November 22, 2023

VIA E-TARIFF FILING

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

Re: <u>NextEra Energy Transmission MidAtlantic Indiana, Inc.</u>
Docket No. ER24-472-000
Request for Approval of Transmission Rate Incentives

Dear Secretary Bose:

Pursuant to Sections 205 and 219 of the Federal Power Act ("FPA"),[1] Part 35 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[2] and Order Nos. 679 *et seq*.,[3] NextEra Energy Transmission MidAtlantic Indiana, Inc. ("NEET MidAtlantic Indiana") respectfully submits this filing requesting approval of certain transmission incentive treatments applicable to NEET MidAtlantic Indiana's Attachment H-33B of the PJM Interconnection, L.L.C. ("PJM") Open Access Transmission Tariff ("Tariff")[4] in connection with NEET MidAtlantic Indiana's investment in a competitively assigned reliability project ("MidAtlantic Resiliency Link Project" or "Project"), identified and awarded through PJM's Regional Transmission Expansion Plan ("RTEP") process.

Specifically, NEET MidAtlantic Indiana respectfully requests the Commission approve the following: (i) recovery of 100 percent of prudently-incurred transmission-related costs of the Project if it is abandoned or canceled for reasons beyond the control of NEET MidAtlantic Indiana ("Abandoned Plant Incentive"); (ii) authorization to include 100 percent of prudently incurred Construction Work in Progress ("CWIP") in rate base for the Project ("CWIP Incentive"); and (iii) authorization to assign the requested Abandoned Plant and CWIP

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1 16 U.S.C. §§ 824d, 824s (2012).

2 18 C.F.R. Part 35 (2022).

3 *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057 ("Order No. 679"), *order on reh'g*, Order No. 679-A, 117 FERC ¶61,345 (2006), *order on reh'g*, 119 FERC ¶ 61,062 (2007).

4 Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. ("PJM") on behalf of NEET MidAtlantic Indiana as part of an XML filing package that conforms with the Commission's regulations. *See Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *order on reh'g*, Order No. 714-A, 147 FERC ¶ 61,115 (2014). PJM has agreed to make all filings on behalf of PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, NEET MidAtlantic Indiana has requested PJM submit this Attachment H-33B in the eTariff system as part of PJM's electronic Intra PJM Tariff.

Incentives, if approved, to any newly-formed PJM affiliate of NEET MidAtlantic Indiana that is involved in the development and construction of the MidAtlantic Resiliency Link Project.[5]

The requested incentives satisfy the statutory and regulatory elements for approval and are otherwise just and reasonable and consistent with Commission precedent.[6] Accordingly, the Commission should grant the requests submitted herein, and approve the proposed Tariff modification to be effective January 22, 2024, without hearing, modification, or condition.

I. BACKGROUND

A. NEET MidAtlantic Indiana

NEET MidAtlantic was formed on July 8, 2015 as a Delaware limited liability company under the name NextEra Energy Transmission MidAtlantic, LLC. NEET MidAtlantic Indiana converted to an Illinois corporation on September 14, 2018. Subsequently, NEET MidAtlantic Indiana, which is domesticated in Indiana, changed its name to NextEra Energy Transmission MidAtlantic Indiana, Inc. on December 18, 2019. NEET MidAtlantic Indiana is a wholly owned subsidiary of NextEra Energy Transmission MidAtlantic Holdings, LLC and an indirect, wholly owned subsidiary of NextEra Energy Transmission, LLC ("NEET").

NEET MidAtlantic Indiana was formed to develop, construct, finance, own, operate, and maintain high-voltage electric transmission facilities in the PJM region. NEET MidAtlantic Indiana, though its affiliation with NextEra Energy Transmission MidAtlantic Holdings, LLC, has been pre-qualified as a Designated Entity pursuant to section 1.5.8(a) of the PJM Operating Agreement, and is thus eligible to be designated to construct and own transmission projects within PJM.[7]

Prior to owning or acquiring any transmission assets and becoming a transmission-owning member of PJM, NEET MidAtlantic Indiana submitted pursuant to FPA section 205 a request for approval of a formula rate template ("Template") and implementation protocols ("Protocols") (together, "Formula Rate") and authorization for NEET MidAtlantic Indiana to

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5 As discussed below, NEET MidAtlantic Indiana's request to have the ability to assign the CWIP Incentive and Abandoned Plant Incentive, if approved, to any affiliate that is involved in the development and construction of the MidAtlantic Resiliency Link Project is limited to any yet-to-be-formed affiliate that is involved in the development and construction of that specific PJM-approved Project, subject to such affiliate making any requisite Section 203 or 205 filings with the Commission. *See, e.g., Midcontinent Independent System Operator, Inc., et al*., 185 FERC ¶ 61,066 (2023).

6 The Commission has recently granted a number of requests for the same types of rate incentive treatment requested herein for the same types of transmission projects—*i.e.,* economic or reliability projects identified and approved through an RTO/ISO Order No. 1000 regional transmission planning process. *See, e.g., Midcontinent Independent System Operator, Inc., et al*., 185 FERC ¶ 61,066 (2023); *Otter Tail Power Company*, 183 FERC ¶ 61,121 (2023); *Transource Pennsylvania, LLC*, 184 FERC ¶ 61,091 (2023); *The Dayton Power & Light Company*, 182 FERC ¶ 61,147 (2023).

7 Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., Schedule 6, Section 1.5.8(a).

utilize certain incentive rate treatments.[8] Specifically, NEET MidAtlantic Indiana requested (i) recovery of all pre-commercial costs not capitalized and authorization to establish a regulatory asset that will include all such expenses that are incurred prior to the time costs first flow through to customers, including authorization to accrue carrying charges and amortize the regulatory asset over five years for cost recovery purposes ("Regulatory Asset Incentive"); (ii) use of a hypothetical capital structure of 60% equity and 40% debt until NEET MidAtlantic Indiana's first project achieved commercial operations ("Hypothetical Capital Structure Incentive"); and (iii) use of a 50-basis point return on equity ("ROE") adder for Regional Transmission Organization Participation ("RTO Participation Adder"). As explained in its filing, NEET MidAtlantic Indiana intended to subsequently file an FPA section 205 filing to incorporate its Formula Rate, if approved, into the PJM Tariff upon acquisition or construction of transmission assets in the PJM region. The Commission approved NEET MidAtlantic Indiana's Formula Rate, subject to a future FPA section 205 filing to incorporate it into the PJM Tariff, and its requested incentives, effective November 30, 2016.[9]

On June 29, 2018, NEET MidAtlantic Indiana and PJM filed revisions to the PJM Consolidated Transmission Owners Agreement ("CTOA") and the PJM Tariff, including incorporation of NEET MidAtlantic Indiana's Formula Rate into the Tariff, to reflect NEET MidAtlantic Indiana anticipated acquisition of certain transmission facilities from Rochelle Municipal Utilities ("RMU"). As part of that filing, NEET MidAtlantic Indiana also requested authorization for any yet-to-be formed affiliates or subsidiaries in PJM to use the NEET MidAtlantic Indiana Formula Rate and previously-accepted incentive rate treatments. The Commission accepted the proposed Tariff revisions, effective upon the closing of the RMU transaction, and granted NEET MidAtlantic Indiana's request with respect to any yet-to-be-formed affiliates.[10]

NEET MidAtlantic Indiana did not ultimately complete the RMU transaction. However, pursuant to an Asset Purchase Agreement consummated on October 29, 2020, NEET MidAtlantic Indiana acquired certain limited transmission facilities from Commonwealth Edison Company of Indiana, Inc.[11] These facilities consisted of approximately 40 circuit miles (or approximately 20 line miles) of 345 kV electric power transmission lines and related power line

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[8] NextEra Energy Transmission MidAtlantic, LLC, Docket No. ER16-2716-000 (filed Sep. 30, 2016).

[9] *NextEra Energy Transmission MidAtlantic, LLC*, 161 FERC ¶ 61,141 (2017) (accepting and suspending Formula Rate, subject to the outcome of hearing and settlement judge procedures, and granting requested transmission rate incentives).

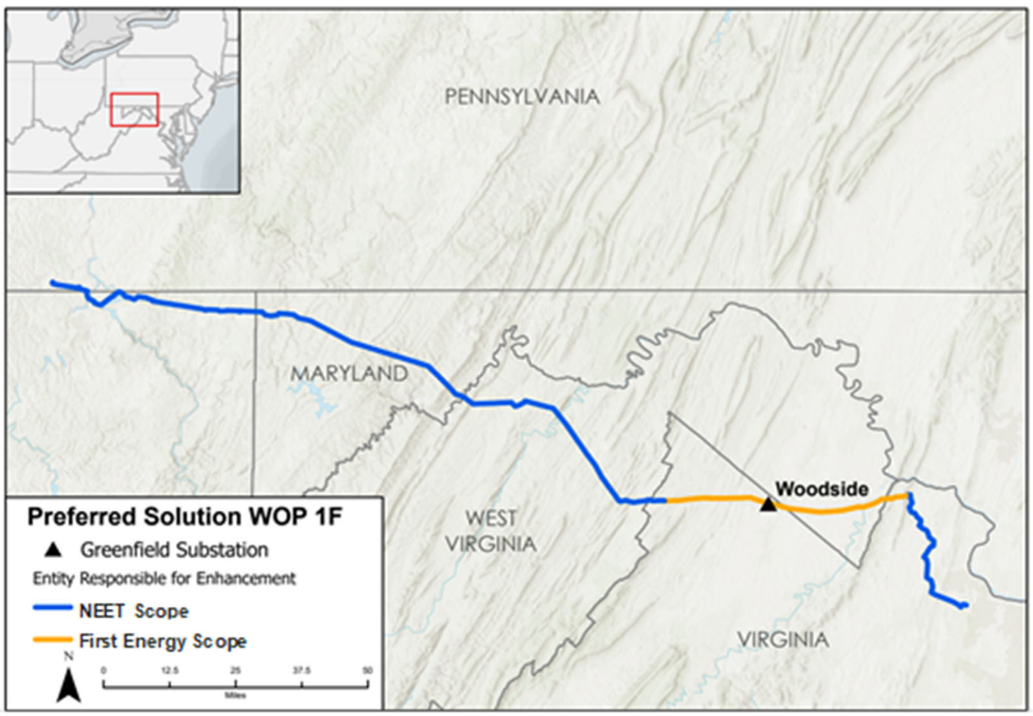
[10] *NextEra Energy Transmission MidAtlantic, LLC, et al*., 164 FERC ¶ 61,185 at PP 19-22 (2018) ("We find that granting these rate treatments will facilitate the formation of additional entities for purposes of participating as nonincumbent transmission developers in the Order No. 1000 transmission planning process, which is consistent with our goals of removing barriers to transmission development and ensuring just and reasonable rates through such processes.").

[11] The market value of the ComEd Transmission Assets was less than $1 million, so no prior approval from the Commission under FPA section 203 was necessary. However, the transaction was subject to regulatory approval of the Indiana Utility Regulatory Commission ("IURC"). *Verified Joint Petition of Commonwealth Edison Company of Indiana, Inc., NextEra Energy Transmission MidAtlantic Indiana, Inc., and Commonwealth Edison Company*, Cause No. 45335 (Ind. U.R.C. Jan 24, 2020).

poles. As a result, NEET MidAtlantic Indiana and PJM filed a subsequent FPA section 205 filing to incorporate NEET MidAtlantic Indiana's Formula Rate into the PJM Tariff as Attachment H-33A and H-33B and establish NEET MidAtlantic Indiana as a transmission-owning member of PJM. The Commission accepted this filing, effective October 29, 2020.[12]

B. The MidAtlantic Resiliency Link Project

NEET MidAtlantic Indiana has recently been selected by PJM to develop and construct the MidAtlantic Resiliency Link Project. The Project consists of, among other things, construction of a new 129-mile 500 kV overhead transmission line crossing through four states—Virginia, West Virginia, Maryland, and Pennsylvania— and a new 500/138 kV substation located in Virginia.



Of the 129 miles of 500 kV transmission lines, 24 miles represents greenfield corridor development running through Loudon County, Virginia—one of wealthiest counties in the United States.[13] Additionally, as indicated in the graphic above, First Energy (as the incumbent

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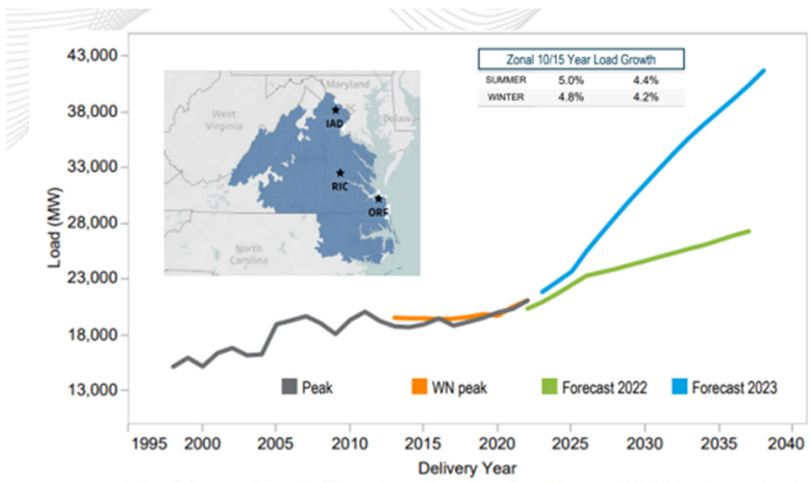
[12] *PJM Interconnection, L.L.C.*, 173 FERC ¶ 61,033 (2020) (accepting NEET MidAtlantic Indiana's formula rate and revisions to the PJM Consolidated Transmission Owners Agreement, effective October 29, 2020).

[13] *See, e.g.*, "These Northern Virginia Counties Rank Among the Country's Top 10 Wealthiest," Northern Virginia Magazine (published July 15, 2022) available at, https://northernvirginiamag.com/culture/news/2022/07/15/wealthiest-counties-northern-virginia/#:~:text=And%20rounding%20out%20the%20top,median%20household%20income%20of%20%24147%2C111.

transmission owner) was awarded an approximately 36-mile segment,[14] connecting the Appalachian Trial and Shenandoah River sections of the NEET MidAtlantic Indiana Project. PJM's independent cost analysis estimated the total cost of the MidAtlantic Resiliency Link Project to be just over $1 billion.[15]

The Project was awarded to NEET MidAtlantic Indiana pursuant to PJM's "2022 RTEP Window 3" competitive solicitation process,[16] which began on February 24, 2023, and culminated in announcement of the selected Preferred Solutions at PJM's October 31, 2023 Transmission Expansion Advisory Commission ("TEAC") meeting.[17] The 2022 RTEP Window 3 was initiated by PJM to address anticipated constraints and baseline reliability criteria violations in 2027-2028 based, in large part, on "unprecedented" load growth demand resulting from Data Center Loads in Northern Virginia, resulting in "high flows" and necessitating "major voltage support."[18]



https://pjm.com/-/media/library/reports-notices/load-forecast/2022-load-report.ashx

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14 For clarity, the total 129 line-miles awarded to NEET MidAtlantic Indiana is not inclusive of the additional 36 miles awarded to First Energy.

15 *See* October 31, 2023 TEAC Reliability Update at 70, *available at* https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231031/20231031-item-15---reliability-analysis-update.ashx.

16 In the PJM planning process, PJM posts violations, system conditions, economic constraints, and public policy requirements, and provides "project proposal windows" within which incumbent and nonincumbent developers may propose transmission solutions. *See* PJM Operating Agreement §§ 1.58(b)-(c). PJM assess the relative merits of each proposal to determine whether to include the project in the recommended plan, and examines the viability of the developer to be the Designated Entity. *Id*. §§1.58(e)-(f).

17 *Id*.

18 *See* Data Center Planning & Need Assessment Update, TEAC, January 10, 2023, *available at* https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20230110/item-04---data-center-load-planning.ashx.

In response to the 2022 RTEP Window 3, PJM received 72 project proposals submitted by 10 entities—six incumbent and four non-incumbent transmission owners.[19] Additionally, the proposals included a variety of solutions, including 230 kV, 500 kV and 765 kV transmission lines, 500 kV substations, double circuit 500 kV proposals, and HVDC lines.[20] The proposals were evaluated by PJM using a number of specified criteria, including (i) performance; (ii) scalability; (iii) impact; (iv) validated cost; (v) risks; and (iv) efficiencies.[21] Cost containment and other competitive bid parameters submitted by the participants were also considered by PJM in making their determination.

The PJM Board is scheduled to vote on the Preferred Solutions included in the October 31 TEAC by mid-December 2023, and, subsequently, NEET MidAtlantic Indiana anticipates executing the Designated Entity Agreement ("DEA") for the Project in early 2024. The DEA will memorialize the parties' rights and obligations with respect to the development of the Project, including a development schedule and certain cost containment commitments made by NEET MidAtlantic Indiana as part of its competitive bid.

II. REQUEST FOR TRANSMISSION RATE INCENTIVES

NEET MidAtlantic Indiana requests approval of the CWIP Incentive and Abandoned Plant Incentive for its investment in the MidAtlantic Resiliency Link Project. The approval of these two incentives is consistent with the requirements of FPA section 219, Commission Order No. 679, and prior Commission precedent. Specifically, Order No. 679 an applicant must show: (1) that the facilities for which it seeks incentives satisfy the requirements of FPA section 219 (*i.e.*, they either ensure reliability or reduce the cost of delivered power by reducing congestion); (2) that the total package of incentives is tailored to address the demonstrable risks or challenges faced by the applicant in undertaking the project (*i.e.*, the incentives meet the "nexus" test); and (3) that the resulting rates are just and reasonable.[22] As discussed below, the MidAtlantic Resiliency Link Project satisfies all of these requirements.

A. The Project Qualifies for the Rebuttable Presumption under Order No. 679.

The MidAtlantic Resiliency Link Project qualifies for Order No. 679's rebuttable presumption that it will ensure reliability or reduce the cost of delivered power by reducing transmission congestion[23] because it directly results from the PJM RTEP process, a Commission-

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[19] Reliability Analysis Update, TEAC, October 3, 2023 *available at* https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231003/20231003-item-11---reliability-analysis-update.ashx.

[20] *Id.*

[21] *Id.*

[22] Order No. 679-A at P 27.

[23] In Order No. 679, the Commission established a rebuttable presumption that this requirement is satisfied if the transmission project results from a fair and open regional transmission planning process that considers and evaluates whether the project will enhance reliability or reduce the cost of congestion. Order No. 679 at P 58; 18 C.F.R. § 35.35(i) (2022).

approved open and transparent regional transmission planning process that evaluates projects for reliability or congestion. The Commission has previously held that a project approved by the PJM transmission planning process satisfies the rebuttable presumption established in Order No. 679.[24] PJM uses the RTEP competitive solicitation windows "to seek technical solution proposals to solve identified (i) reliability criteria violations in accordance with all applicable planning criteria mandated by PJM, NERC, SERC, RFC and Local Transmission Owners, (ii) economic constraints or RPM limits and (iii) Public Policy Requirements."[25]

Moreover, PJM initiated the 2022 RTEP Window 3 competitive solicitation in order to "develop robust, holistic and expandable solutions that address the 2027-28 baseline violations associated with: local constraints resulting from directly serving data center loads in APS/Dominions; regional constraints resulting from imports into load center areas (500 kV primarily); needed reactive power VAR reinforcement, both statis and dynamic as necessary; reliability impacts due to the deactivation of 11 GWs of generation."[26] As explained above, PJM identified the MidAtlantic Resiliency Link Project as a Preferred Solution after a multi-month analysis evaluating each project proposal on a number of different criteria, including performance, validated costs, risks, and efficiencies. Thus, the MidAtlantic Resiliency Link Project qualifies for Order No. 679's rebuttable presumption, and thus qualifies under FPA section 219 for incentive rate treatment.

B. The Project Satisfies the Nexus Requirement Because Each Requested Incentive is Tailored to the Demonstrable Risks and Challenges Faced by the Project

NEET MidAtlantic Indiana's request for the CWIP Incentive and Abandoned Plant Incentive is consistent with and supported by the Energy Policy Act of 2005's encouragement of investment in transmission infrastructure and direction to the Commission to establish incentive-based rate treatments.[27] In response to Congress' directive, the Commission issued Order No. 679 in which it requires an applicant seeking rate incentive pursuant to FPA section 219 to demonstrate that there is a "nexus" between the requested incentives and the investment being made.[28] In Order No. 679-A, the Commission stated that, in determining whether an applicant has met the nexus test, the Commission will examine "the total package of incentives being sought, the inter-relationship between any incentives, and how any requested incentives address

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24 *See, e.g., PJM Interconnection, LLC*, 152 FERC ¶61,180 at P 34 ("The Commission has previously held that the PJM RTEP process constitutes 'a fair and open regional planning process' for the purposes of the rebuttable presumption provided in Order No. 679. Consistent with this holding, we find here that the Thorofare Project—a project vetted in PJM's regional planning process—is entitles to the rebuttable presumption.")(internal citations omitted); *Pub. Serv. Elec. & Gas Co*., 137 FERC ¶ 61,253 at P 19 (2011).

25 PJM Manual 14F: Competitive Planning Process at 18, (effective April 27, 2022) *available at* https://www.pjm.com/-/media/documents/manuals/m14f.ashx.

26 *See* October 31, 2023 Reliability Analysis Update, *supra* note 15, at 18.

27 Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594, 315, and 1283 (2005).

28 Order No. 679-A at PP 6, 21.

the risks and challenges faced by the project."[29] An applicant does not need to show the projects would not be build "but for" the incentives, nevertheless applicants are required to show that the incentives are "rationally related to the investments being proposed."[30]

1. The Scope of the MidAtlantic Resiliency Link Project

The scope of the MidAtlantic Resiliency Link Project awarded to NEET MidAtlantic Indiana pursuant to PJM's 2022 RTEP Window 3 process represents a significant investment in transmission for NEET MidAtlantic Indiana, independently estimated by PJM to cost over $1 billion.[31] Moreover, project construction will need to begin in early 2024 in order to meet the identified reliability in-service date of 2027. Given the size of NEET MidAtlantic Indiana's existing rate base, which is less than $5 million, the magnitude of this investment over the short time period will result in significant negative cash flows and has the potential to adversely impact credit ratings absent approval of the requested incentives.

In addition, the Project requires construction of approximately 129-line miles of 500 kV transmission lines, 24 miles of which is located in a greenfield corridor that crosses through Loudoun County, Virginia, which is one of the wealthiest counties in America. Project opposition from residents in this County is foreseeable and may result in permitting delays, undergrounding requirements that may increase the costs associated with the Project, and/or litigation over the Project's scope and construction. The Project also spans across four different states—West Virginia, Virginia, Maryland, and Pennsylvania—which will require NEET MidAtlantic Indiana to obtain necessary permits and approvals from a large number of different state and local regulatory bodies and will subject the Project to numerous different environmental and other regulatory standards and requirements. Finally, the Project is directly reliant on the construction of a 36-mile increment of 500 kV transmission lines being developed by First Energy as the incumbent transmission owner. Delays or cancellation associated with First Energy's construction of its 36-mile increment may impact NEET MidAtlantic Indiana's ability to obtain permits, finalize construction, and place into service the MidAtlantic Resiliency Link Project in a timely fashion.

2. The CWIP Incentives is Tailored to Mitigate Financing and Development Risk Associated with the Project

In Order Nos. 679 and 679-A, the Commission explained that "[b]ecause the long lead times required to plan and construct new transmission can negatively affect cash flow and the ability of a utility to attract capital at reasonable prices," it was allowing public utilities to seek to include 100 percent CWIP in rate base. The Commission acknowledged the "associated cash

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29 *Id*. at P 21.

30 *Id*. at P 16.

31 As noted above, this independent cost estimate is different than the Project cost cap submitted by NEET MidAtlantic Indiana of approximately $513 million, the terms of which will be memorialized in the DEA.

flow difficulties faced by many entities wishing to invest in new transmission . . ."[32] and has held that authorizing the inclusion in rate base case spur investment by providing up-front regulatory certainty and improve cash flow, while also reducing the rate shock associated with large-scale transmission projects.[33] The Commission stated that "[o]rdinarily, such an incentive would be appropriate for large new investments" or "where denying such an incentive would adversely affect the utility's ratings."[34] Such is the case here.

As company Witness Stephanie Castaneda highlights, NEET MidAtlantic Indiana will need to undertake a significant capital expenditure during the Project's construction period, which will put pressure on NEET MidAtlantic Indiana's cash flow. Moreover, the Project will significantly expand NEET MidAtlantic Indiana's rate base, likely straining its credit metrics as a result. The CWIP Incentive reduces that potential strain, as it will allow for additional cash flow during the construction period, reducing the need for short-term borrowing and helping to maintain healthy credit ratings, and overall lower Project costs for customers. Importantly, as also addressed by Witness Castaneda, there will be no negative impact to customers rates as including CWIP in rate base results in overall lower costs on a nominal basis over the Project's life as compared to the use of AFUDC.

As a result, the requested CWIP Incentive is appropriately tailored to the particular risks and challenges facing NEET MidAtlantic Indiana with respect to its investment in the MidAtlantic Resiliency Link Project. Moreover, the request is consistent with others granted by the Commission.[35] Thus, the Commission should grant the request and allow NEET MidAtlantic Indiana to include CWIP in rate base for the MidAtlantic Resiliency Link Project.

3. The Abandoned Plant Incentive is Tailored to Mitigate the Risks and Challenges Associated with Developing the Project

NEET MidAtlantic Indiana also requests the Abandoned Plant Incentive to allow it to recover 100% of prudently incurred costs if the proposed Project is abandoned, in whole or in part, for reasons outside of NEET MidAtlantic Indiana's control. In Order No. 679, the Commission specifically identified the ability to recover 100% of prudently incurred costs in transmission rates and indicated that it would permit abandonment incentive in cases where "the abandonment is outside the control of management" because the incentive is an "effective means to encourage transmission development by reducing the risk of non-recovery of costs." The Commission has granted the Abandoned Plant Incentive in similar applications for incentives and should do so here because the abandoned plant cost recovery is narrowly tailored to the specific risks associated with the Project.

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32 Order No. 679 at P 29.

33 *Id*. at PP 115, 117.

34 *Id*. at P 117.

35 *See supra* note 6.

As relevant here, the Commission has granted the Abandoned Plant Incentive on the basis that it will help to mitigate risks associated with projects of a certain scope and size, including that the project requires approvals from multiple jurisdictions, faces environmental permitting risks, and that it will help ensure completion of the project. NEET MidAtlantic Indiana faces numerous such risks and challenges with respect to the MidAtlantic Resiliency Link Project. For example, similar to *Transource Pennsylvania, LLC* and other recently-approved incentive filings,[36] the MidAtlantic Resiliency Link Project is a significant project in scope and will face significant uncertainty given the difficulties with planning transmission investment in a rapidly changing environment. These difficulties include facing numerous layers of different state and local regulatory review and permitting processes and well as reliance on other utilities to complete construction of their project segment in order for NEET MidAtlantic Indiana to place its Project into service.

Specifically, as previously explained, the MidAtlantic Resiliency Link Project is directly dependent on the 36-mile transmission segment assigned to First Energy. NEET MidAtlantic Indiana has no control over First Energy's development or construction of this segment, and thus its ability to place the MidAtlantic Resiliency Link Project into service is entirely contingent on the actions and decisions of another public utility. The Commission has previously recognized the risks associated with whether third parties will timely complete their portions of a project and allow the entire project to go into service as planned when granting incentive rate treatments.[37]

Additionally, the Commission has also recognized that large, new interstate projects can face substantial risks and challenges not presented by more ordinary transmission investments.[38] Like other large interstate projects, the MidAtlantic Resiliency Link Project will span across four different states and many more localities, each with its own regulatory permitting requirements. The Project also traverses across regions of Virginia, such as Loudon County, that have traditionally been litigious when it comes to new, significant transmission build, and similar opposition is expected here. This opposition could result in Project delays or the inability to obtain certain required permits, such as a certificate of public convenience and necessity, ultimately resulting in cancellation of the Project for reasons outside of NEET MidAtlantic Indiana's reasonable control.

Finally, the recent supply chain and tight labor conditions should not be overlooked. While NEET MidAtlantic Indiana has extensive vendor networks and supply chain processes and governance in place to ensure timely procurement, NEET MidAtlantic is ultimately competing for goods and services both regionally and nationally. The industry conditions generally

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36 184 FERC ¶ 61,091 (2023); *see also supra*, note 6.

37 *See, e.g., Okla. Gas & Elec. Co.*, 135 FERC ¶ 61,038 at P 43 (2011) (finding a project non-routine based in part on the additional risk associated with involvement of third-party owners and the risk posed to OG&E's ability to put its project into service given it has no role in the siting, permitting or construction of the other portion of the project).

38 Order No. 679 at P 94.

contribute to the risks and challenges, and further the potential for the Project to be cancelled for reasons beyond the control of NEET MidAtlantic Indiana.

4. The Total Package of Incentives is Tailored to the Specific Risks and Challenges of the Project

The Commission should grant the total package of requested incentives because it is tailored to the specific risks and challenges associated with constructing the MidAtlantic Resiliency Link Project. The two requested incentives—the CWIP Incentive and the Abandoned Plant Incentive—address two discrete types of risks facing NEET MidAtlantic Indiana with respect to its planned investment in the Project. The CWIP Incentive and Abandoned Plant Incentive serve different purposes: the CWIP Incentive addresses cash flow impacts and risks to continued capital attraction during the construction of the Project, whereas the Abandoned Plant Incentive mitigates the various risks articulated above that contribute to the possibility that the Project may be abandoned or cancelled for reasons outside of NEET MidAtlantic Indiana's control, and that may impact efforts to secure low-cost Project financing. Both incentives are necessary to mitigate the overall scope of risks faced by the MidAtlantic Resiliency Link Project.

Likewise, NEET MidAtlantic Indiana's prior incentive authorizations—namely the Hypothetical Capital Structure Incentive, Regulatory Asset Incentive, and RTO Adder Incentive—do not render the individual incentives requested herein unnecessary or superfluous. The Commission has recognized that the Regulatory Asset Incentive allows for companies to record and recover costs that were not capitalized or otherwise included in CWIP, but were incurred before such prudently incurred expenses could be recovered as current expenses, and is important for leveling the playing field between nonincumbent and incumbent transmission developers.[39] The Hypothetical Capital Structure, on the other hand, addresses the fluctuating actual capital structure that a start-up developer may experience during the construction phase of an initial project.[40] Finally, the RTO Participation Adder is designed to promote the participation in and transfer of function control of company's transmission facilities to a Commission-approved RTO. All three of these previously-granted incentives address a different set of risks and challenges facing the Project than those addressed by either the CWIP or Abandoned Plant Incentive requested herein.

NEET MidAtlantic Indiana thus respectfully requests that the Commission approve the incentives as requested. Doing so is consistent with Commission precedent in which the Commission has approved multiple rate incentives for projects as long as each incentive satisfies the "nexus" test.[41]

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39 *See, e.g., PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 at P 41.

40 *See, e.g., Midwest Power Transmission Arkansas, LLC*, 152 FERC ¶61,210 at P 20.

41 *The Dayton Power and Light Company*, 182 FERC ¶61,147 at PP 31, 38 (2023) (finding that Dayton has shown a nexus between the proposed incentives and the proposed investment); *LS Power Grid California, LLC*, 182 FERC ¶ 61,208 (2023) (finding that LS Power Grid demonstrated that the requested incentives, and the package as a whole address risks and challenges faced by LS Power Grid).

5. The Resulting Rates are Just and Reasonable

The Commission's regulations also require that the applicant for incentive rate treatments demonstrate that the resulting rates will be just and reasonable. With respect to the CWIP Incentive, the Commission has determined that it affects only the timing of cost recovery, and not the level.[42] It also helps prevent the "rate shock" associated with the impact of adding a large capital investment to plant in service all at one time. Thus, authorizing the CWIP Incentive is just and reasonable.

With respect to the Abandoned Plant Incentive, allowing the future recovery of 100 percent of the prudently incurred costs of transmission facilities that are cancelled or abandoned due to factors beyond the control of the project developer does not impact the justness and reasonableness of transmission rates. NEET MidAtlantic Indiana is not seeking approval of any specific abandoned costs at this time. Moreover, as required by Order No. 679, such recovery will be subject to a future filing with the Commission under FPA section 205.[43] Until the Commission approves of any such abandoned plant costs in a future filing, NEET MidAtlantic Indiana will maintain a zero balance in its formula rate template for all placeholders associated with abandoned plant. Such treatment is consistent with prior Commission determinations.[44]

III. REQUEST TO TRANSFER OR ASSIGN INCENTIVES

To the extent the Commission approves the two incentives requested herein—the CWIP Incentive and the Abandoned Plant Incentive—NEET MidAtlantic Indiana also requests authorization to assign the requested incentives to any to-be-formed PJM affiliate of NEET MidAtlantic Indiana that is involved in the development and construction of the MidAtlantic Resiliency Link Project.[45] The Commission has granted similar requests on the basis that "it is appropriate to grant … authority to assign the CWIP and abandoned plant incentive to any affiliate," clarifying "that should [the company] elect to assign its incentives, the affiliate to whom that assignment is made will be required to make any necessary Federal Power Act section 203 or section 205 filings with the Commission."[46] Here, given that the Project spans across several states, new affiliates of NEET MidAtlantic Indiana may need to be created in order to satisfy the requisite regulatory requirements for transmission project ownership and development in each of the individual states. The Commission has previously granted a project developer the ability to assign the CWIP Incentive and Abandonment Incentive, finding that

42 Order No 679-A at P 38.

43 Order No. 679 at P 166.

44 *See, e.g., MidAmerican Energy Company*, 137 FERC ¶61,250.

45 At this time, NEET MidAtlantic Indiana has not definitively determined that additional affiliates will be required for purposes of developing or constructing the Project, but has preliminary identified state regulations, such as those in Virginia, that may necessitate the creation of a Virginia-specific project company for purposes of constructing and owning assets built in the state.

46 *Midcontinent Independent System Operator, Inc.*, 141 FERC ¶61,121 at P 65 (2012).

these incentive "follow the project" in such circumstances.[47] It is thus consistent with Commission precedent to grant this request, as it will promote administrative efficiency because the rationale for granting the CWIP and Abandoned Plant incentives to NEET MidAtlantic Indiana's to-be-formed affiliated would be the same.[48] To the extent NEET MidAtlantic Indiana does seek to assign the requested incentives to one or more yet-to-be-formed affiliates, such affiliate (or affiliates) will make an necessary FPA section 203 or 205 filing prior to the incentive becoming effective.

IV. COMMISSION ACCOUNTING REQUIREMENTS RELATED TO CWIP INCENTIVE

In Order No. 679 the Commission addressed several issues with regard to implementation of CWIP in the context of new transmission investment. For instance, the Commission found that in the context of new transmission investment, it does not view "double whammy" to be a concern and thus waived the requirements of 18 C.F.R. § 35.25(c)(4) as it pertains to new investment in transmission.[49] Other provisions of section 35.25 apply, unless waived by the Commission on a case-by-case basis.[50] The Commission's regulations include several filing requirements when CWIP recovery is sought.

A. Accounting Procedures

Sections 18 C.F.R. § 35.25(e) and (f) require that an applicant seeking CWIP recovery to discontinue AFUDC for investment that is included in rate base and to propose accounting procedures to ensure that customers will not be double charged for AFUDC and CWIP. Witness Castaneda explains how NEET MidAtlantic Indiana and any yet-to-be-formed affiliate will discontinue the capitalization of AFUDC in rate base with respect to the MidAtlantic Resiliency Link Project.

Specifically, NEET MidAtlantic Indiana (or its affiliate, as relevant) will assign each project that has a Commission-approved CWIP incentive with a unique Work Breakdown Structure ("WBS") number for internal cost tracking purposes. Second, NEET MidAtlantic Indiana will record actual construction costs to each WBS through work orders that are coded to correspond to the WBS for each CWIP incentive project. These work orders will be segregated from work orders for transmission projects for which the Commission has not authorized the CWIP Incentive. Third, for each CWIP Incentive project, NEET MidAtlantic Indiana will prepare monthly work order summaries of costs incurred under the associated WBS that show monthly additions to CWIP and plant in service and that correspond to the amounts recorded in NEET MidAtlantic Indiana's FERC Form No. 1. NEET MidAtlantic Indiana will use these

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47 *PPL Electric Utilities Corp., et al.*, 123 FERC ¶ 61,068 at P 51 (2008).

48 *See, e.g., Transource Wisconsin, LLC*, 149 FERC ¶ 61,180 at P 64 (2014); *Midcontinent Independent System Operator, Inc.*, 141 FERC ¶61,121 at P 65 (2012).

49 Order No. 679 at P 119.

50 *Id.*

summaries as data inputs in the Annual Update. It will also make the work order summaries available upon request under the review procedures of its Protocols. Fourth, when a CWIP Incentive project or portion thereof is placed into service, NEET MidAtlantic Indiana will deduct from total CWIP the accumulated charges for work orders under the WBS for that project or portion thereof.

Finally, for transmission projects for which the Commission has not authorized NEET MidAtlantic Indiana to include 100% of CWIP in rate base, NEET MidAtlantic Indiana will record AFUDC to be applied to any amount of CWIP not included in rate base and capitalized when the project is placed into service. This is the same approach that has been approved by the Commission previously.[51]

B. Request for Waivers of 18 C.F.R. Sections 35.13, 5.25(c)(4) and (g)

NEET MidAtlantic Indiana respectfully requests waiver of section 35.13(h)(38), 35.25(c)(4), and 35.25(g) of the Commission's regulations. Section 35.13(h)(38) requires an applicant to submit Statement BM that describes its long-range program for providing reliable and economic power, including an assessment of alternatives and an explanation of why the program is consistent with a least-cost energy supply program. The Commission has recognized that Statement BM was designed primarily for CWIP associated with new generation and has waived the requirement to submit Statement BM for utilities that have transmission formula rates.[52] Consistent with this, NEET MidAtlantic Indiana requests waiver of this requirement because it has a Commission-approved formula rate.

Section 35.25(c)(4) requires the development of forward-looking allocation ratios and an evaluation of potential anticompetitive effects of CWIP recovery including "price squeeze" and "double whammy" concerns. Section 35.25(g) requires an applicant to provide additional information regarding the potential anticompetitive impacts of CWIP recovery, including the proposed CWIP levels in wholesale and retail rates. The Commission should grant the requested waivers consistent with its determination with regard to CWIP in Order No. 679, finding that "because we do not view the 'double whammy' to be a concern in the transmission context, we grant EEI's request and waiver the requirement in 18 CFR 35.25(c)(4) as it pertains to preventing double whammy with regard to CWIP associated with new investment in transmission."[53] NEET MidAtlantic Indiana has provided information to fully support its request CWIP Incentive, including how use of CWIP as opposed to AFUDC will reduce rate shock. While NEET MidAtlantic Indiana has provided information regarding its request for the CWIP Incentive that should satisfy the regulations, NEET MidAtlantic Indiana request waiver to the extent necessary. The Commission has waived these requirements for other rate incentive applicants, and NEET

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51 *See, e.g., NextEra Energy Transmission New York, Inc.*, 162 FERC ¶ 61,196 (2018); *Transource Missouri, LLC*, 141¶ 61,075 (2012).

52 *See Dayton Power and Light Company*, 172 FERC ¶ 61,140 at P 74 (2020).

53 Order No. 679 at P 119.

MidAtlantic Indiana respectfully requests waiver of any additional requirements of 35.25(c)(4) and 35.25(g).

C. Annual Reporting Requirement

In Order No. 679, the Commission explained that "recovery of CWIP on a formulary basis is not permitted without prior Commission review to ensure the Commission's CWIP standards are met"[54] but that consistent with Maine Yankee it was allowing public utilities to propose a method to limit filings related to CWIP to an annual filing. NEET MidAtlantic Indiana proposes to satisfy this requirement through the annual filing of FERC Form 730, Report of Transmission Investment Activity, which requires the provision of information regarding transmission investment costs, project construction status, and estimated completion dates. Additionally, as part of its Attachment H-33B Formula Rate annual update procedures, NEET MidAtlantic Indiana will post workpapers that show the CWIP amounts to be included in the annual transmission revenue requirement. This approach is consistent with other proposals approved by the Commission.[55]

V. PROVISIONS IMPLEMENTING THE REQUESTED RATE TREATMENT

NEET MidAtlantic Indiana has a Commission-approved Formula Rate Template on file as Attachment H-33B of the PJM Tariff. This Tariff has been approved by the Commission for use by future yet-to-be-formed PJM affiliates. NEET MidAtlantic Indiana's existing Formula Rate already includes the requisite placeholders for use of the Abandoned Plant Incentive. As noted above, NEET MidAtlantic (or its affiliates) will reflect a balance of zero with respect to these placeholders subject to a future FPA section 205 filing to approve any abandoned plant costs associated with the Project. With respect to the CWIP Incentive, NEET MidAtlantic Indiana is proposing as part of this filing minor revisions to its Attachment H-33B Formula Rate Template to modify the line item for "CWIP" to clarify "CWIP – Commission Approved Order No. 679 Projects." This proposed change is just and reasonable, and will effectuate more clearly the limitations imposed regarding the CWIP Incentive requested herein.

VI. CONTENTS OF FILING

NEET MidAtlantic Indiana includes with this transmittal letter the following materials:

Attachment A:	Testimony of Stephanie Castaneda
Attachment B:	Clean version of Attachment H-33B
Attachment C:	Redlined version of Attachment H-33B

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54 Order No. 679 at P 121 *citing Maine Yankee Atomic Power Co.*, 66 FERC ¶ 61,375 at 62,252-53 & n.10 (1994).

55 *Otter Tail Power Co.*, 183 FERC ¶ 61,121 (2023).

VII. COMMUNICATIONS

All communications regarding this filing should be addressed to**:**

Kelsey Bagot
Senior Attorney
NextEra Energy, Inc.
801 Pennsylvania Avenue NW, Suite 220
Washington, DC 20004
(202) 349-3349
Kelsey.bagot@nee.com

VIII. REQUESTED WAIVERS AND EFFECTIVE DATE

NEET MidAtlantic Indiana respectfully requests that the Commission approve the requested incentives and Tariff modifications effective on January 22, 2024, which is 60 days after the date of this filing.

NEET MidAtlantic Indiana request waiver of the regulations at 18 C.F.R. § 35.13(d) concerning Period I and Period II requirements to the extent deemed applicable to the requests made herein. Period I and Period II data are not needed to determine whether the proposed changes are just and reasonable. As such, any waiver of this section is appropriate and should be granted. Finally, NEET MidAtlantic Indiana requests a waiver of any applicable requirement of the Commission regulations and rules as may be necessary to permit the proposed Tariff revisions to be accepted by the Commission and made effective as proposed herein.

IX. SERVICE

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting the filing electronically. In accordance with the Commission's regulations,[56] PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: https://www.pjm.com/library/filing-order with a specific link to the newly-filed document, and will send an e-mail on the same date as the filing to all PJM Members and all state utility regulatory commissions in the PJM Region[57] alerting them that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission's official service list for this docket. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link:

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[56] *See* 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3)(2017).

[57] PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission's regulations and Order No. 714.[58]

X. CONCLUSION

For the reasons stated herein, NEET MidAtlantic Indiana respectfully requests the Commission approve: (1) the CWIP Incentive for NEET MidAtlantic Indiana's investment in the MidAtlantic Resiliency Link Project; (2) the Abandoned Plant Incentive for NEET MidAtlantic Indiana's investment in the MidAtlantic Resiliency Link Project; (3) the proposed minor revisions to Attachment H-33B of the PJM Tariff (NEET MidAtlantic Indiana's Formula Rate Template); and (4) authorization for the assignment of the requested CWIP and Abandoned Plant Incentives, if approved, to any to-be-formed affiliate that is involved in the development and construction of the MidAtlantic Resiliency Link Project. As discussed above, the proposed changes are just and reasonable, and should be accepted by the Commission, effective January 22, 2024 without suspension or hearing.

Sincerely,

<u>/s/ Kelsey Bagot</u>
Kelsey Bagot
Senior Attorney
801 Pennsylvania Ave, NW – Suite 220
Washington, DC 20004
(202) 349-3349
kelsey.bagot@nee.com

Attachments

[58] Electronic Tariff Filings, Order No. 714, FERC Stats. & Regs., Regulations Preambles 2008-2013 ¶31,276 (2008).

ATTACHMENT A

Testimony of Stephanie Castaneda

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

NextEra Energy Transmission	**)**	**Docket No. ER24-___-000**
MidAtlantic Indiana, Inc.	**)**	

DIRECT TESTIMONY
OF
STEPHANIE CASTANEDA

ON BEHALF OF
NEXTERA ENERGY TRANSMISSION MIDATLANTIC INDIANA, INC.

November 22, 2023

TABLE OF CONTENTS

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

NextEra Energy Transmission MidAtlantic Indiana, Inc.	**)** **)**	**Docket No. ER24-___-000**

DIRECT TESTIMONY OF
STEPHANIE CASTANEDA

I. INTRODUCTION

Q. Please state your name and address.

A. My name is Stephanie Castaneda. My business address is NextEra Energy Transmission, LLC, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and in what capacity?

A. I am employed by NextEra Energy Transmission, LLC ("NEET") as Executive Director, Finance, in the NEET Business Management Department.

Q. What are your responsibilities as Executive Director of Finance for NEET?

A. I lead the Business Management team for NEET and its subsidiaries, which responsibilities include managing all financial activities for the competitive transmission development business unit, including accounting and financial reporting, budgeting and financial planning, and corporate development analytics. Business management is also responsible for directing the compliance function and leading the preparation of state, Regional Transmission Organization ("RTO"), and Federal Energy Regulatory Commission ("FERC") revenue requirement filings.

Q. Please describe your educational background and professional experience.

A. I graduated from Florida Atlantic University in 2003 with a Bachelor of Arts in Accounting and earned a Master of Business Administration degree from Florida Atlantic University in 2012. Beginning in 2002, I was employed by McGladrey & Pullen, LLP as an external auditor and joined NextEra Energy in 2007. During my tenure at NextEra Energy, I have held various business management, accounting, and regulatory positions. I am a Certified Public Accountant and licensed in the State of Florida.

Q. What is the purpose of your Testimony?

A. The purpose of my testimony is to support NextEra Energy Transmission MidAtlantic Indiana, Inc.'s ("NEET MA") request for authorization to recover 100% of Construction Work in Progress ("CWIP") in rate base for the Mid-Atlantic Resiliency Link project ("Project") that it was recently awarded through PJM Interconnection, LLC's ("PJM") Order No. 1000 competitive solicitation process.

Q. Please summarize your testimony.

A. My testimony: (i) explains why NEET MA should be authorized to recover 100% of CWIP in rate base; and (ii) describes the accounting procedures that NEET MA proposes to implement in its protocols.

II. CONSTRUCTION WORK IN PROGRESS INCENTIVE

Q. Please describe the CWIP Incentive that NEET MA is requesting for the Mid-Atlantic Resiliency Link Project.

A. NEET MA seeks authorization to include 100% of its prudently incurred CWIP in rate base for the Mid-Atlantic Resiliency Link Project. The CWIP Incentive serves as a useful tool to ease the financial pressures associated with transmission development by providing up-front regulatory certainty, rate stability, and improved cash flow.

Under 100% CWIP recovery, a utility can recover on the financing costs of construction on a current basis, instead of adding these costs to the capital investment amount added to rate base following the construction period. However, as with Allowance for Funds Used During Construction ("AFUDC"), a project will not begin to depreciate until it is placed into service. Allowing a current return on CWIP: (1) results in a lower overall construction cost and, therefore, less financing is required on the utility's part; (2) reduces the overall amount that will need to be charged to customers in the form of depreciation; and (3) avoids rate shock by providing for more gradual rate increases associated with the investment. The Commission recognizes that the CWIP Incentive may help address the long lead times required for new transmission construction and difficulties with cash flow that companies seeking to invest in new transmission may face.

Q. What risks and challenges would the CWIP Incentive help address for the Mid-Atlantic Resiliency Link Project?

A. Approval of the CWIP Incentive for the Mid-Atlantic Resiliency Link Project would help address financial challenges that NEET MA will face as a relatively new company that invests solely in transmission assets, and that has a comparatively small rate base. Compared to NEET MA's current net transmission-plant-in-service of approximately $5.5 million and limited average annual transmission investment, the anticipated scope of the Mid-Atlantic Resiliency Link Project, which has an estimated cost of approximate $1 billion, represents a significant capital investment for the company. The Project is a PJM-identified reliability project, and as such has a proposed in-service date of June 1, 2027.

To meet the construction schedule required for this in-service date, NEET MA will need to expend significant funds for the engineering, procurement, land acquisition, permitting, and overall development of the Project in the next several years. During this period, NEET MA will incur financing costs associated with the requisite investment but receive no offsetting return. As a result, the cost and time that is needed to develop and construct the Mid-Atlantic Resiliency Link Project will strain NEET MA's cash flow and affect its ability to finance construction.

Allowing NEET MA to include 100% of CWIP in rate base will help reduce Project costs by providing upfront certainty, improved cash flow, and reduced borrowing costs, and furthermore, reduce rate shock to customers as would otherwise occur under an approach strictly based on AFUDC. Additionally, the CWIP Incentive will help NEET MA maintain a more attractive credit profile and lower capital costs, which will lower the over costs of the Project to PJM customers. Crediting rating agencies, like Moddy's Investor Service, have routinely recognized the inclusion of CWIP in rate base as supportive of utility credit quality because, among other things, it helps moderate the financial pressure of the increment construction related debt by providing a cash return during lengthy, sometimes uncertain, construction periods.

Q. Does the recovery of 100% of CWIP eliminate all financial risk for NEET MA?

A. No. The recovery of 100% of CWIP would not eliminate all financial risk for NEET MA. NEET MA will still have a significant deficiency in cash flow during the initial years of the Project.

III. ACCOUNTING FOR CWIP

Q. Please describe the accounting procedures that NEET MA has proposed consistent with the Commission's requirements.

A. NEET MA proposes to implement accounting procedures to ensure that there will be no AFUDC recorded for amounts included in CWIP. This is required by FERC regulations set forth in 18 C.F.R. § 35.25 (e) and (f). First, under the accounting procedures, NEET MA will assign each project that has a Commission-approved CWIP inventive a unique Work Breakdown Structure ("WBS") number for internal cost tracking purposes. Second, NEET MA will record actual construction costs to each WBS through work orders that are coded to correspond to the WBS for each CWIP incentive project. These work orders will be segregated from work orders for transmission projects for which the Commission has not authorized NEET MA to include CWIP in rate base. Third, for each CWIP incentive project, NEET MA will prepare monthly work order summaries of costs incurred under the associated FPN that show monthly additions to CWIP and plant in service and that correspond to the amounts recorded in NEET MA's FERC Form No. 1. NEET MA will use these summaries as data inputs in the Annual Update. It will also make the work order summaries available upon request under the review procedures. Fourth, when a CWIP incentive project, or a portion thereof, is placed into service, NEET MA will deduct from total CWIP the accumulated charges for work orders under the WBS for that project, or portion thereof. This ensures that expenditures are not double counted as both CWIP and as additions to plant. Fifth, for transmission projects for which the Commission has not authorized NEET MA to include 100% of CWIP in rate base, NEET MA will record AFUDC to be applied to any amount of CWIP not included in rate base and capitalized with the project is placed in to service.

Q. Does this proposed accounting procedure conform to Commission precedent?

A. Yes. The Commission has accepted similar procedures that track expenditures through work orders to ensure that AFUDC is not recorded for projects receiving the 100% CWIP incentive. *See, e.g., NextEra Energy Transmission New York, Inc*., 162 FERC ¶ 61,196 (2018); *Transource Missouri, LLC*, 141¶ 61,075 (2012).

Q. Does NEET MA propose other transparency measures to support the CWIP incentive?

A. Yes. NEET MA proposes to post on its Open Access Same-Time Information System ("OASIS") workpapers that show the cost information and in-service date assumptions regarding the Project and CWIP amounts to be included in its estimates for each year. Additionally, the Commission requires applicants for 100% CWIP recovery to make an annual filing with the Commission. *See* Order No. 679 at P 121. NEET MA proposes to satisfy this requirement through the annual filing of FERC-730, Report of Transmission Investment Activity. The annual FERC-730 requires NEET MA to provide information regarding transmission investment costs and project construction status, including estimated completion dates.

Q. Does this conclude your testimony?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

NextEra Energy Transmission MidAtlantic Indiana, Inc.	**)** **)**	**Docket No. ER24-___-000**

VERIFICATION

I, Stephanie Castaneda, being duly sworn, state that the contents of the foregoing affidavit are true, correct, and accurate to the best of my knowledge, information, and belief.

____
Stephanie Castaneda

Dated: November 22, 2023

ATTACHMENT B

Clean Version of Attachment H-33B

Attachment H-33B(1)

Formula Rate - Non-Levelized | NextEra Energy Transmission MidAtlantic Indiana, Inc. **Note Z** | Rate Formula Template Utilizing FERC Form 1 Data | For the 12 months ended ____

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

For the 12 months ended ____

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data
NextEra Energy Transmission MidAtlantic Indiana, Inc.

Line No.	(1)	(2) Source	(3) Company		(4)	(5) Transmission (Col 3 times
	RATE BASE:					
	GROSS PLANT IN SERVICE (Notes U and R)					
1	Production	205.46.g for end of year, records for other months		NA		
2	Transmission	Attachment 4, Line 14, Col. (b)		TP		
3	Distribution	207.75.g for end of year, records for other months		NA		
4	General & Intangible	Attachment 4, Line 14, Col. (c)		W/S		
5	Common	356.1 for end of year, records for other months		CE		
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)		GP=		
7	ACCUMULATED DEPRECIATION (Notes U and R)					
8	Production	219.20-24.c for end of year, records for other months		NA		
9	Transmission	Attachment 4, Line 14, Col. (h)		TP		
10	Distribution	219.26.c for end of year, records for other months		NA		
11	General & Intangible	Attachment 4, Line 14, Col. (i)		W/S		
12	Common	356.1 for end of year, records for other months		CE		
13	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)				
14	NET PLANT IN SERVICE					
15	Production	(line 1minus line 8)				
16	Transmission	(Line 2 minus line 9)				
17	Distribution	(line 3 minus line 10)				
18	General & Intangible	(Line 4 minus line 11)				
19	Common	(line 5 minus line 12)				
20	TOTAL NET PLANT	(Sum of Lines 15 through 19)		NP=		
21	ADJUSTMENTS TO RATE BASE (Note R)					
22	Account No. 281 (enter negative)	Attach 4, Line 28, Col. (d)/Attach 4a, Line 54, Col. H (Notes B and X)		NA	zero	
23	Account No. 282 (enter negative)	Attach 4, Line 28, Col. (e)/Attach 4a, Line 81, Col. H (Notes B and X)		NP		
24	Account No. 283 (enter negative)	Attach 4, Line 28, Col. (f)/Attach 4a, Line 108, Col. H (Notes B and		NP		
25	Account No. 190	Attach 4, Line 28, Col. (g)/Attach 4a, Line 27, Col. H (Notes B and X)		NP		
26	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Notes B and X)		NP		
26a	Unfunded Reserves (enter negative)	Attachment 4, Line 31, Col. (h) (Note Y)		DA		
27	CWIP- Commission Approved Order 679 Projects	Attachment 4, Line 14, Col. (d)		DA		
28	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note T)		DA		
29	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note S)		DA		
30	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)				
31	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note C)		TP		
32	WORKING CAPITAL	(Note D)				
33	CWC	1/8*(Page 3, Line 14 minus Page 3, Line 11)				
34	Materials & Supplies	Attachment 4, Line 14, Col. (f) (Note C)		TP		
35	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)		GP		
36	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)				
37	RATE BASE	(Sum of Lines 20, 30, 31 & 36)				

Utilizing FERC Form 1 Data For the 12 months ended ____
NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data
NextEra Energy Transmission MidAtlantic Indiana, Inc.

For the 12 months ended ____

Line No.	(1)	(2)	(3)		(4)		(5)		
		SUPPORTING CALCULATIONS AND NOTES							
	TRANSMISSION PLANT INCLUDED IN ISO RATES								
1	Total Transmission plant	(Page 2, Line 2, Column 3)							
2	Less Transmission plant excluded from ISO rates	(Note H)							
3	Less Transmission plant included in OATT Ancillary Services	(Note I)							
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)							
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)				TP			
6	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
7	Production	354.20.b		-					
8	Transmission	354.21.b		-					
9	Distribution	354.23.b		-			W&S		
10	Other	354.24,25,26.b		-			($ /		
11	Total (W& S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)				=		=	WS
12	COMMON PLANT ALLOCATOR (CE) (Note J and X)		**$**		% Electric		W&S		
13	Electric	200.3.c			(line 13 / line		(line 11)		CE
14	Gas	201.3.d				*		=	
15	Water	201.3.e							
16	Total	(Sum of Lines 13 through 15)							
17	RETURN (R)	(Note V)					$		
18					Cost				
19			$	%	(Notes K, Q,		Weighted		
20	Long Term Debt	(Attachment 5, line 48 Notes Q & R)		-				=WCLTD	
21	Preferred Stock (112.3.c)	(Attachment 5, line 49 Notes Q & R)		-					
22	Common Stock	(Attachment 5, line 50 Notes K, Q & R)		-	10.1%				
23	Total	(Attachment 5, line 51)						=R	
24	REVENUE CREDITS								
25	ACCOUNT 447 (SALES FOR RESALE) (Note L)	310 -311							
26	a. Bundled Non-RQ Sales for Resale	311.x.h							
27	b. Bundled Sales for Resale	Attach 5, line 39, col (a)							
28	Total of (a)-(b)								
29	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	(Note M) Attach 5, line 39, col (b)							
30	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	330.x.n							
31	a. Transmission charges for all transmission transactions	Attach 5, line 39, col (c)							
32	b. Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.	Attach 5, line 39, col (d)					-		
33	Total of (a)-(b)						-		

Formula Rate - Non-Levelized	Rate Formula Template	For the 12 months ended ____
	Utilizing FERC Form 1 Data	
	NextEra Energy Transmission MidAtlantic Indiana, Inc.	

General Note: References to pages in this formulary rate are indicated as: (page#, line#,
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
A	Reserved
B	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income. Account 281 is not allocated.
C	Identified in Form 1 as being only transmission related.
D	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 14, column 5 minus amortization of Regulatory Asset at page 3, line 11, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.
E	Page 3, Line 6 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1 found at 323.191.b. Page 3, Line 7- Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
F	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
G	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 36). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).

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

H	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
I	Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
J	Enter dollar amounts
K	ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
L	Page 4, Line 28 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1.
M	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
N	Company will not have any grandfathered agreements. Therefore, this line shall remain zero.
O	The revenues credited on page 1 lines 2-6 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. Revenue Credits do not include revenues associated with FERC annual charges, gross receipts taxes,-facilities not included in this template (e.g., direct assignment facilities and GSUs) the costs of which are not recovered under this Rate Formula Template.
P	Reserved
Q	Prior to obtaining any debt, the cost of debt will be LIBOR plus 1.5%. Once any debt is obtained, the formula will use the actual cost of debt determined in Attachment 5. The capital structure of a NEET PJM Entity will be 60% equity and 40% debt until such NEET PJM Entity's first transmission project enters service, after which such NEET Entity's capital structure will be its actual capital structure. LIBOR refers to the London Inter Bank Offer Rate from the Federal Reserve Bank of St. Louis's https://fred.stlouisfed.org/.
R	Calculate using 13 month average balance, except ADIT.
S	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must receive FERC authorization before recovering the cost of abandoned plant.
T	Each NEET PJM Entity has a Regulatory Asset rate incentive for prudently-incurred pre-commercial and formation costs. When the net book value of all transmission facilities owned by NEET PJM Entities in the PJM Region equals or exceeds $50 million, a NEET PJM Entity: (i) may file for authorization from the Commission to amortize and recover in rates its Regulatory Asse for pre-commercial and formation costs; and (ii) shall cease to book expenses to such Regulatory Asset effective upon the effective date of such filing. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year after Commission authorization to recover the Regulatory Asset.
U	Excludes Asset Retirement Obligation balances
V	Company shall be allowed recovery of costs related to interest rate locks. Absent a Section 205 filing, Company shall not include in the Formula Rate, the gains, losses, or costs related to other hedges.
W	The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference
X	Calculated on Attachment 4 for the true up and on Attachment 4a for the projection
Y	Unfunded Reserves are customer contributed capital such as when employee vacation expense is accrued but not yet incurred. Also, pursuant to Special Instructions to Accounts 228.1 through 228.4, no amounts shall be credited to accounts 228.1 through 228.4 unless authorized by a regulatory authority or authorities to be collected in a utility's rates.
Z	This Formula Rate Template, including Attachments, is to be used by any NEET PJM Entity, which includes NEET MidAtlantic, LLC, and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff. Each subsequent NEET PJM Entity shall use a replication of H-33B(1) designated as a subsequent version (e.g., H-33B(2), etc.), in this Attachment H-33.

Attachment 1
Project Revenue Requirement Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

To be completed in conjunction with Attachment H.

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

Attachment 1
Project Revenue Requirement Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Note Letter

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

Attachment 2
Incentive ROE

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Notes:

A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any actual ROE incentive must be ap
For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.37 on Attachment 1 column 12.

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

Attachment 3

Project True-Up

NextEra Energy Transmission MidAtlantic Indiana, Inc.

			Revenue Requirement Projected For Rate Year		Revenue Received[3]	Actual Revenue Requirement	Annual True-Up Calculation			
1	Rate Year being Trued-Up									
2					$					
	A	B	C	D	E	F	G	H	I	J
	Project # Or Other Identifier	Project Name	Projected Net Revenue Requirement[1]	% of Total Revenue Requirement	Revenue Received (E, Line 2) x	Actual Net Revenue Requirement[2]	Net Under/(Over) Collection (F)-	Prior Period Adjustment [5]	Interest Income (Expense)[4]	Total True-Up (G) + (H) +
3	Attachment H		-							
3a			-							
3b			-							
3c			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
4	Total Annual Revenue Requirements (Note A)									

Monthly Interest Rate

Interest Income (Expense)

Notes:

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

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

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

4) Interest from Attachment 6.

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

Prior Period Adjustment

	(a)	(b)	(c)	(d)
	Prior Period (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)
5		-		

Notes:

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

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

Attachment 4

Rate Base Worksheet

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Adjustments to Rate Base

Line No	Month	Unamortized Regulatory Asset	Unamortized Abandoned Plant	Account No. 281 Accumulated Deferred Income Taxes (Note D)	Account No. 282 Accumulated Deferred Income Taxes (Note D)	Account No. 283 Accumulated Deferred Income Taxes (Note D)	Account No. 190 Accumulated Deferred Income Taxes (Note D)	Account No. 255 Accumulated Deferred Investment Credit
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Attachment H, Page 2, Line No:	28	29	22	23	24	25	26
		Notes A & E	Notes B & F	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	Month 12 Prior Year							
16	Month 1			[redacted]				
17	Month 2							
18	Month 3							
19	Month 4							
20	Month 5							
21	Month 6							
22	Month 7							
23	Month 8							
24	Month 9							
25	Month 10							
26	Month 11							
27	Month 12							
28	Average of the 13 Monthly Balances			-	-			

Attachment 4

Rate Base Worksheet

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Unfunded Reserves (Notes G & H)

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

Notes:

A Recovery of regulatory asset is limited to any regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 6 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in ratebase.

D ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.

E Each NEET PJM Entity has a Regulatory Asset rate incentive for prudently-incurred pre-commercial and formation costs. When the net book value of all transmission facilities owned by NEET PJM Entities in the PJM Region equals or exceeds $50 million, a NEET PJM Entity: (i) may file for authorization from the Commission to amortize and recover in rates its Regulatory Asset; and (ii) shall cease to book expenses to the Regulatory Asset effective upon the effective date of such filing. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year after Commission authorization to recover the Regulatory Asset.

F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.

H Calculate using 13 month average balance, except ADIT.

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Attachment 4a - Accumulated Deferred Income Taxes

Year Ended __

Rate Year =

Line								
1	**Account 190**							
2	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
3	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
4								
5	End of Year balance Prorated Items							-
6	Month 1	-	-	-	-	-	-	-
7	Month 2	-	-	-	-	-	-	-
8	Month 3	-	-	-	-	-	-	-
9	Month 4	-	-	-	-	-	-	-
10	Month 5	-	-	-	-	-	-	-
11	Month 6	-	-	-	-	-	-	-
12	Month 7	-	-	-	-	-	-	-
13	Month 8	-	-	-	-	-	-	-
14	Month 9	-	-	-	-	-	-	-
15	Month 10	-	-	-	-	-	-	-
16	Month 11	-	-	-	-	-	-	-
17	Month 12	-	-	-	-	-	-	-
18		Total				-	-	
19	Beginning Balance				234.8.b			-
20	Less non Prorated Items				(Line 19 less line 21)			-
21	Beginning Balance of Prorated items				(Line 5, Col H)			-
22	Ending Balance				234.8.c			-
23	Less non Prorated Items				(Line 22 less line 24)			-
24	Ending Balance of Prorated items				(Line 17, Col H)			-
25	Average Balance				Line 17, Col H + (Lines 20 + 23)/2			-
26	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
27	Amount for Attachment 4				(Line 25 less line 26)			-

Line								
28	**Account 281**							
29	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
30	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
31								
32	End of Year balance Prorated Items							-
33	Month 1	-	-	-	-	-	-	-
34	Month 2	-	-	-	-	-	-	-
35	Month 3	-	-	-	-	-	-	-
36	Month 4	-	-	-	-	-	-	-
37	Month 5	-	-	-	-	-	-	-
38	Month 6	-	-	-	-	-	-	-
39	Month 7	-	-	-	-	-	-	-

40	Month 8	-	-	-	-	-	-	-
41	Month 9	-	-	-	-	-	-	-
42	Month 10	-	-	-	-	-	-	-
43	Month 11	-	-	-	-	-	-	-
44	Month 12	-	-	-	-	-	-	-
45		Total				-	-	
46	Beginning Balance				274.b			-
47	Less non Prorated Items				(Line 46 less line 48)			-
48	Beginning Balance of Prorated items				(Line 32, Col H)			-
49	Ending Balance				275.k			-
50	Less non Prorated Items				(Line 49 less line 51)			-
51	Ending Balance of Prorated items				(Line 44, Col H)			-
52	Average Balance				Line 44, Col H + (Lines 47 + 50)/2			-
53	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
54	Amount for Attachment 4				(Line 52 less line 53)			-

55 **Account 282**

56	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
57	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
58								
59	End of Year balance Prorated Items							-
60	Month 1	-	-	-	-	-	-	-
61	Month 2	-	-	-	-	-	-	-
62	Month 3	-	-	-	-	-	-	-
63	Month 4	-	-	-	-	-	-	-
64	Month 5	-	-	-	-	-	-	-
65	Month 6	-	-	-	-	-	-	-
66	Month 7	-	-	-	-	-	-	-
67	Month 8	-	-	-	-	-	-	-
68	Month 9	-	-	-	-	-	-	-
69	Month 10	-	-	-	-	-	-	-
70	Month 11	-	-	-	-	-	-	-
71	Month 12	-	-	-	-	-	-	-
72		Total				-	-	
73	Beginning Balance				274.b			-
74	Less non Prorated Items				(Line 73 less line 75)			-
75	Beginning Balance of Prorated items				(Line 59, Col H)			-
76	Ending Balance				275.k			-
77	Less non Prorated Items				(Line 76 less line 78)			-
78	Ending Balance of Prorated items				(Line 71, Col H)			-
79	Average Balance				Line 71, Col H + (Lines 74 + 77)/2			-
80	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
81	Amount for Attachment 4				(Line 79 less line 80)			-

82	**Account 283**							
83	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
84	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
85								
86	End of Year balance Prorated Items							-
87	Month 1	-	-	-	-	-	-	-
88	Month 2	-	-	-	-	-	-	-
89	Month 3	-	-	-	-	-	-	-
90	Month 4	-	-	-	-	-	-	-
91	Month 5	-	-	-	-	-	-	-
92	Month 6	-	-	-	-	-	-	-
93	Month 7	-	-	-	-	-	-	-
94	Month 8	-	-	-	-	-	-	-
95	Month 9	-	-	-	-	-	-	-
96	Month 10	-	-	-	-	-	-	-
97	Month 11	-	-	-	-	-	-	-
98	Month 12	-	-	-	-	-	-	-
99		Total				-	-	

100	Beginning Balance	276.b	-
101	Less non Prorated Items	(Line 100 less line 102)	-
102	Beginning Balance of Prorated items	(Line 86, Col H)	-
103	Ending Balance	277.k	-
104	Less non Prorated Items	(Line 103 less line 105)	-
105	Ending Balance of Prorated items	(Line 98, Col H)	-
106	Average Balance	Line 98, Col H + (Lines 101 + 103)/2	-
107	Less FASB 106 & 109 Items	Attachment H, Footnote B	-
108	Amount for Attachment 4	(Line 106 less line 107)	-

Attachment 5

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

Line No.	Month	Transmission O&M Expenses	Account No. 566 (Misc. Trans. Expense)	Account No. 565	A&G Expenses	FERC Annual Fees	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Transmission Related Reg. Comm. Exp.	Transmission Lease Payments	Amortization of Regulatory Asset	Miscellaneous Transmission Expense (less amortization of regulatory asset)	Depreciation Expense - Transmission
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line No.:	1	2	3	4	5	6	7	9	11	12	16
	Form No. 1	321.112.b	321.97.b	321.96.b	323.197.b	(Note E)	(Note E)	(Note E)	Portion of Transmission O&M	Portion of Account 566	Balance of Account 566	336.7.b, d & e
1	January											
2	February											
3	March											
4	April											
5	May											
6	June											
7	July											
8	August											
9	September											
10	October											
11	November											
12	December											
13	Total		$	$	$	$	$	$	$	$	$	$

Line No.	Month	Depreciation Expense - General & Intangible	Amortization of Abandoned Plant	Payroll Taxes	Highway & Vehicle Taxes	Property Taxes	Gross Receipts Taxes	Other Taxes	Payments in lieu of Taxes	Amortized Investment Tax Credit (266.8f)	Excess Deferred Income Taxes	Tax Effect of Permanent Differences
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line Number	17	19	23	24	26	27	28	29	37	38	39
	Form No. 1	336.10.b, d & e, 336.1.b, d	(Note S)	263.i	263.i	263.i	263.i	263.i	263.i	266.8.f	(Note G)	(Note W)
14	January											
15	February											
16	March											
17	April											
18	May											
19	June											
20	July											
21	August											
22	September											
23	October											
24	November											
25	December											
26	Total	$	$	$	$	$ -	$	$	$	$	$	$

Attachment 5
Attachment H, Pages 3 and 4, Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

		Bundled Sales for Resale included on page 4 of Attachment H (a)	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (b)	Transmission charges for all transmission transactions (c)	Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10. (d)	Account No. 457.1 Scheduling (e)
Attachment H, Page 4, Line No:		27	29	31	32	Attach H, p 1 line 4
		(Note L)	(Note M)	Portion of Account 456.1	Portion of Account 456.1	
27	January			-	-	-
28	February			-	-	-
29	March			-	-	-
30	April			-	-	-
31	May			-	-	-
32	June			-	-	-
33	July			-	-	-
34	August			-	-	-
35	September			-	-	-
36	October			-	-	-
37	November			-	-	-
38	December			-	-	-
39	Total	$	$	$ -	$ -	$ -
40						

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

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

			$	$	Cost	Weighted	
48	Long Term Debt	Note A	-	-	-	-	=WCL
49	Preferred Stock (112.3.c)	Note B	-	-	-	-	
50	Common Stock	Note C	-	-	10.1%	-	
51	Total	Sum of Lines 48-	-			-	=R

Note:

A Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The cost is calculated by dividing line 42 by the Long Term Debt balance in line 48. In the event there is a construction loan prior to the issuance of non-construction debt, line 42 will include the interest and line 48 will include the outstanding amounts associated with the construction financing.

B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c & d in the Form No. 1

C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 3.c & d, 12.c & d, and 16.c & d in the Form No. 1 as shown on lines 41-44 above. ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.

Attachment 6
True-Up Interest Rates
NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

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

9 Year
10

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Project # Or Other Identifier	Project Name	The Difference Between the Revenue Actual Received for the Month And the Monthly Revenue Requirement (1/12 of the Amount in Column 14 of Attachment 1) January	February	March	April	May	June	July	August	September	October	November	Interest December	Interest Rate (line 8)	(Note B)
11																-
11a																-
11																-
11c																-
…																-
																-
																-
																-
																-
																-
																-
																-
																-
																-
																-
																-

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

Attachment 7

PBOPs

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Calculation of PBOP Expenses

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

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

Attachment 8
Depreciation Rates
NextEra Energy Transmission MidAtlantic Indiana, Inc.

Line	Account Number	FERC Account	Rate (Annual)Percent
	TRANSMISSION PLANT		
1	350.1	Fee Land	0.00
2	350.2	Land Rights	1.33
2	352	Structures and Improvements	3.36
3	353	Station Equipment	2.92
4	354	Towers and Fixtures	2.02
5	355	Poles and Fixtures	2.05
6	356	Overhead Conductor and Devices	3.10
7	357	Underground Conduit	0.00
8	358	Underground Conductor and Devices	0.00
9	359	Roads and Trails	0.00
	GENERAL PLANT		
10	390	Structures & Improvements	0.00
11	391	Office Furniture & Equipment	5.25
12	392	Transportation Equipment	0.00
13	393	Stores Equipment	0.00
14	394	Tools, Shop & Garage Equipment	0.00
15	395	Laboratory Equipment	0.00
16	397	Communication Equipment	25.00
17	398	Miscellaneous Equipment	2.50
	INTANGIBLE PLANT		
18	301	Organization	1.85
19	302	Intangible	1.85
20	303	Miscellaneous Intangible Plant	
21		5 Year Property	20.00
22		7 Year Property	14.29
23		10 Year Property	10.00
24		Transmission facility Contributions in Aid of Construction	Note 1

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

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

ATTACHMENT C

Redlined Version of Attachment H-33B

Attachment H-33B(1)

Formula Rate - Non-Levelized

NextEra Energy Transmission MidAtlantic Indiana, Inc. **Note Z**

Rate Formula Template

Utilizing FERC Form 1 Data

For the 12 months ended ____

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

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data
NextEra Energy Transmission MidAtlantic Indiana, Inc.

Line No.	(1)	(2) Source	(3) Company		(4)	(5) Transmission (Col 3 times
	RATE BASE:					
	GROSS PLANT IN SERVICE (Notes U and R)					
1	Production	205.46.g for end of year, records for other months		NA		
2	Transmission	Attachment 4, Line 14, Col. (b)		TP		
3	Distribution	207.75.g for end of year, records for other months		NA		
4	General & Intangible	Attachment 4, Line 14, Col. (c)		W/S		
5	Common	356.1 for end of year, records for other months		CE		
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)		GP=		
7	ACCUMULATED DEPRECIATION (Notes U and R)					
8	Production	219.20-24.c for end of year, records for other months		NA		
9	Transmission	Attachment 4, Line 14, Col. (h)		TP		
10	Distribution	219.26.c for end of year, records for other months		NA		
11	General & Intangible	Attachment 4, Line 14, Col. (i)		W/S		
12	Common	356.1 for end of year, records for other months		CE		
13	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)				
14	NET PLANT IN SERVICE					
15	Production	(line 1minus line 8)				
16	Transmission	(Line 2 minus line 9)				
17	Distribution	(line 3 minus line 10)				
18	General & Intangible	(Line 4 minus line 11)				
19	Common	(line 5 minus line 12)				
20	TOTAL NET PLANT	(Sum of Lines 15 through 19)		NP=		
21	ADJUSTMENTS TO RATE BASE (Note R)					
22	Account No. 281 (enter negative)	Attach 4, Line 28, Col. (d)/Attach 4a, Line 54, Col. H (Notes B and X)		NA	zero	
23	Account No. 282 (enter negative)	Attach 4, Line 28, Col. (e)/Attach 4a, Line 81, Col. H (Notes B and X)		NP		
24	Account No. 283 (enter negative)	Attach 4, Line 28, Col. (f)/Attach 4a, Line 108, Col. H (Notes B and		NP		
25	Account No. 190	Attach 4, Line 28, Col. (g)/Attach 4a, Line 27, Col. H (Notes B and X)		NP		
26	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Notes B and X)		NP		
26a	Unfunded Reserves (enter negative)	Attachment 4, Line 31, Col. (h) (Note Y)		DA		
27	CWIP- Commission Approved Order 679 Projects	Attachment 4, Line 14, Col. (d)		DA		
28	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note T)		DA		
29	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note S)		DA		
30	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)				
31	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note C)		TP		
32	WORKING CAPITAL	(Note D)				
33	CWC	1/8*(Page 3, Line 14 minus Page 3, Line 11)				
34	Materials & Supplies	Attachment 4, Line 14, Col. (f) (Note C)		TP		
35	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)		GP		
36	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)				
37	RATE BASE	(Sum of Lines 20, 30, 31 & 36)				

Utilizing FERC Form 1 Data For the 12 months ended ____
NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data
NextEra Energy Transmission MidAtlantic Indiana, Inc.

For the 12 months ended ____

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)		(4)		(5)		
	TRANSMISSION PLANT INCLUDED IN ISO RATES								
1	Total Transmission plant	(Page 2, Line 2, Column 3)							
2	Less Transmission plant excluded from ISO rates	(Note H)							
3	Less Transmission plant included in OATT Ancillary Services	(Note I)							
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)							
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)				TP=			
6	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
7	Production	354.20.b		-					
8	Transmission	354.21.b		-					
9	Distribution	354.23.b		-			W&S		
10	Other	354.24,25,26.b		-			($ /		
11	Total (W& S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)				=		=	WS
12	COMMON PLANT ALLOCATOR (CE) (Note J and X)		**$**		% Electric		W&S		
13	Electric	200.3.c			(line 13 / line 16)		(line 11)		CE
14	Gas	201.3.d				*		=	
15	Water	201.3.e							
16	Total	(Sum of Lines 13 through 15)							
17	RETURN (R)	(Note V)					$		
18					Cost				
19			$	%	(Notes K, Q, & R)		Weighted		
20	Long Term Debt	(Attachment 5, line 48 Notes Q & R)		-				=WCLTD	
21	Preferred Stock (112.3.c)	(Attachment 5, line 49 Notes Q & R)		-					
22	Common Stock	(Attachment 5, line 50 Notes K, Q & R)		-	10.1%				
23	Total	(Attachment 5, line 51)						=R	
24	REVENUE CREDITS								
25	ACCOUNT 447 (SALES FOR RESALE) (Note L)	310 -311							
26	a. Bundled Non-RQ Sales for Resale	311.x.h							
27	b. Bundled Sales for Resale	Attach 5, line 39, col (a)							
28	Total of (a)-(b)								
29	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	(Note M) Attach 5, line 39, col (b)							
30	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	330.x.n							
31	a. Transmission charges for all transmission transactions	Attach 5, line 39, col (c)							
32	b. Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.	Attach 5, line 39, col (d)					-		
33	Total of (a)-(b)						-		

Formula Rate - Non-Levelized | Rate Formula Template | For the 12 months ended ____
Utilizing FERC Form 1 Data
NextEra Energy Transmission MidAtlantic Indiana, 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	Reserved
B	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income. Account 281 is not allocated.
C	Identified in Form 1 as being only transmission related.
D	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 14, column 5 minus amortization of Regulatory Asset at page 3, line 11, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.
E	Page 3, Line 6 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1 found at 323.191.b. Page 3, Line 7- Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
F	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
G	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 36). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).

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

H	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
I	Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
J	Enter dollar amounts
K	ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
L	Page 4, Line 28 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1.
M	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
N	Company will not have any grandfathered agreements. Therefore, this line shall remain zero.
O	The revenues credited on page 1 lines 2-6 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. Revenue Credits do not include revenues associated with FERC annual charges, gross receipts taxes,-facilities not included in this template (e.g., direct assignment facilities and GSUs) the costs of which are not recovered under this Rate Formula Template.
P	Reserved
Q	Prior to obtaining any debt, the cost of debt will be LIBOR plus 1.5%. Once any debt is obtained, the formula will use the actual cost of debt determined in Attachment 5. The capital structure of a NEET PJM Entity will be 60% equity and 40% debt until such NEET PJM Entity's first transmission project enters service, after which such NEET Entity's capital structure will be its actual capital structure. LIBOR refers to the London Inter Bank Offer Rate from the Federal Reserve Bank of St. Louis's https://fred.stlouisfed.org/.
R	Calculate using 13 month average balance, except ADIT.
S	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must receive FERC authorization before recovering the cost of abandoned plant.
T	Each NEET PJM Entity has a Regulatory Asset rate incentive for prudently-incurred pre-commercial and formation costs. When the net book value of all transmission facilities owned by NEET PJM Entities in the PJM Region equals or exceeds $50 million, a NEET PJM Entity: (i) may file for authorization from the Commission to amortize and recover in rates its Regulatory Asse for pre-commercial and formation costs; and (ii) shall cease to book expenses to such Regulatory Asset effective upon the effective date of such filing. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year after Commission authorization to recover the Regulatory Asset.
U	Excludes Asset Retirement Obligation balances
V	Company shall be allowed recovery of costs related to interest rate locks. Absent a Section 205 filing, Company shall not include in the Formula Rate, the gains, losses, or costs related to other hedges.
W	The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference
X	Calculated on Attachment 4 for the true up and on Attachment 4a for the projection
Y	Unfunded Reserves are customer contributed capital such as when employee vacation expense is accrued but not yet incurred. Also, pursuant to Special Instructions to Accounts 228.1 through 228.4, no amounts shall be credited to accounts 228.1 through 228.4 unless authorized by a regulatory authority or authorities to be collected in a utility's rates.
Z	This Formula Rate Template, including Attachments, is to be used by any NEET PJM Entity, which includes NEET MidAtlantic, LLC, and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff. Each subsequent NEET PJM Entity shall use a replication of H-33B(1) designated as a subsequent version (e.g., H-33B(2), etc.), in this Attachment H-33.

Attachment 1
Project Revenue Requirement Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

To be completed in conjunction with Attachment H.

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

Attachment 1
Project Revenue Requirement Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

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

Attachment 2
Incentive ROE

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Notes:

A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any actual ROE incentive must be app
For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.37 on Attachment 1 column 12.

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

Attachment 3

Project True-Up

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Line			Revenue Requirement Projected For Rate Year		Revenue Received[3]	Actual Revenue Requirement	Annual True-Up Calculation			
1	Rate Year being Trued-Up									
2					$					
	A	B	C	D	E	F	G	H	I	J
	Project # Or Other Identifier	Project Name	Projected Net Revenue Requirement[1]	% of Total Revenue Requirement	Revenue Received (E, Line 2) x	Actual Net Revenue Requirement[2]	Net Under/(Over) Collection (F)-	Prior Period Adjustment [5]	Interest Income (Expense)[4]	Total True-Up (G) + (H) +
3	Attachment H		-							
3a			-							
3b			-							
3c			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
			-							
4	Total Annual Revenue Requirements (Note A)									

Monthly Interest Rate

Interest Income (Expense)

Notes:

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

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

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

4) Interest from Attachment 6.

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

Prior Period Adjustment

Line	(a)	(b)	(c)	(d)
	Prior Period (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)
5		-		

Notes:

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

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

Attachment 4

Rate Base Worksheet

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Adjustments to Rate Base

Line No	**Month**	**Unamortized Regulatory Asset**	**Unamortized Abandoned Plant**	**Account No. 281 Accumulated Deferred Income Taxes (Note D)**	**Account No. 282 Accumulated Deferred Income Taxes (Note D)**	**Account No. 283 Accumulated Deferred Income Taxes (Note D)**	**Account No. 190 Accumulated Deferred Income Taxes (Note D)**	**Account No. 255 Accumulated Deferred Investment Credit**
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
	Attachment H, Page 2, Line No:	28	29	22	23	24	25	26
		Notes A & E	**Notes B & F**	**272.8.b & 273.8.k**	**274.2.b & 275.2.k**	**276.9.b & 277.9.k**	**234.8.b & c**	**Consistent with 266.8.b & 267.8.h**
15	Month 12 Prior Year							
16	Month 1			[redacted]				
17	Month 2							
18	Month 3							
19	Month 4							
20	Month 5							
21	Month 6							
22	Month 7							
23	Month 8							
24	Month 9							
25	Month 10							
26	Month 11							
27	Month 12							
28	Average of the 13 Monthly Balances			-	-			

Attachment 4

Rate Base Worksheet

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Notes:

A Recovery of regulatory asset is limited to any regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 6 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in ratebase.

D ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.

E Each NEET PJM Entity has a Regulatory Asset rate incentive for prudently-incurred pre-commercial and formation costs. When the net book value of all transmission facilities owned by NEET PJM Entities in the PJM Region equals or exceeds $50 million, a NEET PJM Entity: (i) may file for authorization from the Commission to amortize and recover in rates its Regulatory Asset; and (ii) shall cease to book expenses to the Regulatory Asset effective upon the effective date of such filing. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital calculated pursuant to this formula will be applied to the Regulatory Asset prior to the rate year after Commission authorization to recover the Regulatory Asset.

F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.

H Calculate using 13 month average balance, except ADIT.

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Attachment 4a - Accumulated Deferred Income Taxes

Year Ended __

Rate Year =

Line								
1	**Account 190**							
2	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
3	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
4								
5	End of Year balance Prorated Items							-
6	Month 1	-	-	-	-	-	-	-
7	Month 2	-	-	-	-	-	-	-
8	Month 3	-	-	-	-	-	-	-
9	Month 4	-	-	-	-	-	-	-
10	Month 5	-	-	-	-	-	-	-
11	Month 6	-	-	-	-	-	-	-
12	Month 7	-	-	-	-	-	-	-
13	Month 8	-	-	-	-	-	-	-
14	Month 9	-	-	-	-	-	-	-
15	Month 10	-	-	-	-	-	-	-
16	Month 11	-	-	-	-	-	-	-
17	Month 12	-	-	-	-	-	-	-
18	Total					-	-	
19	Beginning Balance				234.8.b			-
20	Less non Prorated Items				(Line 19 less line 21)			-
21	Beginning Balance of Prorated items				(Line 5, Col H)			-
22	Ending Balance				234.8.c			-
23	Less non Prorated Items				(Line 22 less line 24)			-
24	Ending Balance of Prorated items				(Line 17, Col H)			-
25	Average Balance				Line 17, Col H + (Lines 20 + 23)/2			-
26	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
27	Amount for Attachment 4				(Line 25 less line 26)			-

Line								
28	**Account 281**							
29	**Days in Period**					**Averaging with Proration - Projected**		
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
30	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
31								
32	End of Year balance Prorated Items							-
33	Month 1	-	-	-	-	-	-	-
34	Month 2	-	-	-	-	-	-	-
35	Month 3	-	-	-	-	-	-	-
36	Month 4	-	-	-	-	-	-	-
37	Month 5	-	-	-	-	-	-	-
38	Month 6	-	-	-	-	-	-	-
39	Month 7	-	-	-	-	-	-	-

Line	A	B	C	D	E	F	G	H
40	Month 8	-	-	-	-	-	-	-
41	Month 9	-	-	-	-	-	-	-
42	Month 10	-	-	-	-	-	-	-
43	Month 11	-	-	-	-	-	-	-
44	Month 12	-	-	-	-	-	-	-
45	Total					-	-	
46	Beginning Balance				274.b			-
47	Less non Prorated Items				(Line 46 less line 48)			-
48	Beginning Balance of Prorated items				(Line 32, Col H)			-
49	Ending Balance				275.k			-
50	Less non Prorated Items				(Line 49 less line 51)			-
51	Ending Balance of Prorated items				(Line 44, Col H)			-
52	Average Balance				Line 44, Col H + (Lines 47 + 50)/2			-
53	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
54	Amount for Attachment 4				(Line 52 less line 53)			-

55 **Account 282**

Line	Days in Period					Averaging with Proration - Projected		
56	A	B	C	D	E	F	G	H
57	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
58								
59	End of Year balance Prorated Items							-
60	Month 1	-	-	-	-	-	-	-
61	Month 2	-	-	-	-	-	-	-
62	Month 3	-	-	-	-	-	-	-
63	Month 4	-	-	-	-	-	-	-
64	Month 5	-	-	-	-	-	-	-
65	Month 6	-	-	-	-	-	-	-
66	Month 7	-	-	-	-	-	-	-
67	Month 8	-	-	-	-	-	-	-
68	Month 9	-	-	-	-	-	-	-
69	Month 10	-	-	-	-	-	-	-
70	Month 11	-	-	-	-	-	-	-
71	Month 12	-	-	-	-	-	-	-
72	Total					-	-	
73	Beginning Balance				274.b			-
74	Less non Prorated Items				(Line 73 less line 75)			-
75	Beginning Balance of Prorated items				(Line 59, Col H)			-
76	Ending Balance				275.k			-
77	Less non Prorated Items				(Line 76 less line 78)			-
78	Ending Balance of Prorated items				(Line 71, Col H)			-
79	Average Balance				Line 71, Col H + (Lines 74 + 77)/2			-
80	Less FASB 106 & 109 Items				Attachment H, Footnote B			-
81	Amount for Attachment 4				(Line 79 less line 80)			-

Line	A	B	C	D	E	F	G	H
82	**Account 283**							
83	**Days in Period**					**Averaging with Proration - Projected**		
84	**A** Month	**B** Days in the Month	**C** Number of Days Prorated	**D** Total Days in Future Portion of Test Period	**E** Proration Amount (C / D)	**F** Projected Monthly Activity	**G** Prorated Projected Monthly Activity (E x F)	**H** Prorated Projected Balance (Cumulative Sum of G)
85								
86	End of Year balance Prorated Items							-
87	Month 1	-	-	-	-	-	-	-
88	Month 2	-	-	-	-	-	-	-
89	Month 3	-	-	-	-	-	-	-
90	Month 4	-	-	-	-	-	-	-
91	Month 5	-	-	-	-	-	-	-
92	Month 6	-	-	-	-	-	-	-
93	Month 7	-	-	-	-	-	-	-
94	Month 8	-	-	-	-	-	-	-
95	Month 9	-	-	-	-	-	-	-
96	Month 10	-	-	-	-	-	-	-
97	Month 11	-	-	-	-	-	-	-
98	Month 12	-	-	-	-	-	-	-
99	Total					-	-	

Line	Item	Source	Amount
100	Beginning Balance	276.b	-
101	Less non Prorated Items	(Line 100 less line 102)	-
102	Beginning Balance of Prorated items	(Line 86, Col H)	-
103	Ending Balance	277.k	-
104	Less non Prorated Items	(Line 103 less line 105)	-
105	Ending Balance of Prorated items	(Line 98, Col H)	-
106	Average Balance	Line 98, Col H + (Lines 101 + 103)/2	-
107	Less FASB 106 & 109 Items	Attachment H, Footnote B	-
108	Amount for Attachment 4	(Line 106 less line 107)	-

Attachment 5

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

Line No.	Month	Transmission O&M Expenses	Account No. 566 (Misc. Trans. Expense)	Account No. 565	A&G Expenses	FERC Annual Fees	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Transmission Related Reg. Comm. Exp.	Transmission Lease Payments	Amortization of Regulatory Asset	Miscellaneous Transmission Expense (less amortization of regulatory asset)	Depreciation Expense - Transmission
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line No.:	1	2	3	4	5	6	7	9	11	12	16
	Form No. 1	321.112.b	321.97.b	321.96.b	323.197.b	(Note E)	(Note E)	(Note E)	Portion of Transmission O&M	Portion of Account 566	Balance of Account 566	336.7.b, d & e
1	January											
2	February											
3	March											
4	April											
5	May											
6	June											
7	July											
8	August											
9	September											
10	October											
11	November											
12	December											
13	Total		$	$	$	$	$	$	$	$	$	$

Line No.	Month	Depreciation Expense - General & Intangible	Amortization of Abandoned Plant	Payroll Taxes	Highway & Vehicle Taxes	Property Taxes	Gross Receipts Taxes	Other Taxes	Payments in lieu of Taxes	Amortized Investment Tax Credit (266.8f)	Excess Deferred Income Taxes	Tax Effect of Permanent Differences
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Attachment H, Page 3, Line Number	17	19	23	24	26	27	28	29	37	38	39
	Form No. 1	336.10.b, d & e, 336.1.b, d	(Note S)	263.i	263.i	263.i	263.i	263.i	263.i	266.8.f	(Note G)	(Note W)
14	January											
15	February											
16	March											
17	April											
18	May											
19	June											
20	July											
21	August											
22	September											
23	October											
24	November											
25	December											
26	Total	$	$	$	$	$ -	$	$	$	$	$	$

Attachment 5
Attachment H, Pages 3 and 4, Worksheet
NextEra Energy Transmission MidAtlantic Indiana, Inc.

		Bundled Sales for Resale included on page 4 of Attachment H	**ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)**	**Transmission charges for all transmission transactions**	**Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.**	**Account No. 457.1 Scheduling**
		(a)	(b)	(c)	(d)	(e)
Attachment H, Page 4, Line No:		27	29	31	32	Attach H, p 1 line 4
		(Note L)	(Note M)	Portion of Account 456.1	Portion of Account 456.1	
27	January			-	-	-
28	February			-	-	-
29	March			-	-	-
30	April			-	-	-
31	May			-	-	-
32	June			-	-	-
33	July			-	-	-
34	August			-	-	-
35	September			-	-	-
36	October			-	-	-
37	November			-	-	-
38	December			-	-	-
39	Total	$	$	$ -	$ -	$ -
40						

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

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

			$	$	Cost	Weighted	
48	Long Term Debt	Note A	-	-	-	-	=WCL
49	Preferred Stock (112.3.c)	Note B	-	-	-	-	
50	Common Stock	Note C	-	-	10.1%	-	
51	Total	Sum of Lines 48-	-			-	=R

Note:

A Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The cost is calculated by dividing line 42 by the Long Term Debt balance in line 48. In the event there is a construction loan prior to the issuance of non-construction debt, line 42 will include the interest and line 48 will include the outstanding amounts associated with the construction financing.

B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c & d in the Form No. 1

C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 3.c & d, 12.c & d, and 16.c & d in the Form No. 1 as shown on lines 41-44 above. ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.

Attachment 6

True-Up Interest Rates

NextEra Energy Transmission MidAtlantic Indiana, Inc.

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

Note A:

(1) The FERC Quarterly Interest Rate in column [A] is the interest applicable to the quarter

(2) The Short Term Debt Rate in column [B] is the weighted average Short Term Debt cost applicable to the

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

9 Year

10

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Project # Or Other Identifier	Project Name	The Difference Between the Revenue Actual Received for the Month And the Monthly Revenue Requirement (1/12 of the Amount in Column 14 of Attachment 1) January	February	March	April	May	June	July	August	September	October	November	Interest December	Interest Rate (line 8)	(Note B)
11																
11a																-
11b																-
11c																-
…																-
																-
																-
																-
																-
																-
																-
																-
																-
																-
																-
																-
																-

Note B

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

Attachment 7

PBOPs

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Calculation of PBOP Expenses

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

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

Attachment 8

Depreciation Rates

NextEra Energy Transmission MidAtlantic Indiana, Inc.

Line	Account Number	FERC Account		Rate (Annual)Percent
	TRANSMISSION PLANT			
1	350.1	Fee Land		0.00
2	350.2	Land Rights		1.33
2	352	Structures and Improvements		3.36
3	353	Station Equipment		2.92
4	354	Towers and Fixtures		2.02
5	355	Poles and Fixtures		2.05
6	356	Overhead Conductor and Devices		3.10
7	357	Underground Conduit		0.00
8	358	Underground Conductor and Devices		0.00
9	359	Roads and Trails		0.00
	GENERAL PLANT			
10	390	Structures & Improvements		0.00
11	391	Office Furniture & Equipment		5.25
12	392	Transportation Equipment		0.00
13	393	Stores Equipment		0.00
14	394	Tools, Shop & Garage Equipment		0.00
15	395	Laboratory Equipment		0.00
16	397	Communication Equipment		25.00
17	398	Miscellaneous Equipment		2.50
	INTANGIBLE PLANT			
18	301	Organization		1.85
19	302	Intangible		1.85
20	303	Miscellaneous Intangible Plant		
21		5 Year Property		20.00
22		7 Year Property		14.29
23		10 Year Property		10.00
24		Transmission facility Contributions in Aid of Construction	Note 1	

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

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