July 27, 2026

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20246

**Re: American Transmission Systems, Inc.
Docket No. ER26-3287-000**

Filing to Revise Transmission Formula Rate to Comply with Order on Remand Issued in Docket No. EL22-34-002

Dear Secretary Reese:

American Transmission Systems, Inc. ("ATSI") submits this filing[1] in compliance with the Order on Remand issued by the Federal Energy Regulatory Commission ("FERC" or the "Commission") in Docket No. EL22-34-002 on June 25, 2026.[2] ATSI respectfully requests that the Commission accept, as complying with the Order on Remand, the revisions proposed in this filing to ATSI's transmission formula rate set forth in Attachment H-21A to the PJM OATT. Consistent with the Order on Remand, ATSI respectfully requests an effective date for these PJM OATT revisions specified in the Order on Remand—December 15, 2022.

I. Background

A. ATSI and Its Transmission Formula Rate

ATSI, a wholly owned subsidiary of FirstEnergy Corp., is a transmission-only utility that owns, operates, and maintains transmission facilities in Ohio and western Pennsylvania. ATSI is a transmission-owning member of PJM whose facilities are subject to the functional control of PJM.

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[1] Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. ("PJM") on behalf of ATSI 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 the PJM Transmission Owners, including ATSI, in order to retain administrative control over the PJM Open Access Transmission Tariff ("OATT"). Thus, ATSI has requested that PJM submit this filing in the Commission's eTariff system as part of PJM's electronic Intra-PJM Tariffs (available in eTariff at https://etariff.ferc.gov/TariffBrowser.aspx?tid=1731).

[2] *Office of the Ohio Consumers' Counsel v. Am. Elec. Power Serv. Corp., et al.*, 195 FERC ¶ 61,241 (the "Order on Remand").

ATSI's formula rate for transmission service is contained in Attachment H-21A to the PJM OATT. As explained below, the United States Court of Appeals for the Sixth Circuit (the "Sixth Circuit Court") ruled, in the opinion that directly led to the issuance of the Order on Remand, that the Commission-authorized return on equity ("ROE") contained in ATSI's formula rate includes an adder (the "RTO Adder") for participation in the PJM Regional Transmission Organization ("RTO") that ATSI must remove from its formula rate. ATSI's ROE inclusive of the RTO Adder is currently set to 10.38%.[3]

B. Commission and Sixth Circuit Court Proceedings that Led to the Order on Remand

On February 24, 2022, the Office of the Ohio Consumers' Counsel (the "OCC") filed a complaint in Docket No. EL22-34-000 (the "OCC Complaint")[4] against American Electric Power Service Corporation ("AEPSC"), ATSI, and Duke Energy Ohio, LLC ("Duke") alleging that they are ineligible for a 50 basis point RTO Adder to the authorized ROE for participation in a Transmission Organization[5] provided for under Order No. 679,[6] on the grounds that their participation is not voluntary under Ohio law.

The Commission issued an order granting the complaint in part, denying in part, and establishing a refund effective date of February 24, 2022.[7] The Commission directed transmission-owning subsidiaries of AEPSC—but not ATSI or Duke—to submit a filing in compliance with the OCC Initial Order to remove the RTO Adder from their formula rates effective February 24, 2022, provide refunds with interest calculated at the Commission rate for the period from February 24, 2022 through the date that refunds are

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3 *See* Attachment H-21A to PJM OATT, page 5 of 5, at Note P (stating in relevant part that "[p]er the Settlement Agreement approved by order dated October 29, 2015, in Docket No. ER15-303-000, ATSI's stated ROE is set to . . . 10.38% for the period commencing January 1, 2016").

4 OCC filed its Complaint pursuant to sections 206 (16 U.S.C. § 824e) and 306 (16 U.S.C. § 825e) of the Federal Power Act ("FPA").

5 A Transmission Organization is "a Regional Transmission Organization, Independent System Operator, independent transmission provider, or other transmission organization finally approved by the Commission for the operation of transmission facilities." 16 U.S.C. § 796(29); 18 C.F.R. § 35.35(e).

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

7 *Office of the Ohio Consumers' Counsel v. Am. Elec. Power Serv. Corp., et al.*, 181 FERC ¶ 61,214, at P 1, Ordering Paragraph (A) (2022) (the "OCC Initial Order").

made, and file a refund report with the Commission.[8] The Commission later reached the same result on rehearing of the OCC Initial Order.[9]

AEPSC submitted the compliance filing[10] and the refund report[11] directed in the OCC Initial Order. The Commission issued an order accepting both submittals effective February 24, 2022.[12]

Both the OCC and AEPSC petitioned for review of the OCC Initial Order and the OCC Rehearing Order with the Sixth Circuit Court.[13] In 2025, the Sixth Circuit Court issued an opinion holding in relevant part that the Commission erred in not directing ATSI to remove the RTO Adder from its formula rate due to the fact that Ohio law mandates ATSI's participation in a regional transmission entity. Therefore, the Sixth Circuit Court reversed the OCC Initial Order and the OCC Rehearing Order as to their findings regarding the RTO Adder for ATSI and remanded the case to the Commission for further proceedings consistent with the opinion.[14]

C. The Order on Remand

In the Order on Remand, the Commission found in relevant part that ATSI does not qualify for an RTO Adder, in accordance with the findings in the Sixth Circuit Court Opinion.[15] The Commission directed ATSI to make a compliance filing within 30 days of the date of the Order on Remand to remove the RTO Adder from its transmission

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8 *Id.* at Ordering Paragraphs (B)-(D). The Commission found that "OCC has not met its burden of showing the rates for Duke and ATSI are unjust and unreasonable as the Commission did not specifically grant them an RTO Adder under section 219 [of the FPA] and their rates were instead the products of comprehensive settlements." *Id.* at P 60. *See also id.* at PP 64-66 (further explaining the rationale for the Commission's findings as to ATSI and Duke).

9 *Office of the Ohio Consumers' Counsel v. Am. Elec. Power Serv. Corp., et al.,* 183 FERC ¶ 61,034 (2023) (the "OCC Rehearing Order").

10 AEPSC submitted its compliance filing on January 17, 2023 in Docket No. ER23-855-000.

11 AEPSC submitted its refund report on February 13, 2023 in Docket No. EL22-34-000.

12 *Office of the Ohio Consumers' Counsel v. Am. Elec. Power Serv. Corp., et al.*, 183 FERC ¶ 61,042 (2023).

13 The OCC and AEPSC also petitioned for review of the Commission's notice of denial of rehearing of the OCC Initial Order by operation of law and providing for further consideration, *Office of the Ohio Consumers' Counsel v. Am. Elec. Power Serv. Corp., et al.*, 182 FERC ¶ 62,095 (2023).

14 *Dayton Power & Light Co. v. FERC*, 126 F.4th 1107, 1113, 1123, 1133-35 (Sixth Cir. 2025) (the "Sixth Circuit Court Opinion"). The Sixth Circuit Court also made similar findings as to Duke, and captioned its Opinion to list Dayton Power & Light Company due to its consolidating the petitions for review regarding the OCC Initial Order and the OCC Rehearing Order with existing petitions for review regarding other Commission orders.

15 Order on Remand at PP 9-10.

formula rate effective December 15, 2022 (*i.e.*, the date the OCC Initial Order was issued).[16]

II. Compliance with the Order on Remand

To comply with the directive in the Order on Remand to remove a 50 basis point RTO Adder from ATSI's transmission formula rate, ATSI proposes to revise Note P on page 5 of 5 of Attachment H-21A to the PJM OATT to state that, pursuant to the Commission's pending acceptance of this compliance filing, ATSI's stated ROE is set to 9.88% for the period commencing December 15, 2022.[17]

III. Materials Provided in this Compliance Filing

In addition to this transmittal letter, this compliance filing includes:

Attachment A	A clean PJM OATT sheet that reflects the transmission formula rate revisions described above
Attachment B	A red-lined PJM OATT sheet that reflects the transmission formula rate revisions described above

IV. Effective Date

ATSI requests that the Commission accept the transmission formula rate revisions submitted on compliance in this filing effective as of the date specified in the Order on Remand—*i.e.*, December 15, 2022.

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16 *Id.* at P 11 and Ordering Paragraph (A). The Commission also directed ATSI to make refunds within 30 days of the date of the Order on Remand, with interest calculated at the Commission rate, for the period beginning February 24, 2022 (the date the OCC Complaint was filed) through the date ATSI makes refunds in accordance with the Order on Remand. *Id.* at P 11 and Ordering Paragraph (B). On July 15, 2026, ATSI filed a motion for an extension of time to provide the full amount of refunds through the PJM and Midcontinent Independent System Operator, Inc. ("MISO") billing processes by February 28, 2027. (ATSI was formerly a member of MISO.) On July 22, 2026, the Commission issued a notice granting the motion for an extension of time.

17 ATSI also proposes to make a conforming change to a line item regarding Note P on page 4 of 5 of Attachment H-21A to the PJM OATT. After the Commission accepts this compliance filing, ATSI plans to submit a further compliance filing in this docket to specify the date and docket number of the Commission order accepting it.

V. Correspondence and Communications

All notices, correspondence, and communications regarding this filing should be directed to the following individuals and their names should be placed on the official service list maintained by the Secretary for this proceeding:

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PJM has served a copy of this filing on all necessary PJM Members and state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,[18] 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 this filing to all PJM Members and all state utility regulatory commissions in the PJM Region[19] alerting them that this filing has been made by PJM and is available by following such link. 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: https://www.ferc.gov/ferc-online/elibrary in accordance with the Commission's regulations and Order No. 714. In addition, ATSI has served a copy of this filing on all parties in Docket No. EL22-34.

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

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

VI. Conclusion

ATSI respectfully requests that the Commission accept this filing as fully complying with the Order on Remand.

Respectfully submitted,

/s/ Michael Kunselman

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ATTACHMENT A

CLEAN COPY OF REVISIONS TO OATT ATT H-21A

For the 12 months ended 12/31/

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

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

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

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

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

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

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

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

American Transmission Systems, Inc.

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

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

American Transmission Systems, Inc.

SUPPORTING CALCULATIONS AND NOTES

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

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

American Transmission Systems, Inc.

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

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

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

L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 - 561.3, and 561.BA.
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
O	Enter dollar amounts
P	Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). No change in ROE may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act. Per the Settlement Agreement approved by order dated October 29, 2015, in Docket No. ER15-303-000, and the FERC order described in the next sentence, ATSI's stated ROE is set to: (a) 12.38% through June 30, 2015; (b) 11.06% for the period July 1, 2015 through December 31, 2015; and (c) 10.38% for the period January 1, 2016 through December 14, 2022. Per FERC's acceptance of ATSI's compliance filing by order issued on [date of order] in Docket No. ER26-[____]-000, ATSI's stated ROE is set to 9.88% for the period commencing December 15, 2022.
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
S	Excludes revenues unrelated to transmission services.
T	The revenues credited on page 1, lines 2a-4b shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.
U	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC. Depreciation Rates: FERC Account 352 Depr %: 2.24%; FERC Account 353 Depr %: 2.06%; FERC Account 354 Depr %: 2.24%; FERC Account 355 Depr %: 3.09%; FERC Account 356 Depr %: 2.69%; FERC Account 357 Depr %: 2.00%; FERC Account 358 Depr %: 2.04%; FERC Account 359 Depr %: 1.33%. No change to these Depreciation Rates may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
V	On Line 36, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects.
W	Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
X	Calculate using a 13 month average balance.
Y	Calculate using average of beginning and end of year balance.
Z	Only include from Account No. 242 amounts relating to Vacation Accruals and Employee Incentive Compensation.
AA	Short-term debt and related interest expense shall not be included in the formula rate calculation.
BB	A&G excludes any credit facility fees charged to Account 930.2. PBOP included in FERC Acct. 926, as reported in FERC Form 1 page 323.187.b, is included in the Administrative & General Expenses input to Attachment H-21A, page 3 of 5, line 3. The total PBOP amount in FERC Acct. 926 is $0, per company records. No change to this PBOP amount may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
CC	Prepayments shall exclude prepayments of taxes attributable to time periods ending before the beginning of the time period for which the rate calculation is being made.
DD	ATSI will exclude (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation.
EE	Regulatory Assets include Vegetation Management from Appendix B-Veg, RTO Realignment Cost Adjustments ("RRCA") from Appendix C-RRCA, and Legacy MTEP Debits from Appendix F-MTEP Debits. Each regulatory asset amortization period is 10 years beginning January 1, 2021; this amortization will be recorded in Account 407.3. These inputs are limited to the regulatory assets amounts and amortization periods approved in Docket No. ER20-1740-000; no other regulatory asset amounts may be included as inputs without specific Commission approval pursuant to FPA section 205 or 206.
FF	Includes the annual income tax cost or benefits due to permanent differences or differences between the amounts of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods. These permanent differences are to include those approved in Docket No. ER20-1740-000 (specifically, the cost of income taxes on the Allowance for Other Funds Used During Construction, a 50% Disallowance for Meals and Entertainment, and Non-Deductible Parking); no other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.
GG	Upon enactment of changes in tax law, income tax rates and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes for schedule M balances not directly taken to the P&L Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes.
HH	The settlement filed in Docket No. ER20-1739-003 on October 18, 2022 specifies the calculation method for certain ADIT balances.

ATTACHMENT B

MARKED COPY OF REVISIONS TO OATT ATT H-21A

For the 12 months ended 12/31/

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

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

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

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

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

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

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

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

American Transmission Systems, Inc.

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

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

American Transmission Systems, Inc.

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)	(4)	(5)		(6)		
	TRANSMISSION PLANT INCLUDED IN ISO RATES								
1	Total transmission plant (page 2, line 2, column 3)						-		
2	Less transmission plant excluded from ISO rates (Note M)								
3	Less transmission plant included in OATT Ancillary Services (Note N)								
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)						-		
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)					TP=	0.00000		
	TRANSMISSION EXPENSES								
6	Total transmission expenses (page 3, line 1, column 3)						-		
7	Less transmission expenses included in OATT Ancillary Services (Note L)								
8	Included transmission expenses (line 6 less line 7)						-		
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)						0.00000		
10	Percentage of transmission plant included in ISO Rates (line 5)					TP	0.00000		
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)					TE=	0.00000		
	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
12	Production	354.20.b		0.00	-				
13	Transmission	354.21.b		0.00	-				
14	Distribution	354.23.b		0.00	-		W&S Allocator		
15	Other	354.24,25,26.b		0.00	-		($ / Allocation)		
16	Total (sum lines 12-15)		-		-	=	1.00000	= WS	
	COMMON PLANT ALLOCATOR (CE) (Note O)								
			$		% Electric		W&S Allocator		
17	Electric	200.3.c			(line 17 / line 20)		(line 16)		CE
18	Gas	201.3.d			1.00000	*	1.00000	=	1.00000
19	Water	201.3.e							
20	Total (sum lines 17 - 19)		-						
	RETURN (R)						$		
21		Long Term Interest (117, sum of 62c through 67c) (Note AA)							
22		Preferred Dividends (118.29c) (positive number)							
		Development of Common Stock:							
23		Proprietary Capital (112.16c) (Note X)							
24		Less Preferred Stock (line 28)					-		
25		Less Account 216.1 (112.12c) (enter negative) (Note X)							
26		Common Stock	(sum lines 23-25)				-		
			$	%	Cost (Note P)		Weighted		
27	Long Term Debt (112, sum of 18 through 21) (Note X)			0%	0.0000		0.0000	=WCLTD	
28	Preferred Stock (112.3d) (Note X)			0%	0.0000		0.0000		
29	Common Stock (line 26)		-	0%	~~0.1038~~		0.0000		
30	Total (sum lines 27-29)		-				0.0000	=R	
	REVENUE CREDITS								
	ACCOUNT 447 (SALES FOR RESALE)		(310-311)	(Note Q)					
31	a. Bundled Non-RQ Sales for Resale (311.x.h)								
32	b. Bundled Sales for Resale included in Divisor on page 1								
33	Total of line 31 less line 32						-		
34	ACCOUNT 451 (MISCELLANEOUS SERVICE REVENUE) (Note S)		(300.17.b)						
35	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)		(300.19.b)						
36	ACCOUNT 456 (OTHER ELECTRIC REVENUES) (Note V)		(330.x.n)						

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

American Transmission Systems, Inc.

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

Note Letter	
A	As provided by PJM and in effect at the time of the annual rate calculations pursuant to Section 34.1 of the PJM OATT.
B	Peak as would be reported on page 401, column d of Form 1 at the time of the zonal peak for the twelve month period ending October 31 of the calendar year used to calculate rates.
C	Amount shown in Exhibit No. FE-100, Page 29 of 33, for Deferred Internal Integration Costs.
D	Reserved
E	Reserved
F	Pertaining to adjustments to rate base, the balances in Accounts 190, 281, 282 and 283 should exclude all FASB 106 or 109 related amounts. For example, any and all amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109 should be excluded. The balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. Account 190 excludes any amounts relating to Charitable Contribution Limitations, Asset Retirement Obligations, and FAS 123 impacts related to Performance Shares and Restricted Stock Units. Accounts 282 and 283 exclude any amounts relating to AFUDC, offsets relating to Asset Retirement Obligations in Account 190, and offsets relating to Charitable Contribution Limitations in Account 190. Account 282 also excludes (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation. When determining rate base adjustments related to ADIT in Appendix G(3) ADIT, ATSI will, on a prospective basis only to become effective as of ATSI's first PTRR following the effective date of the issuance of a Final Order approving the Settlement in Docket No. ER20-1740-000 without modification or condition unacceptable to the Settling Parties, only apply the pro-rating averaging methodology to ADIT components related to or resulting from book/tax depreciation differences including but not limited to Net Operating Losses. ATSI will use the beginning/ending averaging methodology for all other non-depreciation related ADIT components. Barring an order from the Commission under FPA Section 205 or 206 approving a different methodology for ATSI, ATSI will follow the foregoing methodology until or unless the IRS or FERC issues any future guidance specifically permitting a different averaging methodology (e.g. pro-rating) for non-depreciation related ADIT components. If the IRS or FERC issues such guidance, ATSI may utilize such methodology without submitting an additional FPA section 205 filing and without additional changes to Appendix G(3) ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
I	Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
J	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Inputs Required: FIT = SIT= (State Income Tax Rate or Composite SIT) p = (percent of federal income tax deductible for state purposes)
L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 - 561.3, and 561.BA.
M	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
N	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
O	Enter dollar amounts
P	Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). No change in ROE may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act. Per the Settlement Agreement approved by order dated October 29, 2015, in Docket No. ER15-303-000, and the FERC order described in the next sentence, ATSI's stated ROE is set to: (a) 12.38% through June 30, 2015; (b) 11.06% for the period July 1, 2015 through December 31, 2015; and (c) 10.38% for the period ~~commencing~~ January 1, 2016 through December 14, 2022. Per FERC's acceptance of ATSI's compliance filing by order issued on [date of order] in Docket No. ER26-[____]-000, ATSI's stated ROE is set to 9.88% for the period commencing December 15, 2022.
Q	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
R	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
S	Excludes revenues unrelated to transmission services.
T	The revenues credited on page 1, lines 2a-4b shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.
U	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC. Depreciation Rates: FERC Account 352 Depr %: 2.24%; FERC Account 353 Depr %: 2.06%; FERC Account 354 Depr %: 2.24%; FERC Account 355 Depr %: 3.09%; FERC Account 356 Depr %: 2.69%; FERC Account 357 Depr %: 2.00%; FERC Account 358 Depr %: 2.04%; FERC Account 359 Depr %: 1.33%. No change to these Depreciation Rates may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
V	On Line 36, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects.
W	Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
X	Calculate using a 13 month average balance.
Y	Calculate using average of beginning and end of year balance.
Z	Only include from Account No. 242 amounts relating to Vacation Accruals and Employee Incentive Compensation.
AA	Short-term debt and related interest expense shall not be included in the formula rate calculation.
BB	A&G excludes any credit facility fees charged to Account 930.2. PBOP included in FERC Acct. 926, as reported in FERC Form 1 page 323.187.b, is included in the Administrative & General Expenses input to Attachment H-21A, page 3 of 5, line 3. The total PBOP amount in FERC Acct. 926 is $0, per company records. No change to this PBOP amount may be made absent a filing with FERC under Section 205 or Section 206 of the Federal Power Act.
CC	Prepayments shall exclude prepayments of taxes attributable to time periods ending before the beginning of the time period for which the rate calculation is being made.
DD	ATSI will exclude (i) Extraordinary Property Losses; and (ii) any Asset Impairment amounts incurred on or after January 1, 2015. For either (i) or (ii) above, ATSI is not precluded from requesting FERC approval through a section 205 filing for inclusion in the rate calculation.
EE	Regulatory Assets include Vegetation Management from Appendix B-Veg, RTO Realignment Cost Adjustments ("RRCA") from Appendix C-RRCA, and Legacy MTEP Debits from Appendix F-MTEP Debits. Each regulatory asset amortization period is 10 years beginning January 1, 2021; this amortization will be recorded in Account 407.3. These inputs are limited to the regulatory assets amounts and amortization periods approved in Docket No. ER20-1740-000; no other regulatory asset amounts may be included as inputs without specific Commission approval pursuant to FPA section 205 or 206.
FF	Includes the annual income tax cost or benefits due to permanent differences or differences between the amounts of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods. These permanent differences are to include those approved in Docket No. ER20-1740-000 (specifically, the cost of income taxes on the Allowance for Other Funds Used During Construction, a 50% Disallowance for Meals and Entertainment, and Non-Deductible Parking); no other permanent differences may be included without specific Commission approval pursuant to FPA section 205 or 206.
GG	Upon enactment of changes in tax law, income tax rates and other actions taken by a taxing authority, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes for schedule M balances not directly taken to the P&L Such excess or deficient deferred taxes attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes.
HH	The settlement filed in Docket No. ER20-1739-003 on October 18, 2022 specifies the calculation method for certain ADIT balances.