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October 14, 2021

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

Re: *PJM Interconnection, L.L.C.*
American Transmission Systems, Incorporated
Docket No. ER20-1740-001

Dear Secretary Bose:

Pursuant to Rule 602 of the Commission's Rules of Practice and Procedure,[1] American Transmission Systems, Incorporated ("ATSI") hereby submits the attached uncontested Settlement Agreement and Offer of Settlement ("Settlement") executed by parties to the above-referenced proceeding.[2] ATSI respectfully requests that the Secretary transmit this Settlement to the Presiding Settlement Judge, the Honorable Suzanne Krolikowski. If approved by the Commission, this Settlement would resolve all issues in this proceeding.[3]

In accordance with Rule 602(c)(1) of the Commission's Rules of Practice and Procedure,[4] this filing consists of the following material:

1. This transmittal letter;

2. An Explanatory Statement;

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[1] 18 C.F.R. § 385.602 (2020).

[2] The settling parties consist of ATSI, American Municipal Power, Inc. ("AMP"); Buckeye Power, Inc. ("Buckeye"); Cleveland Public Power ("CPP"), Industrial Energy Users-Ohio ("IEU-Ohio"); and the Public Utility Commission of Ohio's Office of the Federal Energy Advocate ("Ohio-FEA").

[3] Pursuant to Order No. 714, PJM is submitting this filing on behalf of ATSI as part of an XML filing package that conforms with the Commission's regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, ATSI has requested that PJM submit this filing in the eTariff system as part of PJM's electronic Intra PJM Tariff.

[4] 18 C.F.R. § 385.602(c)(1).

3. The Settlement;

4. *Pro forma* versions of the revisions to ATSI's Formula Rate Template, Attachment H-21A to the PJM Tariff, shown in clean and redline, included as Appendices A-1 and A-2 to the Settlement;

5. *Pro forma* versions of the revisions to Attachment II to the PJM Tariff, shown in clean and redline, included as Appendices B-1 and B-2 to the Settlement; and

6. Certain workpapers supporting ATSI's Formula Rate Template, included as Appendices C-1 and C-2 to the Settlement.

In accordance with 18 C.F.R. § 385.602(d), ATSI certifies that it is serving a complete copy of this filing on all parties to the above-referenced proceeding, including other parties to the Settlement. Any initial comments must be filed on or before November 3, 2021 and any reply comments must be filed on or before November 15, 2021.

Please direct any questions to the undersigned.

Respectfully Submitted,

/s/ Michael Kunselman
Michael Kunselman
William Friedman

Counsel for American Transmission Systems, Incorporated

Attachments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing document on the persons listed on the official service list maintained by the Secretary for this proceeding.

Dated in Washington, D.C. this 14th day of October 2021.

*/s/ Daniel Klein*___________

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, LLC	**)**	
American Transmission Systems, Incorporated	**)**	**Docket No. ER20-1740-000**

EXPLANATORY STATEMENT

American Transmission Systems, Incorporated ("ATSI") submits this Explanatory Statement pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or the "Commission"), 18 C.F.R. § 385.602 (2020), in support of the attached Settlement Agreement and Offer of Settlement ("Settlement"). The parties to the Settlement are ATSI, American Municipal Power, Inc. ("AMP"); Buckeye Power, Inc. ("Buckeye"); Cleveland Public Power ("CPP"), Industrial Energy Users-Ohio ("IEU-Ohio"); and the Public Utility Commission of Ohio's Office of the Federal Energy Advocate ("Ohio-FEA") (each a "Settling Party" and collectively, the "Settling Parties"). The other Settling Parties have reviewed this Explanatory Statement and concur in its description of the Settlement. [1] The Settlement, upon the Commission's acceptance without condition or modification unacceptable to the Settling Parties, will resolve completely all issues in this proceeding.

I. PROCEDURAL BACKGROUND

On May 1, 2020, in Docket No. ER20-1740-000, pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the Commission's regulations, 18 C.F.R. Part 35, ATSI filed revisions to its transmission formula rate set forth in Attachment H-21 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff")[2] and revisions to

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[1] As set forth in Section 7.5 of the Settlement, in the event of any inconsistency between this Explanatory Statement and the Settlement Agreement, the terms of the Settlement Agreement shall control.

[2] Terms not otherwise defined in this Explanatory Statement are as set forth in the Settlement.

Attachment II of the PJM Tariff ("May 1 Filing").[3] Specifically, ATSI proposed revisions to: (1) recover the costs of certain transmission projects approved under the Midcontinent Independent System Operator, Inc. ("MISO") Transmission Expansion Plan ("MTEP") prior to ATSI's withdrawal from MISO that were determined to benefit transmission customers in the ATSI Zone ("Legacy MTEP Costs"); (2) recover certain costs related to ATSI's integration into PJM in 2011 ("RTO Realignment Costs"); (3) implement certain modifications to its formula rate related to the treatment of income taxes; (4) recover certain deferred transmission-related vegetation management costs ("Vegetation Management Costs"); and (5) effectuate several ministerial and non-substantive modifications to its formula rate template.

AMP, Buckeye, and IEU-Ohio each filed a protest of ATSI's filing. The Ohio-FEA also filed comments and a limited protest. On June 15, 2020, ATSI filed an answer in response to these protests, motions, and comments. On June 25, 2020, Buckeye filed a Motion for Leave to Submit a Limited Answer and Limited Answer to ATSI's answer. On June 29, 2020, AMP filed a Motion for Leave to File Limited Response and Response to ATSI's answer.

On June 30, 2020, the Commission issued its "Order Accepting and Suspending Proposed Tariff Revisions, And Establishing Hearing and Settlement Judge Procedures." *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,273 (2020) ("June 30 Order"). The Commission accepted ATSI's proposed tariff revisions, suspended them for five months to become effective December 1, 2020, subject to refund, and established hearing and settlement judge procedures. June 30 Order at P 2.

On July 7, 2020, the Chief Administrative Law Judge issued an order designating Judge Suzanne Krolikowski as the Settlement Judge. Thereafter, Judge Krolikowski convened a

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[3] Pursuant to Order No. 714, PJM submitted the filing on behalf of ATSI.

number of formal video settlement conferences, and the parties and Commission Trial Staff ("Trial Staff") also met through informal video conferences and conference calls on a number of other occasions. Throughout this process, the Settling Parties exchanged information regarding ATSI's filings and the positions adopted by intervenors; the Settling Parties also submitted and responded to a number of settlement offers. As a result of these efforts, the Settling Parties reached an agreement-in-principle to resolve all issues in this proceeding. That agreement-in-principle is reflected in the terms of the attached Settlement.

II. SUMMARY OF SETTLEMENT AGREEMENT

<u>ARTICLE I</u> provides the procedural background for this proceeding.

<u>ARTICLE II</u> provides definitions of terms used in the Settlement.

<u>ARTICLE III</u> defines the scope and conditions of Settlement, indicating that it resolves all issues set for hearing in the Commission's June 30 Order as well as any other matters raised by parties in settlement negotiations in Docket No. ER20-1740-000 and addressed in the Settlement, and that the Settling Parties will not be bound or prejudiced by any provisions in the Settlement unless and until it is approved by a Final Order of the Commission without modification or condition unacceptable to the Settling Parties.

<u>ARTICLE IV</u> sets forth the terms of the Settlement and sets forth the effective date of the Settlement.

<u>Section 4.1</u> sets forth the amounts of deferred Legacy MTEP Costs, RTO Realignment Costs, and Vegetation Management Costs that ATSI will recover from customers through its PJM transmission formula rate.

<u>Section 4.2</u> sets forth the amounts of Prospective Legacy MTEP Costs that ATSI will include in its PJM transmission formula rate and recover from customers through its PJM

transmission formula rate, for the calendar year periods 2021-2030, 2031-2040, 2041-2050, 2051-2060, and after 2060.

Section 4.3 provides that the Settlement shall not affect the right of any Settling Party to assert, including through proceedings at FERC, that the continued allocation to ATSI of Prospective Legacy MTEP Costs is unjust, unreasonable, and/or unduly discriminatory, and should be terminated or reduced, provided that so long as MISO is permitted to continue to charge a portion of Prospective Legacy MTEP Costs to ATSI, no Settling Party will contest ATSI's recovery of such costs as provided for in the Settlement. This Section also provides for certain coordination procedures prior to making any filing with FERC requesting that the allocation of Prospective Legacy MTEP Costs to ATSI be terminated. Additionally, this Section provides that ATSI and any Settling Parties still in existence at the time will join in and support a filing made by any other Settling Party to challenge the continued allocation of one or more of the Prospective Legacy MTEP project costs or any portion thereof to ATSI for the period after 2060.

Section 4.4 provides that the Settling Parties agree to the revisions to ATSI's Formula Rate Template as reflected in Appendix A to the Settlement and revisions to Attachment II to the PJM Tariff as reflected in Appendix B to the Settlement. This Section also provides that these revisions will become effective as of December 1, 2020, and that ATSI will arrange for PJM to file the revised tariff records no later than thirty (30) days after issuance of a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties.

Section 4.5 provides that prior to a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties, ATSI will continue to use its currently effective Formula Rate Template for purposes of preparing its Projected Transmission

Revenue Requirement ("PTRR") and Actual Transmission Revenue Requirement ("ATRR") Annual Updates. However, ATSI will utilize as inputs to those Annual Updates the regulatory asset and other cost recovery amounts and limitations agreed to and reflected in the Settlement.

Section 4.6 provides that ATSI's formula transmission rate will recover as adjustments to income tax expense the following three categories of permanent book-tax differences: (1) depreciation of AFUDC Equity; (2) 50% allowance for meals and entertainment expenses; and (3) parking expenses, as reflected in the Settlement Template. This Section also states that ATSI will make the company records supporting these amounts available, upon request, as part of the Information Exchange Procedures set forth in ATSI's Formula Rate Implementation Protocols.

Section 4.7 addresses the manner in which ATSI will apply averaging to its Accumulated Deferred Income Tax ("ADIT") balances and provides that, barring an order from the Commission under FPA Section 205 or 206 approving a different methodology for ATSI, ATSI will follow the averaging methodology described in this Section unless and until the issuance of guidance by the Internal Revenue Service ("IRS") or FERC as set forth below. This Section states that the tariff revisions associated with this issue will apply on a prospective basis only, to become effective as of ATSI's first PTRR following the issuance of a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties, and that the agreement to make these changes is solely for the purpose of reaching settlement, and shall not establish any precedent. Moreover, nothing in the Settlement prejudices or limits the Settling Parties or any affiliate thereof from taking any position on this issue in the future. This Section also provides that if the IRS or FERC issues guidance in the future specifically permitting a different averaging methodology than the one reflected in the revisions included with the

Settlement, ATSI will be permitted to utilize such methodology without the need to submit an additional FPA Section 205 filing.

Section 4.8 sets forth a process by which ATSI will meet on a quarterly basis with Staff of the Power Siting Board and associated Public Utility Commission of Ohio ("PUCO") Staff to discuss certain transmission project information. This Section also provides that nothing in the Settlement shall be construed as preventing or limiting in any way Settling Parties' ability to (1) initiate or participate in transmission planning proceedings or matters before FERC, an RTO/ISO, or other forums, and/or (2) take any position or action they deem appropriate on transmission planning issues before FERC, an RTO/ISO, or other forums.

Section 4.9 addresses additions to the workpapers supporting ATSI's Formula Rate Template in order to document the derivation of pro-rated ADIT inputs for ATSI's PTRR and ATRR.

Section 4.10 references language that appeared on page 33 of Form 10-Q filed by FirstEnergy Corp. with the Securities and Exchange Commission on July 22, 2021 and related refunds, and provides that by entering into the Settlement, (1) the non-ATSI Settling Parties do not waive any rights they may have to pursue further relief as may become available in connection with the transactions referenced therein, and (2) ATSI does not waive any rights it may have regarding further relief pursued in connection with the transactions referenced therein.

ARTICLE V sets forth the refund obligations by ATSI to the Settling Parties.

Section 5.1 provides that with the exception of the revisions addressed in Section 4.7, an amount equal to the difference between (a) the rates calculated in accordance with the terms of the Settlement and (b) the rates placed into effect on December 1, 2020 and billed by PJM will be included as a component in the first ATRR developed by ATSI following FERC's approval of the Settlement without condition or modification unacceptable to the Settling Parties, and such difference, with interest, shall be refunded to transmission customers in the ATSI Zone as part of the Formula Rate True-up process provided for in ATSI's Formula Rate Implementation Protocols.

Section 5.2 provides that the Settling Parties agree that the terms of the Settlement do not require any changes to ATSI's revenue requirement for Rate Year 2020, provided that nothing in the Settlement precludes any changes unrelated to the Settlement to ATSI's transmission revenue requirement for Rate Year 2020 that may result from a Settling Party's pursuit of the challenge procedures set forth in ATSI's Formula Rate Implementation Protocols.

ARTICLE VI states that the standard of review for any proposed change sought to the terms of the Settlement by fewer than all of the Settling Parties, and opposed by any other Settling Party, shall be the "public interest" application of the just and reasonable standard of review. With respect to proposed changes to the terms of the Settlement agreed to by all of the Settling Parties, or sought by a party other than a Settling Party, or by the Commission acting *sua sponte*, the standard of review shall be the ordinary just and reasonable standard.

ARTICLE VII contains miscellaneous provisions, including that none of the Settlement's provisions are severable, and that the Settlement is solely for the purpose of resolving this proceeding in order to avoid the costs and burdens of litigation and is not intended to establish any principle or precedent with respect to any issue in this proceeding.

III. INFORMATION TO BE PROVIDED WITH SETTLEMENT AGREEMENTS

Pursuant to the Chief Administrative Law Judge's directive regarding settlement filings,[4] the Explanatory Statement must address the following four questions:

1. Does the settlement affect other pending cases?

The Settling Parties are not aware of any pending cases that would be affected by the Settlement Agreement.

2. Does the settlement involve issues of first impression?

The Settling Parties are not aware of any issues of first impression raised by the Settlement Agreement.

3. Does the settlement depart from Commission precedent?

No. The Settlement does not depart from Commission precedent.

4. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte?*

No, the Settlement does not seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*.

[4] Notice to the Public, Amended Notice to the Public on Information to be Provided with Settlement Agreements and Guidance on the Role of Settlement Judges (Dec. 15, 2016).

Respectfully submitted,

<u>/s/ Michael Kunselman</u>
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American Transmission Systems, Incorporated

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, LLC	**)**	
American Transmission Systems, Incorporated	**)**	**Docket No. ER20-1740-000**

SETTLEMENT AGREEMENT AND OFFER OF SETTLEMENT

This Settlement Agreement ("Settlement"), submitted to the Federal Energy Regulatory Commission ("FERC" or the "Commission") for approval as an Offer of Settlement pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2020), is entered into as of October 14, 2021 by American Transmission Systems, Incorporated ("ATSI"); American Municipal Power, Inc. ("AMP"); Buckeye Power, Inc. ("Buckeye"); Cleveland Public Power ("CPP"), Industrial Energy Users-Ohio ("IEU-Ohio"); and the Public Utility Commission of Ohio's Office of the Federal Energy Advocate ("Ohio-FEA") (each a "Settling Party" and collectively, the "Settling Parties").

This Settlement is submitted as an Offer of Settlement to resolve completely, upon the Commission's acceptance of this Settlement without condition or modification unacceptable to the Settling Parties, all issues in this proceeding. Subject to the conditions set forth in this Settlement, including the acceptance by the Commission of this Settlement in its entirety without condition or modification unacceptable to the Settling Parties, and with the understanding that each term of this Settlement is in consideration and support of every other term, the Settling Parties agree as follows.

ARTICLE I
PROCEDURAL BACKGROUND

On May 1, 2020, in Docket No. ER20-1740-000, pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the Commission's regulations, 18 C.F.R. Part 35, ATSI filed revisions to its transmission formula rate set forth in Attachment H-21 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff') and revisions to Attachment II of the PJM Tariff ("May 1 Filing").[1] Specifically, ATSI proposed five categories of revisions.

First, ATSI proposed to recover through its formula rate Legacy MTEP Costs (defined below) incurred since integrating with PJM on June 1, 2011. These costs consist of (1) Legacy MTEP Costs that ATSI incurred through the end of 2020, and (2) Legacy MTEP Costs that Midcontinent Independent System Operator, Inc. ("MISO")[2] has invoiced or will invoice ATSI from January 1, 2021 forward.

Second, ATSI proposed formula rate changes to provide for the recovery of certain costs related to ATSI's integration into PJM, referred to as RTO Realignment Costs. ATSI incurred the RTO Realignment Costs in order to effectuate its decision to withdraw from MISO and move to PJM in 2011.

Third, ATSI proposed two modifications to its transmission formula rate related to the treatment of income taxes. The first modification provided for the recovery of adjustments to tax expense to address permanent book-tax differences, including differences arising from the non-deductible portion of depreciation expense associated with the equity return portion of capitalized Allowance for Other Funds Used During Construction ("AFUDC Equity"). The

[1] Pursuant to Order No. 714, PJM submitted the filing on behalf of ATSI.

[2] Midcontinent Independent System Operator was formerly known as Midwest Independent System Operator.

second modification revised the Accumulated Deferred Income Tax ("ADIT") adjustment to rate base to reflect the use of prorated year-end balances rather than beginning and end of year average balances. ATSI asserted that this revision was necessary in order to avoid a "double averaging" of ADIT balances.

Fourth, ATSI proposed revisions to its formula rate to provide for the recovery of certain deferred transmission-related vegetation management costs. ATSI incurred these costs in the course of engaging in enhanced vegetation management activities from 2013 through 2016.

Fifth, ATSI proposed to make a ministerial modification to the Transmission Enhancement Credit and Legacy MTEP credit inputs to the revenue credits component of its formula transmission rate template. ATSI also proposed several non-substantive changes to various sections of Attachment H-21A to correct minor typographical errors, adjust formatting, and remove out-of-date information.

On May 29, 2020, AMP, Buckeye, and IEU-Ohio each filed a protest of ATSI's filing. Ohio-FEA also filed comments and a limited protest.[3] On June 15, 2020, ATSI filed an answer in response to these protests, motions, and comments.

On June 25, 2020, Buckeye filed a Motion for Leave to Submit a Limited Answer and Limited Answer to ATSI's answer. On June 29, 2020, AMP filed a Motion for Leave to File Limited Response and Response to ATSI's answer.

On June 30, 2020, the Commission issued its "Order Accepting and Suspending Proposed Tariff Revisions, And Establishing Hearing and Settlement Judge Procedures." *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,273 (2020) ("June 30 Order"). The Commission accepted ATSI's proposed tariff revisions, suspended them for five months to become effective

[3] CPP filed a doc-less motion to intervene on May 29, 2020.

December 1, 2020, subject to refund, and established hearing and settlement judge procedures. June 30 Order at P 2.

On July 7, 2020, the Chief Administrative Law Judge issued an order designating Judge Suzanne Krolikowski as the Settlement Judge. Thereafter, Judge Krolikowski convened a number of formal video settlement conferences, and the parties and Commission Trial Staff ("Trial Staff") also met through informal video conferences and conference calls on a number of other occasions. Throughout this process, the Settling Parties exchanged information regarding ATSI's filings and the positions adopted by intervenors; the Settling Parties also submitted and responded to a number of settlement offers. As a result of these efforts, the Settling Parties reached an agreement-in-principle to resolve all issues in this proceeding. That agreement-in-principle is reflected in the terms of this Settlement. The Settling Parties represent that the Settlement will be uncontested by the parties to this docket.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Settling Parties, intending to be legally bound, agree as follows:

ARTICLE II
DEFINITIONS

2.1 Unless otherwise specified herein, capitalized terms used but not defined in this Settlement shall have the meaning set forth in the PJM Tariff.

2.2 For purposes of this Settlement:

2.2.1 "ATSI Internal Integration Costs" means expenses ATSI incurred associated with implementing the transition to PJM as identified in Exhibit

No. ATS-32 to the May 1 Filing.

2.2.2 "Deferred Legacy MTEP Costs" means Legacy MTEP Costs that ATSI incurred through December 31, 2020 as identified in Exhibit No. ATS-31.

2.2.3 "Deferred Vegetation Management Costs" means the costs ATSI incurred from 2013 to 2016 associated with enhanced vegetation management activities as identified in Exhibit No. ATS-35 to the May 1 Filing.

2.2.4 "Legacy MTEP Costs" means costs associated with MTEP Projects approved under MISO's Transmission Expansion Plan prior to ATSI's integration with PJM on June 1, 2011 that were constructed by transmission owners other than ATSI as identified in Attachment II, Section V.A, and have a portion of their revenue requirement allocated to the ATSI Zone.

2.2.5 "Long-Term Transmission Rights Settlement Costs" means costs incurred by ATSI as part of the settlement reached in Docket No. ER11-2059 as identified in Exhibit No. ATS-32 to the May 1 Filing.

2.2.6 "MISO Exit Fee" means costs associated with ATSI's withdrawal from MISO that ATSI paid to MISO as identified in Exhibit No. ATS-32 to the May 1 Filing.

2.2.7 "PJM Integration Costs" means costs incurred by PJM in connection with ATSI's integration into PJM that ATSI paid to PJM as identified in Exhibit No. ATS-32 to the May 1 Filing.

2.2.8 "Prospective Legacy MTEP Costs" means Legacy MTEP Costs that ATSI has incurred or will incur after December 31, 2020.

2.2.9 "RTO Realignment Costs" means the MISO Exit Fee, PJM Integration Costs, ATSI Internal Integration Costs, and Long-Term Transmission Rights Settlement Costs.

ARTICLE III
SCOPE AND CONDITIONS OF SETTLEMENT

3.1 **Scope of Settlement.** This Settlement is an integrated and non-severable package that resolves all issues set for hearing by the Commission's June 30 Order and all other matters raised by any party in settlement negotiations in Docket No. ER20-1740-000 and addressed in this Settlement.

3.2 **Conditions.** This Settlement is expressly conditioned upon the acceptance of all provisions hereof by the Commission in accordance with Rule 602, and the Settling Parties will not be bound or prejudiced by any provisions in this Settlement unless and until the Settlement is approved in its entirety in a Final Order without any modification or condition unacceptable to the Settling Parties. If the Commission rejects the Offer of Settlement or any portion thereof, the Settlement shall be deemed null and void and of no force and effect. If the Commission accepts or approves the Offer of Settlement subject to conditions or modifications, then the Settlement shall not become effective, and it shall in that event be deemed null and void and of no force and effect unless each of the Settling Parties notifies all of the other Settling Parties and the Commission in writing within fifteen (15) days of such Commission order that it accepts such condition(s) or modification(s) and the order becomes a Final Order. For purposes of this Settlement, an order will be considered a "Final Order" as of the date it is issued by the Commission if no comments were filed in opposition to this Settlement, or, if comments in opposition were filed, as of the date that rehearing is denied by the Commission by order or by operation of law, or, if rehearing was not sought, as of the date on which the right to seek Commission rehearing expires.

ARTICLE IV
TERMS OF THE SETTLEMENT

4.1 **Recovery of Deferred Costs.** ATSI shall recover from customers through its PJM transmission formula rate the amounts deferred and recorded as regulatory assets through the end of 2020 as set forth below, with no rate of return or carrying charge, amortized on a straight-line basis over a ten-year period beginning on January 1, 2021:

a. Deferred Legacy MTEP Costs: $31,456,325

b. PJM Integration Costs: $806,260

c. ATSI Internal Integration Costs: $398,811

d. MISO Exit Fee: $8,908,391

e. Long-Term Transmission Rights Settlement Costs: $1,402,299

f. Deferred Vegetation Management Costs: $9,345,820

4.2 **Recovery of Prospective Legacy MTEP Costs.** ATSI shall recover from customers through its transmission formula rate Prospective Legacy MTEP Costs billed by MISO to ATSI as set forth below:

a. During the calendar years from 2021 through 2030, for the first $36,000,000 of Prospective Legacy MTEP Costs that ATSI is billed by MISO during this period, ATSI will recover through its transmission formula rate 75% of such costs. For any amounts of Prospective Legacy MTEP Costs that ATSI is billed by MISO from 2021 through 2030 in excess of $36,000,000, ATSI will recover 50% of such costs.

b. During the calendar years from 2031 through 2040, for the first $34,000,000 of Prospective Legacy MTEP Costs that ATSI is billed by MISO during this period, ATSI will recover through its transmission formula rate 83.5% of such costs. For any amounts of Prospective Legacy MTEP Costs that ATSI is billed by MISO from 2031 through 2040 in excess of $34,000,000, ATSI will recover 50% of such costs.

c. During the calendar years from 2041 through 2050, for the first $28,000,000 of Prospective Legacy MTEP Costs that ATSI is billed by MISO during this period, ATSI will recover through its transmission formula rate 83.5% of such costs. For any amounts of Prospective Legacy MTEP Costs that ATSI is billed by MISO from 2041 through 2050 in excess of $28,000,000, ATSI will recover 50% of such costs.

d. During the calendar years from 2051 through 2060, for the first $20,000,000 of Prospective Legacy MTEP Costs that ATSI is billed by MISO during this period, ATSI will recover through its transmission formula rate 83.5% of such costs. For any amounts of Prospective Legacy MTEP Costs that ATSI is billed by MISO from 2051 through 2060 in excess of $20,000,000, ATSI will recover 50% of such costs.

e. For any Prospective Legacy MTEP Costs that ATSI is billed by MISO after calendar year 2060, ATSI will recover through its transmission formula rate 50% of such costs.

4.3 Continued Allocation of Prospective Legacy MTEP Costs to ATSI. Nothing in this Settlement shall affect the right of any Settling Party to assert (including, if necessary, in proceedings at FERC) that a continued allocation of Prospective Legacy MTEP Costs or any portion thereof to ATSI, or the amount of any such Prospective Legacy MTEP Costs allocated to ATSI, is unjust, unreasonable, and/or unduly discriminatory and should, on that basis, be terminated or reduced; provided, however, that so long as MISO is permitted to continue to charge Prospective Legacy MTEP Costs to ATSI, no Settling Party will contest ATSI's recovery through its formula rate the portions of Prospective Legacy MTEP Costs that are specified in this Settlement. Before any such filing is made with respect to Prospective Legacy MTEP Costs charged to ATSI for the period through 2060, the Settling Party or Settling Parties preparing such filing will provide reasonable advance notice to the other Settling Parties and engage in good faith discussions with such other Settling Parties as to the feasibility of submitting such filing jointly. The Parties agree that any such discussions will be kept confidential and treated in accordance with FERC settlement rules (18 C.F.R. §§385.601 *et seq*). With respect to Prospective Legacy MTEP Costs charged to ATSI during the period after 2060, (1) ATSI agrees to join in and support a filing made by one or more Settling Parties at FERC (and any Settling Party still in existence at the time, including their successors and assigns, agrees to join in and support such a filing), and (2) any Settling Party still in existence at the time, including their successors and assigns, agrees to join in and support a filing made by ATSI, to challenge the continued allocation of one or more of the Prospective Legacy

MTEP project costs or any portion thereof to ATSI for the period after 2060 as unjust, unreasonable, and/or unduly discriminatory and should, on that basis, be terminated or reduced.

4.4 **Tariff Modifications.** The Settling Parties agree to the revisions to ATSI's Formula Rate Template, Attachment H-21A to the PJM Tariff, as reflected in the Formula Rate Template included as Appendices A-1 and A-2 to this Settlement ("Settlement Template") and revisions to Attachment II to the PJM Tariff as reflected in Appendices B-1 and B-2 to this Settlement ("Settlement Attachment II"). The Settling Parties agree that the effective date for the Settlement Template and Settlement Attachment II will be December 1, 2020. ATSI will arrange for PJM to file with the Commission revised tariff sheets reflecting the Settlement Template and Settlement Attachment II no later than thirty (30) days after issuance of a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties.

4.5 **Inputs to Formula Rate Template Pending Final Order.** The Settling Parties agree that, pending a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties, ATSI will continue to use its currently effective Formula Rate Template for purposes of its Projected Transmission Revenue Requirement ("PTRR") and Actual Transmission Revenue Requirement ("ATRR") Annual Updates. However, notwithstanding the use of the existing Formula Rate Template, ATSI will utilize as inputs, in any such PTRR and ATRR update, the regulatory asset and other cost recovery amounts and limitations agreed to and reflected in the Settlement, including but not limited to the exclusion of any rate of return and carrying charges on the recovery of deferred costs as described in Section 4.1.

4.6 Permanent Book-Tax Differences. The Settling Parties agree that ATSI's formula transmission rate will recover as adjustments to income tax expense the following three categories of permanent book-tax differences: (1) depreciation of the AFUDC Equity; (2) 50% allowance for meals and entertainment expenses; and (3) parking expenses, as reflected in the Settlement Template. ATSI will make the company records supporting these amounts available, upon request, as part of the Information Exchange Procedures set forth in ATSI's Formula Rate Implementation Protocols.

4.7 ADIT Balances. The Settling Parties agree that ATSI will reflect averaging for its ADIT-related balances as set forth in the Settlement Template such that ATSI will continue to use the pro-rating averaging methodology for ADIT related to or resulting from book/tax depreciation differences only in FERC Account Nos. 190 and 283 including but not limited to Net Operating Losses. For ADIT related to other book/tax differences in FERC Account Nos. 190 and 283, ATSI will use the beginning/ending averaging methodology. Barring an order from the Commission under FPA Section 205 or 206 approving a different methodology for ATSI, ATSI will follow the foregoing methodology unless or until the U.S. Internal Revenue Service ("IRS") or FERC issues guidance as set forth below. The Settling Parties agree that these changes will apply on a prospective basis only, to become effective as of ATSI's first PTRR following the issuance of a Final Order approving the Settlement without modification or condition unacceptable to the Settling Parties. The Settling Parties further acknowledge and agree that the agreement to make these changes in this proceeding is solely for the purpose of reaching a comprehensive settlement of this proceeding, and shall not establish any precedent. Moreover, nothing in this settlement prejudices or limits the Settling Parties or any affiliate thereof from adopting or advancing any future position on this issue. Finally, the Settling Parties agree that, if the IRS or FERC issues guidance in the future specifically permitting use of a different averaging methodology (*e.g.*, pro-rating) for non-depreciation related ADIT, then ATSI will be permitted to utilize such methodology prospectively without the need to submit an additional FPA Section 205 filing.

4.8 **Quarterly Meetings.** ATSI will meet on a quarterly basis with Staff of the Power Siting Board and associated Public Utility Commission of Ohio ("PUCO") Staff (collectively "Staff") to discuss: (i) transmission projects associated with Power Siting Board applications, (ii) PJM Tariff Attachment M-3 projects within ATSI's Ohio footprint that have been presented as part of the PJM stakeholder process, (iii) projects listed in ATSI's long-term forecast report submitted under Ohio R.C. § 4935.04(C), and (vi) related process updates. ATSI will work in good faith to provide transmission data related to the above-referenced projects as requested by Staff. To the extent ATSI discusses non-public information during these meetings, ATSI may require an appropriate non-disclosure agreement.

Nothing in this Settlement shall be construed as preventing or limiting in any way Settling Parties' ability to (1) initiate or participate in transmission planning proceedings or matters before FERC, an RTO/ISO, or other forums, and/or (2) take any position or action they deem appropriate on transmission planning issues before FERC, an RTO/ISO, or other forums. It is also expressly understood that nothing in this Settlement requires a Settling Party to withdraw its protests, its comments, or in any way modify its positions taken in Docket Nos. ER20-2046 or ER20-2308 and all associated sub-dockets or any successor or related proceedings, and each Settling Party reserves all rights to pursue those issues in its sole and unfettered discretion. Similarly, all Settling Parties reserve all rights to take positions and continue to pursue their positions in their sole and unfettered discretion in *Duquesne Light and Power Company*, FERC Docket No. EL20-59 and all associated sub-dockets or any successor or related proceedings.

4.9 Additions to Formula Rate Workpapers. ATSI will add to the workpapers supporting its Formula Rate Template to document the derivation of each prorated ADIT input for ATSI's PTRR and ATSI's ATRR, respectively, and will modify the references in its Formula Rate Template to reflect the addition of the new workpapers. ATSI also will add an appropriate reference in Note F to its Formula Rate Template pertaining to adjustments to rate base. Modifications and additions to the workpapers, which will continue to operate in support of ATSI's FERC-filed Formula Rate Template, are reflected in Appendices C-1 and C-2 to this Settlement.

4.10 No Waiver Regarding Allocation of Specified Costs. Reference is made to the following language that appeared on page 33 of Form 10-Q filed by FirstEnergy Corp. ("FirstEnergy") with the SEC on July 22, 2021: "Also, in connection with the internal investigation, FirstEnergy identified certain transactions, which, in some instances, extended back ten years [or] more, including vendor service, that were either improperly classified, misallocated to certain of the Utilities and Transmission Companies, or lacked proper supporting documentation. These transactions resulted in amounts collected from customers that were immaterial to FirstEnergy. The Utilities and Transmission Companies are working with the appropriate regulatory agencies to address these amounts." ATSI will refund to customers with interest its portion of such amounts through the true-up mechanism provided for in its Formula Rate Implementation Protocols.[4]

By entering into the Settlement, (1) the non-ATSI Settling Parties do not waive any rights they may have to pursue such further relief as may become available in connection with the above-referenced transactions, and (2) ATSI does not waive any rights it may have regarding further relief pursued in connection with the above-referenced transactions.

ARTICLE V
REFUNDS

5.1 Refund Obligation. With the exception of the revisions addressed in Section 4.7 above (which shall apply on a prospective basis only), an amount equal to the difference between (a) the rates calculated in accordance with the terms of this Settlement and (b) the rates placed into effect on December 1, 2020 and billed by PJM will be included as a component in the first ATRR developed by ATSI

[4] Nothing in this Settlement shall be construed as binding the PUCO or Ohio-FEA to any decision or position concerning ongoing or future proceedings, audits or investigations of FirstEnergy or affiliated companies of FirstEnergy.

following FERC's approval of the Settlement without condition or modification unacceptable to the Settling Parties, and such difference shall be refunded with interest to transmission customers in the ATSI Zone as part of the Formula Rate True-up process provided for in ATSI's Formula Rate Implementation Protocols (Attachment H-21B of the PJM Tariff).

5.2 **Rate Year 2020 Revenue Requirement**. The Settling Parties agree that the terms of this Settlement do not require any changes to ATSI's transmission revenue requirement for Rate Year 2020; provided that nothing in this Settlement precludes any changes unrelated to the Settlement to ATSI's transmission revenue requirement for Rate Year 2020 that may result from a Settling Party's pursuit of the challenge procedures set forth in ATSI's Formula Rate Implementation Protocols.

ARTICLE VI
STANDARD OF REVIEW

The standard of review for any proposed change to the terms of this Settlement sought by fewer than all of the Settling Parties and opposed by any other Settling Party shall be the "public interest" application of the just and reasonable standard of review set forth in *United Gas Pipeline Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). With respect to proposed changes to the terms of this Settlement agreed to by all of the Settling Parties or sought by a party other than a Settling Party, or by the Commission acting *sua sponte*, the standard of review shall be the ordinary just and reasonable standard.

ARTICLE VII
MISCELLANEOUS PROVISIONS

7.1 **Resolution of All Matters.** This Settlement represents a negotiated compromise resolved in the public interest and is expressly conditioned upon the acceptance of all provisions hereof by the Commission in accordance with Rule 602 of the Commission's Rules of Practice and Procedure, without material condition or modification unacceptable to any Settling Party.

7.2 **No Prejudice.** The discussions among the Settling Parties have been conducted with the explicit understanding and agreement, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, that all offers of settlement and discussions relating thereto are and shall be privileged, shall be without prejudice to the positions of any party or participant presenting any such offer or participating in any such discussion, and are not to be used in any manner in connection with these proceedings or otherwise, except to the extent of enforcing the terms and conditions of this Settlement.

7.3 **Integrated Settlement**. This Settlement is an integrated, negotiated package and the various parts hereof are not severable without upsetting the balance of consideration and compromises achieved among the Settling Parties.

7.4 **No Precedent.** This Settlement is intended solely for the purpose of resolving the matters set for hearing by the Commission or raised in settlement negotiations in Docket No. ER20-1740-000 and avoiding the costs and burdens of litigation, and is not intended to establish any principle or precedent with respect to any issue in this proceeding. Accordingly, neither this Settlement nor any Settling Party's performance in accordance herewith shall be deemed to constitute an admission or concession as to (i) the justness and reasonableness of any cost, charge, cost of service component, or ratemaking method, or (ii) any contention or position that was asserted, or that could have been asserted, in this docket. This Settlement shall not be cited or relied upon as precedent for any purpose or as establishing any issue or principle, except to the extent of enforcing the terms and conditions of this Settlement itself. Nothing herein shall be deemed to establish a "settled practice" (as that term was interpreted and applied in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980)) or a "long standing practice" (as that term was used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979)).

7.5 Inconsistency with Explanatory Statement. In the event of any inconsistency between this Settlement and the Explanatory Statement submitted in support hereof, this Settlement shall control.

7.6 Headings and Captions. Section headings and captions are used in this Settlement solely for convenience of reference and shall not be used to interpret or modify the terms of this Settlement.

7.7 Binding Effect of Settlement. This Settlement shall be binding on and shall inure to the benefit of the successors, assigns, or purchasers for value of the stock or assets of all Settling Parties.

7.8 No Third Party Beneficiaries. Except as specifically set forth in this Settlement, nothing in this Settlement, whether express or implied, confers any rights or remedies under, or by reason of, this Settlement on any parties or persons other than the Settling Parties.

7.9 **Authorization.** Each person executing this Settlement Agreement on behalf of a Settling Party represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to authorize this Settlement to be executed on behalf of, the Settling Party that he or she represents.

7.10 **Counterparts.** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

7.11 **Incorporation of Appendices.** Appendices A, B, and C to this Settlement are incorporated by reference as if fully set forth herein.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Settling Parties have caused this Settlement Agreement to be duly executed by their authorized representatives.

AMERICAN TRANSMISSION SYSTEMS, INCORPORATED

By: _*/s/ P. Nikhil Rao*___________________ Date: October 14, 2021

Name and Title: P. Nikhil Rao, Counsel for ATSI_________________________

AMERICAN MUNICIPAL POWER, INC.

By: ___*/s/ Lisa G. McAlister*___ Date: October 14, 2021

Name and Title: Lisa G. McAlister, Sr. VP and General Counsel – Regulatory

BUCKEYE POWER, INC.

By: */s/ Marvin T. Griff*_________________ Date: October 14, 2021

Name and Title: Marvin T. Griff, Counsel for Buckeye Power, Inc.____________

CLEVELAND PUBLIC POWER

By: ___*/s/ Gary J. Newell*_______________ Date: October 14, 2021

Name and Title: _Gary J. Newell, Attorney for Cleveland Public Power__________

INDUSTRIAL ENERGY USERS-OHIO

By: __*/s/ Robert A. Weishaar, Jr.*_____________ Date: October 14, 2021

Name and Title: Robert A. Weishaar, Jr., Counsel for Industrial Energy Users-Ohio__

PUBLIC UTILITY COMMISSION OF OHIO'S OFFICE OF THE FEDERAL ENERGY ADVOCATE

By: /s/ *Thomas G. Lindgren* Date: October 14, 2021

Name and Title: Thomas G. Lindgren
Assistant Attorney General
Ohio Attorney General's Office
Public Utilities Section
30 East Broad Street, 26th Floor
Columbus, Ohio 43215-3414
Thomas.Lindgren@OhioAGO.gov
614-644-8768

Appendix A-1

Pro Forma Clean Tariff Sheets for Attachment H21-A

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29, col 5)					$ -
	REVENUE CREDITS	(Note T)	Total	Allocator		
2a	Account No. 451	(page 4, line 34)	-	TP	0.00000	-
2b	Account No. 454	(page 4, line *35*)	-	TP	0.00000	-
3	Account No. 456	(page 4, line *36*)	-	TP	0.00000	-
4a	Revenues from Grandfathered Interzonal Transactions			TP	0.00000	-
4b	Revenues from service provided by the ISO at a discount			TP	0.00000	-
5a	Legacy MTEP Credit (Appendix E, page 2, line 3, col. 12)		-	TP	0.00000	-
5b	Reserved		-	TP	0.00000	-
5c	Reserved		-	TP	0.00000	-
5d	Transmission Enhancement Credit (Appendix D, page 2, line 2, col. 10)		-	TP	0.00000	-
6a	TOTAL REVENUE CREDITS (sum lines 2a-5d)		$ -			$ -
6b	TRUE-UP ADJUSTMENT WITH INTEREST (Protocols)					
7	NET REVENUE REQUIREMENT	(line 1 minus line 6a plus line 6b)				$ -

Line No.	DIVISOR		Total
8	1 Coincident Peak (CP) (MW)	(Note A)	
9	Average 12 CPs (MW)	(Note B)	
10	Reserved		-
11	Reserved		-
12	Reserved		-
13	Reserved		-
14	Reserved		-
15	Reserved		

Line No.			Total
16	Annual Network Rate ($/MW/Yr)	(line 7 / line 8)	$ -

Line No.			Peak Rate Total	Off-Peak Rate Total
17	Point-To-Point Rate ($/MW/Year)	(line 7 / line 9)	$ -	$ -
18	Point-To-Point Rate ($/MW/Month)	(line 17/12)	$ -	$ -
19	Point-To-Point Rate ($/MW/Week)	(line 17/52)	$ -	$ -
20	Point-To-Point Rate ($/MW/Day)	(line 19/5; line 19/7)	$ -	$ -
21	Point-To-Point Rate ($/MWh)	(line 17/4,160; line 17/8,760)	$ -	$ -

For the 12 months ended 12/31/

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE					
1	Production	205.46.g (Notes U & X)		NA		
2	Transmission	207.58.g (Notes U & X)		TP	0.00000	-
3	Distribution	207.75.g (Notes U & X)		NA		
4	General & Intangible	205.5.g & 207.99.g (Notes U & X)		W/S	1.00000	-
5	Common	356.1 (Notes U & X)		CE	1.00000	-
6	TOTAL GROSS PLANT (sum lines 1-5)		-	GP=	0.000%	-
	ACCUMULATED DEPRECIATION					
7	Production	219.20-24.c (Notes U & X)		NA		
8	Transmission	219.25.c (Notes U & X)		TP	0.00000	-
9	Distribution	219.26.c (Notes U & X)		NA		
10	General & Intangible	200.21.c & 219.28.c (Notes U & X)		W/S	1.00000	-
11	Common	356.1 (Notes U & X)		CE	1.00000	-
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		-			-
	NET PLANT IN SERVICE					
13	Production	(line 1- line 7)	-			
14	Transmission	(line 2- line 8)	-			-
15	Distribution	(line 3 - line 9)	-			
16	General & Intangible	(line 4 - line 10)	-			-
17	Common	(line 5 - line 11)	-			-
18	TOTAL NET PLANT (sum lines 13-17)		-	NP=	0.000%	-
	ADJUSTMENTS TO RATE BASE (Note F)					
19	Account No. 281 (enter negative)	WP03		NA		
20	Account No. 282 (enter negative)	WP03		NP	0.00000	-
21	Account No. 283 (enter negative)	WP03		NP	0.00000	-
22	Account No. 190	WP03		NP	0.00000	-
23	Account No. 255 (enter negative)	WP03		NP	0.00000	-
24	TOTAL ADJUSTMENTS (sum lines 19- 23)		-			-
25	LAND HELD FOR FUTURE USE	214.x.d (Notes G & Y)		TP	0.00000	-
	WORKING CAPITAL (Note H)					
26	CWC	calculated	-			-
27	Materials & Supplies (Note G)	227.8.c & .16.c (Note Y)		TE	0.00000	-
28a	Prepayments (Account 165)	111.57.c (Notes Y & CC)		GP	0.00000	-
28b	Unfunded Reserve Plant-related (enter negative) (Acct Nos. 228.1-228.4, 242) (Notes Y & Z)		-	NP	0.00000	-
28c	Unfunded Reserve Labor-related (enter negative) (Acct Nos. 228.1-228.4, 242) (Notes Y & Z)		-	W/S	1.00000	-
29	TOTAL WORKING CAPITAL (sum lines 26 - 28c)		-			-
30	RATE BASE (sum lines 18, 24, 25, & 29)		-			-

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M (Note DD)					
1	Transmission	321.112.b		TE	0.00000	-
1a	Less LSE Expenses Included in Transmission O&M Accounts (Note W)				1.00000	-
2	Less Account 565	321.96.b			1.00000	-
2a	Less Deferred Internal Integration Costs	(Note C)		TE	0.00000	-
3	A&G	323.197.b *(Note BB)*		W/S	1.00000	-
4	Less FERC Annual Fees			W/S	1.00000	-
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)			W/S	1.00000	-
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)			TE	0.00000	-
6	Common	356.1		CE	1.00000	-
6a	Amortization of Regulatory Asset	Appendices B, C, & F, Line 14, Column F (Note EE)		DA	1.00000	-
7	Transmission Lease Payments				1.00000	-
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 6a, 7 less 1a, 2, 2a, 4, 5)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					
9	Transmission	336.7.b (Note U)		TP	0.00000	-
10	General & Intangible	336.1.f & 336.10.f (Note U)		W/S	1.00000	-
11	Common	336.11.b (Note U)		CE	1.00000	-
12	TOTAL DEPRECIATION (sum lines 9 - 11)		-			-
	TAXES OTHER THAN INCOME TAXES (Note J)					
	LABOR RELATED					
13	Payroll	263.i		W/S	1.00000	-
14	Highway and vehicle	263.i		W/S	1.00000	-
15	PLANT RELATED					
16	Property	263.i		GP	0.00000	-
17	Gross Receipts	263.i		NA		-
18	Other	263.i		GP	0.00000	-
19	Payments in lieu of taxes			GP	0.00000	-
20	TOTAL OTHER TAXES (sum lines 13 - 19)		-			-
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.00%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.00%			
	where WCLTD=(page 4, line 27) and R= (page 4, line30)					
	and FIT, SIT & p are as given in footnote K.					
23	1 / (1 - T) = (from line 21)		0.0000			
24	Amortized Investment Tax Credit (266.8f) (enter negative)					
25	Income Tax Calculation = line 22 * line 28		-	NA		-
26	ITC adjustment (line 23 * line 24)		-	NP	0.00000	-
26a	Tax Effect of Permanent Differences and AFUDC Equity (App G, line 1, col 5) (Note FF)		-	DA	1.00000	-
26b	(Excess)/Deficient Deferred Income Taxes (App G, lines 2 & 3, col 3)(Note GG)			DA	1.00000	
27	Total Income Taxes	(sum lines 25 through 26b)	-			-
28	RETURN		-	NA		-
	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]					
29	GROSS REV. REQUIREMENT		-			-
	(sum lines 8, 12, 20, 27, 28)					

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)	(4)	(5)		(6)		
	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 M)								
3	Less transmission plant included in OATT Ancillary Services (Note N)								
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)						-		
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)					TP=	0.00000		
	TRANSMISSION EXPENSES								
6	Total transmission expenses (page 3, line 1, column 3)						-		
7	Less transmission expenses included in OATT Ancillary Services (Note L)								
8	Included transmission expenses (line 6 less line 7)						-		
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)						0.00000		
10	Percentage of transmission plant included in ISO Rates (line 5)					TP	0.00000		
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)					TE=	0.00000		
	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
12	Production	354.20.b		0.00	-				
13	Transmission	354.21.b		0.00	-				
14	Distribution	354.23.b		0.00	-		W&S Allocator		
15	Other	354.24,25,26.b		0.00	-		($ / Allocation)		
16	Total (sum lines 12-15)		-		-	=	1.00000	= WS	
	COMMON PLANT ALLOCATOR (CE) (Note O)								
			$		% Electric		W&S Allocator		
17	Electric	200.3.c			(line 17 / line 20)		(line 16)		CE
18	Gas	201.3.d			1.00000	*	1.00000	=	1.00000
19	Water	201.3.e							
20	Total (sum lines 17 - 19)		-						
	RETURN (R)						$		
21		Long Term Interest (117, sum of 62c through 67c) (Note AA)							
22		Preferred Dividends (118.29c) (positive number)							
	Development of Common Stock:								
23		Proprietary Capital (112.16c) (Note X)							
24		Less Preferred Stock (line 28)					-		
25		Less Account 216.1 (112.12c) (enter negative) (Note X)							
26		Common Stock	(sum lines 23-25)				-		
			$	%	Cost (Note P)		Weighted		
27	Long Term Debt (112, sum of 18 through 21) (Note X)			0%	0.0000		0.0000	=WCLTD	
28	Preferred Stock (112.3d) (Note X)			0%	0.0000		0.0000		
29	Common Stock (line 26)		-	0%			0.0000		
30	Total (sum lines 27-29)		-				0.0000	=R	
	REVENUE CREDITS								
	ACCOUNT 447 (SALES FOR RESALE)		(310-311)	(Note Q)					
31	a. Bundled Non-RQ Sales for Resale (311.x.h)								
32	b. Bundled Sales for Resale included in Divisor on page 1								
33	Total of line 31 less line 32						-		
34	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) (Note S)		(300.17.b)						
35	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)		(300.19.b)						
36	ACCOUNT 456 (OTHER ELECTRIC REVENUES) (Note V)		(330.x.n)						

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

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	As provided by PJM and in effect at the time of the annual rate calculations pursuant to Section 34.1 of the PJM OATT.
B	Peak as would be reported on page 401, column d of Form 1 at the time of the zonal peak for the twelve month period ending October 31 of the calendar year used to calculate rates.
C	Amount shown in Exhibit No. FE-100, Page 29 of 33, for Deferred Internal Integration Costs.
D	Reserved
E	Reserved
F	Pertaining to adjustments to rate base, the balances in Accounts 190, 281, 282 and 283 should exclude all FASB 106 or 109 related amounts. For example, any and all amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109 should be excluded. The balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. Account 190 excludes any amounts relating to Charitable Contribution Limitations, Asset Retirement Obligations, and FAS 123 impacts related to Performance Shares and Restricted Stock Units. Accounts 282 and 283 exclude any amounts relating to AFUDC, offsets relating to Asset Retirement Obligations in Account 190, and offsets relating to Charitable Contribution Limitations in Account 190. Account 282 also excludes (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation. When determining rate base adjustments related to ADIT in WP03 ADIT, ATSI will, on a prospective basis only to become effective as of ATSI's first PTRR following the effective date of the issuance of a Final Order approving the Settlement in Docket No. ER20-1740-000 without modification or condition unacceptable to the Settling Parties, only apply the pro-rating averaging methodology to ADIT components related to or resulting from book/tax depreciation differences including but not limited to Net Operating Losses. ATSI will use the beginning/ending averaging methodology for all other non-depreciation related ADIT components. Barring an order from the Commission under FPA Section 205 or 206 approving a different methodology for ATSI, ATSI will follow the foregoing methodology until or unless the IRS or FERC issues any future guidance specifically permitting a different averaging methodology (e.g. pro-rating) for non-depreciation related ADIT components. If the IRS or FERC issues such guidance, ATSI may utilize such methodology without submitting an additional FPA section 205 filing and without additional changes to WP03 ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
I	Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
J	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26).

Inputs Required:			
	FIT =		
	SIT=		(State Income Tax Rate or Composite SIT)
	p =		(percent of federal income tax deductible for state purposes)

L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 - 561.3, and 561.BA.
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
O	Enter dollar amounts
P	Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). No change in ROE may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act. Per the Settlement Agreement approved by order dated October 29, 2015, in Docket No. ER15-303-000, ATSI's stated ROE is set to: (a) 12.38% through June 30, 2015; (b) 11.06% for the period July 1, 2015 through December 31, 2015; and (c) 10.38% for the period commencing January 1, 2016.
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
S	Excludes revenues unrelated to transmission services.
T	The revenues credited on page 1, lines 2a-4b shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.
U	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC. Depreciation Rates: FERC Account 352 Depr %: 2.24%; FERC Account 353 Depr %: 2.06%; FERC Account 354 Depr %: 2.24%; FERC Account 355 Depr %: 3.09%; FERC Account 356 Depr %: 2.69%; FERC Account 357 Depr %: 2.00%; FERC Account 358 Depr %: 2.04%; FERC Account 359 Depr %: 1.33%. No change to these Depreciation Rates may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
V	On Line 36, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects. Include revenues and revenue adjustments associated with Docket EL02-111, and revenue credit adjustments related to ATSI's PJM integration as supported by Appendix G.
W	Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
X	Calculate using a 13 month average balance.
Y	Calculate using average of beginning and end of year balance.
Z	Only include from Account No. 242 amounts relating to Vacation Accruals and Employee Incentive Compensation.
AA	Short-term debt and related interest expense shall not be included in the formula rate calculation.
BB	A&G excludes any credit facility fees charged to Account 930.2. PBOP included in FERC Acct. 926, as reported in FERC Form 1 page 323.187.b, is included in the Administrative & General Expenses input to Attachment H-21A, page 3 of 5, line 3. The total PBOP amount in FERC Acct. 926 is $0, per company records. No change to this PBOP amount may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
CC	Prepayments shall exclude prepayments of taxes attributable to time periods ending before the beginning of the time period for which the rate calculation is being made.
DD	ATSI will exclude (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation.
EE	Regulatory Assets include Vegetation Management from Appendix B-Veg, RTO Realignment Cost Adjustments ("RRCA") from Appendix C-RRCA, and Legacy MTEP Debits from Appendix F-MTEP Debits. Each regulatory asset amortization period is 10 years beginning January 1, 2021; this amortization will be recorded in Account 407.3. These inputs are limited to the regulatory assets amounts and amortization periods approved in Docket No. ER20-1740-000; no other regulatory asset amounts may be included as inputs without specific Commission approval pursuant to FPA section 205 or 206.
FF	Includes the annual income tax cost or benefits due to permanent differences or differences between the amounts of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods. These permanent differences are to include those approved in Docket No. ER20-1740-000 (specifically, the cost of income taxes on the Allowance for Other Funds Used During Construction, a 50% Disallowance for Meals and Entertainment, and Non-Deductible Parking); no other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.
GG	Upon enactment of changes in tax law, income tax rates (including changes in apportionment) and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes. Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes.

For the 12 months ended 12/31/

Vegetation Management Regulatory Asset
To be completed in conjunction with Attachment H-21A

	[A] **Monthly Balance**	[B]	[C] **Source**	[D] **Months Remaining in Amortization Period**	[E] **Beginning Balance** (= prior month col [H])	[F] **Amortization Expense** (= [E] / [D])	[G] **Additions (Deductions)**	[H] **Ending Balance** (= [E] - [F] + [G])
1	December	2019	Form No. 1 p232	121				-
2	January	2020	FERC Account 182.3	120	-	-	-	-
3	February	2020	FERC Account 182.3	119	-	-	-	-
4	March	2020	FERC Account 182.3	118	-	-	-	-
5	April	2020	FERC Account 182.3	117	-	-	-	-
6	May	2020	FERC Account 182.3	116	-	-	-	-
7	June	2020	FERC Account 182.3	115	-	-	-	-
8	July	2020	FERC Account 182.3	114	-	-	-	-
9	August	2020	FERC Account 182.3	113	-	-	-	-
10	September	2020	FERC Account 182.3	112	-	-	-	-
11	October	2020	FERC Account 182.3	111	-	-	-	-
12	November	2020	FERC Account 182.3	110	-	-	-	-
13	December	2020	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-		
15					(sum lines 2-13)			
16				Input to Attachment H-21A:	page 3 of 5, line 6a			

Notes

A Vegetation Management costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

RTO Realignment Cost Adjustment ("RRCA")
To be completed in conjunction with Attachment H-21A

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
	Monthly Balance		**Source**	**Months Remaining in Amortization Period**	**Beginning Balance** (= prior month col [H])	**Amortization Expense** (= [E] / [D])	**Additions (Deductions)**	**Ending Balance** (= [E] - [F] + [G])
1	December	2019	Form No. 1 p232	121				-
2	January	2020	FERC Account 182.3	120	-	-	-	-
3	February	2020	FERC Account 182.3	119	-	-	-	-
4	March	2020	FERC Account 182.3	118	-	-	-	-
5	April	2020	FERC Account 182.3	117	-	-	-	-
6	May	2020	FERC Account 182.3	116	-	-	-	-
7	June	2020	FERC Account 182.3	115	-	-	-	-
8	July	2020	FERC Account 182.3	114	-	-	-	-
9	August	2020	FERC Account 182.3	113	-	-	-	-
10	September	2020	FERC Account 182.3	112	-	-	-	-
11	October	2020	FERC Account 182.3	111	-	-	-	-
12	November	2020	FERC Account 182.3	110	-	-	-	-
13	December	2020	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-		
15					(sum lines 2-13)			
16				Input to Attachment H-21A:	page 3 of 5, line 6a			

Notes
A RTO Realignment costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

For the 12 months ended 12/31/

Legacy MTEP Debit Calculation
To be completed in conjunction with Attachment H-21A

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
	Monthly Balance		**Source**	**Months Remaining in Amortization Period**	**Beginning Balance** (= prior month col [H])	**Amortization Expense** (= [E] / [D])	**Additions (Deductions)**	**Ending Balance** (= [E] - [F] + [G])
1	December	2019	Form No. 1 p232	121				-
2	January	2020	FERC Account 182.3	120	-	-	-	-
3	February	2020	FERC Account 182.3	119	-	-	-	-
4	March	2020	FERC Account 182.3	118	-	-	-	-
5	April	2020	FERC Account 182.3	117	-	-	-	-
6	May	2020	FERC Account 182.3	116	-	-	-	-
7	June	2020	FERC Account 182.3	115	-	-	-	-
8	July	2020	FERC Account 182.3	114	-	-	-	-
9	August	2020	FERC Account 182.3	113	-	-	-	-
10	September	2020	FERC Account 182.3	112	-	-	-	-
11	October	2020	FERC Account 182.3	111	-	-	-	-
12	November	2020	FERC Account 182.3	110	-	-	-	-
13	December	2020	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-		
15					(sum lines 2-13)			
16				Input to Attachment H-21A:	page 3 of 5, line 6a			

Notes
A Legacy MTEP costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

Income Tax Adjustments
To be completed in conjunction with Attachment H-21A

	[1]		[2]	[3]	[4]	[5]
			Source	**Balance** December 31, 2020	**Gross-up Tax Rate from Att H-21A page 3 of 5, line 23**	**Tax Effect, including Gross-up, Permanent Diff and AFUDC Equity** (= Col. [3] * [4])
				[D]		[E]
1	Permanent Differences & AFUDC Equity	[A]	sum lines 1a through 1c	-	0.00%	-
1a	AFUDC Equity	[B]	company records		n/a	n/a
1b	50% Disallowance for Meals and Entertainment	[B]	company records		n/a	n/a
1c	Non-Deductible Parking	[B]	company records		n/a	n/a
2	Amortized Excess Deferred Taxes (enter negative)	[C]	Appendix G1, Line 12, Column F	-	n/a	n/a
3	Amortized Deficient Deferred Taxes	[C]	Appendix G1, Line 12, Column F	-	n/a	n/a

Notes:
[A] These specific categories of permanent differences were approved in Docket No. ER20-1740-000. No other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.
[B] The cost of income taxes on the Allowance for Other Funds Used During Construction ("AFUDC Equity") component is the gross cumulative annual amount based upon tax records of capitalized AFUDC Equity embedded in the gross plant attributable to the transmission function. The sources shall be PowerTax Report 216 for the current-year AFUDC Equity component and Provision Report 5100 for the current-year 50% Disallowance for Meals and Entertainment component and current-year Non-Deductible Parking component. Column [3] balances are calculated by multiplying these components by the tax rate on Attachment H-21A, page 3 of 5, line 21.
[C] Upon enactment of changes in tax law, income tax rates (including changes in apportionment) and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes. Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes. The balance located within Column 3, line 2 and line 3, is the net impact of excess deferred and deficient amortization.
[D] Amounts from lines 2 and 3 included on Attachment H-21A, page 3 of 5, line 26b.
[E] Amount from line 1 included on Attachment H-21A, page 3 of 5, line 26a.

Appendix A-2

Pro Forma Redline Tariff Sheets for Attachment H21-A

For the 12 months ended 12/31/

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29, col 5)					$ -
	REVENUE CREDITS	(Note T)	Total	Allocator		
2a	Account No. 451	(page 4, line 34)	-	TP	0.00000	-
2b	Account No. 454	(page 4, line *35*)	-	TP	0.00000	-
3	Account No. 456	(page 4, line *36*)	-	TP	0.00000	-
4a	Revenues from Grandfathered Interzonal Transactions			TP	0.00000	-
4b	Revenues from service provided by the ISO at a discount			TP	0.00000	-
5a	Legacy MTEP Credit (Appendix E, page 2, line 3, col. 12)		-	TP	0.00000	-
5b	Reserved		-	TP	0.00000	-
5c	Reserved		-	TP	0.00000	-
5d	Transmission Enhancement Credit (Appendix D, page 2, line 2, col. 10)		-	TP	0.00000	-
6a	TOTAL REVENUE CREDITS (sum lines 2a-5d)		$ -			$ -
6b	TRUE-UP ADJUSTMENT WITH INTEREST (Protocols)					
7	NET REVENUE REQUIREMENT	(line 1 minus line 6a plus line 6b)				$ -

	DIVISOR		Total
8	1 Coincident Peak (CP) (MW)	(Note A)	
9	Average 12 CPs (MW)	(Note B)	
10	Reserved		-
11	Reserved		-
12	Reserved		-
13	Reserved		-
14	Reserved		-
15	Reserved		

			Total
16	Annual Network Rate ($/MW/Yr)	(line 7 / line 8)	$ -

			Peak Rate Total	Off-Peak Rate Total
17	Point-To-Point Rate ($/MW/Year)	(line 7 / line 9)	$ -	$ -
18	Point-To-Point Rate ($/MW/Month)	(line 17/12)	$ -	$ -
19	Point-To-Point Rate ($/MW/Week)	(line 17/52)	$ -	$ -
20	Point-To-Point Rate ($/MW/Day)	(line 19/5; line 19/7)	$ -	$ -
21	Point-To-Point Rate ($/MWh)	(line 17/4,160; line 17/8,760)	$ -	$ -

For the 12 months ended
12/31/

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

Line No.	(1) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE					
1	Production	205.46.g (Notes U & X)		NA		
2	Transmission	207.58.g (Notes U & X)		TP	0.00000	-
3	Distribution	207.75.g (Notes U & X)		NA		
4	General & Intangible	205.5.g & 207.99.g (Notes U & X)		W/S	1.00000	-
5	Common	356.1 (Notes U & X)		CE	1.00000	-
6	TOTAL GROSS PLANT (sum lines 1-5)		-	GP=	0.000%	-
	ACCUMULATED DEPRECIATION					
7	Production	219.20-24.c (Notes U & X)		NA		
8	Transmission	219.25.c (Notes U & X)		TP	0.00000	-
9	Distribution	219.26.c (Notes U & X)		NA		
10	General & Intangible	200.21.c & 219.28.c (Notes U & X)		W/S	1.00000	-
11	Common	356.1 (Notes U & X)		CE	1.00000	-
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		-			-
	NET PLANT IN SERVICE					
13	Production	(line 1- line 7)	-			
14	Transmission	(line 2- line 8)	-			-
15	Distribution	(line 3 - line 9)	-			
16	General & Intangible	(line 4 - line 10)	-			-
17	Common	(line 5 - line 11)	-			-
18	TOTAL NET PLANT (sum lines 13-17)		-	NP=	0.000%	-
	ADJUSTMENTS TO RATE BASE (Note F)					
19	Account No. 281 (enter negative)	WP03~~273.8.k~~		NA		
20	Account No. 282 (enter negative)	WP03~~275.2.k~~		NP	0.00000	-
21	Account No. 283 (enter negative)	WP03~~277.9.k~~		NP	0.00000	-
22	Account No. 190	WP03~~234.8.c~~		NP	0.00000	-
23	Account No. 255 (enter negative)	WP03~~267.8.h~~		NP	0.00000	-
~~23a~~	~~Unamortized Regulatory Assets~~	~~Appendices B, C, & F, Line 14, Column H (Notes X & EE)~~		~~DA~~	~~1.00000~~	~~-~~
24	TOTAL ADJUSTMENTS (sum lines 19- 23~~a~~)		-			-
25	LAND HELD FOR FUTURE USE	214.x.d (Notes G & Y)		TP	0.00000	-
	WORKING CAPITAL (Note H)					
26	CWC	calculated	-			-
27	Materials & Supplies (Note G)	227.8.c & .16.c (Note Y)		TE	0.00000	-
28a	Prepayments (Account 165)	111.57.c (Notes Y & CC)		GP	0.00000	-
28b	Unfunded Reserve Plant-related (enter negative) (Acct Nos. 228.1-228.4, 242) (Notes Y & Z)		-	NP	0.00000	-
28c	Unfunded Reserve Labor-related (enter negative) (Acct Nos. 228.1-228.4, 242) (Notes Y & Z)		-	W/S	1.00000	-
29	TOTAL WORKING CAPITAL (sum lines 26 - 28c)		-			-
30	RATE BASE (sum lines 18, 24, 25, & 29)		-			-

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M (Note DD)					
1	Transmission	321.112.b		TE	0.00000	-
1a	Less LSE Expenses Included in Transmission O&M Accounts (Note W)				1.00000	-
2	Less Account 565	321.96.b			1.00000	-
2a	Less Deferred Internal Integration Costs	(Note C)		TE	0.00000	-
3	A&G	323.197.b *(Note BB)*		W/S	1.00000	-
4	Less FERC Annual Fees			W/S	1.00000	-
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)			W/S	1.00000	-
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)			TE	0.00000	-
6	Common	356.1		CE	1.00000	-
6a	Amortization of Regulatory Asset	Appendices B, C, & F, Line 14, Column F (Note EE)		DA	1.00000	-
7	Transmission Lease Payments				1.00000	-
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 6a, 7 less 1a, 2, 2a, 4, 5)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					
9	Transmission	336.7.b (Note U)		TP	0.00000	-
10	General & Intangible	336.1.f & 336.10.f (Note U)		W/S	1.00000	-
11	Common	336.11.b (Note U)		CE	1.00000	-
12	TOTAL DEPRECIATION (sum lines 9 - 11)		-			-
	TAXES OTHER THAN INCOME TAXES (Note J)					
	LABOR RELATED					
13	Payroll	263.i		W/S	1.00000	-
14	Highway and vehicle	263.i		W/S	1.00000	-
15	PLANT RELATED					
16	Property	263.i		GP	0.00000	-
17	Gross Receipts	263.i		NA		-
18	Other	263.i		GP	0.00000	-
19	Payments in lieu of taxes			GP	0.00000	-
20	TOTAL OTHER TAXES (sum lines 13 - 19)		-			-
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.00%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.00%			
	where WCLTD=(page 4, line 27) and R= (page 4, line30)					
	and FIT, SIT & p are as given in footnote K.					
23	1 / (1 - T) = (from line 21)		0.0000			
24	Amortized Investment Tax Credit (266.8f) (enter negative)					
25	Income Tax Calculation = line 22 * line 28		-	NA		-
26	ITC adjustment (line 23 * line 24)		-	NP	0.00000	-
26a	Tax Effect of Permanent Differences and AFUDC Equity (App G, line 1, col 5) (Note FF)		-	DA	1.00000	-
26b	(Excess)/Deficient Deferred Income Taxes (App G, lines 2 & 3, col 3)(Note GG)			DA	1.00000	
27	Total Income Taxes	(sum lines 25 through 26b)	-			-
28	RETURN		-	NA		-
	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]					
29	GROSS REV. REQUIREMENT		-			-
	(sum lines 8, 12, 20, 27, 28)					

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)	(4)	(5)		(6)		
	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 M)								
3	Less transmission plant included in OATT Ancillary Services (Note N)								
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)						-		
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)					TP=	0.00000		
	TRANSMISSION EXPENSES								
6	Total transmission expenses (page 3, line 1, column 3)						-		
7	Less transmission expenses included in OATT Ancillary Services (Note L)								
8	Included transmission expenses (line 6 less line 7)						-		
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)						0.00000		
10	Percentage of transmission plant included in ISO Rates (line 5)					TP	0.00000		
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)					TE=	0.00000		
	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
12	Production	354.20.b		0.00	-				
13	Transmission	354.21.b		0.00	-				
14	Distribution	354.23.b		0.00	-		W&S Allocator		
15	Other	354.24,25,26.b		0.00	-		($ / Allocation)		
16	Total (sum lines 12-15)		-		-	=	1.00000	= WS	
	COMMON PLANT ALLOCATOR (CE) (Note O)								
			$		% Electric		W&S Allocator		
17	Electric	200.3.c			(line 17 / line 20)		(line 16)		CE
18	Gas	201.3.d			1.00000	*	1.00000	=	1.00000
19	Water	201.3.e							
20	Total (sum lines 17 - 19)		-						
	RETURN (R)						$		
21		Long Term Interest (117, sum of 62c through 67c) (Note AA)							
22		Preferred Dividends (118.29c) (positive number)							
	Development of Common Stock:								
23		Proprietary Capital (112.16c) (Note X)							
24		Less Preferred Stock (line 28)					-		
25		Less Account 216.1 (112.12c) (enter negative) (Note X)							
26		Common Stock	(sum lines 23-25)				-		
			$	%	Cost (Note P)		Weighted		
27	Long Term Debt (112, sum of 18 through 21) (Note X)			0%	0.0000		0.0000	=WCLTD	
28	Preferred Stock (112.3d) (Note X)			0%	0.0000		0.0000		
29	Common Stock (line 26)		-	0%			0.0000		
30	Total (sum lines 27-29)		-				0.0000	=R	
	REVENUE CREDITS								
	ACCOUNT 447 (SALES FOR RESALE)		(310-311)	(Note Q)					
31	a. Bundled Non-RQ Sales for Resale (311.x.h)								
32	b. Bundled Sales for Resale included in Divisor on page 1								
33	Total of line 31 less line 32						-		
34	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) (Note S)		(300.17.b)						
35	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)		(300.19.b)						
36	ACCOUNT 456 (OTHER ELECTRIC REVENUES) (Note V)		(330.x.n)						

Formula Rate - Non-Levelized | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended 12/31/

American Transmission Systems, Inc.

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	As provided by PJM and in effect at the time of the annual rate calculations pursuant to Section 34.1 of the PJM OATT.
B	Peak as would be reported on page 401, column d of Form 1 at the time of the zonal peak for the twelve month period ending October 31 of the calendar year used to calculate rates.
C	Amount shown in Exhibit No. FE-100, Page 29 of 33, for Deferred Internal Integration Costs.
D	Reserved
E	Reserved
F	Pertaining to adjustments to rate base, t~~T~~he balances in Accounts 190, 281, 282 and 283 should exclude all FASB 106 or 109 related amounts. For example, any and all amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109 should be excluded. The balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. Account 190 excludes any amounts relating to Charitable Contribution Limitations, Asset Retirement Obligations, and FAS 123 impacts related to Performance Shares and Restricted Stock Units. Accounts 282 and 283 exclude any amounts relating to AFUDC, offsets relating to Asset Retirement Obligations in Account 190, and offsets relating to Charitable Contribution Limitations in Account 190. Account 282 also excludes (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation. When determining rate base adjustments related to ADIT in WP03 ADIT, ATSI will, on a prospective basis only to become effective as of ATSI's first PTRR following the effective date of the issuance of a Final Order approving the Settlement in Docket No. ER20-1740-000 without modification or condition unacceptable to the Settling Parties, only apply the pro-rating averaging methodology to ADIT components related to or resulting from book/tax depreciation differences including but not limited to Net Operating Losses. ATSI will use the beginning/ending averaging methodology for all other non-depreciation related ADIT components. Barring an order from the Commission under FPA Section 205 or 206 approving a different methodology for ATSI, ATSI will follow the foregoing methodology until or unless the IRS or FERC issues any future guidance specifically permitting a different averaging methodology (e.g. pro-rating) for non-depreciation related ADIT components. If the IRS or FERC issues such guidance, ATSI may utilize such methodology without submitting an additional FPA section 205 filing and without additional changes to WP03 ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
I	Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
J	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Inputs Required: FIT = SIT= (State Income Tax Rate or Composite SIT) p = (percent of federal income tax deductible for state purposes)
L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 - 561.3, and 561.BA.
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
O	Enter dollar amounts
P	Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). No change in ROE may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act. Per the Settlement Agreement approved by order dated October 29, 2015, in Docket No. ER15-303-000, ATSI's stated ROE is set to: (a) 12.38% through June 30, 2015; (b) 11.06% for the period July 1, 2015 through December 31, 2015; and (c) 10.38% for the period commencing January 1, 2016.
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
S	Excludes revenues unrelated to transmission services.
T	The revenues credited on page 1, lines 2a-4b shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.
U	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC. Depreciation Rates: FERC Account 352 Depr %: 2.24%; FERC Account 353 Depr %: 2.06%; FERC Account 354 Depr %: 2.24%; FERC Account 355 Depr %: 3.09%; FERC Account 356 Depr %: 2.69%; FERC Account 357 Depr %: 2.00%; FERC Account 358 Depr %: 2.04%; FERC Account 359 Depr %: 1.33%. No change to these Depreciation Rates may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
V	On Line 36, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects. Include revenues and revenue adjustments associated with Docket EL02-111, and revenue credit adjustments related to ATSI's PJM integration as supported by Appendix G.
W	Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
X	Calculate using a 13 month average balance.
Y	Calculate using average of beginning and end of year balance.
Z	Only include from Account No. 242 amounts relating to Vacation Accruals and Employee Incentive Compensation.
AA	Short-term debt and related interest expense shall not be included in the formula rate calculation.
BB	A&G excludes any credit facility fees charged to Account 930.2. PBOP included in FERC Acct. 926, as reported in FERC Form 1 page 323.187.b, is included in the Administrative & General Expenses input to Attachment H-21A, page 3 of 5, line 3. The total PBOP amount in FERC Acct. 926 is $0, per company records. No change to this PBOP amount may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
CC	Prepayments shall exclude prepayments of taxes attributable to time periods ending before the beginning of the time period for which the rate calculation is being made.
DD	ATSI will exclude (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation.
EE	Regulatory Assets include Vegetation Management from Appendix B-Veg, RTO Realignment Cost Adjustments ("RRCA") from Appendix C-RRCA, and Legacy MTEP Debits from Appendix F-MTEP Debits. Each regulatory asset amortization period is 10 years beginning January 1, 2021; this amortization will be recorded in Account 407.3. These inputs are limited to the regulatory assets amounts and amortization periods approved in Docket No. ER20-1740-000; no other regulatory asset amounts may be included as inputs without specific Commission approval pursuant to FPA section 205 or 206.
FF	Includes the annual income tax cost or benefits due to permanent differences or differences between the amounts of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods~~, including the cost of income taxes on the Allowance for Other Funds Used During Construction~~. These permanent differences are to include those approved in Docket No. ER20-1740-000 (specifically, the cost of income taxes on the Allowance for Other Funds Used During Construction, a 50% Disallowance for Meals and Entertainment, and Non-Deductible Parking); no other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.
GG	Upon enactment of changes in tax law, income tax rates (including changes in apportionment) and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes. Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes.

For the 12 months ended 12/31/

Vegetation Management Regulatory Asset
To be completed in conjunction with Attachment H-21A

	[A] **Monthly Balance**	[B]	[C] **Source**	[D] **Months Remaining in Amortization Period**	[E] **Beginning Balance** (= prior month col [H])	[F] **Amortization Expense** (= [E] / [D])	[G] **Additions (Deductions)**	[H] **Ending Balance** (= [E] - [F] + [G])
1	December	2019~~8~~	Form No. 1 p232	121				-
2	January	2020~~19~~	FERC Account 182.3	120	-	-	-	-
3	February	2020~~19~~	FERC Account 182.3	119	-	-	-	-
4	March	2020~~19~~	FERC Account 182.3	118	-	-	-	-
5	April	2020~~19~~	FERC Account 182.3	117	-	-	-	-
6	May	2020~~19~~	FERC Account 182.3	116	-	-	-	-
7	June	2020~~19~~	FERC Account 182.3	115	-	-	-	-
8	July	2020~~19~~	FERC Account 182.3	114	-	-	-	-
9	August	2020~~19~~	FERC Account 182.3	113	-	-	-	-
10	September	2020~~19~~	FERC Account 182.3	112	-	-	-	-
11	October	2020~~19~~	FERC Account 182.3	111	-	-	-	-
12	November	2020~~19~~	FERC Account 182.3	110	-	-	-	-
13	December	2020~~19~~	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-	~~**13-mos. Avg =**~~	~~-~~
15					(sum lines 2-13)		~~(sum lines 1-13) / 13~~	
16				Input to Attachment H-21A:	page 3 of 5, line 6a		~~page 2 of 5, line 23a~~	

Notes
A Vegetation Management costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

RTO Realignment Cost Adjustment ("RRCA")
To be completed in conjunction with Attachment H-21A

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
	Monthly Balance		**Source**	**Months Remaining in Amortization Period**	**Beginning Balance** (= prior month col [H])	**Amortization Expense** (= [E] / [D])	**Additions (Deductions)**	**Ending Balance** (= [E] - [F] + [G])
1	December	2019~~8~~	Form No. 1 p232	121				-
2	January	2020~~19~~	FERC Account 182.3	120	-	-	-	-
3	February	2020~~19~~	FERC Account 182.3	119	-	-	-	-
4	March	2020~~19~~	FERC Account 182.3	118	-	-	-	-
5	April	2020~~19~~	FERC Account 182.3	117	-	-	-	-
6	May	2020~~19~~	FERC Account 182.3	116	-	-	-	-
7	June	2020~~19~~	FERC Account 182.3	115	-	-	-	-
8	July	2020~~19~~	FERC Account 182.3	114	-	-	-	-
9	August	2020~~19~~	FERC Account 182.3	113	-	-	-	-
10	September	2020~~19~~	FERC Account 182.3	112	-	-	-	-
11	October	2020~~19~~	FERC Account 182.3	111	-	-	-	-
12	November	2020~~19~~	FERC Account 182.3	110	-	-	-	-
13	December	2020~~19~~	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-	~~**13 mos. Avg =**~~	
15					(sum lines 2-13)		~~(sum lines 1-13) / 13~~	
16				Input to Attachment H-21A:	page 3 of 5, line 6a		~~page 2 of 5, line 23a~~	

Notes
A RTO Realignment costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

For the 12 months ended 12/31/

Legacy MTEP Debit Calculation
To be completed in conjunction with Attachment H-21A

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
	Monthly Balance		**Source**	**Months Remaining in Amortization Period**	**Beginning Balance** (= prior month col [H])	**Amortization Expense** (= [E] / [D])	**Additions (Deductions)**	**Ending Balance** (= [E] - [F] + [G])
1	December	2019~~8~~	Form No. 1 p232	121				-
2	January	2020~~19~~	FERC Account 182.3	120	-	-	-	-
3	February	2020~~19~~	FERC Account 182.3	119	-	-	-	-
4	March	2020~~19~~	FERC Account 182.3	118	-	-	-	-
5	April	2020~~19~~	FERC Account 182.3	117	-	-	-	-
6	May	2020~~19~~	FERC Account 182.3	116	-	-	-	-
7	June	2020~~19~~	FERC Account 182.3	115	-	-	-	-
8	July	2020~~19~~	FERC Account 182.3	114	-	-	-	-
9	August	2020~~19~~	FERC Account 182.3	113	-	-	-	-
10	September	2020~~19~~	FERC Account 182.3	112	-	-	-	-
11	October	2020~~19~~	FERC Account 182.3	111	-	-	-	-
12	November	2020~~19~~	FERC Account 182.3	110	-	-	-	-
13	December	2020~~19~~	Form No. 1 p232 and company records	109	-	-	-	-
14					**Total =**	-	~~**13 mos. Avg =**~~	
15					(sum lines 2-13)		~~(sum lines 1-13) / 13~~	
16				Input to Attachment H-21A:	page 3 of 5, line 6a		~~page 2 of 5, line 23a~~	

Notes
A Legacy MTEP costs are limited to those approved for recovery in Docket No. ER20-1740-000 and no additional costs may be included without specific Commission approval pursuant to FPA section 205 or 206.

Income Tax Adjustments
To be completed in conjunction with Attachment H-21A

	[1]		[2] **Source**	[3] **~~Year-end~~Balance** December 31, 2020~~19~~ [D~~C~~]	[4] **Gross-up Tax Rate from Att H-21A page 3 of 5, line 23**	[5] **Tax Effect, including Gross-up, Permanent Diff and AFUDC Equity** (= Col. [3] * [4]) [E~~D~~]
1	Permanent Differences & AFUDC Equity	[A]	~~company records~~sum lines 1a through 1c	-	0.00%	-
1a	AFUDC Equity	[B]	company records		n/a	n/a
1b	50% Disallowance for Meals and Entertainment	[B]	company records		n/a	n/a
1c	Non-Deductible Parking	[B]	company records		n/a	n/a
2	Amortized Excess Deferred Taxes (enter negative)	[C~~B~~]	Appendix G1, Line 12, Column F	-	n/a	n/a
3	Amortized Deficient Deferred Taxes	[C~~B~~]	Appendix G1, Line 12, Column F	-	n/a	n/a

Notes:

[A] These specific categories of permanent differences were approved in Docket No. ER20-1740-000. No other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.

[B~~A~~] The cost of income taxes on the Allowance for Other Funds Used During Construction ("AFUDC ~~e~~Equity") component is the gross cumulative annual amount based upon tax records of capitalized AFUDC ~~e~~Equity embedded in the gross plant attributable to the transmission function. The sources shall be PowerTax Report 216 for the current-year AFUDC Equity component and Provision Report 5100 for the current-year 50% Disallowance for Meals and Entertainment component and current-year Non-Deductible Parking component. Column [3] balances are calculated by multiplying these components by the tax rate on Attachment H-21A, page 3 of 5, line 21.

[C~~B~~] Upon enactment of changes in tax law, income tax rates (including changes in apportionment) and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes. Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes. The balance located within Column 3, line 2 and line 3, is the net impact of excess deferred and deficient amortization.

[D~~C~~] Amounts from lines 2 and 3 included on Attachment H-21A, page 3 of 5, line 26b.

[E~~D~~] Amount from line 1 included on Attachment H-21A, page 3 of 5, line 26a.

Appendix B-1

Pro Forma Clean Tariff Sheets for Attachment II

ATTACHMENT II

MTEP PROJECT COST RECOVERY FOR ATSI ZONE

I. <u>Definitions</u>

A. ATSI - American Transmission Systems, Incorporated.

B. Midcontinent ISO or MISO – The Midcontinent Independent System Operator, Inc., formerly known as the Midwest Independent Transmission System Operator, Inc.

C. MISO Tariff - The Midcontinent ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff.

D. MISO Transmission Owner – Any transmission owner in the MISO, including any independent transmission company, responsible for the construction of MTEP Projects under Attachment FF of the MISO Tariff.

E. MTEP – The MISO Transmission Expansion Plan established pursuant to Attachment FF of the MISO Tariff.

F. MTEP Project – A transmission project constructed by ATSI pursuant to Attachment FF of the MISO Tariff. For purposes of this Attachment II, MTEP Projects are limited to those projects listed in Section V of this Attachment.

II. <u>Introduction and Purpose</u>

Transmission Customers taking transmission service for deliveries in the ATSI zone shall pay a portion of the costs of MTEP Projects constructed by MISO Transmission Owners. This Attachment II sets forth the method by which Transmission Customers taking transmission service for deliveries in the ATSI zone are charged for the costs of MTEP Projects constructed by MISO Transmission Owners.

This Attachment II also addresses the manner in which the Office of the Interconnection will distribute revenues received from the MISO for MTEP Projects constructed by ATSI.

III. <u>MTEP Project Revenue Requirements Allocated to ATSI's Zone</u>

A. Derivation of Annual Revenue Requirements

The MISO Transmission Owners shall periodically update the annual revenue requirements for MTEP Projects constructed by MISO Transmission Owners. The list of MTEP Projects for purposes of this Section III.A is provided in Section V.A.

B. Allocation of Annual Revenue Requirements to ATSI's Zone

The portion of the annual revenue requirements under Section III.A for each MTEP Project constructed by MISO Transmission Owners that will be allocated to the ATSI zone shall be calculated monthly. This allocated amount will be the basis for the amount billed by the MISO to ATSI for MTEP revenue requirements allocated to the ATSI zone.

C. Recovery of Annual Revenue Requirements for MISO Transmission Owners' MTEP Projects

ATSI shall include the amount billed by the MISO to ATSI for MTEP revenue requirements as set forth in Section III.B, subject to the limitations on recovery of these amounts from transmission customers in the ATSI zone as set forth in the settlement agreement filed with the Commission on October 14, 2021 in Docket No. ER20-1740, in FERC Account No. 566 – Miscellaneous Transmission Expenses, so that the appropriate expenses are included in the development of ATSI's transmission rates under Attachment H-21 to this Tariff.[1]

D. Revenue Distribution from Payments Made by Transmission Customers in ATSI's Zone

Each month, ATSI shall remit to the MISO the amount described in Section III.B.

IV. <u>ATSI MTEP Project Revenue Requirements Allocated to MISO Zones</u>

A. Derivation of Annual Revenue Requirements

Under the methodology provided under Attachment H–21 to this Tariff, ATSI will periodically update the annual revenue requirements for MTEP Projects constructed by ATSI. No later than May 1 each year, ATSI shall provide these updated revenue requirements to the MISO for the upcoming June 1 – May 31 rate year. The list of MTEP Projects for purposes of this Section IV.A is provided in Section V.B.

B. Allocation of Annual Revenue Requirements to MISO Zones

The portion of the annual revenue requirements derived under Section IV.A that will be recovered from transmission customers taking transmission service in the MISO shall be calculated by the MISO by multiplying each MTEP Project's revenue requirements derived in Section IV.A by the percentage allocable to each applicable MISO zone in accordance with the allocation methodology approved by FERC with respect to that MTEP Project, at the time the project was approved by the MISO Board of Directors.

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[1] The settlement agreement in Docket No. ER20-1740 also provides for ATSI's recovery from customers of certain historical amounts associated with the MTEP Projects listed in Section V.A below. Those amounts will be recovered as set forth in Appendix F of Attachment H-21A through amortization to FERC Account 407.3.

C. Monthly Revenue Requirements Owed from the MISO Zones

Each month, and pursuant to agreed upon settlement procedures, the MISO shall remit an amount to the Office of the Interconnection from revenues collected by the MISO in proportion to ATSI's annual pro-rata share of the total Network Upgrade Charge as described in the MISO Schedule 26.

D. Revenue Distribution from Payments Made by Transmission Customers in the MISO

Provided the MISO remits to the Office of the Interconnection the amount of revenue requirements owed ATSI pursuant to Section IV.C, PJM shall credit 100% of the amounts to ATSI.

V. <u>MTEP Projects</u>

A. MTEP Projects Constructed by MISO Transmission Owners

Project ID	Project Name	Constructing Owner
2068	Latham – Oreana 345 kV line	Ameren Illinois
2069	South Bloomington – Install new 560 MVA 345 / 138 Xfmr	Ameren Illinois
2472	New 345 kV Supply at Fargo Substation	Ameren Illinois
2829	Coffeen Plant-Coffeen, North – 2nd. Bus tie	Ameren Illinois
345	Morgan – Werner West 345 kV line (includes Clintonville-Werner West 138)	American Transmission Company LLC
356	Rockdale-West Middleton 345 kV	American Transmission Company LLC
2793	G883/4 Uprate Point Beach-Sheboygan EC 345-kV	American Transmission Company LLC
2837	Uprate Cypress-Arcadian 345 kV line	American Transmission Company LLC
91	Hillcrest 345/138	Duke Energy Ohio
1263	G431 – Edwardsport	Duke Energy Indiana
3104	G514 Heartland Wind	Great River Energy
286	Fargo, ND – St Cloud/Monticello, MN area 345 kV project	Great River Energy, Northern States Power Company, Otter Tail Power Company & Minnesota Power
1749	G172 Mitchell County Substation	International Transmission Company
686	Majestic 345/120 kV switching station	International Transmission Company
911	Placid 345/120 kV transformer #2	International Transmission Company
910	Coventry Station upgrade	International Transmission Company
481	Tallmadge 345/138 kV TB3 transformer #3	Michigan Electric Transmission Company,

		LLC
1817	Midland	Michigan Electric Transmission Company, LLC
1828	Argenta-Palisades 345kV ckt. 1 & 2	Michigan Electric Transmission Company, LLC
662	Weeds Lake	Michigan Electric Transmission Company, LLC
612	Hiple – Add 2nd 345-138 kV Transformer	Northern Indiana Public Service Company
1457	G287, 37642-03. Upgrades for G287	Northern States Power Company
1458	G349, 37774-01. Upgrades for G349	Northern States Power Company
1024	SE Twin Cities – Rochester, MN – LaCrosse, WI 345 kV project	Northern States Power Company
1257	New Transmission Line Gibson (Cinergy) to AB Brown (Vectren) to Reid (BREC)	Vectren Energy
1004	New 345/138 kV Substation at Francisco	Vectren Energy

B. MTEP Projects Constructed by ATSI

<u>Project ID – Project Name</u>

890 - North Medina 345/138 kV Substation

1326- Capacitor Banks at Harding and Juniper 345 kV

Appendix B-2

Pro Forma Redline Tariff Sheets for Attachment II

ATTACHMENT II

MTEP PROJECT COST RECOVERY FOR ATSI ZONE

I. Definitions

A. ATSI - American Transmission Systems, Incorporated.

B. Midcontinent~~west~~ ISO or MISO – The Midcontinent Independent System Operator, Inc., formerly known as the Midwest Independent Transmission System Operator, Inc.

C. ~~Midwest ISO~~MISO Tariff - The ~~Midwest~~Midcontinent ISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff.

D. ~~Midwest ISO~~MISO Transmission Owner – Any transmission owner in the ~~Midwest ISO~~MISO, including any independent transmission company, responsible for the construction of MTEP Projects under Attachment FF of the ~~Midwest ISO~~MISO Tariff.

E. MTEP – The ~~Midwest ISO~~MISO Transmission Expansion Plan established pursuant to Attachment FF of the ~~Midwest ISO~~MISO Tariff.

F. MTEP Project – A transmission project constructed by ATSI pursuant to Attachment FF of the ~~Midwest ISO~~MISO Tariff. For purposes of this Attachment II, MTEP Projects are limited to those projects listed in Section V of this Attachment.

II. Introduction and Purpose

Transmission Customers taking transmission service for deliveries in the ATSI zone shall pay a portion of the costs of MTEP Projects constructed by ~~Midwest ISO~~MISO Transmission Owners. This Attachment II sets forth the method by which Transmission Customers taking transmission service for deliveries in the ATSI zone are charged for the costs of MTEP Projects constructed by ~~Midwest ISO~~MISO Transmission Owners.

This Attachment II also addresses the manner in which the Office of the Interconnection will distribute revenues received from the ~~Midwest ISO~~MISO for MTEP Projects constructed by ATSI.

III. MTEP Project Revenue Requirements Allocated to ATSI's Zone

A. Derivation of Annual Revenue Requirements

The ~~Midwest ISO~~MISO Transmission Owners shall periodically update the annual revenue requirements for MTEP Projects constructed by ~~Midwest ISO~~MISO Transmission Owners. The list of MTEP Projects for purposes of this Section III.A is provided in Section V.A.

B. Allocation of Annual Revenue Requirements to ATSI's Zone

The portion of the annual revenue requirements under Section III.A for each MTEP Project constructed by ~~Midwest ISO~~MISO Transmission Owners that will be allocated to ~~Transmission Customers taking transmission service to serve load in~~ the ATSI zone shall be calculated monthly. This allocated amount will be the basis for the amount billed by the ~~Midwest ISO~~MISO to ATSI for MTEP revenue requirements allocated to ~~customers taking transmission service to serve load in~~ the ATSI zone.

C. Recovery of Annual Revenue Requirements for ~~Midwest ISO~~MISO Transmission Owners' MTEP Projects

ATSI shall include the amount billed by the ~~Midwest ISO~~MISO to ATSI for MTEP revenue requirements ~~allocated to customers taking transmission service to serve load~~ as set forth in Section III.B, subject to the limitations on recovery of these amounts from transmission customers in the ATSI zone as set forth in the settlement agreement filed with the Commission on October 14, 2021 in Docket No. ER20-1740, in FERC Account No. 566 – Miscellaneous Transmission Expenses, so that the appropriate expenses are included in the development of ATSI's transmission rates under Attachment H-21 to this Tariff.[1]

D. Revenue Distribution from Payments Made by Transmission Customers in ATSI's Zone

Each month, ATSI shall remit to the ~~Midwest ISO~~MISO the amount described in Section III.B.

IV. ATSI MTEP Project Revenue Requirements Allocated to ~~Midwest ISO~~MISO Zones

A. Derivation of Annual Revenue Requirements

Under the methodology provided under Attachment H–21 to this Tariff, ATSI will periodically update the annual revenue requirements for MTEP Projects constructed by ATSI. No later than May 1 each year, ATSI shall provide these updated revenue requirements to the ~~Midwest ISO~~MISO for the upcoming June 1 – May 31 rate year. The list of MTEP Projects for purposes of this Section IV.A is provided in Section V.B.

B. Allocation of Annual Revenue Requirements to ~~Midwest ISO~~MISO Zones

The portion of the annual revenue requirements derived under Section IV.A that will be recovered from transmission customers taking transmission service in the ~~Midwest~~

[1] The settlement agreement in Docket No. ER20-1740 also provides for ATSI's recovery from customers of certain historical amounts associated with the MTEP Projects listed in Section V.A below. Those amounts will be recovered as set forth in Appendix F of Attachment H-21A through amortization to FERC Account 407.3.

~~ISO~~MISO shall be calculated by the ~~Midwest ISO~~MISO by multiplying each MTEP Project's revenue requirements derived in Section IV.A by the percentage allocable to each applicable ~~Midwest ISO~~MISO zone in accordance with the allocation methodology approved by FERC with respect to that MTEP Project, at the time the project was approved by the ~~Midwest ISO~~MISO Board of Directors.

C. Monthly Revenue Requirements Owed from the ~~Midwest ISO~~MISO Zones

Each month, and pursuant to agreed upon settlement procedures, the ~~Midwest ISO~~MISO shall remit an amount to the Office of the Interconnection from revenues collected by the ~~Midwest ISO~~MISO in proportion to ATSI's annual pro-rata share of the total Network Upgrade Charge as described in the ~~Midwest ISO~~MISO Schedule 26.

D. Revenue Distribution from Payments Made by Transmission Customers in the ~~Midwest ISO~~MISO

Provided the ~~Midwest ISO~~MISO remits to the Office of the Interconnection the amount of revenue requirements owed ATSI pursuant to Section IV.C, PJM shall credit 100% of the amounts to ATSI.

V. MTEP Projects

A. MTEP Projects Constructed by ~~Midwest ISO~~MISO Transmission Owners

Project ID	Project Name	Constructing Owner
2068	Latham – Oreana 345 kV line	Ameren Illinois
2069	South Bloomington – Install new 560 MVA 345 / 138 Xfmr	Ameren Illinois
2472	New 345 kV Supply at Fargo Substation	Ameren Illinois
2829	Coffeen Plant-Coffeen, North – 2nd. Bus tie	Ameren Illinois
345	Morgan – Werner West 345 kV line (includes Clintonville-Werner West 138)	American Transmission Company LLC
356	Rockdale-West Middleton 345 kV	American Transmission Company LLC
2793	G883/4 Uprate Point Beach-Sheboygan EC 345-kV	American Transmission Company LLC
2837	Uprate Cypress-Arcadian 345 kV line	American Transmission Company LLC
91	Hillcrest 345/138	Duke Energy Ohio
1263	G431 – Edwardsport	Duke Energy Indiana
3104	G514 Heartland Wind	Great River Energy
286	Fargo, ND – St Cloud/Monticello, MN area 345 kV project	Great River Energy, Northern States Power Company, Otter Tail Power Company & Minnesota Power
1749	G172 Mitchell County Substation	International Transmission Company
686	Majestic 345/120 kV switching station	International Transmission Company

911	Placid 345/120 kV transformer #2	International Transmission Company
910	Coventry Station upgrade	International Transmission Company
481	Tallmadge 345/138 kV TB3 transformer #3	Michigan Electric Transmission Company, LLC
1817	Midland	Michigan Electric Transmission Company, LLC
1828	Argenta-Palisades 345kV ckt. 1 & 2	Michigan Electric Transmission Company, LLC
662	Weeds Lake	Michigan Electric Transmission Company, LLC
612	Hiple – Add 2nd 345-138 kV Transformer	Northern Indiana Public Service Company
1457	G287, 37642-03. Upgrades for G287	Northern States Power Company
1458	G349, 37774-01. Upgrades for G349	Northern States Power Company
1024	SE Twin Cities – Rochester, MN – LaCrosse, WI 345 kV project	Northern States Power Company
1257	New Transmission Line Gibson (Cinergy) to AB Brown (Vectren) to Reid (BREC)	Vectren Energy
1004	New 345/138 kV Substation at Francisco	Vectren Energy

B. MTEP Projects Constructed by ATSI

<u>Project ID – Project Name</u>

890 - North Medina 345/138 kV Substation

1326- Capacitor Banks at Harding and Juniper 345 kV

Appendix C-1

Clean Workpapers for Formula Rate Template

WP03 ADIT

				Acct. No. 281	Acct. No. 282	Acct. No. 283	Acct. No. 190	Acct. No. 255
			[A]	273.8.k	275.2.k	277.9.k	234.8.c	267.h
	FERC Form 1 Totals							
1	December 31	2019						
2	December 31	2020						
	Prorated balance							
3	December 31	2020			-	-	-	
	Non-prorated balance							
4	December 31	2019			-	-	-	
5	December 31	2020			-	-	-	

Values from line 1 adjusted per Notes.
Adjusted values for input to Attachment H-21A, Page 2, Lines 19-23

			(enter negative)	(enter negative)	(enter negative)		(enter negative)	Total
				[B]	[C]	[D]	[E]	
	Prorated balance							
6	December 31	2020	-	-	-	-	-	
	Non-prorated balance							
7	December 31	2019	-	-	-	-	-	
8	December 31	2020	-	-	-	-	-	
9	ADIT Adjustment to Attachment H-21A [F]		-	-	-	-	-	-

Notes:

[A] Reference for December balances as reported in FERC Form 1.

[B] FERC Account No. 282 is adjusted for the following items.

			FAS 143 - ARO (Acct 190 Offset)	Charitable Contr. Limit (Acct 190 Offset)	Asset Impairment	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Extraordinary Prop. Losses	FAS123R	Normalization [G]
	Prorated balance										
10	December 31	2020	-	-	-	-	-	-	-	-	-
	Non-prorated balance										
11	December 31	2019	-	-	-	-	-	-	-	-	
12	December 31	2020	-	-	-	-	-	-	-	-	

[C] FERC Account No. 283 is adjusted for the following items.

			FAS 143 - ARO (Acct 190 Offset)	Charitable Contr. Limit (Acct 190 Offset)	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Normalization [G]
	Prorated balance							
13	December 31	2020	-	-	-	-	-	-
	Non-prorated balance							
14	December 31	2019	-	-	-	-	-	
15	December 31	2020	-	-	-	-	-	

[D] FERC Account No. 190 is adjusted for the following items:

			FAS 143 - ARO	Charitable Contr. Limit	FAS 123R	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Normalization [G]
	Prorated balance								
16	December 31	2020	-	-	-	-	-	-	-
	Non-prorated balance								
17	December 31	2019	-	-	-	-	-	-	
18	December 31	2020	-	-	-	-	-	-	

[E] Based on prior elections and IRS rulings, the 3% Investment Tax Credit ("ITC") and the 4% ITC may be used to reduce rate base as well as utilizing amortization of the tax credits against taxable income.
As a result, only the 3% and 4% values in FERC Form 1 column (h) on page 267 should be reported under Acct. No. 255.

[F] For purposes of the ADIT adjustment to rate base on Line 9, any specific prorated ADIT balance in Accounts 190, 282, and 283 will utilize a prorated year-end balance; any non-prorated balances will utilize a beginning/ending average balance.
The net balance of the components will be the adjustment to rate base on Line 9.

[G] Normalization is sourced from WP03-A, page 1, column O.

WP03-A ADIT Norm

Line		A	B	C	D	E	F	G	H	I
			2020 Quarterly Activity and Balances							
		Beginning 190 (including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
1	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 190 (including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
2	PTRR	**0**	**0**		**0**		**0**		**0**	
		Beginning 282 (including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
3	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 282 (including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
4	PTRR	**0**	**0**		**0**		**0**		**0**	
		Beginning 283 (Including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
5	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 283 (Including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
6	PTRR	**0**	**0**		**0**		**0**		**0**	

					2020 PTRR				
			J	K	L	M	N	O	P
				Page 1, B+D+F+H	Page 1, Lines 2, 4, and 6 Column A+B+D+F+H	J-L		M-N	Line 7= J-N-O Lines 8-9= -J+N+O
Line		Account	Estimated Ending Balance (Before Adjustments)	Projected Activity	Prorated Ending Balance	Prorated - Estimated End (Before Adjustments)	Sum of end ADIT Adjustments	Normalization	Ending Prorated ADIT Balance Included in Formula Rate
7	PTRR	Total Account 190	-	0	0	-	-	-	-
8	PTRR	Total Account 282	-	0	0	-	-	-	-
9	PTRR	Total Account 283	-	0	0	-	-	-	-
10	PTRR	Total Prorated ADIT	-	-	-	-	-	-	-

Notes:

1. WP03-A will be populated and utilize PTRR information for the PTRR and ATRR information for the ATRR.
2. WP03-A will only include prorated amounts

WP03-B ADIT Detail

		Prorated (a)					Not Prorated (b)	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
		2019	2020	2020	2020	2020	2019	2020
Line	Description (a)	December 31 Balance	March Balance	June Balance	September Balance	December Balance	December 31 Balance	December Balance
1	**FERC Account No. 190**							
1.01								
1.XX								
2	Sum of Lines 1.01 through 1.XX	-	-	-	-	-	-	-
3	**FERC Account No. 190 ADIT Adjustments**							
3.01	FAS 143 - ARO							
3.02	Charitable Contribution Limit							
3.03	FAS 123R							
3.04	FAS 106							
3.05	Contribution in Aid of Construction							
3.06	FAS 109							
3.XX								
4	Sum of Lines 3.01 through 3.XX	-	-	-	-	-	-	-
5	**FERC Account No. 190 After Adjustments**	-	-	-	-	-	-	-
6	**FERC Account No. 282**							
6.01								
6.XX								
7	Sum of Lines 6.01 through 6.XX	-	-	-	-	-	-	-
8	**FERC Account No. 282 ADIT Adjustments**							
8.01	FAS 143 - ARO							
8.02	Charitable Contribution Limit							
8.03	Asset Impairment							
8.04	FAS 106							
8.05	Contribution in Aid of Construction							
8.06	FAS 109							
8.07	Extraordinary Property Losses							
8.08	FAS 123R							
8.XX								
9	Sum of Lines 8.01 through 8.XX	-	-	-	-	-	-	-
10	**FERC Account No. 282 After Adjustments**	-	-	-	-	-	-	-
11	**FERC Account No. 283**							
11.01								
11.XX								
12	Sum of Lines 11.01 through 11.XX	-	-	-	-	-	-	-
13	**FERC Account No. 283 ADIT Adjustments**							
13.01	FAS 143 - ARO							
13.02	Charitable Contribution Limit							
13.03	FAS 106							
13.04	Contribution in Aid of Construction							
13.05	FAS 109							
13.XX								
14	Sum of Lines 13.01 through 13.XX	-	-	-	-	-	-	-
15	**FERC Account No. 283 After Adjustments**	-	-	-	-	-	-	-

Notes

(a) Columns [B], [C], [D], [E], and [F] include prorated ADIT items. Only depreciation-related components are eligible for pro-rating, including, but not limited to, Net Operating Losses (NOLs).

(b) Columns [G] and [H] include non-prorated ADIT items.

Appendix C-2

Redline Workpapers for Formula Rate Template

WP03 ADIT

Line		Year		Acct. No. 281	Acct. No. 282	Acct. No. 283	Acct. No. 190	Acct. No. 255	Total
			[A]	273.8.k	275.2.k	277.9.k	234.8.c	267.h	
	FERC Form 1 Totals								
1	December 31	2019							
~~1~~ 2	December 31	2020							
	Prorated balance								
3	December 31	2020			-	-	-		
	Non-prorated balance								
4	December 31	2019			-	-	-		
5	December 31	2020			-	-	-		

Values from line 1 adjusted per Notes.
Adjusted values for input to Attachment H-21A, Page 2, Lines 19-23

Line		Year	(enter negative)	(enter negative)	(enter negative)		(enter negative)	Total
				[B]	[C]	[D]	[E]	
	Prorated balance							
~~2~~ 6	December 31	2020	-	-	-	-	-	
	Non-prorated balance							
7	December 31	2019	-	-	-	-	-	
8	December 31	2020	-	-	-	-	-	
~~3~~ 9	~~Ending Balance~~ ADIT Adjustment to Attachment H-21A [F]		-	-	-	-	-	-

Notes:

[A] Reference for December balances as ~~would be~~ reported in FERC Form 1.

[B] FERC Account No. 282 is adjusted for the following items.

Line		Year	FAS 143 - ARO (Acct 190 Offset)	Charitable Contr. Limit (Acct 190 Offset)	Asset Impairment	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Extraordinary Prop. Losses	FAS123R	Normalization [G]
	Prorated balance										
10	December 31	2020	-	-	-	-	-	-	-	-	-
	Non-prorated balance										
11	December 31	2019	-	-	-	-	-	-	-	-	
12	December 31	2020	-	-	-	-	-	-	-	-	

[C] FERC Account No. 283 is adjusted for the following items.

Line		Year	FAS 143 - ARO (Acct 190 Offset)	Charitable Contr. Limit (Acct 190 Offset)	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Normalization [G]
	Prorated balance							
13	December 31	2020	-	-	-	-	-	-
	Non-prorated balance							
14	December 31	2019	-	-	-	-	-	
15	December 31	2020	-	-	-	-	-	

[D] FERC Account No. 190 is adjusted for the following items:

Line		Year	FAS 143 - ARO	Charitable Contr. Limit	FAS 123R	FAS 106	Contribution In Aid of Construction	FAS 109 (include AFUDC-related)	Normalization [G]
	Prorated balance								
16	December 31	2020	-	-	-	-	-	-	-
	Non-prorated balance								
17	December 31	2019	-	-	-	-	-	-	
18	December 31	2020	-	-	-	-	-	-	

[E] Based on prior elections and IRS rulings, the 3% Investment Tax Credit ("ITC") and the 4% ITC may be used to reduce rate base as well as utilizing amortization of the tax credits against taxable income.
As a result, only the 3% and 4% values in FERC Form 1 column (h) on page 267 should be reported under Acct. No. 255.

[F] For purposes of the ADIT adjustment to rate base on Line 9, any specific prorated ADIT balance in Accounts 190, 282, and 283 will utilize a prorated year-end balance; any non-prorated balances will utilize a beginning/ending average balance.
The net balance of the components will be the adjustment to rate base on Line 9.

[G] Normalization is sourced from WP03-A, page 1, column O.

WP03-A ADIT Norm

Line		A	B	C	D	E	F	G	H	I
			2020 Quarterly Activity and Balances							
		Beginning 190 (including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
1	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 190 (including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
2	PTRR	**0**	**0**		**0**		**0**		**0**	
		Beginning 282 (including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
3	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 282 (including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
4	PTRR	**0**	**0**		**0**		**0**		**0**	
		Beginning 283 (Including adjustments)	Q1 Activity	**Ending Q1**	Q2 Activity	**Ending Q2**	Q3 Activity	**Ending Q3**	Q4 Activity	**Ending Q4**
5	PTRR	0	0	0	0	0	0	0	0	0
		Beginning 283 (Including adjustments)	**Pro-rated Q1**		**Pro-rated Q2**		**Pro-rated Q3**		**Pro-rated Q4**	
6	PTRR	**0**	**0**		**0**		**0**		**0**	

2020 PTRR

Line		Account	J	K	L	M	N	O	P
				Page 1, B+D+F+H	Page 1, Lines 2, 4, and 6 Column A+B+D+F+H	J-L		M-N	Line 7= J-N-O Lines 8-9= -J+N+O
			Estimated Ending Balance (Before Adjustments)	Projected Activity	Prorated Ending Balance	Prorated - Estimated End (Before Adjustments)	Sum of end ADIT Adjustments	Normalization	Ending Prorated ADIT Balance Included in Formula Rate
7	PTRR	Total Account 190	-	0	0	-	-	-	-
8	PTRR	Total Account 282	-	0	0	-	-	-	-
9	PTRR	Total Account 283	-	0	0	-	-	-	-
10	PTRR	Total Prorated ADIT	-	-	-	-	-	-	-

Notes:

1. WP03-A will be populated and utilize PTRR information for the PTRR and ATRR information for the ATRR.
2. WP03-A will only include prorated amounts

WP03-B ADIT Detail

		Prorated (a)					Not Prorated (b)	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
		2019	2020	2020	2020	2020	2019	2020
Line	**Description (a)**	**December 31 Balance**	**March Balance**	**June Balance**	**September Balance**	**December Balance**	**December 31 Balance**	**December Balance**
1	**FERC Account No. 190**							
1.01								
1.XX								
2	Sum of Lines 1.01 through 1.XX	-	-	-	-	-	-	-
3	**FERC Account No. 190 ADIT Adjustments**							
3.01	FAS 143 - ARO							
3.02	Charitable Contribution Limit							
3.03	FAS 123R							
3.04	FAS 106							
3.05	Contribution in Aid of Construction							
3.06	FAS 109							
3.XX								
4	Sum of Lines 3.01 through 3.XX	-	-	-	-	-	-	-
5	**FERC Account No. 190 After Adjustments**	-	-	-	-	-	-	-
6	**FERC Account No. 282**							
6.01								
6.XX								
7	Sum of Lines 6.01 through 6.XX	-	-	-	-	-	-	-
8	**FERC Account No. 282 ADIT Adjustments**							
8.01	FAS 143 - ARO							
8.02	Charitable Contribution Limit							
8.03	Asset Impairment							
8.04	FAS 106							
8.05	Contribution in Aid of Construction							
8.06	FAS 109							
8.07	Extraordinary Property Losses							
8.08	FAS 123R							
8.XX								
9	Sum of Lines 8.01 through 8.XX	-	-	-	-	-	-	-
10	**FERC Account No. 282 After Adjustments**	-	-	-	-	-	-	-
11	**FERC Account No. 283**							
11.01								
11.XX								
12	Sum of Lines 11.01 through 11.XX	-	-	-	-	-	-	-
13	**FERC Account No. 283 ADIT Adjustments**							
13.01	FAS 143 - ARO							
13.02	Charitable Contribution Limit							
13.03	FAS 106							
13.04	Contribution in Aid of Construction							
13.05	FAS 109							
13.XX								
14	Sum of Lines 13.01 through 13.XX	-	-	-	-	-	-	-
15	**FERC Account No. 283 After Adjustments**	-	-	-	-	-	-	-

Notes

(a) Columns [B], [C], [D], [E], and [F] include prorated ADIT items. Only depreciation-related components are eligible for pro-rating, including, but not limited to, Net Operating Losses (NOLs).

(b) Columns [G] and [H] include non-prorated ADIT items.