

October 18, 2022

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

Re: *PJM Interconnection, L.L.C.*
Mid-Atlantic Interstate Transmission, LLC
Docket Nos. ER20-1951-000 and ER20-1951-001

Dear Secretary Bose:

Pursuant to Rule 602 of the Commission's Rules of Practice and Procedure,¹ Mid-Atlantic Interstate Transmission, LLC ("MAIT") hereby submits the attached uncontested Settlement Agreement and Offer of Settlement ("Settlement") executed by parties to the above-referenced proceeding.² MAIT respectfully requests that the Secretary transmit this Settlement to the Presiding Settlement Judge, the Honorable Andrew Satten. 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;
3. The Settlement;
4. Certain workpapers providing additional information supporting MAIT's calculation of excess or deficient ADIT balances following a tax rate change, included as Appendix A to the Settlement (the "Attachment D Workpapers"); and

¹ 18 C.F.R. § 385.602 (2021).

² The settling parties consist of MAIT, American Municipal Power, Inc. ("AMP"), Met-Ed Industrial Users Group ("MEIUG"), and Penelec Industrial Customer Alliance ("PICA").

³ Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. ("PJM") on behalf of MAIT 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, MAIT has requested PJM submit this filing in the eTariff system as part of PJM's electronic IntraPJM Tariff.

⁴ 18 C.F.R. § 385.602(c)(1).

5. A worksheet titled "JOINT-MAIT-1.01 Attachment A," for use in initially populating the Attachment D Workpapers, included as Appendix B to the Settlement.

In accordance with 18 C.F.R. § 385.602(d), MAIT 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 7, 2022, and any reply comments must be filed on or before November 17, 2022.

Please direct any questions to the undersigned.

Respectfully Submitted,

/s/ Richard P. Sparling

Richard P. Sparling
Shannon E. O'Neil
Davis Wright Tremaine LLP
Suite 500 East
1301 K Street, NW
Washington, DC 20005
ricksparling@dwt.com
shannononeil@dwt.com

Attorneys for Mid-Atlantic Interstate Transmission, LLC

Attachments

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served upon all the parties listed on the official service list for the above-referenced proceeding, pursuant to the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C., this 18th day of October, 2022.

/s/ Daniel Klein

Daniel Klein

Davis Wright Tremaine LLP

1301 K Street NW

Suite 500 East

Washington, D.C. 20005

(202) 973-4209

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.)	Docket Nos.	ER20-1951-000
Mid-Atlantic Interstate Transmission, LLC)		ER20-1951-001

EXPLANATORY STATEMENT

Mid-Atlantic Interstate Transmission, LLC (“MAIT”); American Municipal Power, Inc. (“AMP”); Met-Ed Industrial Users Group (“MEIUG”); and Penelec Industrial Customer Alliance (“PICA”) (each a “Settling Party” and collectively, the “Settling Parties”) submit 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 (2021), in support of the attached Settlement Agreement and Offer of Settlement (“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 November 21, 2019, the Commission issued Order No. 864 in Docket No. RM19-5-000 (“Order No. 864”),² requiring public utility transmission providers with transmission formula rates to revise those transmission formula rates to account for changes caused by the Tax Cuts and Jobs Act of 2017 (“TCJA”). The requirements are designed to address the effects of the TCJA on the accumulated deferred income taxes (“ADIT”) reflected in transmission formula rates.

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

² *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019), *order on reh’g and clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

On June 1, 2020, in Docket No. ER20-1951, pursuant to section 206 of the Federal Power Act, 16 U.S.C. § 824e, and in compliance with Order No. 864, MAIT filed revisions (“June 1, 2020 Compliance Filing”) to its transmission formula rate template (“Formula Rate”) set forth in Attachment H-28 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff (“PJM Tariff”).³

On June 22, 2020, AMP, MEIUG, and PICA jointly filed a protest of MAIT’s June 1, 2020 Compliance Filing. On July 7, 2020, MAIT filed a Motion for Leave to Answer and Answer in response to the joint protest.

On May 4, 2021, Commission staff issued a letter informing MAIT that its June 1, 2020 Compliance Filing was deficient and requesting additional information (“May 4, 2021 Deficiency Letter”). On June 3, 2021, MAIT submitted a response to the May 4, 2021 Deficiency Letter (“June 3, 2021 Deficiency Response”) in Docket No. ER20-1951-001.

On June 24, 2021, AMP, MEIUG, and PICA jointly filed a protest of MAIT’s June 3, 2021 Deficiency Response. On July 9, 2021, MAIT filed an Answer in response.

On December 3, 2021, the Commission issued its “Order on Compliance and Establishing Hearing and Settlement Judge Procedures.”⁴ In the December 3, 2021 Order, the Commission accepted MAIT’s proposed tariff revisions, effective January 27, 2020, and directed MAIT to submit a further compliance filing within 60 days.⁵ On February 1, 2022, MAIT submitted a further compliance filing (“February 1, 2022 Compliance Filing”) in compliance with the Commission’s directives in the December 3, 2021 Order.⁶

³ Pursuant to Order No. 714, PJM submitted the filing on behalf of MAIT.

⁴ *Mid-Atlantic Interstate Transmission, LLC*, 177 FERC ¶ 61,166 (2021) (“December 3, 2021 Order”).

⁵ *Id.* P 1.

⁶ Among other things, the February 1, 2022 Compliance Filing proposed to include a version of the Attachment D Workpapers as new Attachment 15b to MAIT’s Formula Rate.

In addition to requiring certain further compliance measures subsequently addressed in the February 1, 2022 Compliance Filing, the December 3, 2021 Order found that MAIT's inclusion of certain excess or deficient ADIT amounts in its Formula Rate raised issues of material fact that could not be resolved based on the existing record in the proceeding and, as a result, established hearing and settlement judge procedures.⁷

On December 13, 2021, the Chief Administrative Law Judge issued an order designating Judge Andrew Satten as the Settlement Judge.⁸ Thereafter, Judge Satten convened a formal settlement conference on February 2, 2022, as well as a technical conference. Throughout this process, the Settling Parties exchanged information regarding MAIT's filings and the positions adopted by the respective parties and 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, which resulted in the attached Settlement.

II. SUMMARY OF SETTLEMENT AGREEMENT

ARTICLE I provides the procedural background for this proceeding.

ARTICLE II provides definitions of terms used in the Settlement.

ARTICLE III defines the scope and conditions of Settlement, indicating that it resolves all issues set for hearing in the Commission's December 3, 2021 Order, 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. Article III also sets forth the Effective Date of the Settlement.

ARTICLE IV sets forth the terms of the Settlement.

⁷ December 3, 2021 Order at P 1.

⁸ *Mid-Atlantic Interstate Transmission, LLC*, Order of Chief Judge Designating Settlement Judge, Docket Nos. ER20-1951-000 and ER20-1951-001 (issued Dec. 13, 2021).

Section 4.1 states that MAIT's Attachment D Workpapers will initially be populated using the updated data provided in the worksheet titled "JOINT-MAIT-1.01 Attachment A," incorporated as Appendix B to the Settlement, and future revisions to the Attachment D Workpapers will be made pursuant to MAIT's Formula Rate Implementation Protocols (Attachment H-28B of the PJM Tariff).

Section 4.2 provides that MAIT will remove certain items listed therein from the calculation of the Excess and Deficient ADIT balances utilized in MAIT's Formula Rate, as set forth in the Attachment D Workpapers, and will exclude 100 percent of the applicable Excess and Deficient ADIT associated with the TCJA and reverse 100 percent of prior amortizations no later than in the next Formula Rate Update⁹ following the Effective Date.

Section 4.3 provides that MAIT agrees to exclude 100 percent of Contributions in Aid of Construction ("CIAC")-related Excess and Deficient ADIT associated with the TCJA and reverse 100 percent of prior amortizations of these amounts no later than in the next Formula Rate Update following the Effective Date. Section 4.3 additionally provides that, prospectively from the Effective Date, MAIT will not include CIAC-related Excess and Deficient ADIT in any remeasurements resulting from a future tax rate change by a federal or state taxing authority.

Section 4.4 provides that MAIT agrees to exclude 100 percent of the Excess and Deficient ADIT amounts reflected in Lines 4 and 9 of the Attachment D Workpapers ("PJM Payable and Receivable Excess and Deficient ADIT"), and the associated EDIT FAS109 adjustments to rate base, and reverse 100 percent of prior amortizations no later than in the next Formula Rate Update following the Effective Date. Additionally, Section 4.4 provides that

⁹ For purposes of the Settlement, "Formula Rate Update" refers to the Annual Update (June 1 deadline) and the Projected Transmission Revenue Requirement (October 5 deadline) provided for in MAIT's Formula Rate Implementation Protocols.

MAIT agrees prospectively to exclude PJM Payable and Receivable Excess and Deficient ADIT and the associated EDIT FAS109 adjustment as adjustments to rate base and to also exclude the associated amortization, including any resulting from future tax rate changes.

Section 4.5 provides that MAIT agrees prospectively from calendar/rate year 2022 forward to exclude as an adjustment to rate base the ADIT associated with the book/tax timing difference resulting from MAIT's over or under recovery from its projected transmission revenue requirement caused by the book recognition of the true-up for financial purposes as it occurs versus the tax recognition based on the receipt of or payment of the amounts due via the PJM billings ("PJM Payable and Receivable-related ADIT"), and that the Settling Parties agree that PJM Payable and Receivable-related ADIT for formula rate true-ups related to calendar/rate years prior to 2022 and/or currently in process will remain as adjustments to rate base until the related true-up is fully collected from or refunded to customers.

Section 4.6 provides that MAIT will adjust certain items within the calculation of the Excess and Deficient ADIT balances utilized in MAIT's Formula Rate, as set forth in the Attachment D Workpapers.

Section 4.6.1 provides that MAIT will adjust its Excess and Deficient ADIT balances to reflect the Commission's Office of Enforcement's findings on vegetation management costs in the February 4, 2022 audit report issued in Docket No. FA19-1-000.

ARTICLE V sets forth the refund/surcharge obligations by MAIT to the Settling Parties.

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,¹⁰ the Explanatory Statement addresses 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

¹⁰ 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).

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*.

Respectfully submitted,

/s/ **Richard P. Sparling**

Richard P. Sparling
Shannon E. O'Neil
Davis Wright Tremaine LLP
Suite 500 East
1301 K Street, NW
Washington, DC 20005
ricksparling@dwt.com
shannononeil@dwt.com

P. Nikhil Rao
Senior Corporate Counsel
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
pnrao@firstenergycorp.com

Morgan E. Parke
Associate General Counsel
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
mparke@firstenergycorp.com

*Attorneys for Mid-Atlantic Interstate
Transmission, LLC*

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Mid-Atlantic Interstate Transmission, LLC)	Docket Nos.	ER20-1951-000
PJM Interconnection, LLC)		ER20-1951-001

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 (2021), is entered into as of the Effective Date (defined herein) by Mid-Atlantic Interstate Transmission, LLC (“MAIT”); American Municipal Power, Inc. (“AMP”); Met-Ed Industrial Users Group (“MEIUG”); and Penelec Industrial Customer Alliance (“PICA”) (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 set for hearing 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 November 21, 2019, the Commission issued Order No. 864 in Docket No. RM19-5-000 (“Order No. 864”),¹ requiring public utility transmission providers with transmission formula rates to revise those transmission formula rates to account for changes caused by the Tax Cuts and Jobs Act of 2017 (“TCJA”). The requirements are designed to address the effects of the TCJA on the accumulated deferred income taxes (“ADIT”) reflected in transmission formula rates.

On June 1, 2020, in Docket No. ER20-1951, pursuant to section 206 of the Federal Power Act, 16 U.S.C. § 824e, and in compliance with Order No. 864, MAIT filed revisions (“June 1, 2020 Compliance Filing”) to its transmission formula rate template (“Formula Rate”) set forth in Attachment H-28 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff (“PJM Tariff”).²

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On May 4, 2021, Commission staff issued a letter informing MAIT that its June 1, 2020 Compliance Filing was deficient and requesting additional information (“May 4, 2021 Deficiency Letter”). On June 3, 2021, MAIT submitted a response to the May 4, 2021 Deficiency Letter (“June 3, 2021 Deficiency Response”) in Docket No. ER20-1951-001.

On June 24, 2021, AMP, MEIUG, and PICA jointly filed a protest of MAIT’s June 3, 2021 Deficiency Response. On July 9, 2021, MAIT filed an Answer in response to the joint

¹ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019), *order on reh’g and clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

² Pursuant to Order No. 714, PJM submitted the filing on behalf of MAIT.

protest.

On December 3, 2021, the Commission issued its “Order on Compliance and Establishing Hearing and Settlement Judge Procedures.”³ In the December 3, 2021 Order, the Commission accepted MAIT’s proposed tariff revisions, effective January 27, 2020, and directed MAIT to submit a further compliance filing within 60 days.⁴ On February 1, 2022, MAIT submitted a further compliance filing (“February 1, 2022 Compliance Filing”) in compliance with the Commission’s directives in the December 3, 2021 Order.⁵

In addition to requiring certain further compliance measures subsequently addressed in the February 1, 2022 Compliance Filing, the December 3, 2021 Order found that MAIT’s inclusion of certain excess or deficient ADIT amounts in its Formula Rate raised issues of material fact that could not be resolved based on the existing record in the proceeding and, as a result, established hearing and settlement judge procedures.⁶

On December 13, 2021, the Chief Administrative Law Judge issued an order designating Judge Andrew Satten as the Settlement Judge.⁷ Thereafter, Judge Satten convened a formal settlement conference on February 2, 2022, as well as a technical conference. Throughout this process, the Settling Parties exchanged information regarding MAIT’s filings and the positions adopted by the respective parties and 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, which resulted in the Settlement.

³ *Mid-Atlantic Interstate Transmission, LLC*, 177 FERC ¶ 61,166 (2021) (“December 3, 2021 Order”).

⁴ *Id.* P 1.

⁵ Among other things, the February 1, 2022 Compliance Filing proposed to include a version of the Attachment D Workpapers as new Attachment 15b to MAIT’s Formula Rate.

⁶ December 3, 2021 Order at P 1.

⁷ *Mid-Atlantic Interstate Transmission, LLC*, Order of Chief Judge Designating Settlement Judge, Docket Nos. ER20-1951-000 and ER20-1951-001 (issued Dec. 13, 2021).

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** “Attachment D Workpapers” means select workpapers providing additional information supporting MAIT’s calculation of excess or deficient ADIT balances following a tax rate change, a version of which was proposed for inclusion as Attachment 15b to MAIT’s Formula Rate in MAIT’s February 1, 2022 Compliance Filing, as directed in the December 3, 2021 Order at P 41, and is incorporated herein as Appendix A of this Settlement.
- 2.2.2** “Contributions in Aid of Construction (“CIAC”) Components” means CIAC excess or deficient ADITs included by MAIT in the calculation of the remeasurement balances utilized in MAIT’s Formula Rate, as set forth in the Attachment D Workpapers.
- 2.2.3** “Deficient Accumulated Deferred Income Taxes” (“Deficient ADIT”) means an increase in MAIT’s future tax liabilities as a result of the TCJA or any future tax rate change.
- 2.2.4** “EDIT FAS109” means the Excess and Deficient ADIT balances included

in MAIT's February 1, 2022 Compliance Filing as shown on Attachment C – MAIT Order 864 Update_Populated_Final_2.1.22 Update, Attachment H-28A, Attachment 5, page 1 of 1, amounts included in the column "EDIT FAS109 [I]" under Notes C, D, and E.

- 2.2.5** "Excess Accumulated Deferred Income Taxes" ("Excess ADIT") means a reduction in MAIT's future tax liabilities as a result of the TCJA or any future tax rate change.
- 2.2.6** "Excess and Deficient ADIT" means Excess ADIT, Deficient ADIT, or both.
- 2.2.7** "Formula Rate Update" means the Annual Update (June 1 deadline) and the PTRR (October 5 deadline) provided for in MAIT's Formula Rate Implementation Protocols (Attachment H-28B of the PJM Tariff).
- 2.2.8** "PJM Payable and Receivable-related ADIT" means the ADIT associated with the book/tax timing difference resulting from MAIT's over or under recovery from its projected transmission revenue requirement caused by the book recognition of the true-up for financial purposes as it occurs versus the tax recognition based on the receipt of or payment of the amounts due via the PJM billings, as reflected in Attachment H-28A of the PJM Tariff on Attachment 5b – ADIT Detail.
- 2.2.9** "PJM Payable and Receivable Excess and Deficient ADIT" means Excess and Deficient ADIT amounts reflected in Lines 4 and 9 of the Attachment D Workpapers (included as Appendix B to this Settlement).

ARTICLE III
SCOPE AND CONDITIONS OF SETTLEMENT

- 3.1 Scope of Settlement.** This Settlement is an indivisible package that resolves all issues set for hearing by the Commission’s December 3, 2021 Order and all other matters raised by any party in settlement negotiations in Docket No. ER20-1951 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 shall be effective on the date that it is approved or accepted by the Commission without material condition or modification, in a Final Order (“Effective Date”). 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 without any modification or condition unacceptable to the Settling Parties in a Final Order. If the Settlement is not accepted or approved in its entirety without modification or conditions, then the Settlement shall not become effective, and it shall be deemed null and void and of no force and effect upon expiration of the forty-five (45) day period provided in section 3.3 below, 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 are filed in opposition to this Settlement, or if such comments are filed, the date that rehearing is denied by the Commission or

by operation of law, or if rehearing is not sought, as of the date on which the right to seek Commission rehearing expires.

- 3.3 Negotiations in the Event of Condition or Modification.** If the Commission fails to approve the Settlement, or approves the Settlement with material condition or modification, the Settling Parties will promptly undertake negotiations aimed at determining if the material conditions or modifications are acceptable, or, if not, reaching agreement on a modified settlement. The Settling Parties reserve their rights to litigate the issues that are the subject of this Settlement if they are unable to reach agreement on a modified settlement within forty-five (45) days of the date of the Commission order failing to approve this Settlement or approving this Settlement with material condition or modification.

ARTICLE IV TERMS OF THE SETTLEMENT

- 4.1 Population of Attachment D Workpapers.** The Attachment D Workpapers shall be initially populated using the updated data provided in the worksheet titled “JOINT-MAIT-1.01 Attachment A,” which is incorporated herein as Appendix B of this Settlement. Future revisions to the Attachment D Workpapers shall be made pursuant to the Formula Rate Implementation Protocols.
- 4.2 Removal of Items Currently Included as Components of MAIT’s Excess and Deficient ADIT Remeasurement Balances.** MAIT shall remove the items set forth below from the calculation of the Excess and Deficient ADIT balances utilized in MAIT’s Formula Rate, as set forth in the Attachment D Workpapers. Furthermore, MAIT shall exclude 100 percent of the applicable Excess and

Deficient ADIT associated with the TCJA and reverse 100 percent of prior amortizations no later than in the next Formula Rate Update following the Effective Date.

- a. ARO – Fed – Norm
- b. ARO – PA – Norm

4.3 Ratemaking Treatment for Excess and Deficient ADIT Related to CIAC

Components. MAIT shall exclude 100 percent of CIAC-related Excess and Deficient ADIT associated with the TCJA and reverse 100 percent of prior amortizations of these amounts no later than in the next Formula Rate Update following the Effective Date. Prospectively from the Effective Date, MAIT shall not include CIAC-related Excess or Deficient ADIT in any future remeasurements resulting from a future tax rate change by a federal or state taxing authority.

4.4 Ratemaking Treatment for PJM Payable and Receivable Excess and

Deficient ADIT. MAIT shall exclude 100 percent of the unamortized balance of the PJM Payable and Receivable Excess and Deficient ADIT and the associated EDIT FAS109 adjustments to rate base and reverse 100 percent of prior amortizations no later than the next Formula Rate Update following the Effective Date. Additionally, MAIT agrees prospectively to exclude PJM Payable and Receivable Excess and Deficient ADIT and the associated EDIT FAS109 adjustment as adjustments to rate base and also exclude the associated amortization, including any resulting from future tax rate changes.

4.5 Ratemaking Treatment for PJM Payable and Receivable-related ADIT.

MAIT agrees prospectively from calendar/rate year 2022 forward to exclude PJM Payable and Receivable-related ADIT as an adjustment to rate base. The Settling

Parties agree that PJM Payable and Receivable-related ADIT for formula rate true-ups related to calendar/rate years prior to 2022 and/or currently in process will remain as adjustments to rate base until the related true-up is fully collected from or refunded to customers.

4.6 Adjustment of Items Currently Included as Components of MAIT’s Excess and Deficient ADIT Remeasurement Balances. MAIT shall adjust the items set forth below within the calculation of the Excess and Deficient ADIT balances utilized in MAIT’s Formula Rate, as set forth in the Attachment D Workpapers.

4.6.1 On February 4, 2022, the Office of Enforcement issued a report in connection with an audit of FirstEnergy Corporation and its subsidiaries in Docket No. FA19-1-000 (“Audit Report”). The Audit Report made certain findings regarding FirstEnergy’s accounting for vegetation management costs, including accumulated depreciation. MAIT will adjust its Excess and Deficient ADIT balances to reflect the impact of the Audit Report’s findings on vegetation management costs.

ARTICLE V REFUNDS/SURCHARGES

5.1 Refund/Surcharge Obligation.

An amount equal to the difference between (a) the rates calculated in accordance with the terms of this Settlement, and (b) the rates billed by PJM for rate years 2018 forward, will be included as a component no later than in MAIT’s next Formula Rate Update following the Effective Date, and will be refunded or surcharged with interest to transmission customers no later than in the next

Formula Rate Update following the Effective Date. PTRRs posted after the Effective Date shall be determined consistent with the Settlement.

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 in Docket No. ER20-1951 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. This Settlement and the matters discussed herein are distinct from other cases that are or may be before the Commission. 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 they are duly authorized and empowered to act on behalf of, and to authorize this Settlement to be executed on behalf of, the Settling Party that they represent.
- 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 and B to this Settlement are incorporated by reference as if fully set forth herein.

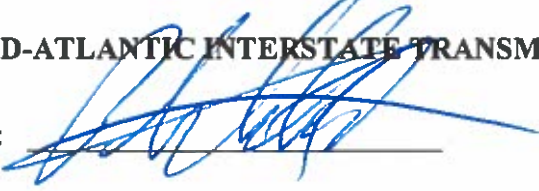
7.12 Information Exchange and Challenge Procedures. The Information Exchange and Challenge Procedures contained in MAIT's Formula Rate Implementation Protocols shall apply to the Settling Parties' implementation of this Settlement, but this shall in no way affect a Settling Party's rights to enforce this Settlement by filing a complaint under section 206 of the Federal Power Act or otherwise.

[SIGNATURES ON NEXT PAGE]

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

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: _____



Date: _____

October 7, 2022

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

AMERICAN MUNICIPAL POWER, INC.

By: _____

Date: _____

Name and Title: _____

MET-ED INDUSTRIAL USERS GROUP

By: _____

Date: _____

Name and Title: _____

PENELEC INDUSTRIAL CUSTOMER ALLIANCE

By: _____

Date: _____

Name and Title: _____

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

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: _____ Date: _____

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

AMERICAN MUNICIPAL POWER, INC.

By:  _____ Date: October 14, 2022

Name and Title: Pamala M. Sullivan, Chief Operating Officer

MET-ED INDUSTRIAL USERS GROUP

By: _____ Date: _____

Name and Title: _____

PENELEC INDUSTRIAL CUSTOMER ALLIANCE

By: _____ Date: _____

Name and Title: _____

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

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: _____ Date: _____

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

AMERICAN MUNICIPAL POWER, INC.

By: _____ Date: _____

Name and Title: _____

MET-ED INDUSTRIAL USERS GROUP

By: *Charis Mincavage* Date: October 14, 2022

Name and Title: Charis Mincavage, Counsel to the Met-Ed Industrial Users Group ("MEIUG")

PENELEC INDUSTRIAL CUSTOMER ALLIANCE

By: *Charis Mincavage* Date: October 14, 2022

Name and Title: Charis Mincavage, Counsel to the Penelec Industrial Customer Alliance ("PICA")

Appendix A – Attachment D Workpapers

Appendix B – JOINT-MAIT-1.01 Attachment A Worksheet

Appendix A – Attachment D Workpapers

Line No.	Vintage (Note A)	M Item	COLUMN C		COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L
			12/31/2017 ADIT Balance (Prior to 2017 TCJA)	12/31/2017 ADIT Balance (After 2017 TCJA)	Change in ADIT due to 2017 TCJA	ADIT Offset to P&L (Note B)	(Excess) Deficient Deferred Income Taxes (Notes B & C)	(Excess) Deficient Deferred Income Tax Activity post tax remeasurement	Protected / Unprotected	Regulatory Asset (Account 182.3) or Regulatory Liability (Account 254) as of 12/31/17			
Non-Property Related Items:													
190 Accounts													
1a	2017 TCJA	Asset Retirement Obligation Liability	2,256	1,571	(685)	685	-	-	(0)	(0)	Unprotected	Liability	
1b	2017 TCJA	Federal Long Term NOL - Unprotected	-	-	-	-	-	-	781	781	Unprotected	Asset	
1c	2017 TCJA	Federal Long Term NOL - Protected	-	-	-	-	-	-	-	-	Protected	N/A	
1d	2017 TCJA	PJM Payable	5,699,630	3,968,677	(1,730,954)	-	1,730,954	-	(0)	1,730,954	Unprotected	Asset	
1e	2017 TCJA		-	-	-	-	-	-	-	-	-	-	
2	Total For 190 Accounts:		5,701,886	3,970,247	(1,731,639)	685	1,730,954	-	781	1,731,734			
282 Accounts													
3a	2017 TCJA	Sale of Property - Book Gain or (Loss)	19,365	13,484	(5,881)	5,881	-	-	-	-	Unprotected	N/A	
3b	2017 TCJA		-	-	-	-	-	-	-	-	-	-	
4	Total For 282 Accounts:		19,365	13,484	(5,881)	5,881	-	-	-	-	-	-	
283 Accounts													
5a	2017 TCJA	Deferred Charge-EIB	(8,331)	(5,801)	2,530	-	(2,530)	-	-	(2,530)	Unprotected	Liability	
5b	2017 TCJA	PJM Receivable	(711,243)	(495,242)	216,002	-	(216,002)	-	0	(216,002)	Unprotected	Liability	
5c	2017 TCJA	State Income Tax Deductible	-	-	-	-	-	-	(163,188)	(163,188)	Unprotected	Liability	
5d	2017 TCJA	Storm Damage	(327,581)	(228,096)	99,485	-	(99,485)	-	(0)	(99,485)	Unprotected	Liability	
5e	2017 TCJA	Vegetation Management	1,307,317	910,290	(397,027)	-	397,027	-	(0)	397,027	Unprotected	Asset	
5f	2017 TCJA		-	-	-	-	-	-	-	-	-	-	
6	Total For 283 Accounts:		260,161	181,151	(79,010)	-	79,010	-	(163,188)	(84,178)			
Total Non-Property Related Items:													
7	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (excluding Gross-up)	-	-	-	-	1,809,963	-	(162,407)	1,647,556			
8	2017 TCJA	Net Tax Gross-up	-	-	-	-	735,413	-	(65,988)	669,424			
9	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (including Gross-up)	-	-	-	-	2,545,376	-	(228,395)	2,316,981			
Property Related Items:													
190 Accounts													
10a	2017 TCJA	CIAC-Fed-Norm	3,010,018	602,004	(2,408,014)	-	2,408,014	(0)	341,294	2,749,308	Unprotected	Asset	
10b	2017 TCJA	CIAC-Fed-Norm-Incurred-CWIP	1,065,028	213,006	(852,022)	-	852,022	194,961	-	1,046,983	Unprotected	Asset	
10c	2017 TCJA	CIAC-Fed-Norm-Reversal-CWIP	(221,366)	(44,273)	177,093	-	(177,093)	(512,256)	-	(689,349)	Unprotected	Liability	
10d	2017 TCJA	CIAC-PA-Norm	624,832	893,636	268,804	-	(268,804)	(2,324)	(49,071)	(320,199)	Unprotected	Liability	
10e	2017 TCJA	CIAC-PA-Norm-Incurred-CWIP	197,593	282,710	85,117	-	(85,117)	(19,477)	-	(104,594)	Unprotected	Liability	
10f	2017 TCJA	CIAC-PA-Norm-Reversal-CWIP	(41,070)	(58,761)	(17,692)	-	17,692	51,174	-	68,866	Unprotected	Asset	
10g	2017 TCJA	PT Rebal-Property Transfer-Fed 190	-	-	-	-	-	-	-	-	Unprotected	N/A	
10h	2017 TCJA	PT Rebal-Property Transfer-PA 190	-	-	-	-	-	-	-	-	Unprotected	N/A	
10i	2017 TCJA	Tax Interest Capitalized-Fed-Norm	1,355,224	271,045	(1,084,179)	-	1,084,179	0	(172,194)	911,985	Unprotected	Asset	
10j	2017 TCJA	Tax Interest Capitalized-Fed-Norm-Incurred-CWIP	1,092,909	218,582	(874,327)	-	874,327	(807)	-	873,521	Unprotected	Asset	
10k	2017 TCJA	Tax Interest Capitalized-Fed-Norm-Reversal-CWIP	(280,522)	(56,104)	224,417	-	(224,417)	164,045	-	(60,373)	Unprotected	Liability	
10l	2017 TCJA	Tax Interest Capitalized-PA-Norm	269,389	385,326	115,936	-	(115,936)	(710)	15,780	(100,867)	Unprotected	Liability	
10m	2017 TCJA	Tax Interest Capitalized-PA-Norm-Incurred-CWIP	202,766	290,111	87,345	-	(87,345)	81	-	(87,265)	Unprotected	Liability	
10n	2017 TCJA	Tax Interest Capitalized-PA-Norm-Reversal-CWIP	(52,045)	(74,464)	(22,419)	-	22,419	(16,388)	-	6,031	Unprotected	Asset	
10o	2017 TCJA		-	-	-	-	-	-	-	-	-	-	
11	Total For 190 Accounts:		7,222,757	2,922,816	(4,299,942)	-	4,299,942	(141,702)	135,809	4,294,049			
282 Accounts													
12a	2017 TCJA	263A MSC-Fed-Norm	(905,213)	(181,043)	724,171	-	(724,171)	(0)	-	(724,171)	Unprotected	Liability	
12b	2017 TCJA	263A MSC-PA-Norm	(167,943)	(240,288)	(72,345)	-	72,345	0	-	72,345	Unprotected	Asset	
12c	2017 TCJA	263A Fed-Norm	(8,808,400)	(1,761,680)	7,046,720	-	(7,046,720)	(0)	20,075	(7,026,645)	Unprotected	Liability	
12d	2017 TCJA	263A-PA-Norm	(1,696,394)	(2,424,627)	(728,233)	-	728,233	16,503	(2,053)	742,683	Unprotected	Asset	
12e	2017 TCJA	Accelerated Tax Depr-Fed-FT	(9,933,385)	(5,284,044)	4,649,341	-	(4,649,341)	4,649,341	-	-	N/A	N/A	
12f	2017 TCJA	Accelerated Tax Depr-Fed-Norm	(81,245,212)	(16,026,027)	65,219,186	-	(65,219,186)	(786,139)	(1,119,650)	(67,124,975)	Protected	Liability	
12g	2017 TCJA	Accelerated Tax Depr-PA-FT	(2,549,143)	(3,191,598)	(642,455)	-	642,455	(642,455)	-	-	N/A	N/A	
12h	2017 TCJA	Accelerated Tax Depr-PA-Norm	(8,693,049)	(12,436,668)	(3,743,618)	-	3,743,618	7,068	(33,019)	3,717,667	Protected	Asset	
12i	2017 TCJA	AFUDC Debt-Fed-Norm	(1,453,300)	(290,660)	1,162,640	-	(1,162,640)	0	58,031	(1,104,609)	Unprotected	Liability	
12j	2017 TCJA	AFUDC Debt-Fed-Norm-Incurred-CWIP	(272,509)	(54,502)	218,007	-	(218,007)	0	-	(218,007)	Unprotected	Liability	
12k	2017 TCJA	AFUDC Debt-Fed-Norm-Reversal-CWIP	125,712	25,142	(100,570)	-	100,570	(55,102)	-	45,468	Unprotected	Asset	
12l	2017 TCJA	AFUDC Debt-PA-Norm	(269,751)	(385,899)	(116,148)	-	116,148	345	(5,798)	110,694	Unprotected	Asset	
12m	2017 TCJA	AFUDC Debt-PA-Norm-Incurred-CWIP	(50,558)	(72,337)	(21,779)	-	21,779	-	-	21,779	Unprotected	Asset	
12n	2017 TCJA	AFUDC Debt-PA-Norm-Reversal-CWIP	23,323	33,370	10,047	-	(10,047)	5,505	-	(4,542)	Unprotected	Liability	
12o	2017 TCJA	AFUDC Equity/FAS 43-Fed-FT	(1,253,492)	(666,792)	586,699	-	(586,699)	586,699	-	-	N/A	N/A	
12p	2017 TCJA	AFUDC Equity/FAS 43-Fed-FT-Incurred-CWIP	(2,525,574)	(1,343,474)	1,182,100	-	(1,182,100)	1,182,100	-	-	N/A	N/A	
12q	2017 TCJA	AFUDC Equity/FAS 43-Fed-FT-Reversal-CWIP	498,922	265,401	(233,521)	-	233,521	(233,521)	-	-	N/A	N/A	
12r	2017 TCJA	AFUDC Equity/FAS 43-PA-FT	(232,558)	(291,170)	(58,611)	-	58,611	(58,611)	-	-	N/A	N/A	
12s	2017 TCJA	AFUDC Equity/FAS 43-PA-FT-Incurred-CWIP	(468,566)	(586,658)	(118,092)	-	118,092	(118,092)	-	-	N/A	N/A	
12t	2017 TCJA	AFUDC Equity/FAS 43-PA-FT-Reversal-CWIP	92,564	115,893	23,329	-	(23,329)	-	-	-	N/A	N/A	
12u	2017 TCJA	ARO-Fed-Norm	(682)	(136)	545	-	(545)	-	-	(545)	Unprotected	Liability	

12v	2017 TCJA	ARO-PA-Norm	(127)	(181)	(54)	-	54	-	-	54	Unprotected	Asset
12w	2017 TCJA	Cap Vertical Tree Trimming-Fed-Norm	(4,287,363)	(857,473)	3,429,890	-	(3,429,890)	(0)	(325,268)	(3,755,158)	Unprotected	Liability
12x	2017 TCJA	Cap Vertical Tree Trimming-PA-Norm	(796,162)	(1,138,809)	(342,646)	-	342,646	2,070	32,488	377,205	Unprotected	Asset
12y	2017 TCJA	Casualty Loss-Fed-Norm	(811,893)	(162,379)	649,514	-	(649,514)	(0)	(6,465)	(655,979)	Unprotected	Liability
12z	2017 TCJA	Casualty Loss-PA-Norm	(604,559)	(864,884)	(260,326)	-	260,326	653	2,293	263,271	Unprotected	Asset
12aa	2017 TCJA	FAS 123R - Performance Shares-Fed-Norm	(2,258)	(452)	1,807	-	(1,807)	(0)	5	(1,801)	Unprotected	Liability
12ab	2017 TCJA	FAS 123R - Performance Shares-PA-Norm	(421)	(601)	(180)	-	180	4	(1)	184	Unprotected	Asset
12ac	2017 TCJA	FAS 123R - Restricted Stock-Fed-Norm	2,506	501	(2,005)	-	2,005	(0)	(5)	2,000	Unprotected	Asset
12ad	2017 TCJA	FAS 123R - Restricted Stock-PA-Norm	465	665	200	-	(200)	(0)	1	(200)	Unprotected	Liability
12ae	2017 TCJA	FAS 123R - RSU Capital-Fed-Norm	(41,269)	(8,254)	33,016	-	(33,016)	(0)	97	(32,919)	Unprotected	Liability
12af	2017 TCJA	FAS 123R - RSU Capital-PA-Norm	(7,664)	(10,962)	(3,298)	-	3,298	21	(10)	3,310	Unprotected	Asset
12ag	2017 TCJA	G Overheads-Fed-Norm	(2,917,401)	(583,480)	2,333,921	-	(2,333,921)	0	5,252	(2,328,669)	Unprotected	Liability
12ah	2017 TCJA	G Overheads-PA-Norm	(541,285)	(774,444)	(233,159)	-	233,159	67	(525)	232,701	Unprotected	Asset
12ai	2017 TCJA	Life Insurance-Fed-Norm	29,032	5,806	(23,226)	-	23,226	0	(11)	23,215	Unprotected	Asset
12aj	2017 TCJA	Life Insurance-PA-Norm	6,095	8,721	2,626	-	(2,626)	(1)	1	(2,625)	Unprotected	Liability
12ak	2017 TCJA	OPEBs-Fed-Norm	3,311,691	662,338	(2,649,353)	-	2,649,353	(0)	(7,834)	2,641,519	Unprotected	Asset
12al	2017 TCJA	OPEBs-PA-Norm	614,946	879,616	264,670	-	(264,670)	(1,501)	787	(265,385)	Unprotected	Liability
12am	2017 TCJA	Other Basis Differences-Fed-Norm	4,462,063	1,112,899	(3,349,164)	-	3,349,164	(777,223)	(112,681)	2,459,260	Unprotected	Asset
12an	2017 TCJA	Other Basis Differences-PA-Norm	772,310	1,104,991	332,681	-	(332,681)	(40)	12,108	(320,613)	Unprotected	Liability
12ao	2017 TCJA	Pensions-Fed-Norm	687,596	137,519	(550,077)	-	550,077	0	(1,592)	548,485	Unprotected	Asset
12ap	2017 TCJA	Pensions-PA-Norm	127,569	182,521	54,953	-	(54,953)	(0)	159	(54,794)	Unprotected	Liability
12aq	2017 TCJA	Tax UoP Repair Exp-Fed-Norm	(10,170,709)	(2,034,142)	8,136,567	-	(8,136,567)	(0)	(991,193)	(9,127,760)	Unprotected	Liability
12ar	2017 TCJA	Tax UoP Repair Exp-Fed-Norm-Incurred-CWIP	(7,140,000)	(1,428,000)	5,712,000	-	(5,712,000)	(2,125,181)	-	(7,837,181)	Unprotected	Liability
12as	2017 TCJA	Tax UoP Repair Exp-Fed-Norm-Reversal-CWIP	5,993,273	1,198,655	(4,794,618)	-	4,794,618	1,012,776	-	5,807,394	Unprotected	Asset
12at	2017 TCJA	Tax UoP Repair Exp-PA-FT	543,128	680,011	136,883	-	(136,883)	136,883	-	-	N/A	N/A
12au	2017 TCJA	Tax UoP Repair Exp-PA-Norm	(1,834,740)	(2,625,248)	(790,508)	-	790,508	(1,040)	99,024	888,492	Unprotected	Asset
12av	2017 TCJA	Tax UoP Repair Exp-PA-Norm-Incurred-CWIP	(1,324,674)	(1,895,303)	(570,629)	-	570,629	212,306	-	782,934	Unprotected	Asset
12aw	2017 TCJA	Tax UoP Repair Exp-PA-Norm-Reversal-CWIP	1,111,923	1,590,906	478,982	-	(478,982)	(101,176)	-	(580,159)	Unprotected	Liability
12ax	2017 TCJA											
13		Total For 282 Accounts:	(132,603,134)	(49,617,255)	82,985,879	-	(82,985,879)	2,935,585	(2,375,784)	(82,426,078)		
		Total Property Related Items:										
14	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (excluding Gross-up)					(78,685,937)	2,793,883	(2,239,975)	(78,132,029)		
15	2017 TCJA	Net Tax Gross-up					(37,113,975)	6,278,008	(910,132)	(31,746,099)		
16	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (including Gross-up)					(115,799,912)	9,071,892	(3,150,107)	(109,878,128)		
		Total Property and Non-property Related Items:										
17	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (excluding Gross-up)					(76,875,974)	2,793,883	(2,402,382)	(76,484,473)		
18	2017 TCJA	Net Tax Gross-up					(36,378,562)	6,278,008	(976,120)	(31,076,674)		
19	2017 TCJA	Net (Excess) Deficient Deferred Income Taxes (including Gross-up)					(113,254,537)	9,071,892	(3,378,502)	(107,561,147)		

31v	ARO-PA-Norm	-	-	-	-
31w	Cap Vertical Tree Trimming-Fed-Norm	-	-	-	-
31x	Cap Vertical Tree Trimming-PA-Norm	-	-	-	-
31y	Casualty Loss-Fed-Norm	-	-	-	-
31z	Casualty Loss-PA-Norm	-	-	-	-
31aa	FAS 123R - Performance Shares-Fed-Norm	-	-	-	-
31ab	FAS 123R - Performance Shares-PA-Norm	-	-	-	-
31ac	FAS 123R - Restricted Stock-Fed-Norm	-	-	-	-
31ad	FAS 123R - Restricted Stock-PA-Norm	-	-	-	-
31ae	FAS 123R - RSU Capital-Fed-Norm	-	-	-	-
31af	FAS 123R - RSU Capital-PA-Norm	-	-	-	-
31ag	G Overheads-Fed-Norm	-	-	-	-
31ah	G Overheads-PA-Norm	-	-	-	-
31ai	Life Insurance-Fed-Norm	-	-	-	-
31aj	Life Insurance-PA-Norm	-	-	-	-
31ak	OPEBs-Fed-Norm	-	-	-	-
31al	OPEBs-PA-Norm	-	-	-	-
31am	Other Basis Differences-Fed-Norm	-	-	-	-
31an	Other Basis Differences-PA-Norm	-	-	-	-
31ao	Pensions-Fed-Norm	-	-	-	-
31ap	Pensions-PA-Norm	-	-	-	-
31aq	Tax UoP Repair Exp-Fed-Norm	-	-	-	-
31ar	Tax UoP Repair Exp-Fed-Norm-Incurred-CWIP	-	-	-	-
31as	Tax UoP Repair Exp-Fed-Norm-Reversal-CWIP	-	-	-	-
31at	Tax UoP Repair Exp-PA-FT	-	-	-	-
31au	Tax UoP Repair Exp-PA-Norm	-	-	-	-
31av	Tax UoP Repair Exp-PA-Norm-Incurred-CWIP	-	-	-	-
31aw	Tax UoP Repair Exp-PA-Norm-Reversal-CWIP	-	-	-	-
31ax		-	-	-	-
32	Total For 282 Accounts:	-	-	-	-
	Total Property Related Items:				
33	Net (Excess) Deficient Deferred Income Taxes (excluding Gross-up)	-	-	-	-
34	Net Tax Gross-up	-	-	-	-
35	Net (Excess) Deficient Deferred Income Taxes (including Gross-up)	-	-	-	-
	Total Property and Non-property Related Items:				
36	Net (Excess) Deficient Deferred Income Taxes (excluding Gross-up)	-	-	-	-
37	Net Tax Gross-up	-	-	-	-
38	Net (Excess) Deficient Deferred Income Taxes (including Gross-up)	-	-	-	-

Notes:

Notes:

- A Excess/deficient ADIT will be tracked separately for each federal or state tax rate change, to be identified by the appropriate vintage in column A. MAIT will modify Attachment 15a to add an additional page for each additional vintage without pursuing a Federal Power Act Section 205 filing.
- B Upon a tax rate change (federal or state), the Company remeasures its deferred tax assets and liabilities to the new applicable corporate tax rate. For schedule M items not directly taken to the P&L, the result of this remeasurement is a change to the net deferred tax assets/liabilities recorded in accounts 190, 282, and 283 with a
- C Reflects the end of vintage year balance, as reflected on FERC Form No. 1, pages 232 (Account 182.3) and 278 (Account 254).

Appendix B – JOINT-MAIT-1.01 Attachment A Worksheet

