission owners are implementing their formula rates for cost recovery of such projects. The NEET [MidAtlantic]PJM Entities will make the joint informational meeting remotely accessible. Notice of joint

informational meetings, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the email exploder list no less than seven (7) days prior to such meetings. Each NEET ~~[MidAtlantic]~~ PJM Entity will participate in joint informational meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated.

### Section III. Information Exchange Procedures

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

A. Interested Parties shall have ~~[until December 1]~~ one hundred and eighty (180) days following Publication Date (unless such period is extended with the written consent of the NEET ~~[MidAtlantic]~~ PJM Entities or by FERC order) to serve reasonable information and document requests on a NEET ~~[MidAtlantic]~~ PJM Entity (“Information Exchange Period”). ~~[-If December 1]~~ If the due date for information and document requests falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:

1. the extent or effect of an Accounting Change;
2. whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
3. the proper application of the formula rate and procedures in these protocols;
4. the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement;
5. the prudence of actual costs and expenditures, including procurement methods and cost control methodologies;
6. the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
7. any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

B. A NEET ~~[MidAtlantic]~~ PJM Entity shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such



requests. The NEET ~~[MidAtlantic]~~ PJM Entity shall respond to all information and document requests by no later than ~~[January 10]~~ two hundred and twenty (220) days following the Publication Date, unless the Information Exchange Period is extended by the applicable NEET ~~[MidAtlantic]~~ PJM Entity or FERC. If January 10 falls on a weekend or a holiday recognized by FERC, the deadline for responses to information requests shall be extended to the next business day.

- C. Each NEET ~~[MidAtlantic]~~ PJM Entity will cause to be posted on the PJM website and OASIS all information requests from Interested Parties and such NEET ~~[MidAtlantic]~~ PJM Entity's response(s) to such requests; except, however, if responses to information and document requests include material deemed by the NEET ~~[MidAtlantic]~~ PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by such NEET ~~[MidAtlantic]~~ PJM Entity and the requesting party.
- D. A NEET ~~[MidAtlantic]~~ PJM Entity shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing a NEET ~~[MidAtlantic]~~ PJM Entity's Annual True-Up or projected net revenue requirement.

#### Section IV. Challenge Procedures

- A. Interested Parties shall have until ~~[January 31]~~ two hundred and forty (240) days following the Publication Date (unless such period is extended with the written consent of the applicable NEET ~~[MidAtlantic]~~ PJM Entity or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify the applicable NEET ~~[MidAtlantic]~~ PJM Entity in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. The period of time from the Publication Date until ~~[January 31]~~ the date that is two hundred and forty (240) days later shall be referred to as the Review Period. If ~~[January 31]~~ the final day of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement under the challenge procedures set forth in these protocols, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement. This Section IV.A in no way shall affect a party's rights under section 206 of the Federal Power Act ("FPA") as set forth in Section IV.I of these protocols.
- B. A party submitting an Informal Challenge to a NEET ~~[MidAtlantic]~~ PJM Entity must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents

to support its challenge. A NEET [MidAtlantic]PJM Entity shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. A NEET [MidAtlantic]PJM Entity, and where applicable, PJM, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If the applicable NEET [MidAtlantic]PJM Entity disagrees with such challenge, the NEET [MidAtlantic]PJM Entity will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after [January 31,]the final day of the Review Period, and a NEET [MidAtlantic]PJM Entity must respond to all Informal Challenges by no later than [February 28,]thirty (30) days after the end of the Review Period, unless the Review Period is extended by the NEET [MidAtlantic]PJM Entity or FERC. If [January 31]the end of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. If [February 28]the deadline for a NEET PJM Entity to respond to all Informal Challenges falls on a weekend or a holiday recognized by FERC, the deadline for responding to Informal Challenges shall be extended to the next business day.

- C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.
1. A Formal Challenge shall:
    - a. Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;
    - b. Explain how the action or inaction violates the filed rate formula or protocols;
    - c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
      - i. The extent or effect of an Accounting Change;
      - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
      - iii. The proper application of the formula rate and procedures in these protocols;
      - iv. The accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected net revenue

requirement;

- v. The prudence of actual costs and expenditures;
  - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
  - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
  - e. State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
  - f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
  - g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
  - h. State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.

- 2. Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on the NEET [~~MidAtlantic~~ PJM Entity]. Service to the NEET [~~MidAtlantic~~ PJM Entity] must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with 18 C.F.R. § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on the NEET [~~MidAtlantic~~ PJM Entity]'s Informational Filing required under Section VI of these protocols.

- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up and projected net revenue requirement ; (5) the prudence of actual costs and expenditures; (6) the effect of any

change to the underlying Uniform System of Accounts or FERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

- E. Each NEET ~~[MidAtlantic]~~ PJM Entity will cause to be posted to PJM's website and OASIS all Informal Challenges from Interested Parties and the NEET ~~[MidAtlantic's]~~ PJM Entity response(s) to such Informal Challenges ; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by such NEET ~~[MidAtlantic]~~ PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the NEET ~~[MidAtlantic]~~ PJM Entity and the requesting party.
- F. Any changes or adjustments to the Annual True-Up Adjustment or projected net revenue requirement resulting from the Information Exchange and Informal Challenge processes that are agreed to by a NEET ~~[MidAtlantic]~~ PJM Entity will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by a NEET ~~[MidAtlantic]~~ PJM Entity on or before ~~[December 1]~~ the last day of the Information Exchange Period will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by a NEET ~~[MidAtlantic after December 1]~~ PJM Entity after the last day of the Information Exchange Period will be reflected in the following year's Annual True-Up, as discussed in Section V of these protocols.
- G. An Interested Party shall have until ~~[April 15]~~ seventy-five (75) days following the Review Period (unless such date is extended with the written consent of the applicable NEET ~~[MidAtlantic]~~ PJM Entity to continue efforts to resolve the Informal Challenge or unless the deadline for the NEET ~~[MidAtlantic]~~ PJM Entity to submit its informational filing is extended) to make a Formal Challenge with FERC, which shall be served on the NEET ~~[MidAtlantic]~~ PJM Entity on the date of such filing as specified in Section IV.C(2) above. If ~~[April 15]~~ the last day of the seventy-five day period to make a Formal Challenge falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Formal Challenges shall be extended to the next business day. A Formal Challenge shall be filed in the same docket as the NEET ~~[MidAtlantic]~~ PJM Entity's Informational Filing discussed in Section VI of these protocols. The NEET ~~[MidAtlantic]~~ PJM Entity shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on any issue during the applicable Review Period.
- H. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, the NEET ~~[MidAtlantic]~~ PJM Entity shall bear the burden, consistent with section 205 of the FPA, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in ~~NEET MidAtlantic~~ these protocols. Nothing herein is intended to alter the burdens

applied by FERC with respect to prudence challenges.

- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of a NEET [~~MidAtlantic~~] PJM Entity to file unilaterally, pursuant to [~~FPA~~] section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the formula rate with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the FPA and the regulations thereunder.
- J. No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up and projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, an FPA section 205 or section 206 filing.
- K. Any Interested Party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with the applicable NEET [~~MidAtlantic~~] PJM Entity in accordance with this Section IV before pursuing a Formal Challenge.

#### **Section V. Changes to Annual True-Up Adjustment or Projected Net Revenue Requirement**

Except as provided in Section IV.F of these protocols, any changes to the data inputs, including but not limited to revisions to a NEET [~~MidAtlantic~~] PJM Entity's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols.

#### **Section VI. Informational Filings**

- A. By March 15 of each year, [~~NEET MidAtlantic~~] each NEET PJM Entity using a January – December rate year shall submit to FERC an informational filing (“Informational Filing”) of its projected net revenue requirement for the Rate Year, including its Annual True-Up and True-Up Adjustment (unless the Review Period is extended by the NEET [~~MidAtlantic or FERC~~]. ~~If March 15~~] PJM Entity or FERC). Such filing shall be made by each NEET PJM Entity using a June – May rate year no later than May 15 of each year. If the due date for the informational filing falls on a weekend or a holiday recognized by FERC, the deadline for submitting the Informational Filing shall be extended to the next business day. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that

the NEET [~~MidAtlantic~~]PJM Entity has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the transmission revenue requirement and rates under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge Procedures. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between a NEET [~~MidAtlantic~~]PJM Entity and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between a NEET [~~MidAtlantic~~]PJM Entity and each affiliate by service category or function. Within five (5) days of such Informational Filing, PJM shall provide notice of the Informational Filing via an email exploder list and by posting the docket number assigned to each NEET [~~MidAtlantic~~]PJM Entity's Informational Filing on the PJM website and OASIS.

- B. Any challenges to the implementation of the NEET [~~MidAtlantic~~]PJM Entity formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

## **Section VII. Calculation of True-Up Adjustment**

The True-Up Adjustment will be determined in the following manner:

1. Actual transmission revenues received the previous [~~Rate Year~~]calendar year ("True-Up Year") shall be compared to the actual net revenue requirement (calculated in accordance with the NEET [~~MidAtlantic~~]PJM Entity's formula rate) for the True-Up Year as determined using the NEET [~~MidAtlantic~~]PJM Entity's completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the "True-Up Adjustment." The True-Up Adjustment and related calculations shall be posted to PJM's website and OASIS no later than June 1 for NEET PJM Entities using a January – December rate year or May 15 for NEET PJM Entities using a June – May rate year (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.
2. Interest on any over recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R § 35.19a. Interest on any under recovery of the net revenue requirement shall be determined using the interest rate equal to: (i) the NEET [~~MidAtlantic~~]PJM Entity's actual short-term debt costs



capped at the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a; or (ii) if ~~the~~ NEET [~~MidAtlantic~~]PJM Entity does not have short-term debt, then the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the twenty-one (21) months preceding October of the current year. The interest amount will be included in the projected costs made available by either May 15 or September 30, as described in Section II.C above.

3. The net revenue requirement for transmission services for the following Rate Year shall be the sum of the projected net revenue requirement for the following year, plus or minus the True-Up Adjustment from the True-Up Year, if any, including interest, as explained above, and as described in Attachment 3 of ~~the~~ NEET [~~MidAtlantic~~]PJM Entity's formula rate.
4. A NEET [~~MidAtlantic~~]PJM Entity may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

## **Section VIII. Competitive Bid Concessions**

For transmission development projects assigned to a NEET [~~MidAtlantic~~]PJM Entity as a result of the PJM competitive project sponsor process, such NEET [~~MidAtlantic~~]PJM Entity may, in its sole discretion, agree with PJM to apply a Competitive Bid Concession that will result in a lower net revenue requirement on a project-specific basis than that which would otherwise be produced by the NEET [~~MidAtlantic~~]PJM Entity's formula rate. Any Competitive Bid Concession will appear as a zero or negative input to the formula, and will be determined on a project-specific basis using a workpaper that will be provided to Interested Parties as supporting documentation for each [~~NEET MidAtlantic~~] Annual True-Up by such NEET PJM Entity.

Document comparison by Workshare 9.5 on Friday, June 29, 2018 10:29:28 AM

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