

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2016)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2016)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

ITC Midwest LLC

Year/Period of Report

End of 2015/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

| <u>Reference Schedules</u> | <u>Pages</u> |
|--------------------------------|--------------|
| Comparative Balance Sheet | 110-113 |
| Statement of Income | 114-117 |
| Statement of Retained Earnings | 118-119 |
| Statement of Cash Flows | 120-121 |
| Notes to Financial Statements | 122-123 |

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

| | | | |
|--|---|---|--|
| 01 Exact Legal Name of Respondent ITC Midwest LLC | | 02 Year/Period of Report End of <u>2015/Q4</u> | |
| 03 Previous Name and Date of Change <i>(if name changed during year)</i> / / | | | |
| 04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> 27175 Energy Way, Novi, MI 48377 | | | |
| 05 Name of Contact Person Fred Stibor | | 06 Title of Contact Person VP & Cntr.-ITC Holdings Corp. | |
| 07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> 27175 Energy Way, Novi, MI 48377 | | | |
| 08 Telephone of Contact Person, <i>Including Area Code</i> (248) 946-3510 | 09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | 10 Date of Report <i>(Mo, Da, Yr)</i> 12/31/2015 |

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

| | | |
|--|---------------------------------|---|
| 01 Name Fred Stibor | 03 Signature Fred Stibor | 04 Date Signed <i>(Mo, Da, Yr)</i> 04/11/2016 |
| 02 Title VP & Controller-ITC Holdings Corp. | | |

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|----------|--|---------------------------|----------------|
| 1 | General Information | 101 | |
| 2 | Control Over Respondent | 102 | |
| 3 | Corporations Controlled by Respondent | 103 | None |
| 4 | Officers | 104 | None |
| 5 | Directors | 105 | None |
| 6 | Information on Formula Rates | 106(a)(b) | |
| 7 | Important Changes During the Year | 108-109 | |
| 8 | Comparative Balance Sheet | 110-113 | |
| 9 | Statement of Income for the Year | 114-117 | |
| 10 | Statement of Retained Earnings for the Year | 118-119 | |
| 11 | Statement of Cash Flows | 120-121 | |
| 12 | Notes to Financial Statements | 122-123 | |
| 13 | Statement of Accum Comp Income, Comp Income, and Hedging Activities | 122(a)(b) | |
| 14 | Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep | 200-201 | |
| 15 | Nuclear Fuel Materials | 202-203 | None |
| 16 | Electric Plant in Service | 204-207 | |
| 17 | Electric Plant Leased to Others | 213 | None |
| 18 | Electric Plant Held for Future Use | 214 | None |
| 19 | Construction Work in Progress-Electric | 216 | |
| 20 | Accumulated Provision for Depreciation of Electric Utility Plant | 219 | |
| 21 | Investment of Subsidiary Companies | 224-225 | None |
| 22 | Materials and Supplies | 227 | |
| 23 | Allowances | 228(ab)-229(ab) | None |
| 24 | Extraordinary Property Losses | 230 | None |
| 25 | Unrecovered Plant and Regulatory Study Costs | 230 | None |
| 26 | Transmission Service and Generation Interconnection Study Costs | 231 | |
| 27 | Other Regulatory Assets | 232 | |
| 28 | Miscellaneous Deferred Debits | 233 | |
| 29 | Accumulated Deferred Income Taxes | 234 | |
| 30 | Capital Stock | 250-251 | None |
| 31 | Other Paid-in Capital | 253 | |
| 32 | Capital Stock Expense | 254 | None |
| 33 | Long-Term Debt | 256-257 | |
| 34 | Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax | 261 | |
| 35 | Taxes Accrued, Prepaid and Charged During the Year | 262-263 | |
| 36 | Accumulated Deferred Investment Tax Credits | 266-267 | None |
| | | | |

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|----------|---|---------------------------|----------------|
| 37 | Other Deferred Credits | 269 | |
| 38 | Accumulated Deferred Income Taxes-Accelerated Amortization Property | 272-273 | None |
| 39 | Accumulated Deferred Income Taxes-Other Property | 274-275 | |
| 40 | Accumulated Deferred Income Taxes-Other | 276-277 | |
| 41 | Other Regulatory Liabilities | 278 | |
| 42 | Electric Operating Revenues | 300-301 | |
| 43 | Regional Transmission Service Revenues (Account 457.1) | 302 | None |
| 44 | Sales of Electricity by Rate Schedules | 304 | None |
| 45 | Sales for Resale | 310-311 | None |
| 46 | Electric Operation and Maintenance Expenses | 320-323 | |
| 47 | Purchased Power | 326-327 | None |
| 48 | Transmission of Electricity for Others | 328-330 | |
| 49 | Transmission of Electricity by ISO/RTOs | 331 | None |
| 50 | Transmission of Electricity by Others | 332 | None |
| 51 | Miscellaneous General Expenses-Electric | 335 | |
| 52 | Depreciation and Amortization of Electric Plant | 336-337 | |
| 53 | Regulatory Commission Expenses | 350-351 | |
| 54 | Research, Development and Demonstration Activities | 352-353 | None |
| 55 | Distribution of Salaries and Wages | 354-355 | |
| 56 | Common Utility Plant and Expenses | 356 | None |
| 57 | Amounts included in ISO/RTO Settlement Statements | 397 | None |
| 58 | Purchase and Sale of Ancillary Services | 398 | |
| 59 | Monthly Transmission System Peak Load | 400 | |
| 60 | Monthly ISO/RTO Transmission System Peak Load | 400a | None |
| 61 | Electric Energy Account | 401 | None |
| 62 | Monthly Peaks and Output | 401 | |
| 63 | Steam Electric Generating Plant Statistics | 402-403 | None |
| 64 | Hydroelectric Generating Plant Statistics | 406-407 | None |
| 65 | Pumped Storage Generating Plant Statistics | 408-409 | None |
| 66 | Generating Plant Statistics Pages | 410-411 | None |
| | | | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|----------|---|---------------------------|----------------|
| 67 | Transmission Line Statistics Pages | 422-423 | |
| 68 | Transmission Lines Added During the Year | 424-425 | |
| 69 | Substations | 426-427 | |
| 70 | Transactions with Associated (Affiliated) Companies | 429 | |
| 71 | Footnote Data | 450 | |

Stockholders' Reports Check appropriate box:

- Two copies will be submitted
- No annual report to stockholders is prepared

| | | | |
|---------------------------------------|---|--|--|
| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
|---------------------------------------|---|--|--|

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Fred Stibor, Vice President and Controller - ITC Holdings Corp.
ITC Holdings Corp.
27175 Energy Way
Novi, MI 48377

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

ITC Midwest LLC is a single-member limited liability company and was organized in Michigan on January 16, 2007.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Transmission of electricity within the states of Iowa, Minnesota, Illinois and Missouri.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) Yes...Enter the date when such independent accountant was initially engaged:
(2) No

| | | | |
|---------------------------------------|---|--|--|
| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
|---------------------------------------|---|--|--|

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

1) On December 20, 2007, ITC Midwest LLC ("ITC Midwest," "we," "our," or "us"), a wholly owned subsidiary of ITC Holdings Corp. ("ITC Holdings"), completed the acquisition of the transmission assets of Interstate Power and Light Company ("IP&L"), an Alliant Energy Corporation subsidiary. Prior to December 20, 2007, ITC Midwest had no operations. As a result, the periods presented included only those periods subsequent to the date of the asset acquisition.

2) In February 2016, ITC Holdings filed a Securities and Exchange Commission ("SEC") Form 10-K report for the fiscal year ended December 31, 2015. ITC Midwest does not file a SEC Form 10-K.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Line No. | Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
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Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

| Line No. | Title (a) | Name of Officer (b) | Salary for Year (c) |
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

| Line No. | Name (and Title) of Director (a) | Principal Business Address (b) |
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates? Yes
 No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

| Line No. | FERC Rate Schedule or Tariff Number | FERC Proceeding |
|----------|--|-----------------|
| 1 | Attachment O of MISO's Open Access | |
| 2 | Transmission, Energy and Operating Reserve | |
| 3 | Markets Tariff (MISO Tariff) | ER07-887 |
| 4 | | |
| 5 | Schedule 1 (Scheduling System Control | ER12-2129 |
| 6 | and Dispatch) of MISO Tariff | |
| 7 | | |
| 8 | Attachment of MM (Multi-Value Project Charge) | ER13-263 |
| 9 | of MISO Tariff Incorporating true-up | |
| 10 | | |
| 11 | Attachment GG (network Upgrade Charge) | ER14-421 |
| 12 | and Attachment MM of MISO Tariff | |
| 13 | | |
| 14 | Attachment O of MISO Tariff Potocols | ER13-2379 |
| 15 | (Annual True-up, Information Exchange, and | |
| 16 | Challenge Procedures) | |
| 17 | | |
| 18 | Amendment to Facilities Services | ER15-884 |
| 19 | Agreement (FSA)-MISO Generator | |
| 20 | Interconnection Project No. H021 | |
| 21 | | |
| 22 | ITC Midwest's formula rate template under | ER15-945 |
| 23 | Attachment O of MISO Tariff | |
| 24 | (Annual True-up, Information Exchange, and | |
| 25 | Challange Procedures) | |
| 26 | | |
| 27 | Amendment to Facilities Services | ER16-206 |
| 28 | Agreement (FSA)-MISO Generator | |
| 29 | Interconnection Project No. G870 | |
| 30 | | |
| 31 | Attachment O of MISO Tariff - Changes to Formula | ER16-208 |
| 32 | Rate Template | |
| 33 | | |
| 34 | Transmission interconnection - Wever station | ER14-1320 |
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?

Yes
 No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

| Line No. | Accession No. | Document Date \ Filed Date | Docket No. | Description | Formula Rate FERC Rate Schedule Number or Tariff Number |
|----------|---------------|----------------------------|------------|---|--|
| 1 | 20150313-5079 | 03/13/2015 | ER15-1250 | Informational filing for ITC Midwest's projected net revenue requirements effective 1-1-2015 and 2013 Annual True-Up Under Attachment O of the MISO Tariff. | ITC Midwest Rate Formula template under Attachment O of the MISO Tariff. |
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| 9 | 20160315-5021 | 03/14/2016 | ER16-1175 | Informational filing for ITC Midwest's projected net revenue requirements effective 1-1-2016 and 2014 Annual True-Up Under Attachment O of the MISO Tariff. | ITC Midwest Rate Formula template under Attachment O of the MISO Tariff. |
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INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

| Line No. | Page No(s). | Schedule | Column | Line No |
|----------|-------------|--|--------|----------|
| 1 | 111 | Comp Balance Sheet (Assets & Other Debits) | | C 57 |
| 2 | 112 | Comp Balance Sheet (Liabilities & Other Credits) | | C 16 |
| 3 | 112 | Comp Balance Sheet (Liabilities & Other Credits) | | C 18-21 |
| 4 | 200 | Sum of Util Plant & Acc Prov for Depr, Amort, Depl | | C 3 |
| 5 | 200 | Sum of Util Plant & Acc Prov for Depr, Amort, Depl | | C 21 |
| 6 | 205 | Electric Plant in Service | | G 5 |
| 7 | 207 | Electric Plant in Service | | G 50 |
| 8 | 207 | Electric Plant in Service | | G 58 |
| 9 | 207 | Electric Plant in Service | | G 99 |
| 10 | 219 | Accumulated Provision for Depr of Elec Util Plant | | C 25 |
| 11 | 219 | Accumulated Provision for Depr of Elec Util Plant | | C 28 |
| 12 | 227 | Materials and Supplies | | C 8 & 16 |
| 13 | 234 | Accumlated Deferred Income Taxes | | C 8 |
| 14 | 275 | Acc Deferred Income Taxes-Other Property | | K 2 |
| 15 | 277 | Acc Deferred Income Taxes-Other | | K 9 |
| 16 | 328 | Transmission of Electricity for Others | | A 1 |
| 17 | 330 | Transmission of Electricity for Others | | N 3 |
| 18 | 330 | Transmission of Electricity for Others | | N 6 |
| 19 | 330 | Transmission of Electricity for Others | | N 7 |
| 20 | 330 | Transmission of Electricity for Others | | N 8 |
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|---------------------------------------|---|------------------------------|--|
| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
|---------------------------------------|---|------------------------------|--|

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

| | | | |
|---|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued) | | | |

- 1) None
- 2) None
- 3) See the operating asset purchases and sale detail included in the footnote on page 206, column c, lines 101 and 102, respectively.
- 4) None
- 5) See pages 424 and 425 for transmission lines added during the year.
- 6) On January 22, 2015, the commission issued an order in Docket No. ES15-6 authorizing us to issue first mortgage bonds or other long-term debt securities in an amount up to \$250.0 million.

On April 7, 2015, we issued \$225.0 million aggregate principal amount of 3.83% First Mortgage Bonds, Series G, due April 7, 2055. See Note 7 Long-Term Debt on page 123 for additional discussion.
- 7) None
- 8) None
- 9) See Note 12 Commitments and Contingent Liabilities on page 123. See also "Subsequent Events - IP&L Challenge" in Note 1 General on page 123.
- 10) See Note 10 Related-Party Transactions on page 123.
- 11) (Reserved)
- 12) Not applicable
- 13) None
- 14) Not applicable

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|-----------|---|----------------------|---|---|
| 1 | UTILITY PLANT | | | |
| 2 | Utility Plant (101-106, 114) | 200-201 | 2,483,977,141 | 2,190,115,771 |
| 3 | Construction Work in Progress (107) | 200-201 | 218,389,639 | 143,963,060 |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | | 2,702,366,780 | 2,334,078,831 |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115) | 200-201 | 399,390,518 | 374,646,047 |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 2,302,976,262 | 1,959,432,784 |
| 7 | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1) | 202-203 | 0 | 0 |
| 8 | Nuclear Fuel Materials and Assemblies-Stock Account (120.2) | | 0 | 0 |
| 9 | Nuclear Fuel Assemblies in Reactor (120.3) | | 0 | 0 |
| 10 | Spent Nuclear Fuel (120.4) | | 0 | 0 |
| 11 | Nuclear Fuel Under Capital Leases (120.6) | | 0 | 0 |
| 12 | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5) | 202-203 | 0 | 0 |
| 13 | Net Nuclear Fuel (Enter Total of lines 7-11 less 12) | | 0 | 0 |
| 14 | Net Utility Plant (Enter Total of lines 6 and 13) | | 2,302,976,262 | 1,959,432,784 |
| 15 | Utility Plant Adjustments (116) | | 0 | 0 |
| 16 | Gas Stored Underground - Noncurrent (117) | | 0 | 0 |
| 17 | OTHER PROPERTY AND INVESTMENTS | | | |
| 18 | Nonutility Property (121) | | 26,340 | 26,340 |
| 19 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 0 | 0 |
| 20 | Investments in Associated Companies (123) | | 0 | 0 |
| 21 | Investment in Subsidiary Companies (123.1) | 224-225 | 0 | 0 |
| 22 | (For Cost of Account 123.1, See Footnote Page 224, line 42) | | | |
| 23 | Noncurrent Portion of Allowances | 228-229 | 0 | 0 |
| 24 | Other Investments (124) | | 0 | 0 |
| 25 | Sinking Funds (125) | | 0 | 0 |
| 26 | Depreciation Fund (126) | | 0 | 0 |
| 27 | Amortization Fund - Federal (127) | | 0 | 0 |
| 28 | Other Special Funds (128) | | 0 | 0 |
| 29 | Special Funds (Non Major Only) (129) | | 0 | 0 |
| 30 | Long-Term Portion of Derivative Assets (175) | | 0 | 0 |
| 31 | Long-Term Portion of Derivative Assets – Hedges (176) | | 0 | 0 |
| 32 | TOTAL Other Property and Investments (Lines 18-21 and 23-31) | | 26,340 | 26,340 |
| 33 | CURRENT AND ACCRUED ASSETS | | | |
| 34 | Cash and Working Funds (Non-major Only) (130) | | 0 | 0 |
| 35 | Cash (131) | | 345,950 | 445,428 |
| 36 | Special Deposits (132-134) | | 0 | 0 |
| 37 | Working Fund (135) | | 0 | 0 |
| 38 | Temporary Cash Investments (136) | | 0 | 0 |
| 39 | Notes Receivable (141) | | 0 | 0 |
| 40 | Customer Accounts Receivable (142) | | 28,560,602 | 28,926,415 |
| 41 | Other Accounts Receivable (143) | | 3,269,504 | 7,169,746 |
| 42 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | | 0 | 0 |
| 43 | Notes Receivable from Associated Companies (145) | | 0 | 0 |
| 44 | Accounts Receivable from Assoc. Companies (146) | | 0 | 0 |
| 45 | Fuel Stock (151) | 227 | 0 | 0 |
| 46 | Fuel Stock Expenses Undistributed (152) | 227 | 0 | 0 |
| 47 | Residuals (Elec) and Extracted Products (153) | 227 | 0 | 0 |
| 48 | Plant Materials and Operating Supplies (154) | 227 | 22,830,625 | 31,335,879 |
| 49 | Merchandise (155) | 227 | 0 | 0 |
| 50 | Other Materials and Supplies (156) | 227 | 0 | 0 |
| 51 | Nuclear Materials Held for Sale (157) | 202-203/227 | 0 | 0 |
| 52 | Allowances (158.1 and 158.2) | 228-229 | 0 | 0 |

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|----------|---|----------------------|---|---|
| 53 | (Less) Noncurrent Portion of Allowances | | 0 | 0 |
| 54 | Stores Expense Undistributed (163) | 227 | 2,647,097 | 3,789,168 |
| 55 | Gas Stored Underground - Current (164.1) | | 0 | 0 |
| 56 | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | | 0 | 0 |
| 57 | Prepayments (165) | | 2,799,748 | 1,797,503 |
| 58 | Advances for Gas (166-167) | | 0 | 0 |
| 59 | Interest and Dividends Receivable (171) | | 0 | 0 |
| 60 | Rents Receivable (172) | | 0 | 0 |
| 61 | Accrued Utility Revenues (173) | | 0 | 0 |
| 62 | Miscellaneous Current and Accrued Assets (174) | | 0 | 0 |
| 63 | Derivative Instrument Assets (175) | | 0 | 0 |
| 64 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | | 0 | 0 |
| 65 | Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 66 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 67 | Total Current and Accrued Assets (Lines 34 through 66) | | 60,453,526 | 73,464,139 |
| 68 | DEFERRED DEBITS | | | |
| 69 | Unamortized Debt Expenses (181) | | 7,305,355 | 6,129,810 |
| 70 | Extraordinary Property Losses (182.1) | 230a | 0 | 0 |
| 71 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230b | 0 | 0 |
| 72 | Other Regulatory Assets (182.3) | 232 | 50,985,494 | 34,867,596 |
| 73 | Prelim. Survey and Investigation Charges (Electric) (183) | | 0 | 0 |
| 74 | Preliminary Natural Gas Survey and Investigation Charges 183.1) | | 0 | 0 |
| 75 | Other Preliminary Survey and Investigation Charges (183.2) | | 0 | 0 |
| 76 | Clearing Accounts (184) | | 0 | 0 |
| 77 | Temporary Facilities (185) | | 0 | 0 |
| 78 | Miscellaneous Deferred Debits (186) | 233 | 170,969 | 308,086 |
| 79 | Def. Losses from Disposition of Utility Plt. (187) | | 0 | 0 |
| 80 | Research, Devel. and Demonstration Expend. (188) | 352-353 | 0 | 0 |
| 81 | Unamortized Loss on Reaquired Debt (189) | | 187,569 | 319,971 |
| 82 | Accumulated Deferred Income Taxes (190) | 234 | 37,595,179 | 20,779,421 |
| 83 | Unrecovered Purchased Gas Costs (191) | | 0 | 0 |
| 84 | Total Deferred Debits (lines 69 through 83) | | 96,244,566 | 62,404,884 |
| 85 | TOTAL ASSETS (lines 14-16, 32, 67, and 84) | | 2,459,700,694 | 2,095,328,147 |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 110 Line No.: 57 Column: c

The average of the beginning and end of year balance of \$2,298,626 is used when reference is to page 111, line 57, column c in our formula rate tariff.

| | | | |
|-----------------------|-------------|-------------|----------------|
| | <u>2015</u> | <u>2014</u> | <u>Average</u> |
| Account 165 (line 57) | \$2,799,748 | \$1,797,503 | \$2,298,626 |

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|----------|---|----------------------|---|---|
| 1 | PROPRIETARY CAPITAL | | | |
| 2 | Common Stock Issued (201) | 250-251 | 0 | 0 |
| 3 | Preferred Stock Issued (204) | 250-251 | 0 | 0 |
| 4 | Capital Stock Subscribed (202, 205) | | 0 | 0 |
| 5 | Stock Liability for Conversion (203, 206) | | 0 | 0 |
| 6 | Premium on Capital Stock (207) | | 0 | 0 |
| 7 | Other Paid-In Capital (208-211) | 253 | 978,873,872 | 880,143,872 |
| 8 | Installments Received on Capital Stock (212) | 252 | 0 | 0 |
| 9 | (Less) Discount on Capital Stock (213) | 254 | 0 | 0 |
| 10 | (Less) Capital Stock Expense (214) | 254b | 0 | 0 |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 237,946,805 | 184,394,811 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | 0 | 0 |
| 13 | (Less) Reaquired Capital Stock (217) | 250-251 | 0 | 0 |
| 14 | Noncorporate Proprietorship (Non-major only) (218) | | 0 | 0 |
| 15 | Accumulated Other Comprehensive Income (219) | 122(a)(b) | 0 | 0 |
| 16 | Total Proprietary Capital (lines 2 through 15) | | 1,216,820,677 | 1,064,538,683 |
| 17 | LONG-TERM DEBT | | | |
| 18 | Bonds (221) | 256-257 | 750,000,000 | 525,000,000 |
| 19 | (Less) Reaquired Bonds (222) | 256-257 | 0 | 0 |
| 20 | Advances from Associated Companies (223) | 256-257 | 0 | 0 |
| 21 | Other Long-Term Debt (224) | 256-257 | 72,356,628 | 191,200,000 |
| 22 | Unamortized Premium on Long-Term Debt (225) | | 0 | 0 |
| 23 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | | 387,747 | 405,305 |
| 24 | Total Long-Term Debt (lines 18 through 23) | | 821,968,881 | 715,794,695 |
| 25 | OTHER NONCURRENT LIABILITIES | | | |
| 26 | Obligations Under Capital Leases - Noncurrent (227) | | 0 | 0 |
| 27 | Accumulated Provision for Property Insurance (228.1) | | 0 | 0 |
| 28 | Accumulated Provision for Injuries and Damages (228.2) | | 0 | 0 |
| 29 | Accumulated Provision for Pensions and Benefits (228.3) | | 0 | 0 |
| 30 | Accumulated Miscellaneous Operating Provisions (228.4) | | 0 | 0 |
| 31 | Accumulated Provision for Rate Refunds (229) | | 62,015,181 | 19,650,000 |
| 32 | Long-Term Portion of Derivative Instrument Liabilities | | 0 | 0 |
| 33 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | | 0 | 0 |
| 34 | Asset Retirement Obligations (230) | | 2,107,891 | 2,470,174 |
| 35 | Total Other Noncurrent Liabilities (lines 26 through 34) | | 64,123,072 | 22,120,174 |
| 36 | CURRENT AND ACCRUED LIABILITIES | | | |
| 37 | Notes Payable (231) | | 124,985 | 0 |
| 38 | Accounts Payable (232) | | 44,697,903 | 37,486,084 |
| 39 | Notes Payable to Associated Companies (233) | | 0 | 0 |
| 40 | Accounts Payable to Associated Companies (234) | | 6,823,551 | 6,405,361 |
| 41 | Customer Deposits (235) | | 0 | 0 |
| 42 | Taxes Accrued (236) | 262-263 | 19,135,375 | 16,538,879 |
| 43 | Interest Accrued (237) | | 7,243,044 | 5,276,996 |
| 44 | Dividends Declared (238) | | 0 | 0 |
| 45 | Matured Long-Term Debt (239) | | 0 | 0 |

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|----------|--|----------------------|---|---|
| 46 | Matured Interest (240) | | 0 | 0 |
| 47 | Tax Collections Payable (241) | | 0 | 0 |
| 48 | Miscellaneous Current and Accrued Liabilities (242) | | 1,030,833 | 360,000 |
| 49 | Obligations Under Capital Leases-Current (243) | | 0 | 0 |
| 50 | Derivative Instrument Liabilities (244) | | 0 | 0 |
| 51 | (Less) Long-Term Portion of Derivative Instrument Liabilities | | 0 | 0 |
| 52 | Derivative Instrument Liabilities - Hedges (245) | | 0 | 0 |
| 53 | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | | 0 | 0 |
| 54 | Total Current and Accrued Liabilities (lines 37 through 53) | | 79,055,691 | 66,067,320 |
| 55 | DEFERRED CREDITS | | | |
| 56 | Customer Advances for Construction (252) | | 0 | 2,738,161 |
| 57 | Accumulated Deferred Investment Tax Credits (255) | 266-267 | 0 | 0 |
| 58 | Deferred Gains from Disposition of Utility Plant (256) | | 0 | 0 |
| 59 | Other Deferred Credits (253) | 269 | 4,668,208 | 5,348,337 |
| 60 | Other Regulatory Liabilities (254) | 278 | 18,269,088 | 19,447,233 |
| 61 | Unamortized Gain on Reaquired Debt (257) | | 0 | 0 |
| 62 | Accum. Deferred Income Taxes-Accel. Amort.(281) | 272-277 | 0 | 0 |
| 63 | Accum. Deferred Income Taxes-Other Property (282) | | 232,812,355 | 184,449,189 |
| 64 | Accum. Deferred Income Taxes-Other (283) | | 21,982,722 | 14,824,355 |
| 65 | Total Deferred Credits (lines 56 through 64) | | 277,732,373 | 226,807,275 |
| 66 | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65) | | 2,459,700,694 | 2,095,328,147 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 112 Line No.: 16 Column: c

The 13 month average of Proprietary Capital of \$1,149,001,308 is used as the balance when reference is to page 112, line 16, column c in our formula rate tariff.

Schedule Page: 112 Line No.: 18 Column: c

The 13 month average of Long-Term Debt of \$766,787,604 is used as the balance when reference is to page 112, sum of line 18, column c through line 21, column c in our formula rate tariff.

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

| Line No. | Title of Account (a) | (Ref.) Page No. (b) | Total Current Year to Date Balance for Quarter/Year (c) | Total Prior Year to Date Balance for Quarter/Year (d) | Current 3 Months Ended Quarterly Only No 4th Quarter (e) | Prior 3 Months Ended Quarterly Only No 4th Quarter (f) |
|----------|--|---------------------------|---|---|--|--|
| 1 | UTILITY OPERATING INCOME | | | | | |
| 2 | Operating Revenues (400) | 300-301 | 331,763,195 | 332,255,165 | | |
| 3 | Operating Expenses | | | | | |
| 4 | Operation Expenses (401) | 320-323 | 46,483,143 | 45,168,715 | | |
| 5 | Maintenance Expenses (402) | 320-323 | 26,560,266 | 26,654,859 | | |
| 6 | Depreciation Expense (403) | 336-337 | 42,481,155 | 38,455,314 | | |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1) | 336-337 | | | | |
| 8 | Amort. & Depl. of Utility Plant (404-405) | 336-337 | | 110,084 | | |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | 336-337 | | | | |
| 10 | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) | | | | | |
| 11 | Amort. of Conversion Expenses (407) | | | | | |
| 12 | Regulatory Debits (407.3) | | | | | |
| 13 | (Less) Regulatory Credits (407.4) | | | | | |
| 14 | Taxes Other Than Income Taxes (408.1) | 262-263 | 11,761,164 | 10,716,249 | | |
| 15 | Income Taxes - Federal (409.1) | 262-263 | 33,040,890 | 32,307,910 | | |
| 16 | - Other (409.1) | 262-263 | 8,412,182 | 8,656,482 | | |
| 17 | Provision for Deferred Income Taxes (410.1) | 234, 272-277 | 53,701,279 | 45,653,074 | | |
| 18 | (Less) Provision for Deferred Income Taxes-Cr. (411.1) | 234, 272-277 | 24,256,144 | 11,326,444 | | |
| 19 | Investment Tax Credit Adj. - Net (411.4) | 266 | | | | |
| 20 | (Less) Gains from Disp. of Utility Plant (411.6) | | | | | |
| 21 | Losses from Disp. of Utility Plant (411.7) | | | | | |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | | | | | |
| 23 | Losses from Disposition of Allowances (411.9) | | | | | |
| 24 | Accretion Expense (411.10) | | | | | |
| 25 | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24) | | 198,183,935 | 196,396,243 | | |
| 26 | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27 | | 133,579,260 | 135,858,922 | | |
| | | | | | | |

STATEMENT OF INCOME FOR THE YEAR (Continued)

- 9. Use page 122 for important notes regarding the statement of income for any account thereof.
- 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
- 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

| ELECTRIC UTILITY | | GAS UTILITY | | OTHER UTILITY | | Line No. |
|---|--|---|--|---|--|----------|
| Current Year to Date (in dollars) (g) | Previous Year to Date (in dollars) (h) | Current Year to Date (in dollars) (i) | Previous Year to Date (in dollars) (j) | Current Year to Date (in dollars) (k) | Previous Year to Date (in dollars) (l) | |
| | | | | | | |
| 331,763,195 | 332,255,165 | | | | | 2 |
| | | | | | | 3 |
| 46,483,143 | 45,168,715 | | | | | 4 |
| 26,560,266 | 26,654,859 | | | | | 5 |
| 42,481,155 | 38,455,314 | | | | | 6 |
| | | | | | | 7 |
| | 110,084 | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| 11,761,164 | 10,716,249 | | | | | 14 |
| 33,040,890 | 32,307,910 | | | | | 15 |
| 8,412,182 | 8,656,482 | | | | | 16 |
| 53,701,279 | 45,653,074 | | | | | 17 |
| 24,256,144 | 11,326,444 | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| 198,183,935 | 196,396,243 | | | | | 25 |
| 133,579,260 | 135,858,922 | | | | | 26 |
| | | | | | | |

STATEMENT OF INCOME FOR THE YEAR (continued)

| Line No. | Title of Account (a) | (Ref.) Page No. (b) | TOTAL | | Current 3 Months Ended Quarterly Only No 4th Quarter (e) | Prior 3 Months Ended Quarterly Only No 4th Quarter (f) |
|----------|--|---------------------------|---------------------|----------------------|--|--|
| | | | Current Year (c) | Previous Year (d) | | |
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 133,579,260 | 135,858,922 | | |
| 28 | Other Income and Deductions | | | | | |
| 29 | Other Income | | | | | |
| 30 | Nonutility Operating Income | | | | | |
| 31 | Revenues From Merchandising, Jobbing and Contract Work (415) | | | | | |
| 32 | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416) | | | | | |
| 33 | Revenues From Nonutility Operations (417) | | | | | |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | | | | |
| 35 | Nonoperating Rental Income (418) | | | | | |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | | | | |
| 37 | Interest and Dividend Income (419) | | 191,171 | 71,726 | | |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | 13,657,969 | 5,861,740 | | |
| 39 | Miscellaneous Nonoperating Income (421) | | 813,282 | 815,144 | | |
| 40 | Gain on Disposition of Property (421.1) | | | 2,496 | | |
| 41 | TOTAL Other Income (Enter Total of lines 31 thru 40) | | 14,662,422 | 6,751,106 | | |
| 42 | Other Income Deductions | | | | | |
| 43 | Loss on Disposition of Property (421.2) | | 26,443 | | | |
| 44 | Miscellaneous Amortization (425) | | 37,280 | 20,627 | | |
| 45 | Donations (426.1) | | 464,651 | 587,248 | | |
| 46 | Life Insurance (426.2) | | | | | |
| 47 | Penalties (426.3) | | -239,494 | 223,538 | | |
| 48 | Exp. for Certain Civic, Political & Related Activities (426.4) | | 374,893 | 273,951 | | |
| 49 | Other Deductions (426.5) | | 41,487 | 65,958 | | |
| 50 | TOTAL Other Income Deductions (Total of lines 43 thru 49) | | 705,260 | 1,171,322 | | |
| 51 | Taxes Applic. to Other Income and Deductions | | | | | |
| 52 | Taxes Other Than Income Taxes (408.2) | 262-263 | | | | |
| 53 | Income Taxes-Federal (409.2) | 262-263 | -132,081 | -94,519 | | |
| 54 | Income Taxes-Other (409.2) | 262-263 | -37,163 | -28,632 | | |
| 55 | Provision for Deferred Inc. Taxes (410.2) | 234, 272-277 | 454,247 | 100,126 | | |
| 56 | (Less) Provision for Deferred Income Taxes-Cr. (411.2) | 234, 272-277 | | | | |
| 57 | Investment Tax Credit Adj.-Net (411.5) | | | | | |
| 58 | (Less) Investment Tax Credits (420) | | | | | |
| 59 | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58) | | 285,003 | -23,025 | | |
| 60 | Net Other Income and Deductions (Total of lines 41, 50, 59) | | 13,672,159 | 5,602,809 | | |
| 61 | Interest Charges | | | | | |
| 62 | Interest on Long-Term Debt (427) | | 34,609,461 | 28,945,454 | | |
| 63 | Amort. of Debt Disc. and Expense (428) | | 596,330 | 559,032 | | |
| 64 | Amortization of Loss on Reaquired Debt (428.1) | | 132,402 | 99,301 | | |
| 65 | (Less) Amort. of Premium on Debt-Credit (429) | | | | | |
| 66 | (Less) Amortization of Gain on Reaquired Debt-Credit (429.1) | | | | | |
| 67 | Interest on Debt to Assoc. Companies (430) | | | | | |
| 68 | Other Interest Expense (431) | | 505,552 | 720,802 | | |
| 69 | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | | 3,319,820 | 1,526,046 | | |
| 70 | Net Interest Charges (Total of lines 62 thru 69) | | 32,523,925 | 28,798,543 | | |
| 71 | Income Before Extraordinary Items (Total of lines 27, 60 and 70) | | 114,727,494 | 112,663,188 | | |
| 72 | Extraordinary Items | | | | | |
| 73 | Extraordinary Income (434) | | | | | |
| 74 | (Less) Extraordinary Deductions (435) | | | | | |
| 75 | Net Extraordinary Items (Total of line 73 less line 74) | | | | | |
| 76 | Income Taxes-Federal and Other (409.3) | 262-263 | | | | |
| 77 | Extraordinary Items After Taxes (line 75 less line 76) | | | | | |
| 78 | Net Income (Total of line 71 and 77) | | 114,727,494 | 112,663,188 | | |

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |
|----------|---|-------------------------------------|---|--|
| | UNAPPROPRIATED RETAINED EARNINGS (Account 216) | | | |
| 1 | Balance-Beginning of Period | | 184,394,811 | 141,905,623 |
| 2 | Changes | | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Credits to Retained Earnings (Acct. 439) | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | TOTAL Debits to Retained Earnings (Acct. 439) | | | |
| 16 | Balance Transferred from Income (Account 433 less Account 418.1) | | 114,727,494 | 112,663,188 |
| 17 | Appropriations of Retained Earnings (Acct. 436) | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | TOTAL Appropriations of Retained Earnings (Acct. 436) | | | |
| 23 | Dividends Declared-Preferred Stock (Account 437) | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | TOTAL Dividends Declared-Preferred Stock (Acct. 437) | | | |
| 30 | Dividends Declared-Common Stock (Account 438) | | | |
| 31 | Dividends to Member | | -61,175,500 | (70,174,000) |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | TOTAL Dividends Declared-Common Stock (Acct. 438) | | -61,175,500 | (70,174,000) |
| 37 | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings | | | |
| 38 | Balance - End of Period (Total 1,9,15,16,22,29,36,37) | | 237,946,805 | 184,394,811 |
| | APPROPRIATED RETAINED EARNINGS (Account 215) | | | |
| 39 | | | | |
| 40 | | | | |

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |
|----------|--|-------------------------------------|---|--|
| 41 | | | | |
| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | TOTAL Appropriated Retained Earnings (Account 215) | | | |
| | APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1) | | | |
| 46 | TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1) | | | |
| 47 | TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46) | | | |
| 48 | TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1) | | 237,946,805 | 184,394,811 |
| | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account | | | |
| | Report only on an Annual Basis, no Quarterly | | | |
| 49 | Balance-Beginning of Year (Debit or Credit) | | | |
| 50 | Equity in Earnings for Year (Credit) (Account 418.1) | | | |
| 51 | (Less) Dividends Received (Debit) | | | |
| 52 | | | | |
| 53 | Balance-End of Year (Total lines 49 thru 52) | | | |

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

| Line No. | Description (See Instruction No. 1 for Explanation of Codes) (a) | Current Year to Date Quarter/Year (b) | Previous Year to Date Quarter/Year (c) |
|----------|---|---|--|
| 1 | Net Cash Flow from Operating Activities: | | |
| 2 | Net Income (Line 78(c) on page 117) | 114,727,494 | 112,663,188 |
| 3 | Noncash Charges (Credits) to Income: | | |
| 4 | Depreciation and Depletion | 42,481,155 | 38,565,398 |
| 5 | Amortization of Loss on Reacq. Debt, Debt Issuance Expense & Discount | 728,732 | 658,333 |
| 6 | Miscellaneous Amortization | 37,280 | 20,627 |
| 7 | | | |
| 8 | Deferred Income Taxes (Net) | 29,899,382 | 34,426,756 |
| 9 | Investment Tax Credit Adjustment (Net) | | |
| 10 | Net (Increase) Decrease in Receivables | 4,752,037 | -6,562,034 |
| 11 | Net (Increase) Decrease in Inventory | 3,888,786 | -356,017 |
| 12 | Net (Increase) Decrease in Allowances Inventory | | |
| 13 | Net Increase (Decrease) in Payables and Accrued Expenses | 6,120,500 | -5,725,665 |
| 14 | Net (Increase) Decrease in Other Regulatory Assets | -7,311,505 | -56,029 |
| 15 | Net Increase (Decrease) in Other Regulatory Liabilities | -1,240,415 | 748,098 |
| 16 | (Less) Allowance for Other Funds Used During Construction | 13,657,969 | 5,861,740 |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | | |
| 18 | Other (provide details in footnote): | 40,484,085 | 18,832,578 |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21) | 220,909,562 | 187,353,493 |
| 23 | | | |
| 24 | Cash Flows from Investment Activities: | | |
| 25 | Construction and Acquisition of Plant (including land): | | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | -379,696,605 | -265,962,609 |
| 27 | Gross Additions to Nuclear Fuel | | |
| 28 | Gross Additions to Common Utility Plant | | |
| 29 | Gross Additions to Nonutility Plant | | |
| 30 | (Less) Allowance for Other Funds Used During Construction | -13,657,969 | -5,861,740 |
| 31 | Other (provide details in footnote): | | |
| 32 | | | |
| 33 | | | |
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | -366,038,636 | -260,100,869 |
| 35 | | | |
| 36 | Acquisition of Other Noncurrent Assets (d) | | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | | |
| 38 | | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | | |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | | |
| 41 | Disposition of Investments in (and Advances to) | | |
| 42 | Associated and Subsidiary Companies | | |
| 43 | | | |
| 44 | Purchase of Investment Securities (a) | | |
| 45 | Proceeds from Sales of Investment Securities (a) | | |

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

| Line No. | Description (See Instruction No. 1 for Explanation of Codes) (a) | Current Year to Date Quarter/Year (b) | Previous Year to Date Quarter/Year (c) |
|----------|---|---|--|
| 46 | Loans Made or Purchased | | |
| 47 | Collections on Loans | | |
| 48 | | | |
| 49 | Net (Increase) Decrease in Receivables | | |
| 50 | Net (Increase) Decrease in Inventory | 5,209,730 | 2,511,254 |
| 51 | Net (Increase) Decrease in Allowances Held for Speculation | | |
| 52 | Net Increase (Decrease) in Payables and Accrued Expenses | | |
| 53 | Other (provide details in footnote): | 657,845 | 1,348,110 |
| 54 | | | |
| 55 | | | |
| 56 | Net Cash Provided by (Used in) Investing Activities | | |
| 57 | Total of lines 34 thru 55) | -360,171,061 | -256,241,505 |
| 58 | | | |
| 59 | Cash Flows from Financing Activities: | | |
| 60 | Proceeds from Issuance of: | | |
| 61 | Long-Term Debt (b) | 938,500,000 | 399,200,000 |
| 62 | Preferred Stock | | |
| 63 | Common Stock | | |
| 64 | Other (provide details in footnote): | 119,030,000 | 100,300,000 |
| 65 | | | |
| 66 | Net Increase in Short-Term Debt (c) | | |
| 67 | Other (provide details in footnote): | | |
| 68 | | | |
| 69 | | | |
| 70 | Cash Provided by Outside Sources (Total 61 thru 69) | 1,057,530,000 | 499,500,000 |
| 71 | | | |
| 72 | Payments for Retirement of: | | |
| 73 | Long-term Debt (b) | -832,400,000 | -319,000,000 |
| 74 | Preferred Stock | | |
| 75 | Common Stock | | |
| 76 | Other (provide details in footnote): | -24,792,479 | -41,636,274 |
| 77 | | | |
| 78 | Net Decrease in Short-Term Debt (c) | | |
| 79 | Dividends to member | -61,175,500 | -70,174,000 |
| 80 | Dividends on Preferred Stock | | |
| 81 | Dividends on Common Stock | | |
| 82 | Net Cash Provided by (Used in) Financing Activities | | |
| 83 | (Total of lines 70 thru 81) | 139,162,021 | 68,689,726 |
| 84 | | | |
| 85 | Net Increase (Decrease) in Cash and Cash Equivalents | | |
| 86 | (Total of lines 22,57 and 83) | -99,478 | -198,286 |
| 87 | | | |
| 88 | Cash and Cash Equivalents at Beginning of Period | 445,428 | 643,714 |
| 89 | | | |
| 90 | Cash and Cash Equivalents at End of period | 345,950 | 445,428 |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 120 Line No.: 18 Column: b

| | |
|--|------------|
| Other current and accrued assets | -1,002,245 |
| Other net non-cash operating activities | 26,443 |
| Net deferred debits and credits and non-current liabilities | 41,459,887 |
| Total | 40,484,085 |

Schedule Page: 120 Line No.: 18 Column: c

| | |
|--|------------|
| Other current and accrued assets | -615,726 |
| Other net non-cash operating activities | -2,496 |
| Net deferred debits and credits and non-current liabilities | 19,450,800 |
| Total | 18,832,578 |

Schedule Page: 120 Line No.: 53 Column: b

| | |
|-----------------------|---------|
| Proceeds from salvage | 657,845 |
|-----------------------|---------|

Schedule Page: 120 Line No.: 53 Column: c

| | |
|--|-----------|
| Proceeds from sale of operating assets and salvage | 1,348,110 |
|--|-----------|

Schedule Page: 120 Line No.: 61 Column: b

| | |
|---|-------------|
| Issuance of long-term debt | 225,000,000 |
| Borrowings under revolving credit agreement | 713,500,000 |
| Total | 938,500,000 |

Schedule Page: 120 Line No.: 61 Column: c

| | |
|---|-------------|
| Borrowings under revolving credit agreement | 399,200,000 |
|---|-------------|

Schedule Page: 120 Line No.: 64 Column: b

| | |
|-----------------------------------|-------------|
| Capital contributions from member | 119,030,000 |
|-----------------------------------|-------------|

Schedule Page: 120 Line No.: 64 Column: c

| | |
|-----------------------------------|-------------|
| Capital contributions from member | 100,300,000 |
|-----------------------------------|-------------|

Schedule Page: 120 Line No.: 73 Column: b

| | |
|--|--------------|
| Repayments of revolving credit agreement | -832,400,000 |
|--|--------------|

Schedule Page: 120 Line No.: 73 Column: c

| | |
|--|--------------|
| Repayments of revolving credit agreement | -319,000,000 |
|--|--------------|

Schedule Page: 120 Line No.: 76 Column: b

| | |
|---|-------------|
| Return of capital to member | -20,300,000 |
| Repayment of refundable deposits from generators for transmission network upgrades | -2,738,161 |
| Debt issuance costs | -1,754,318 |
| Total | -24,792,479 |

Schedule Page: 120 Line No.: 76 Column: c

| | |
|---|-------------|
| Return of capital to member | -33,200,000 |
| Repayment of refundable deposits from generators for transmission network upgrades | -7,664,308 |
| Debt issuance costs | -771,966 |
| Total | -41,636,274 |

Schedule Page: 120 Line No.: 88 Column: b

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|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Cash (131) 445,428

| | | | |
|--|---------|--|--|
| Schedule Page: 120 Line No.: 90 Column: b | | | |
| Cash (131) | 345,950 | | |

| | | | |
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| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

ITC MIDWEST LLC
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. GENERAL

On December 20, 2007, ITC Midwest LLC (“ITC Midwest,” “we,” “our” or “us”), a wholly owned subsidiary of ITC Holdings Corp. (“ITC Holdings”), completed the acquisition of the transmission assets of Interstate Power and Light Company (“IP&L”), an Alliant Energy Corporation subsidiary.

We are engaged in the transmission of electricity in the United States. We operate a high-voltage system in portions of Iowa, Minnesota, Illinois and Missouri that transmits electricity from generating stations to local distribution facilities connected to our system. Our business strategy is to operate, maintain and invest in transmission infrastructure in order to enhance system integrity and reliability, reduce transmission constraints, allow new generating resources to interconnect to our transmission system and enhance competitive wholesale electricity markets.

We are an independent electric transmission utility, with rates regulated by the Federal Energy Regulatory Commission (“FERC”) and established on a cost-of-service model. Our service area is located in portions of Iowa, Minnesota, Illinois and Missouri. The Midcontinent Independent System Operator, Inc. (“MISO”) bills and collects revenues from our customers.

We evaluated subsequent events occurring after December 31, 2015 through February 25, 2016, which is the date the ITC Holdings’ consolidated financial statements in the Form 10-K were issued. We have updated such evaluation for disclosure purposes through April 11, 2016, which is the date these financial statements were available to be issued. All necessary adjustments and disclosures resulting from these evaluations are included in these financial statements.

Subsequent Events

Fortis Transaction

On February 9, 2016, ITC Holdings entered into an agreement with Fortis Inc. (“Fortis”) and certain of its subsidiaries, pursuant to which Fortis will acquire ITC Holdings and its regulated operating subsidiaries, including ITC Midwest, for cash and equity consideration. ITC Holdings will become a subsidiary of Fortis upon the completion of the transaction, which is expected to occur in late 2016.

IP&L Challenge

On December 18, 2015, IP&L filed a formal challenge (“IP&L challenge”) with the FERC against us on certain inputs to our formula rates. The IP&L challenge alleged that we have unreasonably and imprudently opted out of using bonus depreciation in the calculation of our federal income tax expense and thereby unduly increased the transmission charges for transmission service for customers. On March 11, 2016, the FERC granted the IP&L challenge in part by requiring us to recalculate our revenue requirements, effective January 1, 2015, to simulate the election of bonus depreciation for 2015. FERC denied IP&L’s request that would require us to elect bonus depreciation in any past or future years; however, stakeholders will be able to challenge any decision by us not to take bonus depreciation in future years.

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

We are filing with the FERC for rehearing of the March 11, 2016 order and have not reflected the election of bonus depreciation for 2015 in the accompanying financial statements, but any adjustments to deferred income tax balances required to simulate the taking of bonus depreciation will be included in the final calculation of the 2015 Attachment O revenue requirement and related true-up adjustment posted to the MISO Open Access Same Time Information System website. We are unable to predict the outcome of this matter; however, the election of bonus depreciation in a given year would result in higher cash flows in the year of the election and reduce our rate base and therefore our revenues and net income over the tax lives of the eligible assets.

2. REGULATORY REPORTING

The preceding financial statements are prepared in accordance with the accounting requirements of the FERC, as set forth in its applicable Uniform System of Accounts and published accounting releases and orders received by ITC Midwest, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“GAAP”). This basis of accounting requires us to use estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from our estimates. The differences between GAAP and FERC accounting and reporting requirements are outlined below.

Purchase Accounting and Capital Structure

ITC Midwest’s asset acquisition was accounted for using the purchase method. The excess purchase price, including transaction costs, over the fair value of net assets acquired is classified as goodwill for GAAP reporting. The goodwill amount of \$323.0 million and related deferred tax liabilities of \$69.6 million at December 31, 2015 is recorded for GAAP reporting but is not recorded for FERC reporting based on the December 3, 2007 FERC Order authorizing the acquisition of FERC jurisdictional facilities associated with the asset acquisition.

Pursuant to the revised accounting identified as part of the FERC Audit of ITC Midwest under Docket No. PA10-13, ITC Midwest ceased recording the tax benefits of goodwill contributed by ITC Holdings as a reduction to income tax payable in account 236 and removed the cumulative effect of the contributions from account 211 for FERC reporting, effective in 2011. For GAAP reporting, ITC Midwest continues to record the tax benefits of goodwill as a reduction to income taxes payable. Through December 31, 2015, ITC Midwest had made cumulative income tax payments of \$68.2 million to ITC Holdings to settle these additional income taxes payable amounts resulting from the removal of goodwill tax benefits for FERC reporting, including payments of \$8.6 million during the years ended December 31, 2015 and 2014. These payments settle the additional FERC income taxes payable were recorded as dividend payments for GAAP reporting.

Accumulated Provision for Rate Refunds

We reported \$62.0 million for estimated potential refunds related to the rate of return on equity and capital structure complaint in regulatory liabilities as of December 31, 2015 for GAAP reporting. This amount was recorded as a reduction of revenues of \$40.3 million and an increase in interest expense of \$2.0 million for the year ended December 31, 2015. For FERC reporting, we reported this accrual in account 229 and recorded as a reduction of revenues in account 449.1. See “Rate of Return on Equity and Capital Structure Complaint” in Note 12 for discussion of this complaint.

Asset Removal Costs

At December 31, 2015 and 2014, for GAAP reporting, we recorded an estimate of \$6.6 million and \$1.7 million, respectively, for

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

accrued asset removal costs for other than legal obligations in regulatory assets. For FERC reporting, these amounts are included in account 108.

Unamortized Debt Expenses

Unamortized discount, premium and expense related to debt redeemed with a refinancing are recorded in account 189 for FERC reporting and are amortized to account 428.1 over the remainder of the original life of the issue retired. For GAAP reporting, these costs are reported as other regulatory assets and are amortized to interest expense.

Deferred Income Taxes

For GAAP reporting for income taxes, all deferred income tax assets and deferred income tax liabilities are netted and presented as a single line item within non-current assets or liabilities. For FERC reporting, we report deferred income tax assets at their gross amounts within account 190 and deferred income tax liabilities at their gross amounts within accounts 282 and 283.

Inventory

Equipment and materials and supplies inventory expected to be used in the construction process of \$14.1 million and \$19.2 million at December 31, 2015 and 2014, respectively, is recorded in property, plant and equipment for GAAP reporting and recorded in account 154 for FERC reporting.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is presented below:

Cost Assignment — Employees of ITC Holdings provide services to us and other affiliates of ITC Holdings. Compensation-related expenses and other expenses are directly charged to ITC Holdings or its subsidiaries if it is practical to do so. Costs that are not directly charged to ITC Holdings or its subsidiaries are allocated to ITC Holdings and its subsidiaries. ITC Holdings and its subsidiaries use a modified Massachusetts Formula allocation policy which incorporates a modified version of allocation factors that are prevalently used by public utility companies and have been accepted by the FERC in previous orders.

Use of Estimates — The preparation of the financial statements in accordance with the accounting requirements of the FERC requires us to use estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from our estimates.

Regulation — We are subject to the regulatory jurisdiction of the FERC, which issues orders pertaining to rates, recovery of certain costs, including the costs of transmission assets and regulatory assets, conditions of service, accounting, financing authorization and operating-related matters. Our business meets the accounting standards set forth by the Financial Accounting Standards Board (“FASB”) for the accounting effects of certain types of regulation. These accounting standards recognize the cost based rate setting process, which results in differences in the application of GAAP between regulated and non-regulated businesses. Both GAAP and FERC require the recording of regulatory assets and liabilities for certain transactions that would have been recorded as revenue and expense in non-regulated businesses. Regulatory assets represent costs that will be included as a component of future tariff rates and regulatory liabilities represent amounts provided in the current tariff rates that are intended to recover costs

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

expected to be incurred in the future or amounts to be refunded to customers.

Cash and Cash Equivalents — We consider all unrestricted highly-liquid temporary investments with an original maturity of three months or less at the date of purchase to be cash equivalents.

Statement of Cash Flows — The following table presents certain supplementary cash flows information for the years ended December 31, 2015 and 2014:

| (in thousands) | Year ended December 31, | |
|--|-------------------------|-----------|
| | 2015 | 2014 |
| Supplementary cash flows information: | | |
| Interest paid (net of account 432) | \$ 30,226 | \$ 28,984 |
| Income taxes paid to ITC Holdings | 39,567 | 42,902 |
| Supplementary noncash investing and financing activities: | | |
| Additions to utility plant (a) | \$ 43,648 | \$ 37,120 |
| Allowance for other funds used during construction (account 419.1) | 13,658 | 5,862 |

- (a) Amounts consist of current and accrued liabilities for construction labor and materials that have not been included in investing activities. These amounts have not been paid for as of December 31, 2015 or 2014, respectively, but have been or will be included as a cash outflow from investing activities for gross additions to utility plant when paid.

Accounts Receivable — We recognize losses for uncollectible accounts based on specific identification of any such items. As of December 31, 2015 and 2014, we did not have an accounts receivable reserve.

Inventories — Materials and supplies inventories are valued at average cost.

Utility Plant — Utility plant in service is stated at its original cost when first devoted to utility service. The gross book value of assets retired plus net removal costs is charged to account 108. The provision for depreciation of transmission assets is a significant component of our cost of service under our FERC-approved rates. Depreciation is computed over the estimated useful lives of the assets using the straight-line method for financial reporting purposes and accelerated methods for income tax reporting purposes. The composite depreciation rate was 2.0% for 2015 and 2014. The composite depreciation rates include depreciation primarily on transmission station equipment, towers, poles and overhead and underground lines that have a useful life ranging from 48 to 60 years. Depreciation expense relating to utility plant was \$42.5 million and \$38.6 million for the years ended December 31, 2015 and 2014, respectively. We capitalize an allowance for other funds and the cost of borrowings used during construction (“AFUDC”) in accordance with FERC regulations to accounts 419.1 and 432, respectively.

Additions to utility plant and construction work in progress during 2015 and 2014 were due primarily for projects to upgrade or replace existing transmission assets to improve the reliability of our transmission system.

Generator Interconnection Projects and Contributions in Aid of Construction — Certain capital investment relates to investments made under generator interconnection agreements. The generator interconnection agreements typically consist of transmission network upgrades, which are a category of upgrades deemed by FERC to benefit the transmission system as a whole, as well as direct connection facilities, which are necessary to interconnect the generating facility to the transmission system and primarily

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

benefit the generating facility. Our investments in transmission facilities are recorded to utility plant and are recorded net of any contribution in aid of construction. Contributions in aid of construction of \$1.6 million and \$8.0 million were recorded as reductions to utility plant during the years ended December 31, 2015 and 2014, respectively, and are included as reductions of utility plant additions in our statement of cash flows when received. We also receive refundable deposits from the generator for certain investment in network upgrade facilities in advance of construction, which are recorded to account 252.

Impairment of Long-Lived Assets — Our long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds the expected undiscounted future cash flows generated by the asset, the asset is written down to its estimated fair value and an impairment loss is recognized.

Deferred Financing Fees and Discount on Debt — The costs related to the issuance of long-term debt are recorded to account 181 and are amortized over the life of the debt issue to account 428. The debt discount related to the issuance of long-term debt is recorded to account 226 and amortized over the life of the debt issue to account 428. We recorded \$0.6 million to account 428 for amortization of deferred financing fees and the amortization of our debt discounts for the years ended December 31, 2015 and 2014.

Asset Retirement Obligations — We comply with the standards set forth by the FASB for asset retirement obligations. As defined in the standards, a conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within our control. We have identified conditional asset retirement obligations primarily associated with the removal of equipment containing polychlorinated biphenyls (“PCBs”) and asbestos. We record a liability to account 230 at fair value for a legal asset retirement obligation in the period in which it is incurred. When a new legal obligation is recorded, we capitalize the costs of the liability by increasing the carrying amount of the related long-lived asset in account 101. We accrete the liability to its present value each period and depreciate the capitalized cost over the useful life of the related asset. At the end of the asset’s useful life, we settle the obligation for its recorded amount. We defer amounts recorded for accretion expense, depreciation expense and gain or loss associated with asset retirement obligations to regulatory assets in account 182.3 or regulatory liabilities in account 254 for the timing differences between the incurred costs to settle our legal asset retirement obligations and the recognition of such obligations under the standards set forth by the FASB. There were no significant changes to our asset retirement obligations in 2015. Our asset retirement obligations as of December 31, 2015 and 2014 of \$2.1 million and \$2.5 million, respectively, were included in account 230.

Contingent Obligations — We are subject to a number of federal and state laws and regulations, as well as other factors and conditions that potentially subject us to environmental, litigation and other risks. We periodically evaluate our exposure to such risks and record reserves for those matters where a loss is considered probable and reasonably estimable. The adequacy of reserves can be significantly affected by external events or conditions that can be unpredictable; thus, the ultimate outcome of such matters could materially affect our financial statements.

Revenues — Revenues from the transmission of electricity are recognized as services are provided based on our FERC-approved cost-based formula rate templates. We record a reserve for revenue subject to refund when such refund is probable and can be reasonably estimated. This reserve is recorded as a reduction to operating revenues.

Our cost-based formula rate templates include a true-up mechanism, whereby we compare our actual revenue requirements to our billed revenues for each year to determine any over- or under-collection of revenue requirements and record a revenue accrual or deferral to account 456.1 for the difference. Refer to Note 5 under “Cost-Based Formula Rate Templates with True-Up Mechanism” for a discussion of our revenue accounting under our cost-based formula rate templates.

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

Income Taxes — We are organized as a single-member limited liability company of ITC Holdings, which is taxed as a corporation for federal income tax purposes. We record federal income taxes based on our stand-alone company tax position as we operate under an intercompany tax sharing arrangement with ITC Holdings. Refer to Note 10 for discussion of our Intercompany Tax Sharing Arrangement with ITC Holdings.

Deferred income taxes are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. Deferred income tax assets and liabilities are determined based on the differences between the financial statements and the tax bases of various assets and liabilities using the tax rates expected to be in effect for the year in which the differences are expected to reverse. Refer to Note 8 for additional information on income taxes.

The accounting standards for uncertainty in income taxes prescribe a recognition threshold and a measurement attribute for tax positions taken, or expected to be taken, in a tax return that may not be sustainable. As of December 31, 2015, we did not have any uncertain income tax positions.

We are wholly-owned by ITC Holdings and included in ITC Holdings' consolidated income tax returns filed with the Internal Revenue Service. ITC Holdings is no longer subject to U.S. federal tax examination for tax years 2011 and earlier. State and city jurisdictions that remain subject to examination range from tax years 2011 to 2014. In the event ITC Holdings is assessed interest or penalties by any income tax jurisdictions, interest and penalties would be recorded in accounts 431 and 426.3, respectively.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Revenue Recognition

In May 2014, the FASB issued authoritative guidance requiring entities to apply a new model for recognizing revenue from contracts with customers. The guidance will supersede the current revenue recognition guidance and require entities to evaluate their revenue recognition arrangements using a five step model to determine when a customer obtains control of a transferred good or service. The guidance is effective for us for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. We may elect to apply the guidance as early as the annual reporting period beginning after December 15, 2017 and interim periods with that annual period. Entities may adopt the guidance using a full or modified retrospective application. We do not expect the guidance to have a material impact on our financial statements.

Going Concern

In August 2014, the FASB issued authoritative guidance on (1) how to perform a going concern assessment and (2) when going concern disclosures are required under GAAP. The guidance extends the responsibility for performing a going concern assessment to company management; previously, this requirement existed only in auditing literature. The standard is expected to enhance the timeliness, clarity and consistency of going concern disclosures. The guidance is effective for the annual period ending after December 15, 2016, and for interim periods and annual periods thereafter. Early application is permitted. We do not expect the standard to have a material impact on our financial statements, including our disclosures.

Amendments to the Consolidation Analysis

In February 2015, the FASB issued authoritative guidance that amends the variable interest entity consolidation analysis under GAAP. The new standard was issued to improve targeted areas of consolidation guidance. Although the FASB's deliberations were

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

largely focused on the investment management industry, the standard is applicable for reporting entities across industries. Specifically, the guidance amends the consolidation analysis for limited partnerships, clarifies when fees paid to a decision maker should be a factor in the consolidation analysis and amends how variable interests held by related parties affect consolidation. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early application is permitted. We do not expect the standard to have a material impact on our financial statements.

Amendment to the Balance Sheet Presentation of Debt Issuance Costs

In April 2015, the FASB issued authoritative guidance that amends the balance sheet presentation of debt issuance costs for GAAP reporting. This new standard requires debt issuance costs to be shown as a direct deduction from the carrying amount of the related debt, consistent with debt discounts. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015 and will be applied retrospectively. Early adoption is permitted. Upon transition, an entity is required to comply with the applicable disclosures for a change in an accounting principle. We are currently assessing the impact this guidance may have on our financial statements, including our disclosures.

Balance Sheet Classification of Deferred Taxes

In November 2015, the FASB issued authoritative guidance which simplifies the presentation of deferred income taxes by requiring entities to net deferred tax assets and deferred tax liabilities and present as non-current in a classified balance sheet for GAAP reporting. This standard has no impact on our financial statements for FERC reporting.

Accounting for Leases

In February 2016, the FASB issued authoritative guidance on accounting for leases, which impacts accounting by lessees, and to a lesser extent, lessors. The new guidance creates a dual approach for lessee accounting, with lease classification determined in accordance with principles in existing lease guidance (i.e., based on whether a lease is effectively an installment purchase by a lessee). Income statement presentation differs depending on the lease classification; however, both types of leases result in lessees recognizing a right-of-use asset and a lease liability, with limited exceptions. Under existing accounting guidance, operating leases are not recorded on the balance sheet of lessees. The new guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. We are currently assessing the impacts this guidance will have on our financial statements, including our disclosures.

5. REGULATORY MATTERS

MISO Funding Policy for Generator Interconnections

On June 18, 2015, the FERC issued an order in Docket No. EL15-68 initiating a proceeding, pursuant to Section 206 of the Federal Power Act ("FPA"), to examine the MISO funding policy for generator interconnections, which allows a transmission owner to unilaterally elect to fund network upgrades and recover such costs from the interconnection customer. In this order, FERC suggested the MISO funding policy be revised to require mutual agreement between the interconnection customer and transmission owner to utilize the election to fund network upgrades. On July 20, 2015, MISO and its TOs filed a request for a rehearing of the FERC order to examine MISO's funding policy for generator interconnections, which was subsequently denied by FERC on December 29, 2015. On January 8, 2016, MISO made a compliance filing to revise its funding policy to adopt the FERC suggestion to require mutual agreement between the customer and TO, with an effective date of June 24, 2015. We do not expect the resolution of this proceeding to have a material impact on our financial statements.

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| ITC Midwest LLC | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

MISO Formula Rate Template Modifications Filing

On October 30, 2015, we requested modifications, pursuant to Section 205 of the FPA, to certain aspects of our formula rate template which included, among other things, changes to ensure that various income tax items are computed correctly for purposes of determining our revenue requirement. We requested an effective date of January 1, 2016 for the proposed template changes. On December 30, 2015, the FERC conditionally accepted the formula rate template modifications and required a further compliance filing, which was made on February 8, 2016. The formula rate templates, prior to any proposed modifications, include certain deferred income taxes on contributions in aid of construction in rate base that resulted in us recovering excess amounts from customers. In 2015, we recognized a refund liability for the excess amounts recovered for all historical periods through December 31, 2015, which resulted in a reduction in revenues of \$8.1 million in account 449.1 for the year ended December 31, 2015. This resulted in an estimated after-tax reduction to net income of \$4.8 million for the year ended December 31, 2015. We do not expect the final resolution of this matter will differ materially from the amounts recorded in 2015.

Order on Formula Rate Protocols

In 2012, the FERC issued an order initiating a proceeding, pursuant to Section 206 of the FPA, to determine whether the formula rate protocols under the MISO Tariff are sufficient to ensure just and reasonable rates. We were named in the order. In May 2013, the FERC issued an order that determined the formula rate protocols are insufficient to ensure just and reasonable rates and directed MISO and its member transmission owners (“TOs”) to file revised formula rate protocols. In September 2013, MISO and its TOs, including us, filed revised formula rate protocols which require us to provide additional information for certain aspects of the formula rates used to calculate our annual revenue requirements. In March 2014, the FERC issued an order conditionally accepting MISO and its TOs’ September 2013 filing and required a further compliance filing, which MISO and its TOs made in May 2014. On January 22, 2015, the FERC conditionally accepted the May 2014 compliance filing, subject to a further compliance filing, which was made on February 13, 2015. On August 21, 2015, the FERC issued an order accepting the February 13, 2015 compliance filing, effective January 2014. We do not expect these revised formula rate protocols to materially impact our financial statements.

Rate of Return on Equity and Capital Structure Complaints

See “Rate of Return on Equity and Capital Structure Complaints” in Note 12 for a discussion of the complaints.

Cost-Based Formula Rate Templates with True-Up Mechanism

Our transmission revenue requirements are set annually, using FERC-approved formula rate templates (“formula rate templates”), and remain in effect for a one-year period. By completing our formula rate template on an annual basis, we are able to make adjustments to reflect changing operational data and financial performance, including the amount of network load on our transmission system, operating expenses and additions to utility plant when placed in service, among other items. The formula rate templates use an approved rate of return on equity (“ROE”) of 12.38% and do not require further action or FERC filings each year, although the template inputs remain subject to legal challenge at the FERC. We will continue to use formula rate templates to calculate our annual revenue requirements unless the FERC determines any template to be unjust and unreasonable or another mechanism is determined by the FERC to be just and reasonable. See “Rate of Return on Equity and Capital Structure Complaints” in Note 12 for detail on ROE matters, including incentive adders approved by FERC in 2015.

Our formula rate templates include a true-up mechanism, whereby we compare our actual revenue requirements to our billed revenues for each year to determine any over- or under-collection of revenue requirements. Revenue is recognized for services

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provided during each reporting period based on actual revenue requirements calculated using the formula rate templates. We accrue or defer revenues in account 456.1 to the extent that the actual revenue requirement for the reporting period is higher or lower, respectively, than the amounts billed relating to that reporting period. The amount of accrued or deferred revenue is reflected in future revenue requirements and thus flows through to customer bills within two years under the provisions of the formula rate template.

The net changes in regulatory assets and liabilities in accounts 182.3 and 254, respectively, associated with our formula rate revenue accruals and deferrals, including accrued interest, were as follows during the year ended December 31, 2015:

(in thousands)

| | |
|---|-------------------|
| Net regulatory liability as of December 31, 2014 | \$ (18,460) |
| Net refund of 2013 revenue deferrals and accruals, including accrued interest | 13,899 |
| Net revenue accrual for the year ended December 31, 2015 | 3,601 |
| Net accrued interest payable for the year ended December 31, 2015 | (427) |
| Net regulatory liability as of December 31, 2015 | <u>\$ (1,387)</u> |

Rate Discount

As part of the orders by the Iowa Utility Board and the Minnesota Public Utilities Commission approving our asset acquisition, we agreed to provide a rate discount of \$4.1 million per year to our customers for eight years, beginning in the first year customers experience an increase in transmission charges following the consummation of our asset acquisition. Beginning in 2009 and extending through 2016, our revenue requirement was or will be reduced by \$4.1 million for each year. The rate discount is recognized in revenues when we provide the service and charge the reduced rate that includes the rate discount.

6. REGULATORY ASSETS AND LIABILITIES

Regulatory Assets

The following table summarizes the regulatory asset balances at December 31, 2015 and 2014:

| (in thousands) | 2015 | 2014 |
|--|------------------|------------------|
| Regulatory Assets: | | |
| Revenue accruals (including accrued interest of \$68 and \$15 at December 31, 2015 and 2014, respectively) | \$ 8,723 | \$ 988 |
| Asset retirement obligation | 1,974 | 2,399 |
| Income taxes recoverable related to AFUDC equity | 40,288 | 31,481 |
| Total | <u>\$ 50,985</u> | <u>\$ 34,868</u> |

Revenue Accruals

Refer to discussion of revenue accruals in Note 5 under "Cost-Based Formula Rate Templates with True-Up Mechanism." We do not earn a return on the balance of these regulatory assets, but do accrue interest carrying costs which are subject to rate recovery along with the principal amount of revenue accruals.

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Asset Retirement Obligation

The carrying amount of our regulatory asset for asset retirement obligation is the timing difference between the recognition of legal asset removal costs under the FASB's standards for asset retirement obligations and the recovery of utility plant removal costs in rates. We do not earn a return on this regulatory asset and do not include any cost components related to accounting for asset retirement obligations in our formula rates.

Income Taxes Recoverable Related to AFUDC Equity

Accounting standards for income taxes provide that a regulatory asset be recorded if it is probable that a future increase in taxes payable relating to the book depreciation of AFUDC equity that has been capitalized to utility plant will be recovered from customers through future rates. The regulatory asset for the tax effects of AFUDC equity is recovered over the life of the underlying book asset in a manner that is consistent with the depreciation of the AFUDC equity that has been capitalized to utility plant. We do not earn a return on this regulatory asset and the related deferred tax liabilities do not reduce rate base.

Regulatory Liabilities

The following table summarizes the regulatory liability balances at December 31, 2015 and 2014:

| (in thousands) | 2015 | 2014 |
|---|-----------|-----------|
| Regulatory Liabilities: | | |
| Refund related to formula rate template modifications (including accrued interest of \$624 as of December 31, 2015) (a) | \$ 8,159 | \$ — |
| Revenue deferrals (including accrued interest of \$354 and \$750 at December 31, 2015 and 2014, respectively) (b) | 10,110 | 19,447 |
| Total | \$ 18,269 | \$ 19,447 |

(a) Refer to discussion of the refund in Note 5 under "MISO Formula Rate Template Modifications Filing."

(b) Refer to discussion of revenue deferrals in Note 5 under "Cost-Based Formula Rate Templates with True-Up Mechanism." We accrue interest on the true-up amounts which will be refunded through rates along with the principal amount of revenue deferrals in future periods.

7. LONG-TERM DEBT

The following amounts were outstanding at December 31, 2015 and 2014:

| (amounts in thousands) | 2015 | 2014 |
|---|------------|------------|
| 6.15% First Mortgage Bonds, Series A, due January 31, 2038 (net of discount of \$388 and \$405, respectively) | \$ 174,612 | \$ 174,595 |
| 7.12% First Mortgage Bonds, Series B, due December 22, 2017 | 40,000 | 40,000 |
| 7.27% First Mortgage Bonds, Series C, due December 22, 2020 | 35,000 | 35,000 |
| 4.60% First Mortgage Bonds, Series D, due December 17, 2024 | 75,000 | 75,000 |
| 3.50% First Mortgage Bonds, Series E, due January 19, 2027 | 100,000 | 100,000 |

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| 4.09% First Mortgage Bonds, Series F, due April 30, 2043 | 100,000 | 100,000 |
| 3.83% First Mortgage Bonds, Series G, due April 7, 2055 | 225,000 | — |
| Revolving Credit Agreement due March 28, 2019 | 72,300 | 191,200 |
| Other | 57 | — |
| Total | \$ 821,969 | \$ 715,795 |

The annual maturities of long-term debt as of December 31, 2015 are as follows:

(in thousands)

| | |
|---------------------|------------|
| 2016 | \$ 28 |
| 2017 | 40,029 |
| 2018 | — |
| 2019 | 72,300 |
| 2020 | 35,000 |
| 2021 and thereafter | 675,000 |
| Total | \$ 822,357 |

First Mortgage Bonds

On April 7, 2015, we issued \$225.0 million aggregate principal amount of 3.83% First Mortgage Bonds, Series G, due April 7, 2055. The proceeds from the issuance were used for general corporate purposes, including the repayment of borrowings under our revolving credit agreement. Our First Mortgage Bonds were issued under our first mortgage and deed of trust and secured by a first mortgage lien on substantially all of our property.

Revolving Credit Agreement

At December 31, 2015, we had the following unsecured revolving credit facility available:

(amounts in millions)

| Total Available Capacity | Outstanding Balance | Unused Capacity | Weighted Average Interest Rate on Outstanding Balance (a) | Commitment Fee Rate (b) |
|--------------------------|---------------------|-----------------|---|-------------------------|
| \$250.0 | \$72.3 | \$177.7 | 1.4% | 0.1% |

(a) Loan bears interest at a rate equal to the London Interbank Offered Rate (“LIBOR”) plus an applicable margin of 1.0% or at a base rate, which is defined as the higher of the prime rate, 0.5% above the federal funds rate or 1.0% above the one month LIBOR, subject to adjustment based on our credit rating.

(b) Calculation based on the average daily unused commitments, subject to adjustment based on our credit rating.

Covenants

Our debt instruments contain numerous financial and operating covenants that place significant restrictions on certain transactions, such as incurring additional indebtedness, engaging in sale and lease back transactions, entering into certain transactions with affiliates,

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creating liens or other encumbrances, entering into mergers, consolidations, liquidations or dissolutions, creating or acquiring subsidiaries and selling or otherwise disposing of all or any substantial part of our assets. In addition, the covenants require us to meet certain financial ratios, such as maintaining certain debt to capitalization ratios. As of December 31, 2015, we were not in violation of any debt covenant.

8. INCOME TAXES

Our effective tax rate varied from the statutory federal income tax rate due to differences between the book and tax treatment of various transactions as follows:

| (in thousands) | 2015 | 2014 |
|---|------------------|------------------|
| Income tax expense at 35% statutory rate | \$ 65,069 | \$ 65,776 |
| State income taxes (net of federal benefit) | 10,316 | 11,061 |
| AFUDC equity | (4,352) | (1,707) |
| Other — net | 150 | 138 |
| Income tax provision | <u>\$ 71,183</u> | <u>\$ 75,268</u> |

Components of the income tax provision were as follows:

| (in thousands) | 2015 | 2014 |
|-----------------------------|------------------|------------------|
| Current income tax expense | \$ 41,284 | \$ 40,841 |
| Deferred income tax expense | 29,899 | 34,427 |
| Income tax provision | <u>\$ 71,183</u> | <u>\$ 75,268</u> |

Deferred income tax assets and liabilities are recognized for the estimated future tax effect of temporary differences between the tax basis of assets or liabilities and the reported amounts in the financial statements.

Deferred income tax assets (liabilities) consisted of the following at December 31:

| (in thousands) | 2015 | 2014 |
|--|---------------------|---------------------|
| Utility plant | \$ (209,233) | \$ (166,025) |
| Regulatory assets — AFUDC equity (a) | (40,288) | (31,481) |
| Net revenue accruals and deferrals, including accrued interest (a) | 575 | 7,656 |
| Refund liabilities (a) | 29,102 | 8,150 |
| Other — net | 2,644 | 3,206 |
| Net deferred income tax liabilities | <u>\$ (217,200)</u> | <u>\$ (178,494)</u> |
| Gross deferred income tax liabilities | \$ (254,795) | \$ (199,273) |
| Gross deferred income tax assets | 37,595 | 20,779 |
| Net deferred income tax liabilities | <u>\$ (217,200)</u> | <u>\$ (178,494)</u> |

(a) Described in Note 6.

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9. FAIR VALUE MEASUREMENTS

The measurement of fair value is based on a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. As of December 31, 2015 and 2014, we did not have any financial assets required to be measured at fair value and subject to the three-tier hierarchy.

We also held non-financial assets that are required to be measured at fair value on a non-recurring basis. We did not record any impairment charges on long-lived assets and no other significant events occurred requiring non-financial assets and liabilities to be measured at fair value (subsequent to initial recognition) during the years ended December 31, 2015 and 2014.

Fair Value of Financial Assets and Liabilities

Fixed Rate Long-Term Debt

Based on the borrowing rates obtained from third party lending institutions currently available for bank loans with similar terms and average maturities from active markets, the fair value of our long-term debt as described in Note 7, excluding our revolving credit agreement, was \$786.7 million and \$576.8 million at December 31, 2015 and 2014, respectively. These fair values represent Level 2 under the three-tier hierarchy described above. The total book value of our long-term debt, net of discount and excluding our revolving credit agreement, was \$749.6 million and \$524.6 million at December 31, 2015 and 2014, respectively.

Revolving Credit Agreement

At December 31, 2015 and 2014, we had \$72.3 million and \$191.2 million, respectively, outstanding under our revolving credit agreement, which is a variable rate loan. The fair value of this loan approximates book value based on the borrowing rates currently available for variable rate loans obtained from third party lending institutions. These fair values represent Level 2 under the three-tier hierarchy described above.

Other Financial Instruments

The carrying value of other financial instruments included in current and accrued assets and current and accrued liabilities, including cash in accounts 131 and 136, respectively, approximates their fair value due to the short-term nature of these instruments.

10. RELATED-PARTY TRANSACTIONS

Net Intercompany Payables

We had net intercompany operating payables to ITC Holdings and our affiliates at December 31, 2015 and 2014 of \$6.8 million and \$6.4 million, respectively, recorded in account 234. We record intercompany payables in account 234 for expenses incurred by ITC Holdings or affiliates on our behalf primarily for administrative and general expenses as discussed in Note 3 under "Cost Assignment" and below under "Retirement Benefits" as well as for facilities owned by our affiliates that we use. We generally settle our intercompany balances with ITC Holdings and our affiliates on a net basis monthly.

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Retirement Benefits

ITC Holdings is the plan sponsor for a pension plan, other postretirement plans and a defined contribution plan. The benefits-related expenses recorded by us result from the inclusion of benefit costs as a component of the total charge for services performed by ITC Holdings' employees under the cost assignment and allocation methods used by ITC Holdings and its subsidiaries. The total amounts relating to net pension cost, net postretirement cost and defined contribution plan cost assigned to us for the years ended December 31, 2015 and 2014 were \$7.6 million and \$5.6 million, respectively, of which the majority was recorded in administrative and general expenses or capitalized in utility plant.

Intercompany Tax Sharing Arrangement

As discussed in Note 3 under "Income Taxes," we are organized as a single-member limited liability company of ITC Holdings, which is taxed as a corporation for federal income tax purposes. Additionally, we are included with ITC Holdings and various other affiliates in each of the different states for which ITC Holdings files state income tax returns. We record federal and state income taxes and make payments to ITC Holdings based on our stand-alone company tax position as we operate under an intercompany tax sharing arrangement with ITC Holdings. In addition to the payables described above under "Net Intercompany Payables," we had recorded total income tax payables of \$8.3 million and \$6.6 million in account 236 as of December 31, 2015 and 2014, respectively. Refer to Note 8 for additional income tax balances allocated to and recorded by us. During the years ended December 31, 2015 and 2014, we made payments of \$39.6 million and \$42.9 million, respectively, to ITC Holdings associated with our income tax position.

Capital Contributions from and Distributions to Member

Periodically, we receive capital contribution payments from and make distribution payments to our member. During the years ended December 31, 2015 and 2014, we received capital contributions from our member of \$119.0 million and \$100.3 million, respectively, recorded in account 211. During the years ended December 31, 2015 and 2014, we made a return of capital to our member of \$20.3 million and \$33.2 million, respectively, recorded in account 211. During the years ended December 31, 2015 and 2014, we paid dividends to our member of \$61.2 million and \$70.2 million, respectively, recorded in account 216.

11. JOINTLY OWNED UTILITY PLANT/COORDINATED SERVICES

We have joint sharing of several substations and transmission lines with various parties. As of December 31, 2015, we had net investments in jointly shared substation facilities totaling \$18.4 million (including \$0.7 million of jointly owned substation assets under construction) of which our ownership percentages for these jointly owned substations facilities ranged from 28.0% to 80.0%. As of December 31, 2015, we had net investments in jointly shared transmission lines totaling \$32.9 million (including less than \$0.1 million of jointly owned lines under construction) of which our ownership percentage for these jointly owned lines ranged from 48.0% to 80.0%. Our participating share of expenses associated with these jointly held assets are primarily recorded to operation expenses and maintenance expenses.

12. COMMITMENTS AND CONTINGENT LIABILITIES

Environmental Matters

We are subject to federal, state and local environmental laws and regulations, which impose limitations on the discharge of

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pollutants into the environment, establish standards for the management, treatment, storage, transportation and disposal of solid and hazardous wastes and hazardous materials, and impose obligations to investigate and remediate contamination in certain circumstances. Liabilities relating to investigation and remediation of contamination, as well as other liabilities concerning hazardous materials or contamination, such as claims for personal injury or property damage, may arise at many locations, including formerly owned or operated properties and sites where wastes have been treated or disposed of, as well as properties currently owned or operated by us. Such liabilities may arise even where the contamination does not result from noncompliance with applicable environmental laws. Under some environmental laws, such liabilities may also be joint and several, meaning that a party can be held responsible for more than its share of the liability involved, or even the entire share. Although environmental requirements generally have become more stringent and compliance with those requirements more expensive, we are not aware of any specific developments that would increase our costs for such compliance in a manner that would be expected to have a material adverse effect on our financial statements.

Our assets and operations also involve the use of materials classified as hazardous, toxic or otherwise dangerous. Many of the properties that we own or operate have been used for many years, and include older facilities and equipment that may be more likely than newer ones to contain or be made from such materials. Some of these properties include aboveground or underground storage tanks and associated piping. Some of them also include large electrical equipment filled with mineral oil, which may contain or previously have contained PCBs. Our facilities and equipment are often situated on or near property owned by others so that, if they are the source of contamination, others' property may be affected. For example, aboveground and underground transmission lines sometimes traverse properties that we do not own and transmission assets that we own or operate are sometimes commingled at our transmission stations with distribution assets owned or operated by our transmission customers.

Some properties in which we have an ownership interest or at which we operate are, or are suspected of being, affected by environmental contamination. We are not aware of any pending or threatened claims against us with respect to environmental contamination relating to these properties, or of any investigation or remediation of contamination at these properties, that entail costs likely to materially affect us. Some facilities and properties are located near environmentally sensitive areas such as wetlands.

Claims have been made or threatened against electric utilities for bodily injury, disease or other damages allegedly related to exposure to electromagnetic fields associated with electric transmission and distribution lines. While we do not believe that a causal link between electromagnetic field exposure and injury has been generally established and accepted in the scientific community, the liabilities and costs imposed on our business could be significant if such a relationship is established or accepted. We are not aware of any pending or threatened claims against us for bodily injury, disease or other damages allegedly related to exposure to electromagnetic fields and electric transmission and distribution lines that entail costs likely to have a material adverse effect on our financial statements.

Litigation

We are involved in certain legal proceedings before various courts, governmental agencies and mediation panels concerning matters arising in the ordinary course of business. These proceedings include certain contract disputes, eminent domain and vegetation management activities, regulatory matters and pending judicial matters. We cannot predict the final disposition of such proceedings. We regularly review legal matters and record provisions for claims that are considered probable of loss.

Rate of Return on Equity and Capital Structure Complaints

On November 12, 2013, the Association of Businesses Advocating Tariff Equity, Coalition of MISO Transmission Customers,

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Illinois Industrial Energy Consumers, Indiana Industrial Energy Consumers, Inc., Minnesota Large Industrial Group and Wisconsin Industrial Energy Group (collectively, the “complainants”) filed a complaint with the FERC under Section 206 of the FPA (the “Initial Complaint”), requesting that the FERC find the current 12.38% MISO regional base ROE rate (the “base ROE”) for all MISO TOs, including us, to no longer be just and reasonable. The complainants sought a FERC order reducing the base ROE used in our formula transmission rate to 9.15%. The Initial Complaint also alleged that the rates of any MISO TO using a capital structure with greater than 50% for the equity component are likewise not just and reasonable (we use our actual capital structure, which targets 60% equity, as FERC had previously authorized).

On June 19, 2014, in a separate Section 206 complaint against the regional base ROE rate for ISO New England TOs, FERC adopted a new methodology for establishing base ROE rates for electric transmission utilities. The new methodology is based on a two-step discounted cash flow analysis (“two-step DCF”) that uses both short-term and long-term growth projections in calculating ROE rates for a proxy group of electric utilities. The previous methodology used only short-term growth projections. FERC also reiterated that it can apply discretion in determining how ROE rates are established within a zone of reasonableness and reiterated its policy for limiting the overall ROE rate for any company, including the base and all applicable adders, at the high end of the zone of reasonableness set by the two-step DCF methodology. The new method presented in the ISO New England ROE case is expected to be used in resolving a MISO ROE complaint.

On October 16, 2014, FERC granted the complainants’ request in part by setting the base ROE for hearing and settlement procedures, while denying all other aspects of the Initial Complaint. FERC found that the complainants failed to show that the use of actual or FERC-approved capital structures that include more than 50% equity is unjust and unreasonable. The order reiterated that any TO’s total ROE rate is limited by the top end of a zone of reasonableness and the TO’s ability to implement the full amount of previously granted ROE adders may be affected by the outcome of the hearing. FERC set the refund effective date as November 12, 2013.

During the fourth quarter of 2014, the MISO TOs engaged in the ordered FERC settlement procedures with the complainants, but were not able to reach resolution. On January 5, 2015, the Chief Judge for FERC issued an order which terminated settlement procedures and initiated the hearing process, with an initial decision due within 47 weeks of the order. On April 6, 2015, the MISO TOs filed expert witness testimony in the Initial Complaint proceeding supporting the existing base ROE as just and reasonable. However, in the event that FERC elects to change the base ROE, the testimony included a recommendation of 11.39% base ROE for the period of November 12, 2013 through February 11, 2015 (the “Initial Refund Period”). On December 22, 2015, the presiding administrative law judge issued an initial decision on the Initial Complaint, which recommends a base ROE of 10.32% for the Initial Refund Period, with a maximum ROE of 11.35%. The initial decision is a non-binding recommendation to FERC on the Initial Complaint, and exceptions to the initial decision have been filed by the MISO TOs and the complainants. In resolving the Initial Complaint, we expect FERC to establish a new base ROE and zone of reasonable returns that will be used to determine any potential refund liability for the Initial Refund Period. The new base ROE as well as any ROE adders, subject to the limitations of the top end of any zone of reasonableness that is established, are expected to be used to calculate the refund liability for the Initial Refund Period. We anticipate a FERC order on the Initial Complaint by the end of 2016.

On February 12, 2015, an additional complaint was filed with the FERC under Section 206 of the FPA (the “Second Complaint”) by Arkansas Electric Cooperative Corporation, Mississippi Delta Energy Agency, Clarksdale Public Utilities Commission, Public Service Commission of Yazoo City and Hoosier Energy Rural Electric Cooperative, Inc., seeking a FERC order to reduce the base ROE used in our formula transmission rate to 8.67%, with an effective date of February 12, 2015. On March 11, 2015, the MISO TOs filed an answer to the Second Complaint with the FERC supporting the current base ROE as just and reasonable. On June 18, 2015, FERC accepted the Second Complaint and set it for hearing and settlement procedures. FERC also set the refund effective date for the Second

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Complaint as February 12, 2015.

On October 20, 2015, the MISO TOs filed expert witness testimony in the Second Complaint proceeding supporting the existing base ROE as just and reasonable. However, in the event that FERC elects to change the base ROE, the testimony included a recommendation of 10.75% base ROE for the period of February 12, 2015 through May 11, 2016 (the “Second Refund Period”). Updated data to be considered in establishing any new base ROE was filed by the parties to the Second Complaint in January 2016, including a recommendation in the updated MISO TO expert witness testimony to use a 10.96% base ROE. In resolving the Second Complaint, we expect FERC to establish a new base ROE and zone of reasonable returns that will be used, along with any ROE adders, to calculate the refund liability for the Second Refund Period. The initial decision on the Second Complaint is expected by June 30, 2016, with the related FERC order anticipated in 2017.

We believe it is probable that refunds will be required for these matters and as of December 31, 2015, the estimated range of refunds on a pre-tax basis is expected to be from \$62.0 million to \$71.9 million for the period from November 12, 2013 through December 31, 2015. As of December 31, 2015 and 2014, we had recorded \$62.0 million and \$19.7 million, respectively, in account 229, representing the low end of the range of potential refunds as of those dates, as there is no best estimate within the range of refunds. The recognition of this estimated liability resulted in a reduction in revenues in account 449.1 of \$42.3 million and \$19.7 million for the years ended December 31, 2015 and 2014, respectively. This resulted in an estimated after-tax reduction to net income of \$24.8 million for the year ended December 31, 2015 (which includes a \$11.1 million effect on net income for revenue initially recognized in 2014 and 2013) and \$11.5 million for the year ended December 31, 2014 (which includes a \$1.1 million effect on net income for revenue initially recognized in 2013). No amounts related to these complaints were recorded as of or for the year ended December 31, 2013.

Based on the estimated range of refunds identified above, we believe that it is reasonably possible that these matters could result in an additional estimated pre-tax refund of up to \$9.9 million (or a \$5.8 million estimated after-tax reduction of net income) in excess of the amount recorded as of December 31, 2015. It is also possible the outcome of these matters could differ from the estimated range of losses and materially affect our financial statements due to the uncertainty of the calculation of an authorized base ROE along with the zone of reasonableness under the newly adopted two-step DCF methodology, which is subject to significant discretion by the FERC. As of December 31, 2015, we had approximately \$1.2 billion of equity in our capital structure for ratemaking purposes. Based on this level of equity, we estimate that each 10 basis point reduction in the authorized ROE would reduce annual net income by approximately \$1.2 million.

In a separate but related matter, in November 2014, the MISO TOs filed a request with FERC, under FPA Section 205, for authority to include a 50 basis point incentive adder for RTO participation in each of the TOs’ formula rates. On January 5, 2015, FERC approved the use of this incentive adder, effective January 6, 2015. Additionally, we filed a request with FERC, under FPA Section 205, in January 2015 for authority to include a 100 basis point incentive adder for independent transmission ownership. On March 31, 2015, FERC approved the use of a 50 basis point incentive adder for independence, effective April 1, 2015. On April 30, 2015, we filed a request with FERC for rehearing on the approved incentive adder for independence and this request was subsequently denied by FERC on January 6, 2016. An appeal of FERC’s decision has been filed. The RTO participation and the independence incentive adders will be applied to our base ROE in establishing our total authorized ROE rate, subject to the limitations of the top end of any zone of reasonableness that is established. Collection of these recently approved incentive adders is being deferred, pending the outcome of the ROE complaints.

Purchase Obligations and Leases

At December 31, 2015, we had purchase obligations of \$41.8 million representing commitments for materials, services and

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| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

equipment that had not been received as of December 31, 2015, primarily for construction and maintenance projects for which we have an executed contract. The purchase obligations are expected to be paid in 2016, with the majority of the items related to materials and equipment that have long production lead times.

We have operating leases for office space, equipment and storage facilities. We recognize expenses relating to our operating lease obligations on a straight-line basis over the term of the lease. We recognized rent expense of \$0.8 million and \$0.9 million for the years ended December 31, 2015 and 2014, respectively, recorded in administrative and general expenses as well as operation and maintenance expenses.

Future minimum lease payments under the leases at December 31, 2015 were:

(in thousands)

| | | |
|------------------------------|-----------|--------------|
| 2016 | \$ | 529 |
| 2017 | | 483 |
| 2018 | | 447 |
| 2019 | | 395 |
| 2020 and thereafter | | 1,698 |
| Total minimum lease payments | <u>\$</u> | <u>3,552</u> |

Other Commitments

Operations Services Agreement For 34.5 kilovolt (“kV”) Transmission Facilities. We and IP&L have entered into the Operations Services Agreement For 34.5 kV Transmission Facilities (the “OSA”), effective as of January 1, 2011, under which IP&L performs certain operations of our 34.5 kV transmission system. The OSA remained in full force and effect until December 31, 2015 and was extended for one year. The OSA will extend automatically from year to year thereafter until terminated by either party upon not less than one year prior written notice to the other party.

Concentration of Credit Risk

Our credit risk is primarily with IP&L, which was responsible for approximately 78.5% or \$285.8 million of our billed revenues for the year ended December 31, 2015. These percentages and amounts of total billed revenues of IP&L include the collection of 2013 revenue accruals and deferrals and exclude any amounts for the 2015 revenue accruals and deferrals that were included in our 2015 operating revenues, but will not be billed to our customers until 2017. Any financial difficulties experienced by IP&L could negatively impact our business. MISO, as our billing agent, bills IP&L and other customers on a monthly basis and collects fees for the use of our transmission system. MISO has implemented strict credit policies for its members’ customers, which include customers using our transmission system. Specifically, MISO requires a letter of credit or cash deposit equal to the credit exposure, which is determined by a credit scoring model and other factors, from any customer using a member’s transmission system.

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

| Line No. | Item (a) | Unrealized Gains and Losses on Available-for-Sale Securities (b) | Minimum Pension Liability adjustment (net amount) (c) | Foreign Currency Hedges (d) | Other Adjustments (e) |
|----------|--|---|--|------------------------------------|------------------------------|
| 1 | Balance of Account 219 at Beginning of Preceding Year | | | | |
| 2 | Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 3 | Preceding Quarter/Year to Date Changes in Fair Value | | | | |
| 4 | Total (lines 2 and 3) | | | | |
| 5 | Balance of Account 219 at End of Preceding Quarter/Year | | | | |
| 6 | Balance of Account 219 at Beginning of Current Year | | | | |
| 7 | Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 8 | Current Quarter/Year to Date Changes in Fair Value | | | | |
| 9 | Total (lines 7 and 8) | | | | |
| 10 | Balance of Account 219 at End of Current Quarter/Year | | | | |
| | | | | | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

| Line No. | Other Cash Flow Hedges Interest Rate Swaps (f) | Other Cash Flow Hedges [Specify] (g) | Totals for each category of items recorded in Account 219 (h) | Net Income (Carried Forward from Page 117, Line 78) (i) | Total Comprehensive Income (j) |
|----------|--|--|--|--|---------------------------------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | 114,727,494 | 114,727,494 |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | 114,727,494 | 114,727,494 |
| 10 | | | | | |

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

| Line No. | Classification (a) | Total Company for the Current Year/Quarter Ended (b) | Electric (c) |
|----------|---|--|-----------------|
| 1 | Utility Plant | | |
| 2 | In Service | | |
| 3 | Plant in Service (Classified) | 1,972,543,748 | 1,972,543,748 |
| 4 | Property Under Capital Leases | | |
| 5 | Plant Purchased or Sold | 52,859 | 52,859 |
| 6 | Completed Construction not Classified | 511,373,791 | 511,373,791 |
| 7 | Experimental Plant Unclassified | | |
| 8 | Total (3 thru 7) | 2,483,970,398 | 2,483,970,398 |
| 9 | Leased to Others | | |
| 10 | Held for Future Use | | |
| 11 | Construction Work in Progress | 218,389,639 | 218,389,639 |
| 12 | Acquisition Adjustments | 6,743 | 6,743 |
| 13 | Total Utility Plant (8 thru 12) | 2,702,366,780 | 2,702,366,780 |
| 14 | Accum Prov for Depr, Amort, & Depl | 399,390,518 | 399,390,518 |
| 15 | Net Utility Plant (13 less 14) | 2,302,976,262 | 2,302,976,262 |
| 16 | Detail of Accum Prov for Depr, Amort & Depl | | |
| 17 | In Service: | | |
| 18 | Depreciation | 399,332,833 | 399,332,833 |
| 19 | Amort & Depl of Producing Nat Gas Land/Land Right | | |
| 20 | Amort of Underground Storage Land/Land Rights | | |
| 21 | Amort of Other Utility Plant | 57,685 | 57,685 |
| 22 | Total In Service (18 thru 21) | 399,390,518 | 399,390,518 |
| 23 | Leased to Others | | |
| 24 | Depreciation | | |
| 25 | Amortization and Depletion | | |
| 26 | Total Leased to Others (24 & 25) | | |
| 27 | Held for Future Use | | |
| 28 | Depreciation | | |
| 29 | Amortization | | |
| 30 | Total Held for Future Use (28 & 29) | | |
| 31 | Abandonment of Leases (Natural Gas) | | |
| 32 | Amort of Plant Acquisition Adj | | |
| 33 | Total Accum Prov (equals 14) (22,26,30,31,32) | 399,390,518 | 399,390,518 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

| Gas (d) | Other (Specify) (e) | Other (Specify) (f) | Other (Specify) (g) | Common (h) | Line No. |
|------------|------------------------|------------------------|------------------------|---------------|-------------|
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|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 200 Line No.: 3 Column: c

Plant in service (Classified) includes amounts associated with the accounting for Asset Retirement Obligations ("ARO"):

| | |
|--|-----------------|
| Plant in service (Classified) as reported | \$1,972,543,748 |
| (page 200, line 3, column c) | |
| Impact of accounting for ARO | -373,262 |
| Plant in service (Classified) without ARO accounting (a) | \$1,972,170,486 |

(a) Per FERC Order No. 631, public utilities with formula rate tariffs must not include any cost components related to Financial Accounting Standards Board ("FASB") accounting for ARO's in their formula billing tariffs for automatic recovery in their billing determinations without obtaining Commission approval. The plant in service (Classified) without ARO amount of \$1,972,170,486 is used as the balance when reference is to page 200, line 3, column c in our formula rate tariff as we are not seeking Commission approval to increase our tariff rate as a result of ARO accounting under FASB Accounting Standards Codification 410 ("ASC 410")- Asset Retirement and Environmental Obligations.

Schedule Page: 200 Line No.: 21 Column: c

The 13 month average balance of \$90,956 is used when reference is to page 200, line 21, column c in the formula rate tariff.

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

| Line No. | Description of item (a) | Balance Beginning of Year (b) | Changes during Year |
|----------|---|----------------------------------|---------------------|
| | | | Additions (c) |
| 1 | Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1) | | |
| 2 | Fabrication | | |
| 3 | Nuclear Materials | | |
| 4 | Allowance for Funds Used during Construction | | |
| 5 | (Other Overhead Construction Costs, provide details in footnote) | | |
| 6 | SUBTOTAL (Total 2 thru 5) | | |
| 7 | Nuclear Fuel Materials and Assemblies | | |
| 8 | In Stock (120.2) | | |
| 9 | In Reactor (120.3) | | |
| 10 | SUBTOTAL (Total 8 & 9) | | |
| 11 | Spent Nuclear Fuel (120.4) | | |
| 12 | Nuclear Fuel Under Capital Leases (120.6) | | |
| 13 | (Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5) | | |
| 14 | TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13) | | |
| 15 | Estimated net Salvage Value of Nuclear Materials in line 9 | | |
| 16 | Estimated net Salvage Value of Nuclear Materials in line 11 | | |
| 17 | Est Net Salvage Value of Nuclear Materials in Chemical Processing | | |
| 18 | Nuclear Materials held for Sale (157) | | |
| 19 | Uranium | | |
| 20 | Plutonium | | |
| 21 | Other (provide details in footnote): | | |
| 22 | TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21) | | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

| Changes during Year | | Balance End of Year (f) | Line No. |
|---------------------|---|-------------------------------|-------------|
| Amortization (d) | Other Reductions (Explain in a footnote) (e) | | |
| | | | 1 |
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|----------|--|-------------------------------------|------------------|
| 1 | 1. INTANGIBLE PLANT | | |
| 2 | (301) Organization | | |
| 3 | (302) Franchises and Consents | | |
| 4 | (303) Miscellaneous Intangible Plant | 1,770,618 | 9,830 |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4) | 1,770,618 | 9,830 |
| 6 | 2. PRODUCTION PLANT | | |
| 7 | A. Steam Production Plant | | |
| 8 | (310) Land and Land Rights | | |
| 9 | (311) Structures and Improvements | | |
| 10 | (312) Boiler Plant Equipment | | |
| 11 | (313) Engines and Engine-Driven Generators | | |
| 12 | (314) Turbogenerator Units | | |
| 13 | (315) Accessory Electric Equipment | | |
| 14 | (316) Misc. Power Plant Equipment | | |
| 15 | (317) Asset Retirement Costs for Steam Production | | |
| 16 | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15) | | |
| 17 | B. Nuclear Production Plant | | |
| 18 | (320) Land and Land Rights | | |
| 19 | (321) Structures and Improvements | | |
| 20 | (322) Reactor Plant Equipment | | |
| 21 | (323) Turbogenerator Units | | |
| 22 | (324) Accessory Electric Equipment | | |
| 23 | (325) Misc. Power Plant Equipment | | |
| 24 | (326) Asset Retirement Costs for Nuclear Production | | |
| 25 | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24) | | |
| 26 | C. Hydraulic Production Plant | | |
| 27 | (330) Land and Land Rights | | |
| 28 | (331) Structures and Improvements | | |
| 29 | (332) Reservoirs, Dams, and Waterways | | |
| 30 | (333) Water Wheels, Turbines, and Generators | | |
| 31 | (334) Accessory Electric Equipment | | |
| 32 | (335) Misc. Power PLant Equipment | | |
| 33 | (336) Roads, Railroads, and Bridges | | |
| 34 | (337) Asset Retirement Costs for Hydraulic Production | | |
| 35 | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | | |
| 36 | D. Other Production Plant | | |
| 37 | (340) Land and Land Rights | | |
| 38 | (341) Structures and Improvements | | |
| 39 | (342) Fuel Holders, Products, and Accessories | | |
| 40 | (343) Prime Movers | | |
| 41 | (344) Generators | | |
| 42 | (345) Accessory Electric Equipment | | |
| 43 | (346) Misc. Power Plant Equipment | | |
| 44 | (347) Asset Retirement Costs for Other Production | | |
| 45 | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44) | | |
| 46 | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45) | | |
| | | | |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|----------|--|-------------------------------------|------------------|
| 47 | 3. TRANSMISSION PLANT | | |
| 48 | (350) Land and Land Rights | 61,958,215 | 9,887,985 |
| 49 | (352) Structures and Improvements | 56,864,501 | 18,569,591 |
| 50 | (353) Station Equipment | 609,512,244 | 52,657,099 |
| 51 | (354) Towers and Fixtures | 21,333,033 | 3,686 |
| 52 | (355) Poles and Fixtures | 846,452,446 | 159,991,287 |
| 53 | (356) Overhead Conductors and Devices | 483,290,809 | 60,767,612 |
| 54 | (357) Underground Conduit | 741,167 | 145,793 |
| 55 | (358) Underground Conductors and Devices | 1,803,012 | 238,400 |
| 56 | (359) Roads and Trails | | |
| 57 | (359.1) Asset Retirement Costs for Transmission Plant | 492,445 | |
| 58 | TOTAL Transmission Plant (Enter Total of lines 48 thru 57) | 2,082,447,872 | 302,261,453 |
| 59 | 4. DISTRIBUTION PLANT | | |
| 60 | (360) Land and Land Rights | | |
| 61 | (361) Structures and Improvements | | |
| 62 | (362) Station Equipment | | |
| 63 | (363) Storage Battery Equipment | | |
| 64 | (364) Poles, Towers, and Fixtures | | |
| 65 | (365) Overhead Conductors and Devices | | |
| 66 | (366) Underground Conduit | | |
| 67 | (367) Underground Conductors and Devices | | |
| 68 | (368) Line Transformers | | |
| 69 | (369) Services | | |
| 70 | (370) Meters | | |
| 71 | (371) Installations on Customer Premises | | |
| 72 | (372) Leased Property on Customer Premises | | |
| 73 | (373) Street Lighting and Signal Systems | | |
| 74 | (374) Asset Retirement Costs for Distribution Plant | | |
| 75 | TOTAL Distribution Plant (Enter Total of lines 60 thru 74) | | |
| 76 | 5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT | | |
| 77 | (380) Land and Land Rights | | |
| 78 | (381) Structures and Improvements | | |
| 79 | (382) Computer Hardware | | |
| 80 | (383) Computer Software | | |
| 81 | (384) Communication Equipment | | |
| 82 | (385) Miscellaneous Regional Transmission and Market Operation Plant | | |
| 83 | (386) Asset Retirement Costs for Regional Transmission and Market Oper | | |
| 84 | TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83) | | |
| 85 | 6. GENERAL PLANT | | |
| 86 | (389) Land and Land Rights | 4,627,753 | |
| 87 | (390) Structures and Improvements | 23,830,981 | 873,563 |
| 88 | (391) Office Furniture and Equipment | 4,042,093 | 545,039 |
| 89 | (392) Transportation Equipment | 33,724,230 | 1,596,824 |
| 90 | (393) Stores Equipment | 1,197,969 | 134,485 |
| 91 | (394) Tools, Shop and Garage Equipment | 21,346,135 | 204,406 |
| 92 | (395) Laboratory Equipment | | |
| 93 | (396) Power Operated Equipment | 16,836,791 | 4,533,071 |
| 94 | (397) Communication Equipment | 291,329 | |
| 95 | (398) Miscellaneous Equipment | | |
| 96 | SUBTOTAL (Enter Total of lines 86 thru 95) | 105,897,281 | 7,887,388 |
| 97 | (399) Other Tangible Property | | |
| 98 | (399.1) Asset Retirement Costs for General Plant | | |
| 99 | TOTAL General Plant (Enter Total of lines 96, 97 and 98) | 105,897,281 | 7,887,388 |
| 100 | TOTAL (Accounts 101 and 106) | 2,190,115,771 | 310,158,671 |
| 101 | (102) Electric Plant Purchased (See Instr. 8) | | 444,410 |
| 102 | (Less) (102) Electric Plant Sold (See Instr. 8) | | |
| 103 | (103) Experimental Plant Unclassified | | |
| 104 | TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103) | 2,190,115,771 | 310,603,081 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
| | | | | 1 |
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| | | | 1,780,448 | 4 |
| | | | 1,780,448 | 5 |
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
| | | | | 47 |
| | | 10,457,795 | 82,303,995 | 48 |
| 98,204 | | -172,782 | 75,163,106 | 49 |
| 6,138,295 | | 21,472 | 656,052,520 | 50 |
| 17,290 | | | 21,319,429 | 51 |
| 5,600,241 | | -3,686,727 | 997,156,765 | 52 |
| 2,339,850 | | -6,752,896 | 534,965,675 | 53 |
| | | -231,150 | 655,810 | 54 |
| | | 865,361 | 2,906,773 | 55 |
| | | | | 56 |
| | -119,183 | | 373,262 | 57 |
| 14,193,880 | -119,183 | 501,073 | 2,370,897,335 | 58 |
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| | | | 4,627,753 | 86 |
| 672,888 | | 234,216 | 24,265,872 | 87 |
| | | | 4,587,132 | 88 |
| 1,872,025 | | | 33,449,029 | 89 |
| | | | 1,332,454 | 90 |
| | | -234,216 | 21,316,325 | 91 |
| | | | | 92 |
| | | | 21,369,862 | 93 |
| | | | 291,329 | 94 |
| | | | | 95 |
| 2,544,913 | | | 111,239,756 | 96 |
| | | | | 97 |
| | | | | 98 |
| 2,544,913 | | | 111,239,756 | 99 |
| 16,738,793 | -119,183 | 501,073 | 2,483,917,539 | 100 |
| | 109,522 | -501,073 | 52,859 | 101 |
| | | | | 102 |
| | | | | 103 |
| 16,738,793 | -9,661 | | 2,483,970,398 | 104 |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 204 Line No.: 5 Column: g

The 13 month average balance of \$1,775,911 is used when reference is to page 205, line 5, column g in the formula rate tariff.

Schedule Page: 204 Line No.: 50 Column: g

Total transmission plant includes \$28,702 for generation step-up facilities which were transferred to ITC Midwest from Interstate Power & Light. Therefore, \$28,702 is used when reference is made to transmission plant deemed to be included in OATT Ancillary Services pursuant to Note N in the formula rate.

Schedule Page: 204 Line No.: 58 Column: g

Transmission Plant includes amounts associated with the accounting for Asset Retirement Obligations ("ARO"):

| | | |
|---|----|---------------|
| Transmission Plant as reported (page 207, line 58, column g) | \$ | 2,370,897,335 |
| Impact of accounting for ARO | | -373,262 |
| | \$ | 2,370,524,073 |
| Transmission Plant without ARO accounting (a) | | |
| 13 month average of Transmission Plant without ARO accounting (a),(b) | \$ | 2,197,876,389 |

- (a) Per FERC Order No. 631, public utilities with formula rate tariffs must not include any cost components related to Financial Accounting Standards Board ("FASB") accounting for ARO's in their formula billing tariffs for automatic recovery in their billing determinations without obtaining Commission approval.
- (b) The 13 month average of Transmission Plant without ARO accounting amount of \$2,197,876,389 is used as the balance when reference is to page 207, line 58, column g in our formula rate tariff as we are not seeking Commission approval to increase our tariff rate as a result of ARO accounting under Accounting Standards Codification 410 - Asset Retirement and Environmental Obligations ("ASC 410").

Schedule Page: 204 Line No.: 99 Column: g

The 13 month average balance of \$106,676,826 is used when reference is to page 207, line 99, column g in our formula rate tariff.

Schedule Page: 204 Line No.: 101 Column: c

In April 2015, we purchased certain transmission assets from Interstate Power and Light Company ("IP&L") located a Monticello Substation in Jones County, Iowa for \$365,693. Net book value comprised of gross plant in service of \$473,046 less accumulated depreciation and amortization of \$107,353. Transaction costs of \$6,968 associated with this purchase is recorded to account 114, acquisition adjustments. In September 2015, we filed journal entries associated with this purchase with the Commission under Docket No AC15-202. In November 2015, the Commission approved these journal entries.

In December 2015, we purchased certain transmission assets from IP&L located at Hedrick Substation in Keokuk County, Iowa for \$18,890. Net book value comprised of gross plant in service of \$28,028 less accumulated depreciation and amortization of \$9,138. As of this report, we have not filed journal entries with the Commission.

Schedule Page: 204 Line No.: 101 Column: g

As of December 31, 2015, we had \$52,859 of cost deferred in account 102 associated with internal and external transaction costs incurred associated with asset acquisitions that have not yet been executed.

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

| Line No. | Name of Lessee (Designate associated companies with a double asterisk) (a) | Description of Property Leased (b) | Commission Authorization (c) | Expiration Date of Lease (d) | Balance at End of Year (e) |
|----------|--|------------------------------------|------------------------------|------------------------------|----------------------------|
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| 46 | | | | | |
| 47 | TOTAL | | | | |

Name of Respondent

ITC Midwest LLC

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

12/31/2015

Year/Period of Report

End of 2015/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

| Line No. | Description and Location Of Property (a) | Date Originally Included in This Account (b) | Date Expected to be used in Utility Service (c) | Balance at End of Year (d) |
|----------|--|--|---|----------------------------|
| 1 | Land and Rights: | | | |
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| 21 | Other Property: | | | |
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| 47 | Total | | | 0 |

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

| Line No. | Description of Project (a) | Construction work in progress - Electric (Account 107) (b) |
|----------|--|--|
| 1 | MISO MVP Project #4 | 83,324,343 |
| 2 | MISO MVP Project #3 | 68,502,419 |
| 3 | Various Other 34.5kV to 69kV Rebuilds | 6,433,362 |
| 4 | Marshalltown Substation Expansion | 5,690,272 |
| 5 | J233 Network Upgrade Jasper, Fernald Newton Transformers | 4,565,910 |
| 6 | Hiawatha Control House Enclosure Addition | 4,299,757 |
| 7 | Radio 69kV Substation Installation | 3,635,549 |
| 8 | Chariton - Corydon 69 kV Line Rebuild | 3,471,596 |
| 9 | MISO MVP Project #5 | 3,296,999 |
| 10 | Independence Substation Addition and 69kV Line Rebuild | 3,113,392 |
| 11 | Nettle 69kV Substation Installation | 3,034,873 |
| 12 | Montgomery - Waseca Jct 69 kV Line Rebuild | 2,168,249 |
| 13 | East Nevada - Timber Creek 34.5 kV to 69kV Line Rebuild | 2,086,535 |
| 14 | 8th Street to Salem 161 kV Line Installation | 2,067,419 |
| 15 | Lakefield Jct Reactor Replacement | 2,063,264 |
| 16 | Marion - Kenwood 34.5 kV to 69 kV Line Rebuild | 2,022,654 |
| 17 | N. Burlington - New London 69kV Line Rebuild | 1,450,779 |
| 18 | Emerald Isle Substation Additions | 1,411,883 |
| 19 | East Nevada Station Installation | 1,337,629 |
| 20 | Anita - Exira 34.5 kV to 69 kV Line Rebuild | 1,153,630 |
| 21 | Various Breaker Replacements | 1,083,126 |
| 22 | Other (individual projects less than \$1,000,000) | 12,175,999 |
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| 43 | TOTAL | 218,389,639 |

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

| Line No. | Item (a) | Total (c+d+e) (b) | Electric Plant in Service (c) | Electric Plant Held for Future Use (d) | Electric Plant Leased to Others (e) |
|----------|---|-------------------|-------------------------------|--|-------------------------------------|
| 1 | Balance Beginning of Year | 373,952,533 | 373,952,533 | | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 42,481,155 | 42,481,155 | | |
| 4 | (403.1) Depreciation Expense for Asset Retirement Costs | | | | |
| 5 | (413) Exp. of Elec. Plt. Leas. to Others | | | | |
| 6 | Transportation Expenses-Clearing | | | | |
| 7 | Other Clearing Accounts | | | | |
| 8 | Other Accounts (Specify, details in footnote): | 3,733,759 | 3,733,759 | | |
| 9 | | | | | |
| 10 | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9) | 46,214,914 | 46,214,914 | | |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | 16,065,906 | 16,065,906 | | |
| 13 | Cost of Removal | 8,598,226 | 8,598,226 | | |
| 14 | Salvage (Credit) | 3,894,480 | 3,894,480 | | |
| 15 | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 20,769,652 | 20,769,652 | | |
| 16 | Other Debit or Cr. Items (Describe, details in footnote): | 116,491 | 116,491 | | |
| 17 | Adj. for Asset Retirement Obligation | -181,453 | -181,453 | | |
| 18 | Book Cost or Asset Retirement Costs Retired | | | | |
| 19 | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 399,332,833 | 399,332,833 | | |

Section B. Balances at End of Year According to Functional Classification

| | | | | | |
|----|--|-------------|-------------|--|--|
| 20 | Steam Production | | | | |
| 21 | Nuclear Production | | | | |
| 22 | Hydraulic Production-Conventional | | | | |
| 23 | Hydraulic Production-Pumped Storage | | | | |
| 24 | Other Production | | | | |
| 25 | Transmission | 347,773,145 | 347,773,145 | | |
| 26 | Distribution | | | | |
| 27 | Regional Transmission and Market Operation | | | | |
| 28 | General | 51,559,688 | 51,559,688 | | |
| 29 | TOTAL (Enter Total of lines 20 thru 28) | 399,332,833 | 399,332,833 | | |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 219 Line No.: 8 Column: c

The amount of \$3,733,759 represents capitalized depreciation for vehicles and equipment used in the construction process.

Schedule Page: 219 Line No.: 12 Column: c

The book cost of plant retired of \$16,065,906 differs from the amount reported on page 207, line 104, column d by \$672,887 due to a retirement from general plant that was amortized to account 111.

Schedule Page: 219 Line No.: 16 Column: c

Net accumulated depreciation related to asset purchases.

Schedule Page: 219 Line No.: 25 Column: c

Transmission accumulated provision for depreciation includes amounts associated with the accounting for Asset Retirement Obligations ("ARO"):

| | | |
|--|--------|-----------------|
| Transmission accumulated provision for depreciation as reported (page 219, line 25, column c) | \$ | 347,773,145 |
| Impact of accounting for ARO | | <u>-239,924</u> |
| Transmission accumulated provision for depreciation without ARO accounting (a)(b) | \$ | 347,533,221 |
| 13 month average of Transmission accumulated provision for depreciation without ARO accounting (a),(b) | \$ | 337,694,138 |

- (a) Per FERC Order No. 631, public utilities with formula rate tariffs must not include any cost components related to Financial Accounting Standards Board ("FASB") accounting for ARO's in their formula billing tariffs for automatic recovery in their billing determinations without obtaining Commission approval.
- (b) The 13 month average of Transmission accumulated provision for depreciation without ARO accounting amount of \$337,694,138 is used as the balance when reference is to page 219, line 25, column c in our formula rate tariff as we are not seeking Commission approval to increase our tariff rate as a result of ARO accounting under Accounting Standards Codification 410 - Asset Retirement and Environmental Obligations ("ASC 410").

Schedule Page: 219 Line No.: 28 Column: c

The 13 month average balance of \$49,141,796 is used when reference is to page 219, line 28, column c in our formula rate tariff.

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

- 1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- 2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
- (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
- (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

| Line No. | Description of Investment (a) | Date Acquired (b) | Date Of Maturity (c) | Amount of Investment at Beginning of Year (d) |
|----------|----------------------------------|----------------------|-------------------------|--|
| 1 | | | | |
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| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | Total Cost of Account 123.1 \$ | 0 | TOTAL | |

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

| Equity in Subsidiary Earnings of Year (e) | Revenues for Year (f) | Amount of Investment at End of Year (g) | Gain or Loss from Investment Disposed of (h) | Line No. |
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

| Line No. | Account (a) | Balance Beginning of Year (b) | Balance End of Year (c) | Department or Departments which Use Material (d) |
|----------|--|----------------------------------|----------------------------|---|
| 1 | Fuel Stock (Account 151) | | | |
| 2 | Fuel Stock Expenses Undistributed (Account 152) | | | |
| 3 | Residuals and Extracted Products (Account 153) | | | |
| 4 | Plant Materials and Operating Supplies (Account 154) | | | |
| 5 | Assigned to - Construction (Estimated) | | | |
| 6 | Assigned to - Operations and Maintenance | | | |
| 7 | Production Plant (Estimated) | | | |
| 8 | Transmission Plant (Estimated) | 31,335,879 | 22,830,625 | Transmission |
| 9 | Distribution Plant (Estimated) | | | |
| 10 | Regional Transmission and Market Operation Plant (Estimated) | | | |
| 11 | Assigned to - Other (provide details in footnote) | | | |
| 12 | TOTAL Account 154 (Enter Total of lines 5 thru 11) | 31,335,879 | 22,830,625 | |
| 13 | Merchandise (Account 155) | | | |
| 14 | Other Materials and Supplies (Account 156) | | | |
| 15 | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) | | | |
| 16 | Stores Expense Undistributed (Account 163) | 3,789,168 | 2,647,097 | Transmission |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | TOTAL Materials and Supplies (Per Balance Sheet) | 35,125,047 | 25,477,722 | |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 227 Line No.: 8 Column: c

The average of the beginning and end of year balance of \$30,301,385 is used when reference is to page 227, line 8 and line 16, column c in our formula rate tariff.

| | <u>2015</u> | <u>2014</u> | <u>Average</u> |
|-----------------------|---------------------|---------------------|----------------|
| Account 154 (line 8) | \$22,830,625 | \$31,335,879 | |
| Account 163 (line 16) | 2,647,097 | 3,789,168 | |
| Total | <u>\$25,477,722</u> | <u>\$35,125,047</u> | \$30,301,385 |

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

| Line No. | SO2 Allowances Inventory (Account 158.1) (a) | Current Year | | 2016 | |
|----------|--|--------------|-------------|------------|-------------|
| | | No. (b) | Amt. (c) | No. (d) | Amt. (e) |
| 1 | Balance-Beginning of Year | | | | |
| 2 | | | | | |
| 3 | Acquired During Year: | | | | |
| 4 | Issued (Less Withheld Allow) | | | | |
| 5 | Returned by EPA | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | Purchases/Transfers: | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | Total | | | | |
| 16 | | | | | |
| 17 | Relinquished During Year: | | | | |
| 18 | Charges to Account 509 | | | | |
| 19 | Other: | | | | |
| 20 | | | | | |
| 21 | Cost of Sales/Transfers: | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Total | | | | |
| 29 | Balance-End of Year | | | | |
| 30 | | | | | |
| 31 | Sales: | | | | |
| 32 | Net Sales Proceeds(Assoc. Co.) | | | | |
| 33 | Net Sales Proceeds (Other) | | | | |
| 34 | Gains | | | | |
| 35 | Losses | | | | |
| | Allowances Withheld (Acct 158.2) | | | | |
| 36 | Balance-Beginning of Year | | | | |
| 37 | Add: Withheld by EPA | | | | |
| 38 | Deduct: Returned by EPA | | | | |
| 39 | Cost of Sales | | | | |
| 40 | Balance-End of Year | | | | |
| 41 | | | | | |
| 42 | Sales: | | | | |
| 43 | Net Sales Proceeds (Assoc. Co.) | | | | |
| 44 | Net Sales Proceeds (Other) | | | | |
| 45 | Gains | | | | |
| 46 | Losses | | | | |

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
- 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
- 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
- 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

| 2017 | | 2018 | | Future Years | | Totals | | Line No. |
|---------|----------|---------|----------|--------------|----------|---------|----------|----------|
| No. (f) | Amt. (g) | No. (h) | Amt. (i) | No. (j) | Amt. (k) | No. (l) | Amt. (m) | |
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

| Line No. | NOx Allowances Inventory (Account 158.1) (a) | Current Year | | 2016 | |
|----------|--|--------------|-------------|------------|-------------|
| | | No. (b) | Amt. (c) | No. (d) | Amt. (e) |
| 1 | Balance-Beginning of Year | | | | |
| 2 | | | | | |
| 3 | Acquired During Year: | | | | |
| 4 | Issued (Less Withheld Allow) | | | | |
| 5 | Returned by EPA | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | Purchases/Transfers: | | | | |
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| 14 | | | | | |
| 15 | Total | | | | |
| 16 | | | | | |
| 17 | Relinquished During Year: | | | | |
| 18 | Charges to Account 509 | | | | |
| 19 | Other: | | | | |
| 20 | | | | | |
| 21 | Cost of Sales/Transfers: | | | | |
| 22 | | | | | |
| 23 | | | | | |
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| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Total | | | | |
| 29 | Balance-End of Year | | | | |
| 30 | | | | | |
| 31 | Sales: | | | | |
| 32 | Net Sales Proceeds(Assoc. Co.) | | | | |
| 33 | Net Sales Proceeds (Other) | | | | |
| 34 | Gains | | | | |
| 35 | Losses | | | | |
| | Allowances Withheld (Acct 158.2) | | | | |
| 36 | Balance-Beginning of Year | | | | |
| 37 | Add: Withheld by EPA | | | | |
| 38 | Deduct: Returned by EPA | | | | |
| 39 | Cost of Sales | | | | |
| 40 | Balance-End of Year | | | | |
| 41 | | | | | |
| 42 | Sales: | | | | |
| 43 | Net Sales Proceeds (Assoc. Co.) | | | | |
| 44 | Net Sales Proceeds (Other) | | | | |
| 45 | Gains | | | | |
| 46 | Losses | | | | |

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
- 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
- 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
- 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

| 2017 | | 2018 | | Future Years | | Totals | | Line No. |
|---------|----------|---------|----------|--------------|----------|---------|----------|----------|
| No. (f) | Amt. (g) | No. (h) | Amt. (i) | No. (j) | Amt. (k) | No. (l) | Amt. (m) | |
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Name of Respondent

ITC Midwest LLC

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

12/31/2015

Year/Period of Report

End of 2015/Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

| Line No. | Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a) | Total Amount of Loss (b) | Losses Recognised During Year (c) | WRITTEN OFF DURING YEAR | | Balance at End of Year (f) |
|----------|---|-----------------------------|--------------------------------------|-------------------------|---------------|-------------------------------|
| | | | | Account Charged (d) | Amount (e) | |
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| 20 | TOTAL | | | | | |

Name of Respondent

ITC Midwest LLC

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

12/31/2015

Year/Period of Report

End of 2015/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

| Line No. | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a) | Total Amount of Charges (b) | Costs Recognised During Year (c) | WRITTEN OFF DURING YEAR | | Balance at End of Year (f) |
|----------|--|-----------------------------|----------------------------------|-------------------------|------------|----------------------------|
| | | | | Account Charged (d) | Amount (e) | |
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| 49 | TOTAL | | | | | |

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

| Line No. | Description (a) | Costs Incurred During Period (b) | Account Charged (c) | Reimbursements Received During the Period (d) | Account Credited With Reimbursement (e) |
|----------|------------------------------------|----------------------------------|---------------------|---|---|
| 1 | Transmission Studies | | | | |
| 2 | J233 Interconn Facility Study | 8,995 | Various | 23,905 | Various |
| 3 | J407 Interconn Facility Study | 8,269 | Various | 8,269 | Various |
| 4 | J303 Affected Sys Facilities Study | 4,503 | Various | | |
| 5 | J409 Interconn Facility Study | 3,945 | Various | 3,945 | Various |
| 6 | J416 Interconn Facility Study | 3,264 | Various | | |
| 7 | J344 Interconn Facility Study | 3,009 | Various | 3,009 | Various |
| 8 | ADM Behind the Meter Interconnect | 931 | Various | | |
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| 21 | Generation Studies | | | | |
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance at Beginning of Current Quarter/Year (b) | Debits (c) | CREDITS | | Balance at end of Current Quarter/Year (f) |
|----------|---|---|---------------|--|---|---|
| | | | | Written off During the Quarter/Year Account Charged (d) | Written off During the Period Amount (e) | |
| 1 | Income taxes recoverable related to AFUDC Equity | 31,481,367 | 9,673,027 | 282,283 | 866,634 | 40,287,760 |
| 2 | | | | | | |
| 3 | Asset Retirement Obligation | 2,399,105 | | 254 | 424,553 | 1,974,552 |
| 4 | | | | | | |
| 5 | Formula rate Schedule 9 revenue deferrals and | | | | | |
| 6 | accrued interest per December 3, 2007 FERC Orders | | | | | |
| 7 | EC07-89 and ER07-887: | | | | | |
| 8 | - 2015 Revenue accrual and accrued interest | | 5,671,369 | | | 5,671,369 |
| 9 | | | | | | |
| 10 | Formula rate Schedule 26 revenue accruals and | | | | | |
| 11 | accrued interest per April 24, 2009 FERC Order | | | | | |
| 12 | ER09-785: | | | | | |
| 13 | - 2015 Revenue accrual and accrued interest | | 268,035 | | | 268,035 |
| 14 | - 2014 Revenue accrual and accrued interest | 185,965 | 1,170,491 | | | 1,356,456 |
| 15 | - 2013 Revenue accrual and accrued interest | 151,834 | 895 | 131 | 152,729 | |
| 16 | | | | | | |
| 17 | Formula rate Schedule 26A revenue accruals and | | | | | |
| 18 | accrued interest per February 11, 2013 FERC Order | | | | | |
| 19 | ER13-263: | | | | | |
| 20 | - 2015 Revenue accrual and accrued interest | | 675,407 | | | 675,407 |
| 21 | - 2013 Revenue accrual and accrued interest | 649,325 | 3,827 | 131 | 653,152 | |
| 22 | | | | | | |
| 23 | Formula rate Schedule 1 revenue accruals and | | | | | |
| 24 | accrued interest per February 6, 2013 FERC Order | | | | | |
| 25 | ER12-2129: | | | | | |
| 26 | - 2015 Revenue accrual and accrued interest | | 751,915 | | | 751,915 |
| 27 | | | | | | |
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| 43 | | | | | | |
| 44 | TOTAL | 34,867,596 | 18,214,966 | | 2,097,068 | 50,985,494 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits (a) | Balance at Beginning of Year (b) | Debits (c) | CREDITS | | Balance at End of Year (f) |
|----------|--|-------------------------------------|---------------|------------------------|---------------|-------------------------------|
| | | | | Account Charged (d) | Amount (e) | |
| 1 | Project Deposits | 308,086 | 25,024,983 | Various | 25,162,100 | 170,969 |
| 2 | | | | | | |
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| 46 | | | | | | |
| 47 | Misc. Work in Progress | | | | | |
| 48 | Deferred Regulatory Comm. Expenses (See pages 350 - 351) | | | | | |
| 49 | TOTAL | 308,086 | | | | 170,969 |

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

| Line No. | Description and Location (a) | Balance of Beginning of Year (b) | Balance at End of Year (c) |
|----------|--|-------------------------------------|-------------------------------|
| 1 | Electric | | |
| 2 | Property taxes | 1,436,048 | 1,349,441 |
| 3 | Formula rate revenue deferrals & interest | 8,065,664 | 4,192,762 |
| 4 | Federal benefit of state income taxes | 870,439 | 1,111,131 |
| 5 | | | |
| 6 | | | |
| 7 | Other | 8,149,757 | 29,101,395 |
| 8 | TOTAL Electric (Enter Total of lines 2 thru 7) | 18,521,908 | 35,754,729 |
| 9 | Gas | | |
| 10 | | | |
| 11 | | | |
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| 13 | | | |
| 14 | | | |
| 15 | Other | | |
| 16 | TOTAL Gas (Enter Total of lines 10 thru 15) | | |
| 17 | Other income and deductions | 2,257,513 | 1,840,450 |
| 18 | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 20,779,421 | 37,595,179 |

Notes

Notes

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 234 Line No.: 8 Column: c

The deferred income tax balance used in our formula rate tariff excludes deferred income taxes associated with the True-up Adjustment that are not otherwise included in rate base. The deferred income tax balances reported on page 234, line 8, column b & c includes deferred income taxes associated with the True-up Adjustment. As a result, the average of the beginning and end of year deferred income tax balance of \$21,009,106 excludes deferred income taxes associated with the True-up Adjustment, as shown below. As discussed on page 123, in Note 1 under IP&L Challenge, the March 2016 Commission Order in Docket No. ER15-1250 requires ITC Midwest to calculate its 2015 Attachment O transmission revenue requirements to simulate the taking of bonus depreciation for eligible facilities in the calendar year 2015. We have not reflected the election of bonus depreciation for 2015 in the accompanying financial statements and consequently the effects of 2015 bonus depreciation are not factored in the deferred income tax amounts shown below. Therefore, for any adjustments to deferred income tax balances required to simulate the taking of bonus depreciation for the final calculation of the 2015 Attachment O revenue requirement and 2015 Attachment O True-up Adjustment posted on OASIS, we will provide a reconciliation between the amount shown below and the amount that is ultimately used in our formula rate tariff when reference is made to page 234, line 8, column c.

| | <u>2015</u> | <u>2014</u> | <u>Average</u> |
|---|-------------------|-------------------|----------------|
| Account 190 balance on page 234, line 8, column c | \$35,754,729 | \$18,521,908 | |
| True-up Adjustment principal & interest deferred income taxes | <u>-4,192,762</u> | <u>-8,065,664</u> | |
| Account 190 balance as adjusted | \$31,561,967 | \$10,456,244 | \$21,009,106 |

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

| Line No. | Class and Series of Stock and Name of Stock Series (a) | Number of shares Authorized by Charter (b) | Par or Stated Value per share (c) | Call Price at End of Year (d) |
|----------|---|---|--------------------------------------|----------------------------------|
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

- 3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
 - 4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
 - 5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

| OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent) | | HELD BY RESPONDENT | | | | Line No. |
|---|---------------|-----------------------------------|-------------|----------------------------|---------------|-------------|
| | | AS REACQUIRED STOCK (Account 217) | | IN SINKING AND OTHER FUNDS | | |
| Shares (e) | Amount (f) | Shares (g) | Cost (h) | Shares (i) | Amount (j) | |
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

| Line No. | Item (a) | Amount (b) |
|----------|---|--------------|
| 1 | | |
| 2 | Account 211 - Other Paid in Capital, Goodwill | -323,006,128 |
| 3 | Account 211 - Other Paid in Capital, Initial capital contribution | |
| 4 | December 20, 2007 (date of asset acquisition) | 593,000,000 |
| 5 | Account 211 - Other Paid in Capital, Capital contributions from/ | |
| 6 | distributions to member, net | 708,880,000 |
| 7 | | |
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| 39 | | |
| 40 | TOTAL | 978,873,872 |

Name of Respondent

ITC Midwest LLC

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

12/31/2015

Year/Period of Report

End of 2015/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

| Line No. | Class and Series of Stock (a) | Balance at End of Year (b) |
|----------|-------------------------------|----------------------------|
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| 22 | TOTAL | |

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

| Line No. | Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a) | Principal Amount Of Debt issued (b) | Total expense, Premium or Discount (c) |
|----------|--|---|--|
| 1 | Account 221: | | |
| 2 | 6.15% First Mortgage Bonds, Series A, due 2038 | 175,000,000 | 3,395,733 |
| 3 | | | 526,750 D |
| 4 | 7.12% First Mortgage Bonds, Series B, due 2017 | 40,000,000 | 556,679 |
| 5 | | | |
| 6 | 7.27% First Mortgage Bonds, Series C, due 2020 | 35,000,000 | 493,659 |
| 7 | | | |
| 8 | 4.60% First Mortgage Bonds, Series D, due 2024 | 75,000,000 | 997,052 |
| 9 | | | |
| 10 | 3.50% First Mortgage Bonds, Series E, due 2027 | 100,000,000 | 1,236,278 |
| 11 | | | |
| 12 | 4.09% First Mortgage Bonds, Series F, due 2043 | 100,000,000 | 820,552 |
| 13 | | | |
| 14 | 3.83% First Mortgage Bonds, Series G, due 2055 | 225,000,000 | 1,754,318 |
| 15 | | | |
| 16 | Account 224: | | |
| 17 | Revolving Credit Agreement | 250,000,000 | 768,007 |
| 18 | | | |
| 19 | Notes Payable to Landowners for Easements | 84,942 | |
| 20 | | | |
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| 32 | | | |
| 33 | TOTAL | 1,000,084,942 | 10,549,028 |

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD | | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|---------------------------|----------------------|---------------------|-------------|---|------------------------------|----------|
| | | Date From (f) | Date To (g) | | | |
| | | | | | | 1 |
| 01/24/2008 | 01/31/2038 | 01/24/2008 | 01/31/2038 | 175,000,000 | 10,762,500 | 2 |
| | | | | | | 3 |
| 12/22/2008 | 12/22/2017 | 12/22/2008 | 12/22/2017 | 40,000,000 | 2,848,000 | 4 |
| | | | | | | 5 |
| 12/22/2008 | 12/22/2020 | 12/22/2008 | 12/22/2020 | 35,000,000 | 2,544,500 | 6 |
| | | | | | | 7 |
| 12/17/2009 | 12/17/2024 | 12/17/2009 | 12/17/2024 | 75,000,000 | 3,450,000 | 8 |
| | | | | | | 9 |
| 01/19/2012 | 01/19/2027 | 01/19/2012 | 01/19/2027 | 100,000,000 | 3,500,000 | 10 |
| | | | | | | 11 |
| 04/04/2013 | 04/30/2043 | 04/04/2013 | 04/30/2043 | 100,000,000 | 4,090,000 | 12 |
| | | | | | | 13 |
| 04/07/2015 | 04/07/2055 | 04/07/2015 | 04/07/2055 | 225,000,000 | 6,319,500 | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| 3/28/2014 | 3/28/2019 | 3/28/2014 | 3/28/2019 | 72,300,000 | 1,093,186 | 17 |
| | | | | | | 18 |
| Various | Various | Various | Various | 56,628 | 1,775 | 19 |
| | | | | | | 20 |
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| | | | | 822,356,628 | 34,609,461 | 33 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 256 Line No.: 2 Column: a

Our First Mortgage Bonds were issued under the first mortgage and deed of trust and secured by a first mortgage lien on substantially all of our property.

Schedule Page: 256 Line No.: 14 Column: a

On January 22, 2015, the Commission issued an order in Docket No. ES15-6 authorizing us to issue long-term debt securities in an aggregate amount up to \$250.0 million outstanding at any one time, consisting of first mortgage bonds or other long-term debt securities.

On April 7, 2015, we issued \$225.0 million of 3.83% First Mortgage Bonds, Series G, due 2055. The proceeds from the issuance were used for general corporate purposes, including the repayment of borrowing under our revolving credit agreement. See Note 7 Long-Term Debt on page 123 for additional discussion.

Schedule Page: 256 Line No.: 17 Column: h

During the year ended December 31, 2015, we borrowed \$713.5 million and repaid \$832.4 million under the Revolving Credit Agreement. We utilized the revolving credit agreement primarily for general corporate purposes.

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

| Line No. | Particulars (Details) (a) | Amount (b) |
|----------|--|---------------|
| 1 | Net Income for the Year (Page 117) | 114,727,494 |
| 2 | | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | See Footnote for Details | 4,514,021 |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | See Footnote for Details | 92,350,134 |
| 11 | | |
| 12 | Federal Income Taxes | 60,867,230 |
| 13 | State Income Taxes (Net of Federal Deductability) | 10,315,980 |
| 14 | Income Recorded on Books Not Included in Return | |
| 15 | See Footnote for Details | -30,165,324 |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | Deductions on Return Not Charged Against Book Income | |
| 20 | See Footnote for Details | -156,731,104 |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | Federal Tax Net Income | 95,878,431 |
| 28 | Show Computation of Tax: | |
| 29 | Current Federal Income Tax @ 35% | 33,557,451 |
| 30 | Adjustments of Prior Year Income Tax | -648,642 |
| 31 | | |
| 32 | Current Federal Income Tax | 32,908,809 |
| 33 | | |
| 34 | | |
| 35 | | |
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|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 261 Line No.: 5 Column: b

| | |
|---------------------------------|--------------|
| Other Plant Related Differences | \$ 4,514,021 |
|---------------------------------|--------------|

Schedule Page: 261 Line No.: 10 Column: b

| | |
|---------------------------|----------------------|
| Book Depreciation | \$ 41,295,318 |
| Provision for Rate Refund | 50,524,091 |
| Other | 530,725 |
| Total | <u>\$ 92,350,134</u> |

Schedule Page: 261 Line No.: 15 Column: b

| | |
|--|-----------------------|
| AFUDC Equity | \$ -12,434,852 |
| Net Formula Rate Revenue Accruals, Deferrals, and Interest | -17,073,114 |
| Other | -657,358 |
| Total | <u>\$ -30,165,324</u> |

Schedule Page: 261 Line No.: 20 Column: b

| | |
|---|-----------------------|
| Tax depreciation | \$-148,114,505 |
| Acquisition Adjustment - Tax Amortization | -7,789,000 |
| Other | -827,599 |
| Total | <u>\$-156,731,104</u> |

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR | | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjustments (f) |
|----------|---|---------------------------------------|--|----------------------------------|-------------------------------|--------------------|
| | | Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | | | |
| 1 | Federal income taxes | 5,902,878 | | 32,908,809 | 31,778,000 | |
| 2 | Property taxes | 9,743,449 | | 10,536,716 | 10,031,426 | |
| 3 | State income taxes | 696,930 | | 8,375,019 | 7,789,000 | |
| 4 | Payroll taxes | | | 2,117,813 | 2,117,813 | |
| 5 | | | | | | |
| 6 | Other taxes | 195,622 | 3,090 | 1,015,022 | 640,644 | |
| 7 | | | | | | |
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| 40 | | | | | | |
| 41 | TOTAL | 16,538,879 | 3,090 | 54,953,379 | 52,356,883 | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

- 5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
- 6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
- 7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
- 8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
- 9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|------------------------------------|--|---|---|--|--------------|----------|
| (Taxes accrued Account 236) (g) | Prepaid Taxes (Incl. in Account 165) (h) | Electric (Account 408.1, 409.1) (i) | Extraordinary Items (Account 409.3) (j) | Adjustments to Ret. Earnings (Account 439) (k) | Other (l) | |
| 7,033,687 | | 33,040,890 | | | -132,081 | 1 |
| 10,248,739 | | 10,536,716 | | | | 2 |
| 1,282,949 | | 8,412,182 | | | -37,163 | 3 |
| | | 1,100,795 | | | 1,017,018 | 4 |
| | | | | | | 5 |
| 570,000 | 3,090 | 123,653 | | | 891,369 | 6 |
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| 19,135,375 | 3,090 | 53,214,236 | | | 1,739,143 | 41 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | Deferred for Year | | Allocations to Current Year's Income | | Adjustments (g) |
|----------|--|----------------------------------|-------------------|------------|--------------------------------------|------------|-----------------|
| | | | Account No. (c) | Amount (d) | Account No. (e) | Amount (f) | |
| 1 | Electric Utility | | | | | | |
| 2 | 3% | | | | | | |
| 3 | 4% | | | | | | |
| 4 | 7% | | | | | | |
| 5 | 10% | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | TOTAL | | | | | | |
| 9 | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) | | | | | | |
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

| Balance at End of Year (h) | Average Period of Allocation to Income (i) | ADJUSTMENT EXPLANATION | Line No. |
|-------------------------------|---|------------------------|----------|
| | | | 1 |
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

| Line No. | Description and Other Deferred Credits (a) | Balance at Beginning of Year (b) | DEBITS | | Credits (e) | Balance at End of Year (f) |
|----------|---|-------------------------------------|-----------------------|---------------|----------------|-------------------------------|
| | | | Contra Account (c) | Amount (d) | | |
| 1 | Deferred revenue related to | | | | | |
| 2 | CIAC Projects | 5,094,064 | Various | 943,743 | 267,217 | 4,417,538 |
| 3 | | | | | | |
| 4 | Various | 254,273 | Various | 416,476 | 412,873 | 250,670 |
| 5 | | | | | | |
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| 46 | | | | | | |
| 47 | TOTAL | 5,348,337 | | 1,360,219 | 680,090 | 4,668,208 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 269 Line No.: 1 Column: a
The deferred revenues related to CIAC Projects are amortized over the tax depreciation life of the underlying asset.

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. For other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|--|---|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Accelerated Amortization (Account 281) | | | |
| 2 | Electric | | | |
| 3 | Defense Facilities | | | |
| 4 | Pollution Control Facilities | | | |
| 5 | Other (provide details in footnote): | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | TOTAL Electric (Enter Total of lines 3 thru 7) | | | |
| 9 | Gas | | | |
| 10 | Defense Facilities | | | |
| 11 | Pollution Control Facilities | | | |
| 12 | Other (provide details in footnote): | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | TOTAL Gas (Enter Total of lines 10 thru 14) | | | |
| 16 | | | | |
| 17 | TOTAL (Acct 281) (Total of 8, 15 and 16) | | | |
| 18 | Classification of TOTAL | | | |
| 19 | Federal Income Tax | | | |
| 20 | State Income Tax | | | |
| 21 | Local Income Tax | | | |

NOTES

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--|---|----------------------------|---------------|---------------------------|---------------|----------------------------------|-------------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | | |
| | | | | | | | 1 |
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NOTES (Continued)

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|---|---|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 282 | | | |
| 2 | Electric | 184,429,671 | 43,171,785 | |
| 3 | Gas | | | |
| 4 | | | | |
| 5 | TOTAL (Enter Total of lines 2 thru 4) | 184,429,671 | 43,171,785 | |
| 6 | Other income and deductions | 19,518 | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Account 282 (Enter Total of lines 5 thru 8) | 184,449,189 | 43,171,785 | |
| 10 | Classification of TOTAL | | | |
| 11 | Federal Income Tax | 157,368,045 | 36,215,722 | |
| 12 | State Income Tax | 27,081,144 | 6,956,063 | |
| 13 | Local Income Tax | | | |

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--------------------------------------|---------------------------------------|----------------------|------------|---------------------|------------|----------------------------|----------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | 182.3 | 507,234 | 182.3 | 5,662,264 | 232,756,486 | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| | | | 507,234 | | 5,662,264 | 232,756,486 | 5 |
| 36,351 | | | | | | 55,869 | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| 36,351 | | | 507,234 | | 5,662,264 | 232,812,355 | 9 |
| | | | | | | | 10 |
| 30,681 | | | 428,091 | | 4,780,289 | 197,966,646 | 11 |
| 5,670 | | | 79,143 | | 881,975 | 34,845,709 | 12 |
| | | | | | | | 13 |

NOTES (Continued)

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 274 Line No.: 2 Column: k

The deferred income tax balance used in our formula rate tariff is adjusted by any amounts in contra accounts identified as regulatory assets related to Financial Accounting Standards Board ("FASB") Accounting Standards Codification 740 - Income Taxes ("ASC 740"), (formerly FASB's Statement of Financial Accounting Standards No. 109). Deferred income taxes reported on page 275, line 2 column k have ASC 740 deferred income taxes contra accounts identified as regulatory assets related to AFUDC Equity. As a result, the average beginning and end of year deferred income tax balance of \$-187,591,014 has been adjusted by amounts in contra accounts identified as regulatory assets, as shown below. As discussed on page 123, in Note 1 under IP&L Challenge, the March 2016 Commission Order in Docket No. ER15-1250 requires ITC Midwest to calculate its 2015 Attachment O transmission revenue requirements to simulate the taking of bonus depreciation for eligible facilities in the calendar year 2015. We have not reflected the election of bonus depreciation for 2015 in the accompanying financial statements and consequently the effects of 2015 bonus depreciation are not factored in the deferred income tax amounts shown below. Therefore, for any adjustments to deferred income tax balances required to simulate the taking of bonus depreciation for the final calculation of the 2015 Attachment O revenue requirement and 2015 Attachment O True-up Adjustment posted on OASIS, we will provide a reconciliation between the amount shown below and the amount that is ultimately used in our formula rate tariff when reference is made to page 275, line 2, column k.

| | <u>2015</u> | <u>2014</u> | <u>Average</u> |
|--|-------------------|-------------------|----------------|
| Account 282 balance on page 275, line 2, column k | -\$232,756,486 | -\$184,429,671 | |
| Income Taxes Related to AFUDC Equity Regulatory Asset | <u>23,579,580</u> | <u>18,424,550</u> | |
| Account 282 balance as adjusted | -\$209,176,906 | -\$166,005,121 | -\$187,591,014 |

Our formula rate tariff template in effect for 2015 includes in rate base certain deferred income taxes associated with contribution in aid of construction "CIAC". In conjunction with the modification to our formula rate template approved by FERC under Docket No. ER16-208 and effective for cost year 2016, we have committed to refund with interest the associated return resulting from the inclusion of these CIAC-related deferred income tax amounts in our 2015 rate base in the event such income tax consequences have been paid for by others. We will provide the amount of CIAC related deferred income taxes that are ultimately included in our formula rate rate base in conjunction with the 2015 Attachment O revenue requirement and 2015 Attachment O True-up Adjustment OASIS posting.

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|--|-------------------------------------|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 283 | | | |
| 2 | Electric | | | |
| 3 | Formula rate rev accrual & int | 409,406 | 3,535,589 | 327,431 |
| 4 | AFUDC Equity | 13,056,817 | | |
| 5 | Other | 1,358,132 | 635,503 | 336,657 |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Electric (Total of lines 3 thru 8) | 14,824,355 | 4,171,092 | 664,088 |
| 10 | Gas | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | TOTAL Gas (Total of lines 11 thru 16) | | | |
| 18 | | | | |
| 19 | TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18) | 14,824,355 | 4,171,092 | 664,088 |
| 20 | Classification of TOTAL | | | |
| 21 | Federal Income Tax | 10,438,274 | 3,569,124 | 595,333 |
| 22 | State Income Tax | 4,386,081 | 601,968 | 68,755 |
| 23 | Local Income Tax | | | |

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--|---|----------------------------|---------------|---------------------------|---------------|----------------------------------|-------------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | | | | | 3,617,564 | 3 |
| | | 182.3 | 359,400 | 182.3 | 4,010,763 | 16,708,180 | 4 |
| | | | | | | 1,656,978 | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | 359,400 | | 4,010,763 | 21,982,722 | 9 |
| | | | | | | | 10 |
| | | | | | | | 11 |
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| | | | | | | | 15 |
| | | | | | | | 16 |
| | | | | | | | 17 |
| | | | | | | | 18 |
| | | | 359,400 | | 4,010,763 | 21,982,722 | 19 |
| | | | | | | | 20 |
| | | | 273,126 | | 3,049,843 | 16,188,782 | 21 |
| | | | 86,274 | | 960,920 | 5,793,940 | 22 |
| | | | | | | | 23 |

NOTES (Continued)

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 276 Line No.: 9 Column: k

The deferred income tax balance used in our formula rate tariff excludes deferred income taxes associated with the True-up Adjustment that are not otherwise included in rate base. In addition, the deferred income tax balance used in our formula rate tariff is adjusted by any amounts in contra accounts identified as regulatory assets related to Financial Accounting Standards Board ("FASB") Accounting Standards Codification 740 - Income Taxes ("ASC 740"), (formerly FASB's Statement of Financial Accounting Standards No. 109). Deferred income taxes reported on page 277, line 9, column k have ASC 740 deferred income taxes contra accounts identified as regulatory assets related to AFUDC Equity and include deferred income taxes associated with the True-up Adjustment. As a result, the average beginning and end of year deferred income tax balance of \$-1,507,555 has been adjusted by amounts in contra accounts identified as regulatory assets and exclude deferred income taxes associated with the True-up Adjustment as shown below. As discussed on page 123, in Note 1 under IP&L Challenge, the March 2016 Commission Order in Docket No. ER15-1250 requires ITC Midwest to calculate its 2015 Attachment O transmission revenue requirements to simulate the taking of bonus depreciation for eligible facilities in the calendar year 2015. We have not reflected the election of bonus depreciation for 2015 in the accompanying financial statements and consequently the effects of 2015 bonus depreciation are not factored in the deferred income tax amounts shown below. Therefore, for any adjustments to deferred income tax balances required to simulate the taking of bonus depreciation for the final calculation of the 2015 Attachment O revenue requirement and 2015 Attachment O True-up Adjustment posted on OASIS, we will provide a reconciliation between the amount shown below and the amount that is ultimately used in our formula rate tariff when reference is made to page 277, line 9, column k.

| | <u>2015</u> | <u>2014</u> | <u>Average</u> |
|--|------------------|----------------|----------------|
| Account 283 balance on page 277, line 9, column k | -\$21,982,722 | -\$14,824,355 | |
| Income taxes related to AFUDC Equity regulatory asset | 16,708,180 | 13,056,817 | |
| True-up Adjustment principal & interest deferred income taxes | <u>3,617,564</u> | <u>409,406</u> | |
| Account 283 balance as adjusted | -\$ 1,656,978 | -\$ 1,358,132 | -\$ 1,507,555 |

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Liabilities (a) | Balance at Beginning of Current Quarter/Year (b) | DEBITS | | Credits (e) | Balance at End of Current Quarter/Year (f) |
|----------|--|---|-------------------------|---------------|----------------|---|
| | | | Account Credited (c) | Amount (d) | | |
| 1 | Refund related to formula rate | | | | 8,158,911 | 8,158,911 |
| 2 | template modification | | | | | |
| 3 | per December 30, 2015 FERC Order ER16-208 | | | | | |
| 4 | | | | | | |
| 5 | Formula rate Schedule 9 revenue deferrals and | | | | | |
| 6 | accrued interest per December 3, 2007 FERC Orders | | | | | |
| 7 | EC07-89 and ER07-887: | | | | | |
| 8 | - 2014 Revenue deferral and accrued interest | 4,220,362 | | | 134,560 | 4,354,922 |
| 9 | - 2013 Revenue deferral and accrued interest | 9,956,535 | 131 | 10,110,355 | 153,820 | |
| 10 | | | | | | |
| 11 | Formula rate Schedule 26 revenue deferrals and | | | | | |
| 12 | accrued interest per April 24, 2009 FERC Order | | | | | |
| 13 | ER09-785: | | | | | |
| 14 | - 2014 Revenue deferral and accrued interest | | | | 1,203,390 | 1,203,390 |
| 15 | - 2013 Revenue deferral and accrued interest | 3,288,449 | 131 | 3,339,253 | 50,804 | |
| 16 | | | | | | |
| 17 | Formula rate Schedule 26A revenue deferrals and | | | | | |
| 18 | accrued interest per February 11, 2013 FERC Order | | | | | |
| 19 | ER13-263: | | | | | |
| 20 | - 2015 Revenue deferral and accrued interest | | | | 3,781,941 | 3,781,941 |
| 21 | - 2014 Revenue deferral and accrued interest | 164,295 | | | 5,238 | 169,533 |
| 22 | | | | | | |
| 23 | Formula rate Schedule 1 revenue deferrals and | | | | | |
| 24 | accrued interest per February 6, 2013 FERC Order | | | | | |
| 25 | ER12-2129: | | | | | |
| 26 | - 2014 Revenue deferral and accrued interest | 581,840 | | | 18,551 | 600,391 |
| 27 | - 2013 Revenue deferral and accrued interest | 1,235,752 | 131 | 1,254,843 | 19,091 | |
| 28 | | | | | | |
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| 40 | | | | | | |
| 41 | TOTAL | 19,447,233 | | 14,704,451 | 13,526,306 | 18,269,088 |

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

| Line No. | Title of Account (a) | Operating Revenues Year to Date Quarterly/Annual (b) | Operating Revenues Previous year (no Quarterly) (c) |
|----------|---|---|--|
| 1 | Sales of Electricity | | |
| 2 | (440) Residential Sales | | |
| 3 | (442) Commercial and Industrial Sales | | |
| 4 | Small (or Comm.) (See Instr. 4) | | |
| 5 | Large (or Ind.) (See Instr. 4) | | |
| 6 | (444) Public Street and Highway Lighting | | |
| 7 | (445) Other Sales to Public Authorities | | |
| 8 | (446) Sales to Railroads and Railways | | |
| 9 | (448) Interdepartmental Sales | | |
| 10 | TOTAL Sales to Ultimate Consumers | | |
| 11 | (447) Sales for Resale | | |
| 12 | TOTAL Sales of Electricity | | |
| 13 | (Less) (449.1) Provision for Rate Refunds | 50,524,091 | 19,650,000 |
| 14 | TOTAL Revenues Net of Prov. for Refunds | -50,524,091 | -19,650,000 |
| 15 | Other Operating Revenues | | |
| 16 | (450) Forfeited Discounts | | |
| 17 | (451) Miscellaneous Service Revenues | | |
| 18 | (453) Sales of Water and Water Power | | |
| 19 | (454) Rent from Electric Property | 2,070,325 | 1,963,868 |
| 20 | (455) Interdepartmental Rents | | |
| 21 | (456) Other Electric Revenues | | |
| 22 | (456.1) Revenues from Transmission of Electricity of Others | 380,216,961 | 349,941,297 |
| 23 | (457.1) Regional Control Service Revenues | | |
| 24 | (457.2) Miscellaneous Revenues | | |
| 25 | | | |
| 26 | TOTAL Other Operating Revenues | 382,287,286 | 351,905,165 |
| 27 | TOTAL Electric Operating Revenues | 331,763,195 | 332,255,165 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ELECTRIC OPERATING REVENUES (Account 400)

- 6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
- 7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
- 8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
- 9. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD | | AVG.NO. CUSTOMERS PER MONTH | | Line No. |
|--------------------------------------|--|------------------------------------|-------------------------------------|----------|
| Year to Date Quarterly/Annual (d) | Amount Previous year (no Quarterly) (e) | Current Year (no Quarterly) (f) | Previous Year (no Quarterly) (g) | |
| | | | | 1 |
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Line 12, column (b) includes \$ 0 of unbilled revenues.
Line 12, column (d) includes 0 MWH relating to unbilled revenues

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

| Line No. | Description of Service (a) | Balance at End of Quarter 1 (b) | Balance at End of Quarter 2 (c) | Balance at End of Quarter 3 (d) | Balance at End of Year (e) |
|----------|----------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| 1 | | | | | |
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| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | | | | |

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|----------|---------------------------------------|--------------|-------------|---------------------------------|-------------------------------|--------------------------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
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| 5 | | | | | | |
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| 36 | | | | | | |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | TOTAL Billed | 0 | 0 | 0 | 0 | 0.0000 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 0 | 0 | 0 | 0 | 0.0000 |
| 43 | TOTAL | 0 | 0 | 0 | 0 | 0.0000 |

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE | | | Total (\$) (h+i+j) (k) | Line No. |
|----------------------------|-------------------------|-------------------------|------------------------|---------------------------|----------|
| | Demand Charges (\$) (h) | Energy Charges (\$) (i) | Other Charges (\$) (j) | | |
| | | | | | 1 |
| | | | | | 2 |
| | | | | | 3 |
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| | | | | | 5 |
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| | | | | | 10 |
| | | | | | 11 |
| | | | | | 12 |
| | | | | | 13 |
| | | | | | 14 |
| 0 | 0 | 0 | 0 | 0 | |
| 0 | 0 | 0 | 0 | 0 | |
| 0 | 0 | 0 | 0 | 0 | |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|--------------------------------|---------------------------------|
| 1 | 1. POWER PRODUCTION EXPENSES | | |
| 2 | A. Steam Power Generation | | |
| 3 | Operation | | |
| 4 | (500) Operation Supervision and Engineering | | |
| 5 | (501) Fuel | | |
| 6 | (502) Steam Expenses | | |
| 7 | (503) Steam from Other Sources | | |
| 8 | (Less) (504) Steam Transferred-Cr. | | |
| 9 | (505) Electric Expenses | | |
| 10 | (506) Miscellaneous Steam Power Expenses | | |
| 11 | (507) Rents | | |
| 12 | (509) Allowances | | |
| 13 | TOTAL Operation (Enter Total of Lines 4 thru 12) | | |
| 14 | Maintenance | | |
| 15 | (510) Maintenance Supervision and Engineering | | |
| 16 | (511) Maintenance of Structures | | |
| 17 | (512) Maintenance of Boiler Plant | | |
| 18 | (513) Maintenance of Electric Plant | | |
| 19 | (514) Maintenance of Miscellaneous Steam Plant | | |
| 20 | TOTAL Maintenance (Enter Total of Lines 15 thru 19) | | |
| 21 | TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20) | | |
| 22 | B. Nuclear Power Generation | | |
| 23 | Operation | | |
| 24 | (517) Operation Supervision and Engineering | | |
| 25 | (518) Fuel | | |
| 26 | (519) Coolants and Water | | |
| 27 | (520) Steam Expenses | | |
| 28 | (521) Steam from Other Sources | | |
| 29 | (Less) (522) Steam Transferred-Cr. | | |
| 30 | (523) Electric Expenses | | |
| 31 | (524) Miscellaneous Nuclear Power Expenses | | |
| 32 | (525) Rents | | |
| 33 | TOTAL Operation (Enter Total of lines 24 thru 32) | | |
| 34 | Maintenance | | |
| 35 | (528) Maintenance Supervision and Engineering | | |
| 36 | (529) Maintenance of Structures | | |
| 37 | (530) Maintenance of Reactor Plant Equipment | | |
| 38 | (531) Maintenance of Electric Plant | | |
| 39 | (532) Maintenance of Miscellaneous Nuclear Plant | | |
| 40 | TOTAL Maintenance (Enter Total of lines 35 thru 39) | | |
| 41 | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40) | | |
| 42 | C. Hydraulic Power Generation | | |
| 43 | Operation | | |
| 44 | (535) Operation Supervision and Engineering | | |
| 45 | (536) Water for Power | | |
| 46 | (537) Hydraulic Expenses | | |
| 47 | (538) Electric Expenses | | |
| 48 | (539) Miscellaneous Hydraulic Power Generation Expenses | | |
| 49 | (540) Rents | | |
| 50 | TOTAL Operation (Enter Total of Lines 44 thru 49) | | |
| 51 | C. Hydraulic Power Generation (Continued) | | |
| 52 | Maintenance | | |
| 53 | (541) Maintenance Supervision and Engineering | | |
| 54 | (542) Maintenance of Structures | | |
| 55 | (543) Maintenance of Reservoirs, Dams, and Waterways | | |
| 56 | (544) Maintenance of Electric Plant | | |
| 57 | (545) Maintenance of Miscellaneous Hydraulic Plant | | |
| 58 | TOTAL Maintenance (Enter Total of lines 53 thru 57) | | |
| 59 | TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58) | | |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|--------------------------------|---------------------------------|
| 60 | D. Other Power Generation | | |
| 61 | Operation | | |
| 62 | (546) Operation Supervision and Engineering | | |
| 63 | (547) Fuel | | |
| 64 | (548) Generation Expenses | | |
| 65 | (549) Miscellaneous Other Power Generation Expenses | | |
| 66 | (550) Rents | | |
| 67 | TOTAL Operation (Enter Total of lines 62 thru 66) | | |
| 68 | Maintenance | | |
| 69 | (551) Maintenance Supervision and Engineering | | |
| 70 | (552) Maintenance of Structures | | |
| 71 | (553) Maintenance of Generating and Electric Plant | | |
| 72 | (554) Maintenance of Miscellaneous Other Power Generation Plant | | |
| 73 | TOTAL Maintenance (Enter Total of lines 69 thru 72) | | |
| 74 | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73) | | |
| 75 | E. Other Power Supply Expenses | | |
| 76 | (555) Purchased Power | | |
| 77 | (556) System Control and Load Dispatching | | |
| 78 | (557) Other Expenses | | |
| 79 | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78) | | |
| 80 | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | | |
| 81 | 2. TRANSMISSION EXPENSES | | |
| 82 | Operation | | |
| 83 | (560) Operation Supervision and Engineering | 834,487 | 849,412 |
| 84 | | | |
| 85 | (561.1) Load Dispatch-Reliability | 1,347,830 | 1,067,396 |
| 86 | (561.2) Load Dispatch-Monitor and Operate Transmission System | 4,012,378 | 3,278,143 |
| 87 | (561.3) Load Dispatch-Transmission Service and Scheduling | 9,528 | |
| 88 | (561.4) Scheduling, System Control and Dispatch Services | | |
| 89 | (561.5) Reliability, Planning and Standards Development | | |
| 90 | (561.6) Transmission Service Studies | | |
| 91 | (561.7) Generation Interconnection Studies | | |
| 92 | (561.8) Reliability, Planning and Standards Development Services | | |
| 93 | (562) Station Expenses | 3,499,451 | 4,284,702 |
| 94 | (563) Overhead Lines Expenses | 1,556,942 | 1,546,743 |
| 95 | (564) Underground Lines Expenses | | |
| 96 | (565) Transmission of Electricity by Others | | |
| 97 | (566) Miscellaneous Transmission Expenses | 24,775 | 29,081 |
| 98 | (567) Rents | 1,409,086 | 1,452,480 |
| 99 | TOTAL Operation (Enter Total of lines 83 thru 98) | 12,694,477 | 12,507,957 |
| 100 | Maintenance | | |
| 101 | (568) Maintenance Supervision and Engineering | 2,434,760 | 1,941,569 |
| 102 | (569) Maintenance of Structures | -22 | -123 |
| 103 | (569.1) Maintenance of Computer Hardware | 108,651 | 168,115 |
| 104 | (569.2) Maintenance of Computer Software | 1,734,971 | 1,201,690 |
| 105 | (569.3) Maintenance of Communication Equipment | | |
| 106 | (569.4) Maintenance of Miscellaneous Regional Transmission Plant | | |
| 107 | (570) Maintenance of Station Equipment | 9,876,330 | 10,302,259 |
| 108 | (571) Maintenance of Overhead Lines | 11,046,606 | 11,210,163 |
| 109 | (572) Maintenance of Underground Lines | 79,412 | 75,722 |
| 110 | (573) Maintenance of Miscellaneous Transmission Plant | 427,072 | 331,166 |
| 111 | TOTAL Maintenance (Total of lines 101 thru 110) | 25,707,780 | 25,230,561 |
| 112 | TOTAL Transmission Expenses (Total of lines 99 and 111) | 38,402,257 | 37,738,518 |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|---|-----------------------------|------------------------------|
| 113 | 3. REGIONAL MARKET EXPENSES | | |
| 114 | Operation | | |
| 115 | (575.1) Operation Supervision | | |
| 116 | (575.2) Day-Ahead and Real-Time Market Facilitation | | |
| 117 | (575.3) Transmission Rights Market Facilitation | | |
| 118 | (575.4) Capacity Market Facilitation | | |
| 119 | (575.5) Ancillary Services Market Facilitation | | |
| 120 | (575.6) Market Monitoring and Compliance | | |
| 121 | (575.7) Market Facilitation, Monitoring and Compliance Services | | |
| 122 | (575.8) Rents | | |
| 123 | Total Operation (Lines 115 thru 122) | | |
| 124 | Maintenance | | |
| 125 | (576.1) Maintenance of Structures and Improvements | | |
| 126 | (576.2) Maintenance of Computer Hardware | | |
| 127 | (576.3) Maintenance of Computer Software | | |
| 128 | (576.4) Maintenance of Communication Equipment | | |
| 129 | (576.5) Maintenance of Miscellaneous Market Operation Plant | | |
| 130 | Total Maintenance (Lines 125 thru 129) | | |
| 131 | TOTAL Regional Transmission and Market Op Expns (Total 123 and 130) | | |
| 132 | 4. DISTRIBUTION EXPENSES | | |
| 133 | Operation | | |
| 134 | (580) Operation Supervision and Engineering | | |
| 135 | (581) Load Dispatching | | |
| 136 | (582) Station Expenses | | |
| 137 | (583) Overhead Line Expenses | | |
| 138 | (584) Underground Line Expenses | | |
| 139 | (585) Street Lighting and Signal System Expenses | | |
| 140 | (586) Meter Expenses | | |
| 141 | (587) Customer Installations Expenses | | |
| 142 | (588) Miscellaneous Expenses | | |
| 143 | (589) Rents | | |
| 144 | TOTAL Operation (Enter Total of lines 134 thru 143) | | |
| 145 | Maintenance | | |
| 146 | (590) Maintenance Supervision and Engineering | | |
| 147 | (591) Maintenance of Structures | | |
| 148 | (592) Maintenance of Station Equipment | | |
| 149 | (593) Maintenance of Overhead Lines | | |
| 150 | (594) Maintenance of Underground Lines | | |
| 151 | (595) Maintenance of Line Transformers | | |
| 152 | (596) Maintenance of Street Lighting and Signal Systems | | |
| 153 | (597) Maintenance of Meters | | |
| 154 | (598) Maintenance of Miscellaneous Distribution Plant | | |
| 155 | TOTAL Maintenance (Total of lines 146 thru 154) | | |
| 156 | TOTAL Distribution Expenses (Total of lines 144 and 155) | | |
| 157 | 5. CUSTOMER ACCOUNTS EXPENSES | | |
| 158 | Operation | | |
| 159 | (901) Supervision | | |
| 160 | (902) Meter Reading Expenses | | |
| 161 | (903) Customer Records and Collection Expenses | | |
| 162 | (904) Uncollectible Accounts | | |
| 163 | (905) Miscellaneous Customer Accounts Expenses | | |
| 164 | TOTAL Customer Accounts Expenses (Total of lines 159 thru 163) | | |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|--------------------------------|---------------------------------|
| 165 | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| 166 | Operation | | |
| 167 | (907) Supervision | | |
| 168 | (908) Customer Assistance Expenses | | |
| 169 | (909) Informational and Instructional Expenses | | |
| 170 | (910) Miscellaneous Customer Service and Informational Expenses | | |
| 171 | TOTAL Customer Service and Information Expenses (Total 167 thru 170) | | |
| 172 | 7. SALES EXPENSES | | |
| 173 | Operation | | |
| 174 | (911) Supervision | | |
| 175 | (912) Demonstrating and Selling Expenses | | |
| 176 | (913) Advertising Expenses | | |
| 177 | (916) Miscellaneous Sales Expenses | | |
| 178 | TOTAL Sales Expenses (Enter Total of lines 174 thru 177) | | |
| 179 | 8. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| 180 | Operation | | |
| 181 | (920) Administrative and General Salaries | 18,165,397 | 17,180,867 |
| 182 | (921) Office Supplies and Expenses | 8,747,687 | 9,471,335 |
| 183 | (Less) (922) Administrative Expenses Transferred-Credit | 8,161,506 | 8,259,460 |
| 184 | (923) Outside Services Employed | 5,071,193 | 5,145,238 |
| 185 | (924) Property Insurance | 239,692 | 292,803 |
| 186 | (925) Injuries and Damages | 775,878 | 1,325,239 |
| 187 | (926) Employee Pensions and Benefits | 5,944,710 | 4,713,839 |
| 188 | (927) Franchise Requirements | | |
| 189 | (928) Regulatory Commission Expenses | 466,747 | 431,567 |
| 190 | (929) (Less) Duplicate Charges-Cr. | | |
| 191 | (930.1) General Advertising Expenses | 384,120 | 285,064 |
| 192 | (930.2) Miscellaneous General Expenses | 696,535 | 661,288 |
| 193 | (931) Rents | 1,458,213 | 1,412,978 |
| 194 | TOTAL Operation (Enter Total of lines 181 thru 193) | 33,788,666 | 32,660,758 |
| 195 | Maintenance | | |
| 196 | (935) Maintenance of General Plant | 852,486 | 1,424,298 |
| 197 | TOTAL Administrative & General Expenses (Total of lines 194 and 196) | 34,641,152 | 34,085,056 |
| 198 | TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197) | 73,043,409 | 71,823,574 |

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) | |
|----------|---|-----------------------------------|--|--|-----------------------------------|----------------------------------|
| | | | | | Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) |
| 1 | | | | | | |
| 2 | | | | | | |
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| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| | Total | | | | | |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---------------------------------|--------------------------------|---------------------------------|-------------------------------|-------------------------------|------------------------------|--|----------|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges (\$) (j) | Energy Charges (\$) (k) | Other Charges (\$) (l) | Total (j+k+l) of Settlement (\$) (m) | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
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| | | | | | | | 14 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
 2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
 3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
 4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) |
|----------|--|--|---|-----------------------------------|
| 1 | MISO as billing agent | | | |
| 2 | | | | |
| 3 | Schedule 1 | Various | Various | OS |
| 4 | Schedule 7 | Various | Various | SFP |
| 5 | Schedule 8 | Various | Various | NF |
| 6 | Schedule 9 | Various | Various | FNO |
| 7 | Schedule 26 | Various | Various | OS |
| 8 | Schedule 26A | Various | Various | OS |
| 9 | Other | Various | Various | OS |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
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| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| | TOTAL | | | |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Substation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY | | Line No. |
|---|--|---|-------------------------|-----------------------------|------------------------------|----------|
| | | | | MegaWatt Hours Received (i) | MegaWatt Hours Delivered (j) | |
| | | | | | | 1 |
| | | | | | | 2 |
| Sch 1 | Various | Various | | | | 3 |
| Sch 7 | Various | Various | | | | 4 |
| Sch 8 | Various | Various | | | | 5 |
| Sch 9 | Various | Various | | | | 6 |
| Sch 26 | Various | Various | | | | 7 |
| Sch 26A | Various | Various | | | | 8 |
| Other | Various | Various | | | | 9 |
| | | | | | | 10 |
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| | | | 0 | 0 | | 0 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges (\$) (k) | Energy Charges (\$) (l) | (Other Charges) (\$) (m) | Total Revenues (\$) (k+l+m) (n) | Line No. |
|-------------------------------|-------------------------------|--------------------------------|---------------------------------------|-------------|
| | | | | 1 |
| | | | | 2 |
| 5,369,736 | | | 5,369,736 | 3 |
| 5,035,656 | | | 5,035,656 | 4 |
| 300,930 | | | 300,930 | 5 |
| 332,782,056 | | | 332,782,056 | 6 |
| 27,595,629 | | | 27,595,629 | 7 |
| 7,081,739 | | | 7,081,739 | 8 |
| 2,051,215 | | | 2,051,215 | 9 |
| | | | | 10 |
| | | | | 11 |
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| | | | | 33 |
| | | | | 34 |
| 380,216,961 | 0 | 0 | 380,216,961 | |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 328 Line No.: 1 Column: a

Transmission charges for all transmission transactions included in Attachment O divisor that are not revenue credited consist of Schedule 1 revenues and Schedule 9 revenues.

| | |
|---------------------|----------------|
| Schedule 1 Revenues | \$ 5,369,736 |
| Schedule 9 Revenues | 332,782,056 |
| Total | \$ 338,151,792 |

Schedule Page: 328 Line No.: 3 Column: n

Schedule 1 revenues reporting on page 330, line 3, column n of \$5,369,736 consist of Schedule 1 revenues without the True-up Adjustment of \$4,622,306 and the preliminary 2015 True-up Adjustment of \$747,430. Therefore, we will use Schedule 1 revenues without the True-up Adjustment of \$4,622,306 when reference is made to Schedule 1 revenues for purposes of calculating the True-up Adjustment as described in the MISO Transmission and Energy Markets Tariff for Schedule 1 Scheduling, System Control and Dispatch Service:

| | |
|---|--------------|
| Schedule 1 revenues without True-up Adjustment | \$ 4,622,306 |
| 2015 True-up Adjustment Under(Over) Recovery | 747,430 |
| Schedule 1 revenues as reported on page 330, line 3, column n | \$ 5,369,736 |

Schedule 1 revenues as reported include revenues collected under Schedule 1 for firm transactions less than 1 year, all non-firm transactions and for other transactions whose load is not in the Attachment O Zonal Rate Divisor.

| | |
|----------------------------------|------------|
| Total Schedule 1 revenue credits | \$ 362,383 |
|----------------------------------|------------|

Schedule Page: 328 Line No.: 6 Column: n

Network service revenues reporting on page 330, line 6, column n of \$332,782,056 include a rate discount of \$4,125,000. Network service revenue without the rate discount would have been \$336,907,056. Network service revenues reported on page 330, line 6, column n of \$332,782,056 consist of network service revenues without the True-up Adjustment of \$327,144,512 and the preliminary True-up Adjustment of \$5,637,544. Therefore, we will use network service revenues without the True-up Adjustment of \$327,144,512 when reference is made to network service revenues for purposes of calculating the True-up Adjustment in the Annual Rate Calculation and True-up Procedures contained in the MISO Transmission and Energy Markets Tariff.

| | |
|---|----------------|
| Schedule 9 revenues without Rate Discount | \$ 336,907,056 |
| Rate Discount | -4,125,000 |
| Schedule 9 revenues as reported on page 330, line 6, column n | \$ 332,782,056 |

| | |
|---|----------------|
| Schedule 9 revenues without True-up Adjustment | \$ 327,144,512 |
| True-up Adjustment Under(Over) Recovery | 5,637,544 |
| Schedule 9 revenues as reported on page 330, line 6, column n | \$ 332,782,056 |

Schedule Page: 328 Line No.: 7 Column: n

Schedule 26 revenues reported on page 330, line 7, column n of \$27,595,629 consist of Schedule 26 revenues without the True-up Adjustment of \$27,329,193 and the preliminary True-up Adjustment of \$266,436. Therefore, we will use Schedule 26 revenues without the True-up Adjustment of \$27,329,193 when reference is made to Schedule 26 revenues for purposes of calculating the True-up Adjustment as described in the true-up procedures for Attachment GG contained in the MISO Transmission, Energy and Operating Reserve Markets

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Tariff.

| | |
|--|----------------|
| Schedule 26 revenues without True-up Adjustment | \$ 27,329,193 |
| True-up Adjustment Under(Over) Recovery | <u>266,436</u> |
| Schedule 26 revenues as reported on page 330, line 7, column n | \$ 27,595,629 |

Schedule Page: 328 Line No.: 8 Column: n

Schedule 26A revenues reported on page 330, line 8, column n of \$7,081,739 consist of Schedule 26A revenues without the True-Up Adjustment of \$10,132,009 and the preliminary Net True-up Adjustment of -\$3,050,270. Therefore, we will use Schedule 26A revenues without the True-up Adjustment of \$10,132,009 when reference is made to Schedule 26A revenues for purposes of calculating the True-up Adjustment as described in the true-up procedures for Attachment MM contained in the MISO Transmission, Energy and Operating Reserve Markets Tariff.

| | |
|---|-------------------|
| Schedule 26A revenues without True-up Adjustment | \$ 10,132,009 |
| True-up Adjustment Net Under(Over) Recovery | <u>-3,050,270</u> |
| Schedule 26A revenues as reported on page 330, line 8, column n | \$ 7,081,739 |

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

| Line No. | Payment Received by (Transmission Owner Name) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Total Revenue by Rate Schedule or Tariff (d) | Total Revenue (e) |
|----------|---|-----------------------------------|--|---|----------------------|
| 1 | | | | | |
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| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | TOTAL | | | | |

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | TRANSFER OF ENERGY | | EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS | | | |
|----------|---|--------------------------------|-----------------------------|------------------------------|--|-------------------------|------------------------|-------------------------------------|
| | | | Megawatt-hours Received (c) | Megawatt-hours Delivered (d) | Demand Charges (\$) (e) | Energy Charges (\$) (f) | Other Charges (\$) (g) | Total Cost of Transmission (\$) (h) |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
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| 14 | | | | | | | | |
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| 16 | | | | | | | | |
| | TOTAL | | | | | | | |

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

| Line No. | Description (a) | Amount (b) |
|----------|--|------------|
| 1 | Industry Association Dues | 136,463 |
| 2 | Nuclear Power Research Expenses | |
| 3 | Other Experimental and General Research Expenses | |
| 4 | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities | |
| 5 | Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000 | |
| 6 | Director Fees | 386,143 |
| 7 | Various | 173,929 |
| 8 | | |
| 9 | | |
| 10 | | |
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| 44 | | |
| 45 | | |
| 46 | TOTAL | 696,535 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

| Line No. | Functional Classification (a) | Depreciation Expense (Account 403) (b) | Depreciation Expense for Asset Retirement Costs (Account 403.1) (c) | Amortization of Limited Term Electric Plant (Account 404) (d) | Amortization of Other Electric Plant (Acc 405) (e) | Total (f) |
|----------|--|--|---|---|---|--------------|
| 1 | Intangible Plant | | | | | |
| 2 | Steam Production Plant | | | | | |
| 3 | Nuclear Production Plant | | | | | |
| 4 | Hydraulic Production Plant-Conventional | | | | | |
| 5 | Hydraulic Production Plant-Pumped Storage | | | | | |
| 6 | Other Production Plant | | | | | |
| 7 | Transmission Plant | 39,044,070 | | | | 39,044,070 |
| 8 | Distribution Plant | | | | | |
| 9 | Regional Transmission and Market Operation | | | | | |
| 10 | General Plant | 3,437,085 | | | | 3,437,085 |
| 11 | Common Plant-Electric | | | | | |
| 12 | TOTAL | 42,481,155 | | | | 42,481,155 |

B. Basis for Amortization Charges

(This area is intentionally left blank for providing the basis for amortization charges.)

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|----------|--------------------|---|------------------------------------|------------------------------|--------------------------------------|-----------------------------|-------------------------------|
| 12 | 350 | 44,192 | 75.00 | | 1.33 | R5 | |
| 13 | 352 | 74,052 | 60.00 | -5.00 | 1.55 | R4 | |
| 14 | 353 | 650,622 | 48.00 | -10.00 | 2.05 | L1.5 | |
| 15 | 354 | 21,319 | 60.00 | -10.00 | 1.22 | R4 | |
| 16 | 355 | 994,683 | 60.00 | -10.00 | 1.69 | R5 | |
| 17 | 356 | 534,147 | 55.00 | -10.00 | 1.81 | R4 | |
| 18 | 357 | 656 | 60.00 | | 1.57 | R4 | |
| 19 | 358 | 2,907 | 60.00 | -10.00 | 1.66 | R3 | |
| 20 | 359 | | 75.00 | | 1.33 | R5 | |
| 21 | 389 | | 75.00 | | 1.33 | R5 | |
| 22 | 390 | 24,254 | 70.00 | -5.00 | 1.50 | R4 | |
| 23 | 391A | 3,375 | 20.00 | | 5.00 | SQ | |
| 24 | 391B | 1,050 | 5.00 | | 20.00 | SQ | |
| 25 | 391C | 102 | 5.00 | | 20.00 | SQ | |
| 26 | 392 | 33,784 | 5.00 | 5.00 | 20.13 | R4 | |
| 27 | 393 | 1,265 | 10.00 | | 10.00 | SQ | |
| 28 | 394 | 21,295 | 10.00 | | 10.00 | SQ | |
| 29 | 395 | | 10.00 | | 10.00 | SQ | |
| 30 | 396 | 20,596 | 15.00 | 5.00 | 6.36 | R3 | |
| 31 | 397 | 291 | 10.00 | | 10.00 | SQ | |
| 32 | 398 | | 10.00 | | 10.00 | SQ | |
| 33 | | | | | | | |
| 34 | | | | | | | |
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|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 336 Line No.: 12 Column: e

Method for Determination of Depreciation Charges

The depreciation rates shown in column (e) are straight line rates which when applied to monthly plant balances, will uniformly recover the unrecovered cost, adjusted for net salvage, over the remaining life of the plant.

The amounts shown in column (b) are depreciable plant base balances used to calculate the month of December 2015 depreciation expense.

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

| Line No. | Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a) | Assessed by Regulatory Commission (b) | Expenses of Utility (c) | Total Expense for Current Year (b) + (c) (d) | Deferred in Account 182.3 at Beginning of Year (e) |
|----------|---|--|----------------------------------|--|--|
| 1 | Transmission service-related | | | | |
| 2 | regulatory matters | | 466,747 | 466,747 | |
| 3 | | | | | |
| 4 | | | | | |
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| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | | 466,747 | 466,747 | |

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

| EXPENSES INCURRED DURING YEAR | | | AMORTIZED DURING YEAR | | | | Line No. |
|-------------------------------|-----------------|------------|-------------------------------|--------------------|------------|---|----------|
| CURRENTLY CHARGED TO | | | Deferred to Account 182.3 (i) | Contra Account (j) | Amount (k) | Deferred in Account 182.3 End of Year (l) | |
| Department (f) | Account No. (g) | Amount (h) | | | | | |
| | | | | | | | 1 |
| | 928 | 466,747 | | | | | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
| | | | | | | | 6 |
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| | | 466,747 | | | | | 46 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

(1) Generation

- a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
- b. Fossil-fuel steam
- c. Internal combustion or gas turbine
- d. Nuclear
- e. Unconventional generation
- f. Siting and heat rejection

a. Overhead

b. Underground

- (3) Distribution
- (4) Regional Transmission and Market Operation
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of \$50,000.)
- (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

| Line No. | Classification (a) | Description (b) |
|----------|--------------------|-----------------|
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Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

| Costs Incurred Internally Current Year (c) | Costs Incurred Externally Current Year (d) | AMOUNTS CHARGED IN CURRENT YEAR | | Unamortized Accumulation (g) | Line No. |
|--|--|---------------------------------|---------------|------------------------------------|-------------|
| | | Account (e) | Amount (f) | | |
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) |
|----------|--|------------------------------------|--|--------------|
| 1 | Electric | | | |
| 2 | Operation | | | |
| 3 | Production | | | |
| 4 | Transmission | 2,898,517 | | |
| 5 | Regional Market | | | |
| 6 | Distribution | | | |
| 7 | Customer Accounts | | | |
| 8 | Customer Service and Informational | | | |
| 9 | Sales | | | |
| 10 | Administrative and General | 7,562,018 | | |
| 11 | TOTAL Operation (Enter Total of lines 3 thru 10) | 10,460,535 | | |
| 12 | Maintenance | | | |
| 13 | Production | | | |
| 14 | Transmission | 2,149,756 | | |
| 15 | Regional Market | | | |
| 16 | Distribution | | | |
| 17 | Administrative and General | | | |
| 18 | TOTAL Maintenance (Total of lines 13 thru 17) | 2,149,756 | | |
| 19 | Total Operation and Maintenance | | | |
| 20 | Production (Enter Total of lines 3 and 13) | | | |
| 21 | Transmission (Enter Total of lines 4 and 14) | 5,048,273 | | |
| 22 | Regional Market (Enter Total of Lines 5 and 15) | | | |
| 23 | Distribution (Enter Total of lines 6 and 16) | | | |
| 24 | Customer Accounts (Transcribe from line 7) | | | |
| 25 | Customer Service and Informational (Transcribe from line 8) | | | |
| 26 | Sales (Transcribe from line 9) | | | |
| 27 | Administrative and General (Enter Total of lines 10 and 17) | 7,562,018 | | |
| 28 | TOTAL Oper. and Maint. (Total of lines 20 thru 27) | 12,610,291 | | 12,610,291 |
| 29 | Gas | | | |
| 30 | Operation | | | |
| 31 | Production-Manufactured Gas | | | |
| 32 | Production-Nat. Gas (Including Expl. and Dev.) | | | |
| 33 | Other Gas Supply | | | |
| 34 | Storage, LNG Terminating and Processing | | | |
| 35 | Transmission | | | |
| 36 | Distribution | | | |
| 37 | Customer Accounts | | | |
| 38 | Customer Service and Informational | | | |
| 39 | Sales | | | |
| 40 | Administrative and General | | | |
| 41 | TOTAL Operation (Enter Total of lines 31 thru 40) | | | |
| 42 | Maintenance | | | |
| 43 | Production-Manufactured Gas | | | |
| 44 | Production-Natural Gas (Including Exploration and Development) | | | |
| 45 | Other Gas Supply | | | |
| 46 | Storage, LNG Terminating and Processing | | | |
| 47 | Transmission | | | |
| | | | | |

DISTRIBUTION OF SALARIES AND WAGES (Continued)

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) |
|----------|--|------------------------------------|--|--------------|
| 48 | Distribution | | | |
| 49 | Administrative and General | | | |
| 50 | TOTAL Maint. (Enter Total of lines 43 thru 49) | | | |
| 51 | Total Operation and Maintenance | | | |
| 52 | Production-Manufactured Gas (Enter Total of lines 31 and 43) | | | |
| 53 | Production-Natural Gas (Including Expl. and Dev.) (Total lines 32, | | | |
| 54 | Other Gas Supply (Enter Total of lines 33 and 45) | | | |
| 55 | Storage, LNG Terminaling and Processing (Total of lines 31 thru | | | |
| 56 | Transmission (Lines 35 and 47) | | | |
| 57 | Distribution (Lines 36 and 48) | | | |
| 58 | Customer Accounts (Line 37) | | | |
| 59 | Customer Service and Informational (Line 38) | | | |
| 60 | Sales (Line 39) | | | |
| 61 | Administrative and General (Lines 40 and 49) | | | |
| 62 | TOTAL Operation and Maint. (Total of lines 52 thru 61) | | | |
| 63 | Other Utility Departments | | | |
| 64 | Operation and Maintenance | | | |
| 65 | TOTAL All Utility Dept. (Total of lines 28, 62, and 64) | 12,610,291 | | 12,610,291 |
| 66 | Utility Plant | | | |
| 67 | Construction (By Utility Departments) | | | |
| 68 | Electric Plant | 10,283,190 | | 10,283,190 |
| 69 | Gas Plant | | | |
| 70 | Other (provide details in footnote): | | | |
| 71 | TOTAL Construction (Total of lines 68 thru 70) | 10,283,190 | | 10,283,190 |
| 72 | Plant Removal (By Utility Departments) | | | |
| 73 | Electric Plant | | | |
| 74 | Gas Plant | | | |
| 75 | Other (provide details in footnote): | | | |
| 76 | TOTAL Plant Removal (Total of lines 73 thru 75) | | | |
| 77 | Other Accounts (Specify, provide details in footnote): | 201,198 | | 201,198 |
| 78 | | | | |
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| 80 | | | | |
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| 93 | | | | |
| 94 | | | | |
| 95 | TOTAL Other Accounts | 201,198 | | 201,198 |
| 96 | TOTAL SALARIES AND WAGES | 23,094,679 | | 23,094,679 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 354 Line No.: 77 Column: b
The 'Other Accounts' balance represents charges for certain political and related activities in account 426.4.

| | | | |
|---------------------------------------|---|--|--|
| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
|---------------------------------------|---|--|--|

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Name of Respondent
ITC Midwest LLC

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Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

| Line No. | Description of Item(s) (a) | Balance at End of Quarter 1 (b) | Balance at End of Quarter 2 (c) | Balance at End of Quarter 3 (d) | Balance at End of Year (e) |
|----------|-------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------|
| 1 | Energy | | | | |
| 2 | Net Purchases (Account 555) | | | | |
| 3 | Net Sales (Account 447) | | | | |
| 4 | Transmission Rights | | | | |
| 5 | Ancillary Services | | | | |
| 6 | Other Items (list separately) | | | | |
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| 46 | TOTAL | | | | |

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
 (2) Report on Column (b) by month the transmission system's peak load.
 (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
 (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: ITC Midwest LLC

| Line No. | Month (a) | Monthly Peak MW - Total (b) | Day of Monthly Peak (c) | Hour of Monthly Peak (d) | Firm Network Service for Self (e) | Firm Network Service for Others (f) | Long-Term Firm Point-to-point Reservations (g) | Other Long-Term Firm Service (h) | Short-Term Firm Point-to-point Reservation (i) | Other Service (j) |
|----------|-------------------------|--------------------------------|----------------------------|-----------------------------|--------------------------------------|--|---|-------------------------------------|---|----------------------|
| 1 | January | 2,938 | 7 | 1900 | | | | | | |
| 2 | February | 2,858 | 18 | 1900 | | | | | | |
| 3 | March | 2,732 | 5 | 800 | | | | | | |
| 4 | Total for Quarter 1 | | | | | | | | | |
| 5 | April | 2,365 | 21 | 900 | | | | | | |
| 6 | May | 2,551 | 28 | 1500 | | | | | | |
| 7 | June | 3,089 | 10 | 1800 | | | | | | |
| 8 | Total for Quarter 2 | | | | | | | | | |
| 9 | July | 3,457 | 13 | 1600 | | | | | | |
| 10 | August | 3,208 | 14 | 1700 | | | | | | |
| 11 | September | 3,362 | 3 | 1700 | | | | | | |
| 12 | Total for Quarter 3 | | | | | | | | | |
| 13 | October | 2,485 | 7 | 1500 | | | | | | |
| 14 | November | 2,495 | 30 | 1800 | | | | | | |
| 15 | December | 2,661 | 17 | 1900 | | | | | | |
| 16 | Total for Quarter 4 | | | | | | | | | |
| 17 | Total Year to Date/Year | | | | | | | | | |
| | | | | | | | | | | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

| Line No. | Month (a) | Monthly Peak MW - Total (b) | Day of Monthly Peak (c) | Hour of Monthly Peak (d) | Imports into ISO/RTO (e) | Exports from ISO/RTO (f) | Through and Out Service (g) | Network Service Usage (h) | Point-to-Point Service Usage (i) | Total Usage (j) |
|----------|-------------------------|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|------------------------------|-------------------------------------|--------------------|
| 1 | January | | | | | | | | | |
| 2 | February | | | | | | | | | |
| 3 | March | | | | | | | | | |
| 4 | Total for Quarter 1 | | | | | | | | | |
| 5 | April | | | | | | | | | |
| 6 | May | | | | | | | | | |
| 7 | June | | | | | | | | | |
| 8 | Total for Quarter 2 | | | | | | | | | |
| 9 | July | | | | | | | | | |
| 10 | August | | | | | | | | | |
| 11 | September | | | | | | | | | |
| 12 | Total for Quarter 3 | | | | | | | | | |
| 13 | October | | | | | | | | | |
| 14 | November | | | | | | | | | |
| 15 | December | | | | | | | | | |
| 16 | Total for Quarter 4 | | | | | | | | | |
| 17 | Total Year to Date/Year | | | | | | | | | |
| | | | | | | | | | | |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

| Line No. | Item (a) | MegaWatt Hours (b) | Line No. | Item (a) | MegaWatt Hours (b) |
|----------|--|-----------------------|----------|--|-----------------------|
| 1 | SOURCES OF ENERGY | | 21 | DISPOSITION OF ENERGY | |
| 2 | Generation (Excluding Station Use): | | 22 | Sales to Ultimate Consumers (Including Interdepartmental Sales) | |
| 3 | Steam | | 23 | Requirements Sales for Resale (See instruction 4, page 311.) | |
| 4 | Nuclear | | 24 | Non-Requirements Sales for Resale (See instruction 4, page 311.) | |
| 5 | Hydro-Conventional | | 25 | Energy Furnished Without Charge | |
| 6 | Hydro-Pumped Storage | | 26 | Energy Used by the Company (Electric Dept Only, Excluding Station Use) | |
| 7 | Other | | 27 | Total Energy Losses | |
| 8 | Less Energy for Pumping | | 28 | TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20) | |
| 9 | Net Generation (Enter Total of lines 3 through 8) | | | | |
| 10 | Purchases | | | | |
| 11 | Power Exchanges: | | | | |
| 12 | Received | | | | |
| 13 | Delivered | | | | |
| 14 | Net Exchanges (Line 12 minus line 13) | | | | |
| 15 | Transmission For Other (Wheeling) | | | | |
| 16 | Received | | | | |
| 17 | Delivered | | | | |
| 18 | Net Transmission for Other (Line 16 minus line 17) | | | | |
| 19 | Transmission By Others Losses | | | | |
| 20 | TOTAL (Enter Total of lines 9, 10, 14, 18 and 19) | | | | |

| | | | |
|---------------------------------------|---|--|--|
| Name of Respondent ITC Midwest LLC | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report End of <u>2015/Q4</u> |
|---------------------------------------|---|--|--|

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM: ITC Midwest LLC

| Line No. | Month (a) | Total Monthly Energy (b) | Monthly Non-Requirements Sales for Resale & Associated Losses (c) | MONTHLY PEAK | | |
|----------|-----------|--------------------------|---|------------------------------|------------------|----------|
| | | | | Megawatts (See Instr. 4) (d) | Day of Month (e) | Hour (f) |
| 29 | January | | | 2,938 | 7 | 1900 |
| 30 | February | | | 2,858 | 18 | 1900 |
| 31 | March | | | 2,732 | 5 | 800 |
| 32 | April | | | 2,365 | 21 | 900 |
| 33 | May | | | 2,551 | 28 | 1500 |
| 34 | June | | | 3,089 | 10 | 1800 |
| 35 | July | | | 3,457 | 13 | 1600 |
| 36 | August | | | 3,208 | 14 | 1700 |
| 37 | September | | | 3,362 | 3 | 1700 |
| 38 | October | | | 2,485 | 7 | 1500 |
| 39 | November | | | 2,495 | 30 | 1800 |
| 40 | December | | | 2,661 | 17 | 1900 |
| 41 | TOTAL | | | | | |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: (b) | Plant Name: (c) |
|----------|---|--------------------|--------------------|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear) | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | | |
| 3 | Year Originally Constructed | | |
| 4 | Year Last Unit was Installed | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 0.00 | 0.00 |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 0 | 0 |
| 7 | Plant Hours Connected to Load | 0 | 0 |
| 8 | Net Continuous Plant Capability (Megawatts) | 0 | 0 |
| 9 | When Not Limited by Condenser Water | 0 | 0 |
| 10 | When Limited by Condenser Water | 0 | 0 |
| 11 | Average Number of Employees | 0 | 0 |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 0 | 0 |
| 13 | Cost of Plant: Land and Land Rights | 0 | 0 |
| 14 | Structures and Improvements | 0 | 0 |
| 15 | Equipment Costs | 0 | 0 |
| 16 | Asset Retirement Costs | 0 | 0 |
| 17 | Total Cost | 0 | 0 |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 0 | 0 |
| 19 | Production Expenses: Oper, Supv, & Engr | 0 | 0 |
| 20 | Fuel | 0 | 0 |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | 0 |
| 22 | Steam Expenses | 0 | 0 |
| 23 | Steam From Other Sources | 0 | 0 |
| 24 | Steam Transferred (Cr) | 0 | 0 |
| 25 | Electric Expenses | 0 | 0 |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | 0 |
| 27 | Rents | 0 | 0 |
| 28 | Allowances | 0 | 0 |
| 29 | Maintenance Supervision and Engineering | 0 | 0 |
| 30 | Maintenance of Structures | 0 | 0 |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | 0 |
| 32 | Maintenance of Electric Plant | 0 | 0 |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | 0 |
| 34 | Total Production Expenses | 0 | 0 |
| 35 | Expenses per Net KWh | 0.0000 | 0.0000 |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | | |
| 38 | Quantity (Units) of Fuel Burned | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 0.000 | 0.000 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: (d) | Plant Name: (e) | Plant Name: (f) | Line No. |
|--------------------|--------------------|--------------------|----------|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| 0.00 | 0.00 | 0.00 | 5 |
| 0 | 0 | 0 | 6 |
| 0 | 0 | 0 | 7 |
| 0 | 0 | 0 | 8 |
| 0 | 0 | 0 | 9 |
| 0 | 0 | 0 | 10 |
| 0 | 0 | 0 | 11 |
| 0 | 0 | 0 | 12 |
| 0 | 0 | 0 | 13 |
| 0 | 0 | 0 | 14 |
| 0 | 0 | 0 | 15 |
| 0 | 0 | 0 | 16 |
| 0 | 0 | 0 | 17 |
| 0 | 0 | 0 | 18 |
| 0 | 0 | 0 | 19 |
| 0 | 0 | 0 | 20 |
| 0 | 0 | 0 | 21 |
| 0 | 0 | 0 | 22 |
| 0 | 0 | 0 | 23 |
| 0 | 0 | 0 | 24 |
| 0 | 0 | 0 | 25 |
| 0 | 0 | 0 | 26 |
| 0 | 0 | 0 | 27 |
| 0 | 0 | 0 | 28 |
| 0 | 0 | 0 | 29 |
| 0 | 0 | 0 | 30 |
| 0 | 0 | 0 | 31 |
| 0 | 0 | 0 | 32 |
| 0 | 0 | 0 | 33 |
| 0 | 0 | 0 | 34 |
| 0.0000 | 0.0000 | 0.0000 | 35 |
| | | | 36 |
| | | | 37 |
| 0 | 0 | 0 | 38 |
| 0 | 0 | 0 | 39 |
| 0.000 | 0.000 | 0.000 | 40 |
| 0.000 | 0.000 | 0.000 | 41 |
| 0.000 | 0.000 | 0.000 | 42 |
| 0.000 | 0.000 | 0.000 | 43 |
| 0.000 | 0.000 | 0.000 | 44 |

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

| Line No. | Item (a) | FERC Licensed Project No. 0 Plant Name: (b) | FERC Licensed Project No. 0 Plant Name: (c) |
|----------|---|--|--|
| 1 | Kind of Plant (Run-of-River or Storage) | | |
| 2 | Plant Construction type (Conventional or Outdoor) | | |
| 3 | Year Originally Constructed | | |
| 4 | Year Last Unit was Installed | | |
| 5 | Total installed cap (Gen name plate Rating in MW) | 0.00 | 0.00 |
| 6 | Net Peak Demand on Plant-Megawatts (60 minutes) | 0 | 0 |
| 7 | Plant Hours Connect to Load | 0 | 0 |
| 8 | Net Plant Capability (in megawatts) | | |
| 9 | (a) Under Most Favorable Oper Conditions | 0 | 0 |
| 10 | (b) Under the Most Adverse Oper Conditions | 0 | 0 |
| 11 | Average Number of Employees | 0 | 0 |
| 12 | Net Generation, Exclusive of Plant Use - Kwh | 0 | 0 |
| 13 | Cost of Plant | | |
| 14 | Land and Land Rights | 0 | 0 |
| 15 | Structures and Improvements | 0 | 0 |
| 16 | Reservoirs, Dams, and Waterways | 0 | 0 |
| 17 | Equipment Costs | 0 | 0 |
| 18 | Roads, Railroads, and Bridges | 0 | 0 |
| 19 | Asset Retirement Costs | 0 | 0 |
| 20 | TOTAL cost (Total of 14 thru 19) | 0 | 0 |
| 21 | Cost per KW of Installed Capacity (line 20 / 5) | 0.0000 | 0.0000 |
| 22 | Production Expenses | | |
| 23 | Operation Supervision and Engineering | 0 | 0 |
| 24 | Water for Power | 0 | 0 |
| 25 | Hydraulic Expenses | 0 | 0 |
| 26 | Electric Expenses | 0 | 0 |
| 27 | Misc Hydraulic Power Generation Expenses | 0 | 0 |
| 28 | Rents | 0 | 0 |
| 29 | Maintenance Supervision and Engineering | 0 | 0 |
| 30 | Maintenance of Structures | 0 | 0 |
| 31 | Maintenance of Reservoirs, Dams, and Waterways | 0 | 0 |
| 32 | Maintenance of Electric Plant | 0 | 0 |
| 33 | Maintenance of Misc Hydraulic Plant | 0 | 0 |
| 34 | Total Production Expenses (total 23 thru 33) | 0 | 0 |
| 35 | Expenses per net KWh | 0.0000 | 0.0000 |

Name of Respondent
ITC Midwest LLC

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(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

| FERC Licensed Project No. 0 Plant Name: (d) | FERC Licensed Project No. 0 Plant Name: (e) | FERC Licensed Project No. 0 Plant Name: (f) | Line No. |
|---|---|---|----------|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| 0.00 | 0.00 | 0.00 | 5 |
| 0 | 0 | 0 | 6 |
| 0 | 0 | 0 | 7 |
| | | | 8 |
| 0 | 0 | 0 | 9 |
| 0 | 0 | 0 | 10 |
| 0 | 0 | 0 | 11 |
| 0 | 0 | 0 | 12 |
| | | | 13 |
| 0 | 0 | 0 | 14 |
| 0 | 0 | 0 | 15 |
| 0 | 0 | 0 | 16 |
| 0 | 0 | 0 | 17 |
| 0 | 0 | 0 | 18 |
| 0 | 0 | 0 | 19 |
| 0 | 0 | 0 | 20 |
| 0.0000 | 0.0000 | 0.0000 | 21 |
| | | | 22 |
| 0 | 0 | 0 | 23 |
| 0 | 0 | 0 | 24 |
| 0 | 0 | 0 | 25 |
| 0 | 0 | 0 | 26 |
| 0 | 0 | 0 | 27 |
| 0 | 0 | 0 | 28 |
| 0 | 0 | 0 | 29 |
| 0 | 0 | 0 | 30 |
| 0 | 0 | 0 | 31 |
| 0 | 0 | 0 | 32 |
| 0 | 0 | 0 | 33 |
| 0 | 0 | 0 | 34 |
| 0.0000 | 0.0000 | 0.0000 | 35 |

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

| Line No. | Item (a) | FERC Licensed Project No. Plant Name: (b) |
|----------|--|---|
| | | |
| | | |
| 1 | Type of Plant Construction (Conventional or Outdoor) | |
| 2 | Year Originally Constructed | |
| 3 | Year Last Unit was Installed | |
| 4 | Total installed cap (Gen name plate Rating in MW) | |
| 5 | Net Peak Demand on Plant-Megawatts (60 minutes) | |
| 6 | Plant Hours Connect to Load While Generating | |
| 7 | Net Plant Capability (in megawatts) | |
| 8 | Average Number of Employees | |
| 9 | Generation, Exclusive of Plant Use - Kwh | |
| 10 | Energy Used for Pumping | |
| 11 | Net Output for Load (line 9 - line 10) - Kwh | |
| 12 | Cost of Plant | |
| 13 | Land and Land Rights | |
| 14 | Structures and Improvements | |
| 15 | Reservoirs, Dams, and Waterways | |
| 16 | Water Wheels, Turbines, and Generators | |
| 17 | Accessory Electric Equipment | |
| 18 | Miscellaneous Powerplant Equipment | |
| 19 | Roads, Railroads, and Bridges | |
| 20 | Asset Retirement Costs | |
| 21 | Total cost (total 13 thru 20) | |
| 22 | Cost per KW of installed cap (line 21 / 4) | |
| 23 | Production Expenses | |
| 24 | Operation Supervision and Engineering | |
| 25 | Water for Power | |
| 26 | Pumped Storage Expenses | |
| 27 | Electric Expenses | |
| 28 | Misc Pumped Storage Power generation Expenses | |
| 29 | Rents | |
| 30 | Maintenance Supervision and Engineering | |
| 31 | Maintenance of Structures | |
| 32 | Maintenance of Reservoirs, Dams, and Waterways | |
| 33 | Maintenance of Electric Plant | |
| 34 | Maintenance of Misc Pumped Storage Plant | |
| 35 | Production Exp Before Pumping Exp (24 thru 34) | |
| 36 | Pumping Expenses | |
| 37 | Total Production Exp (total 35 and 36) | |
| 38 | Expenses per KWh (line 37 / 9) | |

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PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

| FERC Licensed Project No. Plant Name: (c) | FERC Licensed Project No. Plant Name: (d) | FERC Licensed Project No. Plant Name: (e) | Line No. |
|---|---|---|-------------|
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GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

| Line No. | Name of Plant (a) | Year Orig. Const. (b) | Installed Capacity Name Plate Rating (In MW) (c) | Net Peak Demand MW (60 min.) (d) | Net Generation Excluding Plant Use (e) | Cost of Plant (f) |
|----------|----------------------|--------------------------|--|---|---|----------------------|
| 1 | | | | | | |
| 2 | | | | | | |
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

| Plant Cost (Incl Asset Retire. Costs) Per MW (g) | Operation Exc'l. Fuel (h) | Production Expenses | | Kind of Fuel (k) | Fuel Costs (in cents (per Million Btu) (l) | Line No. |
|--|---------------------------|---------------------|-----------------|------------------|--|----------|
| | | Fuel (i) | Maintenance (j) | | | |
| | | | | | | 1 |
| | | | | | | 2 |
| | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
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| | | | | | | 46 |

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|------------------|----------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | DAEC | Hazleton | 345.00 | 345.00 | Steel Towers | 2.20 | | 1 |
| 2 | | | | | and Frames | | | |
| 3 | DAEC | Hills | 345.00 | 345.00 | Steel Towers | 2.20 | | 1 |
| 4 | | | | | and Frames | | | |
| 5 | Rowley | Oelwein | 345.00 | 345.00 | Steel Towers | 25.00 | | 1 |
| 6 | | | | | and Frames | | | |
| 7 | OGS Plant | Montezuma | 345.00 | 345.00 | Frames | 17.30 | | 1 |
| 8 | Ruan | Sycamore | 345.00 | 345.00 | Frames | 51.90 | | 1 |
| 9 | Adams | Sumner | 345.00 | 345.00 | Steel Tower | 53.90 | | 1 |
| 10 | | | | | | | | |
| 11 | Lakefield Junct. | IA State Line | 345.00 | 345.00 | Steel Tower | 15.29 | | 1 |
| 12 | Ruan Sub | Sioux City | 345.00 | 345.00 | Steel Pole | 5.95 | | 1 |
| 13 | Rock Creek | Salem | 345.00 | 345.00 | Steel H | 49.81 | | 1 |
| 14 | Mid-American | Sub 39 | 345.00 | 345.00 | Steel H | 5.39 | | 1 |
| 15 | | | | | | | | |
| 16 | Quad Cities | Rock Creek | 345.00 | 345.00 | Steel Tower | 5.03 | | 1 |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | Hazleton | Salem | 345.00 | 345.00 | Steel Pole | 80.36 | | 1 |
| 20 | Blackhawk | Hazleton2 | 345.00 | 345.00 | Steel Pole | 11.95 | | 1 |
| 21 | DAEC | 6th St. CR Sub | 161.00 | 161.00 | Frames and | 3.90 | 8.90 | 1 |
| 22 | | | | | Steel Poles | | | |
| 23 | DeWitt | Maquoketa | 161.00 | 161.00 | Frames | 25.17 | | 1 |
| 24 | Corn Belt Tap | Minnesota | 161.00 | 161.00 | Frames | 12.82 | | 1 |
| 25 | Perry Willis | Grand Junction | 161.00 | 161.00 | Towers | 14.00 | | 1 |
| 26 | | | | | and Poles | | | |
| 27 | Perry Willis | Elkhart | 161.00 | 161.00 | Towers | 39.64 | | 1 |
| 28 | | | | | and Poles | | | |
| 29 | Hills | Bertram | 161.00 | 161.00 | Wood Towers | 32.29 | | 1 |
| 30 | | | | | and Frames | | | |
| 31 | DAEC | Hiawatha | 161.00 | 161.00 | Frames, Wood | 6.48 | | 1 |
| 32 | | | | | & Steel Poles | | | |
| 33 | DAEC | Bertram | 161.00 | 161.00 | Frames, Wood | 24.53 | | 1 |
| 34 | | | | | & Steel Poles | | | |
| 35 | DAEC | Washburn | 161.00 | 161.00 | Frames | 35.67 | | 1 |
| 36 | | | | | TOTAL | 6,478.08 | 90.95 | 109 |

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|----------------|------------------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | Mason City | Hancock Sub | 161.00 | 161.00 | Frames | 15.93 | | 1 |
| 2 | Dysart | Traer | 161.00 | 161.00 | Poles | 15.64 | | 1 |
| 3 | Traer Sub | Marshalltown | 161.00 | 161.00 | Wood Pole | 23.19 | 2.71 | 1 |
| 4 | | | | | & Steel Frame | | | |
| 5 | | | | | | | | |
| 6 | Marshalltown | Jasper Sub. | 161.00 | 161.00 | Frames & | 21.61 | | 1 |
| 7 | | | | | Poles | | | |
| 8 | OGS Plant | Wapello | 161.00 | 161.00 | Frames | 9.09 | | 1 |
| 9 | Caride | Viele Sub | 161.00 | 161.00 | Frames | 17.83 | | 1 |
| 10 | BGS | Denmark "A" | 161.00 | 161.00 | Frames | 13.10 | | 1 |
| 11 | BGS | Denmark "B" | 161.00 | 161.00 | Frames | 13.10 | | 1 |
| 12 | Denmark | Fairfield | 161.00 | 161.00 | Frames | 38.30 | | 1 |
| 13 | Viele | Denmark | 161.00 | 161.00 | Frames | 12.90 | | 1 |
| 14 | Denmark | Mid American Sub #18 | 161.00 | 161.00 | Frames | 15.30 | | 1 |
| 15 | Jasper Sub | Elkhart | 161.00 | 161.00 | Frames | 24.69 | | 1 |
| 16 | Jeff Sub. Ott. | Wapello Sub. | 161.00 | 161.00 | Frames | 22.60 | | 1 |
| 17 | Ott. Wap Sub. | Appanoonse | 161.00 | 161.00 | Frames | 25.90 | | 1 |
| 18 | App. Sub | Adair | 161.00 | 161.00 | Frames | 8.10 | | 1 |
| 19 | OGS | Wap. Sub. #1 | 161.00 | 161.00 | Frames | 16.71 | | 1 |
| 20 | Poweshiek | Reasnor | 161.00 | 161.00 | Frames | 20.70 | | 1 |
| 21 | Poweshiek | Beacon | 161.00 | 161.00 | Frames | 20.90 | | 1 |
| 22 | Newt. 8th St | Reasnor | 161.00 | 161.00 | Wood Poles | 9.90 | | 1 |
| 23 | OGS | Beacon | 161.00 | 161.00 | Frames | 17.33 | | 1 |
| 24 | Newt. 8th St. | Jasper Sub. | 161.00 | 161.00 | Frames | 4.70 | | 1 |
| 25 | OGS | Lucas | 161.00 | 161.00 | Frames | 41.70 | | 1 |
| 26 | Marshalltown | Timber Creek | 161.00 | 161.00 | Wood & Steel | 6.25 | | 1 |
| 27 | BGS | Niota | 161.00 | 161.00 | Steel Towers, | 16.48 | | 1 |
| 28 | | | | | Steel Poles | | | |
| 29 | Twin Rivers | Goose Lake | 161.00 | 161.00 | Wood Poles | 10.25 | | 1 |
| 30 | Carbide | Twin Rivers | 161.00 | 161.00 | Steel Poles | 3.30 | | 1 |
| 31 | OGS | Eddyville Ind. Complex | 161.00 | 161.00 | Wood & Steel | 6.54 | | 1 |
| 32 | | | | | Poles | | | |
| 33 | Fox Lake | Heron Lake | 161.00 | 161.00 | Wood H | 39.30 | | 1 |
| 34 | Heron Lake | NSP Connection | 161.00 | 161.00 | Wood H | 59.93 | | 1 |
| 35 | Fox Lake | Winnebago Junc. | 161.00 | 161.00 | Wood H | 30.47 | | 1 |
| 36 | | | | | TOTAL | 6,478.08 | 90.95 | 109 |

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|-----------------|-----------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | Fox Lake | Winnebago Junc. | | | Wood H | 1.13 | | 1 |
| 2 | Winnebago Junc. | Hayward | 161.00 | 161.00 | Wood H & | 49.77 | | 1 |
| 3 | | | | | Steel Pole | | | |
| 4 | Lansing | Harmony | 161.00 | 161.00 | Wood H | 47.20 | | 1 |
| 5 | | | | | | | | |
| 6 | Lansing | Hazleton | 161.00 | 161.00 | Wood H | 88.69 | | 1 |
| 7 | Hayward | Emery | 161.00 | 161.00 | Wood H & | 20.77 | 24.57 | 1 |
| 8 | | | | | Steel Pole | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | Clinton | DeWitt | 161.00 | 161.00 | Steel Tower | 3.68 | | 1 |
| 12 | Clinton | DeWitt | 161.00 | 161.00 | Wood H | 13.13 | | 1 |
| 13 | Clinton | Cordova | 161.00 | 161.00 | Steel Tower | | 2.74 | 1 |
| 14 | Clinton | Cordova | 161.00 | 161.00 | Wood H | 7.53 | | 1 |
| 15 | Clinton | Savanna | 161.00 | 161.00 | Steel Tower | 2.96 | | 1 |
| 16 | Clinton | Savanna | 161.00 | 161.00 | Wood H | 24.20 | | 1 |
| 17 | Savanna | Galena | 161.00 | 161.00 | Wood H | 29.36 | | 1 |
| 18 | Hazleton | Dundee | 161.00 | 161.00 | Steel Pole | | 18.04 | 1 |
| 19 | Galena | IA State Line | 161.00 | 161.00 | Wood H | 16.16 | | 1 |
| 20 | Galena | IA State Line | 161.00 | 161.00 | Steel Tower | 0.27 | 0.27 | 1 |
| 21 | IL State Line | Turkey River | 161.00 | 161.00 | Steel Tower | 2.33 | 1.63 | 1 |
| 22 | IL State Line | Turkey River | 161.00 | 161.00 | Wood H & | 30.57 | | 1 |
| 23 | | | | | Steel Pole | | | |
| 24 | Turkey River | DPC | 161.00 | 161.00 | Wood H | 2.16 | | 1 |
| 25 | Lakefield | IA State Line | 161.00 | 161.00 | Wood H | 16.58 | | 1 |
| 26 | Lore | Salem | 161.00 | 161.00 | Wood H | 7.83 | 4.68 | 1 |
| 27 | Lore | Salem | 161.00 | 161.00 | Wood S.P. | 2.98 | | 1 |
| 28 | Lore | Dundee | 161.00 | 161.00 | Steel & Wood | 6.81 | 11.99 | 1 |
| 29 | Hayward | Adams | 161.00 | 161.00 | Wood H | 36.39 | | 1 |
| 30 | Adams | Lime Creek | 161.00 | 161.00 | Wood H | 2.91 | | 1 |
| 31 | Adams | Lime Creek | 161.00 | 161.00 | Wood H | 38.29 | | 1 |
| 32 | Hazleton | Blackhawk | 161.00 | 161.00 | Steel | | 11.82 | 1 |
| 33 | Emery | IESU | 161.00 | 161.00 | Wood H | 1.64 | | 1 |
| 34 | Emery Sw Stn | Emery Sub 161 | 161.00 | 161.00 | Wood H | 0.52 | | 2 |
| 35 | | | | | | | | |
| 36 | | | | | TOTAL | 6,478.08 | 90.95 | 109 |

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|---------------------------|-------------------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | | | | | | | | |
| 2 | Dubuque 8th St. | Maquoketa | 161.00 | 161.00 | Steel Tower | 0.31 | | 1 |
| 3 | | | | | | | | |
| 4 | Dubuque 8th St. | Maquoketa | 161.00 | 161.00 | Steel Pole | 1.85 | 3.10 | 1 |
| 5 | Dubuque 8th St. | Maquoketa | 161.00 | 161.00 | Wood H | 26.74 | | 1 |
| 6 | Winnebago Junc. | Buffalo Center | 161.00 | 161.00 | Wood H | 1.48 | | 1 |
| 7 | | | | | | | | |
| 8 | Winnebago Junc. | Buffalo Center | 161.00 | 161.00 | Sp-Concrete | 35.65 | | 1 |
| 9 | Emery | Lime Creek (E. ckt) | 161.00 | 161.00 | Steel & Wood | 24.50 | | 1 |
| 10 | MEC Franklin | Nuthatch | 161.00 | 161.00 | Steel | 1.63 | | 1 |
| 11 | Nuthatch | Whispering Willows | 161.00 | 161.00 | Steel | 6.66 | | 1 |
| 12 | 6th Street (Cedar Rapids) | Beverly | 161.00 | 161.00 | Steel Pole | 5.92 | 0.50 | 1 |
| 13 | Marshalltown West Main | Story County | 161.00 | 161.00 | Steel Pole | 18.31 | | 1 |
| 14 | Ames | Fernald | 161.00 | 161.00 | Steel Pole | 5.93 | | 1 |
| 15 | Ames | Doud | 161.00 | 161.00 | Steel Pole | 12.76 | | 1 |
| 16 | Boone Harrison | Doud | 161.00 | 161.00 | Steel Pole | 5.38 | | 1 |
| 17 | Fernald | Story County | 161.00 | 161.00 | Steel Pole | 8.95 | | 1 |
| 18 | Timber Creek | Marshalltown West Main | 161.00 | 161.00 | Wood and | 5.30 | | 1 |
| 19 | | | | | Steel Pole | | | |
| 20 | Fox Lake | Jackson North Lakefield | 161.00 | 161.00 | Steel Pole | 26.45 | | 1 |
| 21 | PCI | River Run | 161.00 | 161.00 | Steel Pole | 2.59 | | 1 |
| 22 | | | | | | | | |
| 23 | Coffey | Hiawatha | 161.00 | 161.00 | Steel Pole | 9.85 | | 1 |
| 24 | Downtown Industrial | River Run | 161.00 | 161.00 | Steel Pole | 1.54 | | 1 |
| 25 | Iowa Falls Industrial | Nuthatch | 161.00 | 161.00 | Steel Pole | 4.54 | | 1 |
| 26 | Iowa Falls Industrial | Wellsburg | 161.00 | 161.00 | Steel Pole | 25.49 | | 1 |
| 27 | Marshalltown | Wellsburg | 161.00 | 161.00 | Steel Pole/Fra | 26.50 | | 1 |
| 28 | Boone Jct | Doud | 161.00 | 161.00 | Steel Pole | 0.18 | | 1 |
| 29 | Perry | Perry Willis | 161.00 | 161.00 | Wood Pole | 0.15 | | 1 |
| 30 | Huxley Industrial Park | Bondurant | 161.00 | 161.00 | Wood Pole | 0.83 | | 1 |
| 31 | | Sub-Total 115 KV lines | 115.00 | 115.00 | Steel Towers & | 256.31 | | 1 |
| 32 | | | | | Frames, Wood | | | |
| 33 | | | | | | | | |
| 34 | | Sub-Total 69 KV lines | 69.00 | 69.00 | Wood & Steel | 2,900.50 | | 1 |
| 35 | | | | | Poles | | | |
| 36 | | | | | TOTAL | 6,478.08 | 90.95 | 109 |

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|-------------|-------------------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | | | | | | | | |
| 2 | | Sub-Total 34.5 KV lines | 34.50 | 34.50 | Wood & Steel | 1,505.40 | | 1 |
| 3 | | | | | Poles | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
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| 8 | | | | | | | | |
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| 29 | | | | | | | | |
| 30 | | | | | | | | |
| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | | | | | | | | |
| 36 | | | | | TOTAL | 6,478.08 | 90.95 | 109 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| 795 MCM | 201,962 | 304,394 | 506,356 | | | | | 1 |
| | | | | | | | | 2 |
| 795 MCM | | 357,390 | 357,390 | | | | | 3 |
| | | | | | | | | 4 |
| 795 MCM | 82,031 | 3,210,891 | 3,292,922 | | | | | 5 |
| | | | | | | | | 6 |
| 795 MCM | 507,213 | 11,701,229 | 12,208,442 | | | | | 7 |
| 795 MCM | 1,388,761 | 9,867,563 | 11,256,324 | | | | | 8 |
| 2-795 MCM | 264,097 | 2,683,406 | 2,947,503 | | | | | 9 |
| | 45,295 | 433,589 | 478,884 | | | | | 10 |
| 2-795 MCM | 276,980 | 3,230,728 | 3,507,708 | | | | | 11 |
| 2.954 MCM | 50,293 | 2,042,997 | 2,093,290 | | | | | 12 |
| 2-795 MCM | 1,846,493 | 17,786,597 | 19,633,090 | | | | | 13 |
| 2-795 MCM | 183 | 109,272 | 109,455 | | | | | 14 |
| | 315,487 | 1,510,283 | 1,825,770 | | | | | 15 |
| 2-795 MCM | 100,243 | 1,796,739 | 1,896,982 | | | | | 16 |
| | 27,741 | 759,952 | 787,693 | | | | | 17 |
| | 440,492 | 3,228,141 | 3,668,633 | | | | | 18 |
| 2-T2(2-477) MCM | 11,232,892 | 129,486,599 | 140,719,491 | | | | | 19 |
| 2-T2(2-795) MCM | 3,868,384 | 29,565,927 | 33,434,311 | | | | | 20 |
| 1272 MCM | 65,615 | 10,832,986 | 10,898,601 | | | | | 21 |
| | | | | | | | | 22 |
| 477 MCM, T2 2-477 | 55,860 | 6,229,226 | 6,285,086 | | | | | 23 |
| 636 MCM | 29,232 | 1,757,827 | 1,787,059 | | | | | 24 |
| 636 MCM | 71,527 | 3,070,476 | 3,142,003 | | | | | 25 |
| | | | | | | | | 26 |
| 636 MCM, 2-556 | 296,530 | 7,640,394 | 7,936,924 | | | | | 27 |
| | | | | | | | | 28 |
| 795 MCM | 102,772 | 2,970,108 | 3,072,880 | | | | | 29 |
| | | | | | | | | 30 |
| 1272 MCM | 90,991 | 1,165,390 | 1,256,381 | | | | | 31 |
| | | | | | | | | 32 |
| 954 MCM | 102,467 | 10,580,319 | 10,682,786 | | | | | 33 |
| | | | | | | | | 34 |
| 795 MCM | 88,997 | 39,786,433 | 39,875,430 | | | | | 35 |
| | | | | | | | | |
| | 70,684,108 | 1,557,004,452 | 1,627,688,560 | | | | | 36 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| 636 MCM | 77,777 | 2,634,950 | 2,712,727 | | | | | 1 |
| 954 MCM | 76,533 | 2,813,158 | 2,889,691 | | | | | 2 |
| 954 MCM T2(2-795) | 72,398 | 11,601,384 | 11,673,782 | | | | | 3 |
| MCM | | | | | | | | 4 |
| | | | | | | | | 5 |
| 1272 MCM | 11,817 | 5,682,563 | 5,694,380 | | | | | 6 |
| | | | | | | | | 7 |
| 1431 MCM | 128,926 | 1,642,760 | 1,771,686 | | | | | 8 |
| 795 MCM | 76,447 | 1,133,766 | 1,210,213 | | | | | 9 |
| 636 MCM | | 2,867,611 | 2,867,611 | | | | | 10 |
| 636 MCM | 72,796 | 2,993,122 | 3,065,918 | | | | | 11 |
| 636 MCM | 132,216 | 3,771,230 | 3,903,446 | | | | | 12 |
| 556.5 MCM | 53,505 | 460,255 | 513,760 | | | | | 13 |
| 556.5 MCM | 63,781 | 443,055 | 506,836 | | | | | 14 |
| 636 MCM | 120,095 | 4,693,233 | 4,813,328 | | | | | 15 |
| 636 MCM | 66,223 | 4,338,372 | 4,404,595 | | | | | 16 |
| 636 MCM | 76,660 | 2,369,675 | 2,446,335 | | | | | 17 |
| 795 MCM | 22,070 | 222,494 | 244,564 | | | | | 18 |
| 1431 MCM | 223,076 | 1,303,121 | 1,526,197 | | | | | 19 |
| 397.5 MCM | 112,693 | 5,922,868 | 6,035,561 | | | | | 20 |
| 954 MCM | 334,241 | 1,344,815 | 1,679,056 | | | | | 21 |
| 954 MCM | 98,719 | 573,739 | 672,458 | | | | | 22 |
| 1431MCM | 214,312 | 2,743,169 | 2,957,481 | | | | | 23 |
| 795 MCM | 8,075 | 359,707 | 367,782 | | | | | 24 |
| 795 MCM | 421,998 | 2,839,248 | 3,261,246 | | | | | 25 |
| 795 MCM | 45,248 | 2,595,612 | 2,640,860 | | | | | 26 |
| 795 MCM | 17,391 | 6,571,438 | 6,588,829 | | | | | 27 |
| | | | | | | | | 28 |
| 2-477 MCM | 354,556 | 6,767,830 | 7,122,386 | | | | | 29 |
| 397.5 MCM | | 1,750,354 | 1,750,354 | | | | | 30 |
| 1431 MCM | 21,937 | 1,530,634 | 1,552,571 | | | | | 31 |
| | | | | | | | | 32 |
| 336.4 MCM | 374,858 | 31,269,122 | 31,643,980 | | | | | 33 |
| 447 MCM | 320,680 | 14,116,395 | 14,437,075 | | | | | 34 |
| 447 MCM | 68,740 | 8,268,908 | 8,337,648 | | | | | 35 |
| | | | | | | | | |
| | 70,684,108 | 1,557,004,452 | 1,627,688,560 | | | | | 36 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| 471.8 MCM | | | | | | | | 1 |
| 447 MCM | 86,715 | 36,885,012 | 36,971,727 | | | | | 2 |
| | | | | | | | | 3 |
| 447 MCM | 60,068 | 33,487,898 | 33,547,966 | | | | | 4 |
| | 26,783 | 9,082,546 | 9,109,329 | | | | | 5 |
| 954 MCM | 598,118 | 7,887,940 | 8,486,058 | | | | | 6 |
| T2(2-795) | 80,427 | 20,310,959 | 20,391,386 | | | | | 7 |
| T2(2-266) | 19,952 | 15,514,036 | 15,533,988 | | | | | 8 |
| T2(2-477) | | | | | | | | 9 |
| 447 MCM | | | | | | | | 10 |
| | 129,623 | 2,432,331 | 2,561,954 | | | | | 11 |
| 447 MCM | | | | | | | | 12 |
| 636 MCM | | 32,775 | 32,775 | | | | | 13 |
| 636 MCM | 72,753 | 678,691 | 751,444 | | | | | 14 |
| 636 MCM | 2,009 | 361,471 | 363,480 | | | | | 15 |
| 636 MCM | 767,169 | 2,768,295 | 3,535,464 | | | | | 16 |
| 447 MCM | 49,239 | 3,420,477 | 3,469,716 | | | | | 17 |
| T2(2-477) MCM | 41,561 | 2,717,398 | 2,758,959 | | | | | 18 |
| 447 MCM | 26,177 | 884,780 | 910,957 | | | | | 19 |
| 447 MCM | | | | | | | | 20 |
| 447 MCM | 108,944 | 34,635,970 | 34,744,914 | | | | | 21 |
| 447,T2(2-795) MCM | | | | | | | | 22 |
| | | | | | | | | 23 |
| 636 MCM | 2,374 | 437,181 | 439,555 | | | | | 24 |
| 636 MCM | 50,298 | 614,677 | 664,975 | | | | | 25 |
| 2-477,477,954 MCM | 71,127 | 3,283,827 | 3,354,954 | | | | | 26 |
| 2-477, 477 MCM | | | | | | | | 27 |
| T2(2-477)636 MCM | 95,131 | 2,805,186 | 2,900,317 | | | | | 28 |
| 636 MCM | 179,493 | 1,616,596 | 1,796,089 | | | | | 29 |
| 636 MCM | 271,051 | 20,042,870 | 20,313,921 | | | | | 30 |
| 447 MCM | 22,511 | 4,862,266 | 4,884,777 | | | | | 31 |
| T2(2-795) MCM | 15,312 | 3,098,504 | 3,113,816 | | | | | 32 |
| 636 MCM | 10,629 | 81,948 | 92,577 | | | | | 33 |
| 636 MCM | | | | | | | | 34 |
| | | | | | | | | 35 |
| | 70,684,108 | 1,557,004,452 | 1,627,688,560 | | | | | 36 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| | | 270,351 | 270,351 | | | | | 1 |
| 954 MCM | 583,642 | 7,101,829 | 7,685,471 | | | | | 2 |
| | | | | | | | | 3 |
| 954, T2(2-477) | | | | | | | | 4 |
| 954 & 636 MCM | | | | | | | | 5 |
| 636 MCM | 307,542 | 1,900,694 | 2,208,236 | | | | | 6 |
| | 432,775 | 2,097,232 | 2,530,007 | | | | | 7 |
| 636 MCM | | | | | | | | 8 |
| 2-477 MCM | 4,521,518 | 8,558,782 | 13,080,300 | | | | | 9 |
| 2-795 MCM | 281,830 | 2,108,518 | 2,390,348 | | | | | 10 |
| 2-795 MCM | | 107,849 | 107,849 | | | | | 11 |
| T2(2-477) MCM | | 17,613,405 | 17,613,405 | | | | | 12 |
| 2-T2(2-266) MCM | | 12,133,529 | 12,133,529 | | | | | 13 |
| 2-795 MCM | | 3,903,192 | 3,903,192 | | | | | 14 |
| 2-477,795 MCM | 1,916,868 | 4,935,174 | 6,852,042 | | | | | 15 |
| 2-795 MCM | 941,392 | 4,842,878 | 5,784,270 | | | | | 16 |
| 2-795 MCM | 58,224 | | 58,224 | | | | | 17 |
| 2-397.5, 477 MCM | 253,939 | 2,999,919 | 3,253,858 | | | | | 18 |
| | | | | | | | | 19 |
| 2-477 MCM | 1,693,768 | 20,351,131 | 22,044,899 | | | | | 20 |
| 2-477 MCM | | 4,180,138 | 4,180,138 | | | | | 21 |
| | | | | | | | | 22 |
| T2(2-477) MCM | | 9,666,967 | 9,666,967 | | | | | 23 |
| T2(2-477) MCM | 164,997 | 4,099,274 | 4,264,271 | | | | | 24 |
| T2(2-795) MCM | 187,809 | 7,885,035 | 8,072,844 | | | | | 25 |
| T2(2-795) MCM | 4,223,852 | 33,426,944 | 37,650,796 | | | | | 26 |
| T2(2-795) MCM | | | | | | | | 27 |
| T2(2-795) MCM | | 183,799 | 183,799 | | | | | 28 |
| T2(2-795) MCM | | 263,530 | 263,530 | | | | | 29 |
| T2(2-477) MCM | | | | | | | | 30 |
| Various | 4,528,331 | 90,478,076 | 95,006,407 | | | | | 31 |
| | | | | | | | | 32 |
| | | | | | | | | 33 |
| Various | 11,413,053 | 409,584,660 | 420,997,713 | | | | | 34 |
| | | | | | | | | 35 |
| | 70,684,108 | 1,557,004,452 | 1,627,688,560 | | | | | 36 |

Name of Respondent
ITC Midwest LLC

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2015

Year/Period of Report
End of 2015/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| | | | | | | | | 1 |
| Various | 11,166,798 | 262,634,468 | 273,801,266 | | | | | 2 |
| | | | | | | | | 3 |
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| | | | | | | | | 34 |
| | | | | | | | | 35 |
| | 70,684,108 | 1,557,004,452 | 1,627,688,560 | | | | | 36 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 422 Line No.: 1 Column: a
Contains plant co-owned by Central Iowa Power Cooperative ("CIPCO")

Schedule Page: 422 Line No.: 3 Column: a
Contains plant co-owned by CIPCO

Schedule Page: 422 Line No.: 7 Column: a
Contains plant co-owned by Mid-American Energy ("MEC")

Schedule Page: 422 Line No.: 8 Column: a
Contains plant co-owned by MEC

Schedule Page: 422 Line No.: 12 Column: a
Contains plant co-owned by MEC

Schedule Page: 422 Line No.: 31 Column: a
Contains plant co-owned by CIPCO

Schedule Page: 422 Line No.: 33 Column: a
Contains plant co-owned by CIPCO

Schedule Page: 422 Line No.: 35 Column: a
Contains plant co-owned by Corn Belt Power Cooperative and CIPCO

Schedule Page: 422.1 Line No.: 8 Column: a
Contains plant co-owned by MEC

Schedule Page: 422.3 Line No.: 26 Column: a
Contains plant co-owned by CIPCO

Schedule Page: 422.3 Line No.: 31 Column: b
Contains plant co-owned by CIPCO

Schedule Page: 422.4 Line No.: 2 Column: b
Contains plant co-owned by MEC

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under-ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

| Line No. | LINE DESIGNATION | | Line Length in Miles (c) | SUPPORTING STRUCTURE | | CIRCUITS PER STRUCTURE | |
|----------|------------------------------|---------------------------|--------------------------|----------------------|------------------------------|------------------------|--------------|
| | From (a) | To (b) | | Type (d) | Average Number per Miles (e) | Present (f) | Ultimate (g) |
| 1 | Rebuild Center Point | Alburnett West | 0.44 | Wood Pole | 20.00 | 1 | 1 |
| 2 | Linn Jct | Hiawatha Tap | 0.40 | Wood Pole | 20.00 | 1 | 1 |
| 3 | Rebuild 29th Street | Louisa | 1.00 | Wood Pole | 20.00 | 1 | 1 |
| 4 | Rebuild 29th Street | Marion | 2.50 | Wood Pole | 20.00 | 1 | 1 |
| 5 | Rebuild Center Point | Urbana | 7.43 | Wood Pole | 20.00 | 1 | 1 |
| 6 | Rebuild Menlo | Thompson | 5.50 | Wood Pole | 20.00 | 1 | 1 |
| 7 | Rebuild North English | South English | 5.30 | Wood Pole | 20.00 | 1 | 1 |
| 8 | Rebuild Lafayette | Center Point | 11.87 | Wood Pole | 20.00 | 1 | 1 |
| 9 | Rebuild Marshalltown | East Nevada | 2.58 | Wood Pole | 20.00 | 1 | 1 |
| 10 | Rebuild Dexter | Menlo | 14.43 | Wood Pole | 20.00 | 1 | 1 |
| 11 | Blackhawk | Hazelton2 | 11.95 | Steel | 5.00 | 1 | 1 |
| 12 | Rebuild Emery | Lime Creek | 15.90 | Steel | 9.00 | 1 | 1 |
| 13 | Rebuild Salem | Hazelton Tap | 0.50 | Steel | 5.00 | 1 | 1 |
| 14 | Rebuild Salem | Hazelton Tap | 0.50 | Steel | 5.00 | 1 | 1 |
| 15 | Rebuild Independence Circuit | Independence West Station | 1.30 | Wood Pole | 20.00 | 1 | 1 |
| 16 | Rebuild Chariton | Lucas County | 2.74 | Wood Pole | 20.00 | 1 | 1 |
| 17 | Rebuild Chariton | Melrose | 13.60 | Wood Pole | 20.00 | 1 | 1 |
| 18 | Perry Distribution | Line Taps | 1.50 | Wood Pole | 20.00 | 1 | 1 |
| 19 | Rebuild Marshalltown | Timber Creek | 6.30 | Steel Poles | 10.00 | 1 | 1 |
| 20 | Rebuild Lore | Turkey River | 19.70 | Steel H-Frame | 6.00 | 1 | 1 |
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| 42 | | | | | | | |
| 43 | | | | | | | |
| 44 | TOTAL | | 125.44 | | 320.00 | 20 | 20 |

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

| CONDUCTORS | | | Voltage KV (Operating) (k) | LINE COST | | | | | Line No. | |
|-------------|----------------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------------|----------------------------------|-------------------------------|--------------|-------------|----|
| Size (h) | Specification (i) | Configuration and Spacing (j) | | Land and Land Rights (l) | Poles, Towers and Fixtures (m) | Conductors and Devices (n) | Asset Retire. Costs (o) | Total (p) | | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 917,146 | 539,558 | 27,488 | 1,484,192 | 1 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 1,555,338 | 193,303 | -7,120 | 1,741,521 | 2 | |
| T2(2-4/0) | ACSR | Vertical | 69 | 18,779 | 1,010,990 | 919,675 | 51,287 | 2,000,731 | 3 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 1,836,670 | 1,144,733 | 155,883 | 3,137,286 | 4 | |
| T2(2-4/0) | ACSR | Vertical | 69 | 729,555 | 2,568,521 | 739,180 | 121,239 | 4,158,495 | 5 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 2,622,489 | 813,876 | 96,223 | 3,532,588 | 6 | |
| T2(2-4/0) | ACSR | Vertical | 34 | | 2,673,310 | 958,511 | 39,892 | 3,671,713 | 7 | |
| T2(2-4/0) | ACSR | Vertical | 69 | 985,359 | 3,402,772 | 1,322,483 | 249,502 | 5,960,116 | 8 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 5,092,055 | 1,369,448 | 146,614 | 6,608,117 | 9 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 5,589,826 | 2,043,178 | 301,920 | 7,934,924 | 10 | |
| 2-T2(2-295) | ACSR | Vertical | 345 | 3,868,384 | 25,685,890 | 6,978,541 | 448,209 | 36,981,024 | 11 | |
| T2(2-795) | ACSR | Vertical | 161 | | 289,529 | 2,667,254 | | 2,956,783 | 12 | |
| T2(2-477) | ACSR | Vertical | 161 | | 1,251,645 | 158,542 | 14,721 | 1,424,908 | 13 | |
| 2-T2(2-477) | ACSR | Vertical | 345 | | | | | | 14 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 1,733,839 | 639,723 | 119,558 | 2,493,120 | 15 | |
| T2(2-4/0) | ACSR | Vertical | 69 | 22,120 | 1,922,316 | 680,543 | 84,533 | 2,709,512 | 16 | |
| T2(2-4/0) | ACSR | Vertical | 69 | | 5,490,856 | 4,397,189 | 545,238 | 10,433,283 | 17 | |
| T2(2-795) | ACSR | Vertical | 161 | 79,857 | 2,363,780 | 349,776 | 30,962 | 2,824,375 | 18 | |
| T2(2-477) | ACSR | Vertical | 161 | | 1,419,842 | 130,043 | 120,240 | 1,670,125 | 19 | |
| 2-795 | ACSR | Vertical | 161 | 23,850 | 23,287,995 | 7,718,908 | | 31,030,753 | 20 | |
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| | | | | | 5,727,904 | 90,714,809 | 33,764,464 | 2,546,389 | 132,753,566 | 44 |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) | | |
|----------|--|------------------------------------|------------------|------------------|-----------------|
| | | | Primary (c) | Secondary (d) | Tertiary (e) |
| 1 | Ames Transmission IA | Trans-Unattended | 161.00 | 34.50 | |
| 2 | Belle Plaine Junction IA | Trans-Unattended | 115.00 | 34.50 | |
| 3 | Belmond-Diesel IA | Trans-Unattended | 69.00 | 34.50 | |
| 4 | Boone Junction IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 5 | Boone IA | Trans-Unattended | 115.00 | 34.50 | |
| 6 | Britt IA | Trans-Unattended | 69.00 | 34.50 | |
| 7 | Calamus IA | Trans-Unattended | 115.00 | 34.50 | |
| 8 | Calamus - East IA | Trans-Unattended | 161.00 | 115.00 | 4.16 |
| 9 | Beverly IA | Trans-Unattended | 161.00 | 34.50 | |
| 10 | Sixth Street IA | Trans-Unattended | 115.00 | 34.50 | |
| 11 | Sixth Street IA | Trans-Unattended | 161.00 | 115.00 | |
| 12 | Beverly IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 13 | Conrad IA | Trans-Unattended | 69.00 | 34.50 | |
| 14 | Duane Arnold IA | Trans-Unattended | 345.00 | 161.00 | |
| 15 | DeWitt IA | Trans-Unattended | 161.00 | 34.50 | |
| 16 | Fairfax IA | Trans-Unattended | 161.00 | 34.50 | |
| 17 | Fairfax IA | Trans-Unattended | 161.00 | 69.00 | 15.00 |
| 18 | Fernald IA | Trans-Unattended | 161.00 | 69.00 | |
| 19 | Fulton IA | Trans-Unattended | 69.00 | 34.50 | |
| 20 | Hills IA | Trans-Unattended | 345.00 | 161.00 | |
| 21 | Hancock IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 22 | Hiawatha IA | Trans-Unattended | 161.00 | 34.50 | |
| 23 | Hiawatha IA | Trans-Unattended | 161.00 | 69.00 | 15.00 |
| 24 | Hiawatha IA | Trans-Unattended | 161.00 | 115.00 | |
| 25 | Grundy Center IA | Trans-Unattended | 69.00 | 34.50 | |
| 26 | Iowa Falls - Industrial IA | Trans-Unattended | 161.00 | 69.00 | |
| 27 | Iowa Junction IA | Trans-Unattended | 69.00 | 34.50 | |
| 28 | Kossuth IA | Trans-Unattended | 69.00 | 34.50 | |
| 29 | Laurens IA | Trans-Unattended | 69.00 | 34.50 | |
| 30 | Lyons (near Jewell) IA | Trans-Unattended | 69.00 | 34.50 | |
| 31 | Maquoketa IA | Trans-Unattended | 161.00 | 34.50 | |
| 32 | Marion IA | Trans-Unattended | | | |
| 33 | Marshalltown IA | Trans-Unattended | 115.00 | 34.50 | |
| 34 | Marshalltown IA | Trans-Unattended | 161.00 | 115.00 | |
| 35 | Milton IA | Trans-Unattended | 69.00 | 34.50 | |
| 36 | Montgomery Peaker MN | Trans-Unattended | | | |
| 37 | Mount Vernon IA | Trans-Unattended | 161.00 | 34.50 | |
| 38 | Nevada North IA | Trans-Unattended | | | |
| 39 | Perry IA | Trans-Unattended | 161.00 | 34.50 | |
| 40 | Nichols IA | Trans-Unattended | 69.00 | 34.50 | |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
 2. Substations which serve only one industrial or street railway customer should not be listed below.
 3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
 4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) | | |
|----------|--|------------------------------------|------------------|------------------|-----------------|
| | | | Primary (c) | Secondary (d) | Tertiary (e) |
| 1 | Osceola IA | Trans-Unattended | | | |
| 2 | Ottumwa Generation IA | Trans-Unattended | 345.00 | 161.00 | 13.80 |
| 3 | Parnell IA | Trans-Unattended | 161.00 | 34.50 | |
| 4 | Prairie Creek IA | Trans-Unattended | 115.00 | 34.50 | |
| 5 | Prairie Creek Industrial IA | Trans-Unattended | 161.00 | 69.00 | 12.00 |
| 6 | Roland Transmission IA | Trans-Unattended | 69.00 | 34.50 | |
| 7 | Scranton IA | Trans-Unattended | 161.00 | 34.50 | |
| 8 | Sub K Tiffin IA | Trans-Unattended | 161.00 | 69.00 | |
| 9 | Traer IA | Trans-Unattended | 69.00 | 34.50 | |
| 10 | Traer IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 11 | Toledo Transmission IA | Trans-Unattended | 115.00 | 34.50 | |
| 12 | Triboji IA | Trans-Unattended | 161.00 | 69.00 | 39.80 |
| 13 | Vinton IA | Trans-Unattended | 161.00 | 34.50 | |
| 14 | Wellsburg IA | Trans-Unattended | 161.00 | 69.00 | |
| 15 | West Branch IA | Trans-Unattended | 115.00 | 34.50 | |
| 16 | Williamsburg IA | Trans-Unattended | 115.00 | 34.50 | |
| 17 | Bridgeport North IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 18 | Burlington Generation IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 19 | Wapello County IA | Trans-Unattended | 161.00 | 69.00 | 13.20 |
| 20 | Jefferson County IA | Trans-Unattended | 161.00 | 69.00 | |
| 21 | Poweshiek County IA | Trans-Unattended | 161.00 | 69.00 | |
| 22 | Jasper County IA | Trans-Unattended | 161.00 | 69.00 | |
| 23 | Appanoose County IA | Trans-Unattended | 161.00 | 69.00 | |
| 24 | Lucas County IA | Trans-Unattended | 161.00 | 69.00 | 11.75 |
| 25 | Eddyville Industrial Complex IA | Trans-Unattended | 161.00 | 69.00 | |
| 26 | Timber Creek IA | Trans-Unattended | 161.00 | 34.50 | |
| 27 | Hayward MN | Trans-Unattended | 161.00 | 69.00 | |
| 28 | Beaver Channel IA | Trans-Unattended | 161.00 | 69.00 | |
| 29 | Rock Creek IA | Trans-Unattended | 161.00 | 69.00 | |
| 30 | Rock Creek IA | Trans-Unattended | 345.00 | 161.00 | |
| 31 | Savanna IL | Trans-Unattended | 161.00 | 69.00 | |
| 32 | Albany IL | Trans-Unattended | 161.00 | 138.00 | 13.80 |
| 33 | Lansing IA | Trans-Unattended | 161.00 | 69.00 | |
| 34 | Dubuque Eighth Street IA | Trans-Unattended | 161.00 | 69.00 | |
| 35 | Gardners Lane IA | Trans-Unattended | | | |
| 36 | Lore IA | Trans-Unattended | 161.00 | 69.00 | |
| 37 | Salem IA | Trans-Unattended | 345.00 | 161.00 | |
| 38 | Turkey River IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 39 | Emery 69 IA | Trans-Unattended | 161.00 | 69.00 | |
| 40 | Lime Creek IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) | | |
|----------|--|------------------------------------|------------------|------------------|-----------------|
| | | | Primary (c) | Secondary (d) | Tertiary (e) |
| 1 | Highway 106 IA | Trans-Unattended | | | |
| 2 | Heron Lake MN | Trans-Unattended | 161.00 | 69.00 | |
| 3 | Lakefield Junction MN | Trans-Unattended | 345.00 | 161.00 | |
| 4 | Lakefield Junction MN | Trans-Unattended | 161.00 | 69.00 | |
| 5 | Magnolia MN | Trans-Unattended | 161.00 | 69.00 | |
| 6 | Elk MN | Trans-Unattended | 161.00 | 69.00 | |
| 7 | Hazelton IA | Trans-Unattended | 345.00 | 161.00 | |
| 8 | Hazelton IA | Trans-Unattended | 161.00 | 69.00 | |
| 9 | Fox Lake MN | Trans-Unattended | 161.00 | 69.00 | |
| 10 | Winnebago Junction MN | Trans-Unattended | 161.00 | 69.00 | 2.40 |
| 11 | Amber Creamery IA | Trans-Unattended | 69.00 | 34.50 | |
| 12 | Anamosa IA | Trans-Unattended | | | |
| 13 | Corydon IA | Trans-Unattended | | | |
| 14 | Independence IA | Trans-Unattended | | | |
| 15 | Maxwell North IA | Trans-Unattended | 69.00 | 34.50 | |
| 16 | Washington IA | Trans-Unattended | | | |
| 17 | Armstrong IA | Trans-Unattended | 69.00 | 34.50 | |
| 18 | Cresco IA | Trans-Unattended | | | |
| 19 | Hedrick IA | Trans-Unattended | | | |
| 20 | Huxley Industrial IA | Trans-Unattended | 161.00 | 69.00 | |
| 21 | Fairbank IA | Trans-Unattended | | | |
| 22 | Plainview MN | Trans-Unattended | | | |
| 23 | Sigourney IA | Trans-Unattended | | | |
| 24 | Tripoli IA | Trans-Unattended | | | |
| 25 | Waukon IA | Trans-Unattended | | | |
| 26 | Viele IA | Trans-Unattended | 161.00 | 69.00 | |
| 27 | Wyoming IA | Trans-Unattended | 161.00 | 69.00 | |
| 28 | Mountain Lake MN | Trans-Unattended | | | |
| 29 | Waseca Junction MN | Trans-Unattended | | | |
| 30 | Carbide IA | Trans-Unattended | 161.00 | 69.00 | |
| 31 | Madrid North IA | Trans-Unattended | 69.00 | 34.50 | |
| 32 | Rose Hollow IA | Trans-Unattended | 161.00 | 69.00 | |
| 33 | Fairfield Washington IA | Trans-Unattended | 69.00 | 34.50 | |
| 34 | Aurora Heights IA | Trans-Unattended | | | |
| 35 | New Prague MN | Trans-Unattended | | | |
| 36 | Stoney Point IA | Trans-Unattended | | | |
| 37 | Mount Ayr IA | Trans-Unattended | | | |
| 38 | Grand Mound IA | Trans-Unattended | 161.00 | 69.00 | |
| 39 | Glenworth MN | Trans-Unattended | 161.00 | 69.00 | 4.98 |
| 40 | Leon IA | Trans-Unattended | | | |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) | | |
|----------|--|--------------------------------|------------------|------------------|-----------------|
| | | | Primary (c) | Secondary (d) | Tertiary (e) |
| 1 | Waterbury MN | Trans-Unattended | | | |
| 2 | Vinton IA | Trans-Unattended | 161.00 | 69.00 | |
| 3 | Milton IA | Trans-Unattended | 34.50 | 24.00 | 7.20 |
| 4 | Hancock IA | Trans-Unattended | 161.00 | 69.00 | |
| 5 | Lime Creek IA | Trans-Unattended | 161.00 | 69.00 | |
| 6 | Winnebago Junction MN | Trans-Unattended | 161.00 | 69.00 | |
| 7 | Salem IA | Trans-Unattended | 345.00 | 161.00 | 13.60 |
| 8 | Centerville South | Trans-Unattended | | | |
| 9 | Grand Junction North | Trans-Unattended | | | |
| 10 | Spring Valley | Trans-Unattended | | | |
| 11 | Coffey IA | Trans-Unattended | 161.00 | 115.00 | |
| 12 | Adams MN | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 13 | Nevada Lincoln Hwy Industrial | Trans-Unattended | | | |
| 14 | Boone Harrison IA | Trans-Unattended | 161.00 | 34.50 | |
| 15 | Timber Creek IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 16 | Adams MN | Trans-Unattended | 161.00 | 69.00 | |
| 17 | Colby IA | Trans-Unattended | 345.00 | 161.00 | 13.80 |
| 18 | Hickory Creek IA | Trans-Unattended | 345.00 | 161.00 | |
| 19 | Creston DOE IA | Trans-Unattended | 161.00 | 69.00 | 13.80 |
| 20 | Ruan IA | Trans-Unattended | 345.00 | 161.00 | 13.80 |
| 21 | Summit MN | Trans-Unattended | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVA) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|--|---|--|--|------------------------|-----------------------------------|-------------|
| | | | Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVA) (k) | |
| 37 | 1 | | | | | 1 |
| 33 | 1 | | | | | 2 |
| 6 | 1 | | | | | 3 |
| | | 1 | | | | 4 |
| | | 1 | Capacitor Bank | 2 | 14 | 5 |
| 12 | 1 | | | | | 6 |
| 20 | 1 | | | | | 7 |
| 84 | 1 | | | | | 8 |
| 224 | 2 | | | | | 9 |
| 83 | 1 | 1 | | | | 10 |
| 330 | 1 | | | | | 11 |
| 200 | 1 | | | | | 12 |
| 20 | 1 | | | | | 13 |
| 448 | 1 | | | | | 14 |
| 33 | 1 | | | | | 15 |
| 22 | 1 | | | | | 16 |
| 183 | 1 | | Capacitor Bank | 1 | 29 | 17 |
| 100 | 1 | | | | | 18 |
| 14 | 1 | | | | | 19 |
| 252 | 1 | | | | | 20 |
| 83 | 1 | | Capacitor Bank | 2 | 14 | 21 |
| 93 | 1 | | Capacitor Bank | 1 | 29 | 22 |
| 205 | 1 | | | | | 23 |
| 252 | 1 | | Capacitor Bank | 1 | 45 | 24 |
| 14 | 1 | | | | | 25 |
| 112 | 1 | | Capacitor Bank | 3 | 38 | 26 |
| 69 | 2 | | | | | 27 |
| 14 | 1 | | | | | 28 |
| 14 | 1 | | | | | 29 |
| 14 | 1 | | | | | 30 |
| 100 | 2 | | | | | 31 |
| | | | Capacitor Bank | 1 | 14 | 32 |
| 177 | 2 | | Capacitor Bank | 2 | 58 | 33 |
| 225 | 1 | | | | | 34 |
| 6 | 1 | | | | | 35 |
| | | | Capacitor Bank | 1 | 6 | 36 |
| 50 | 1 | | | | | 37 |
| | | | Capacitor Bank | 2 | 10 | 38 |
| 93 | 2 | | Capacitor Bank | 2 | 14 | 39 |
| 14 | 1 | | | | | 40 |

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVA) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|--|---|--|--|------------------------|-----------------------------------|-------------|
| | | | Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVA) (k) | |
| | | | Capacitor Bank | 2 | 10 | 1 |
| 400 | 1 | | Capacitor Bank | 2 | 100 | 2 |
| 33 | 1 | | | | | 3 |
| 177 | 2 | | Capacitor Bank | 2 | 14 | 4 |
| 205 | 1 | | Capacitor Bank | 1 | 29 | 5 |
| 22 | 1 | | | | | 6 |
| 45 | 1 | | | | | 7 |
| 83 | 1 | | | | | 8 |
| 28 | 1 | | | | | 9 |
| 84 | 1 | | | | | 10 |
| 50 | 2 | 1 | | | | 11 |
| 204 | 2 | | | | | 12 |
| 50 | 1 | | | | | 13 |
| 100 | 1 | | Capacitor Bank | 1 | 15 | 14 |
| 25 | 1 | | | | | 15 |
| 33 | 2 | | | | | 16 |
| 131 | 1 | | | | | 17 |
| 237 | 2 | | | | | 18 |
| 131 | 1 | | | | | 19 |
| 100 | 1 | | Capacitor Bank | 2 | 31 | 20 |
| 84 | 1 | | | | | 21 |
| 94 | 1 | | | | | 22 |
| 84 | 1 | | | | | 23 |
| 131 | 1 | | Capacitor Bank | 1 | 17 | 24 |
| 131 | 1 | | Capacitor Bank | 1 | 20 | 25 |
| 93 | 1 | | | | | 26 |
| 150 | 2 | | Capacitor Bank | 2 | 12 | 27 |
| 300 | 3 | | Capacitor Bank | 2 | 22 | 28 |
| 232 | 3 | | | | | 29 |
| 448 | 1 | | | | | 30 |
| 25 | 1 | | Capacitor Bank | 1 | 21 | 31 |
| 250 | 1 | | | | | 32 |
| 75 | 1 | | | | | 33 |
| 200 | 2 | | | | | 34 |
| | | | Capacitor Bank | 3 | 16 | 35 |
| 150 | 2 | | | | | 36 |
| 450 | 1 | 1 | | | | 37 |
| 34 | 1 | | | | | 38 |
| 236 | 2 | | | | | 39 |
| 75 | 1 | | | | | 40 |

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVA) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|--|---|--|--|------------------------|-----------------------------------|-------------|
| | | | Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVA) (k) | |
| | | | Capacitor Bank | 2 | 12 | 1 |
| 112 | 2 | | Capacitor Bank | 1 | 12 | 2 |
| 672 | 2 | | | | | 3 |
| 75 | 1 | | | | | 4 |
| 56 | 1 | | Capacitor Bank | 1 | 7 | 5 |
| 200 | 2 | | Capacitor Bank | 1 | 5 | 6 |
| 786 | 2 | | | | | 7 |
| 150 | 2 | | | | | 8 |
| 150 | 2 | | | | | 9 |
| 30 | 1 | 1 | | | | 10 |
| 25 | 1 | | | | | 11 |
| | | | Capacitor Bank | 1 | 2 | 12 |
| | | | Capacitor Bank | 1 | 11 | 13 |
| | | | Capacitor Bank | 1 | 6 | 14 |
| 14 | 1 | | | | | 15 |
| | | | Capacitor Bank | 1 | 20 | 16 |
| 22 | 1 | | | | | 17 |
| | | | Capacitor Bank | 1 | 6 | 18 |
| | | | Capacitor Bank | 1 | 8 | 19 |
| 112 | 1 | | | | | 20 |
| | | | Capacitor Bank | 1 | 5 | 21 |
| | | | Capacitor Bank | 1 | 7 | 22 |
| | | | Capacitor Bank | 1 | 8 | 23 |
| | | | Capacitor Bank | 1 | 6 | 24 |
| | | | Capacitor Bank | 1 | 8 | 25 |
| 75 | 1 | | Capacitor Bank | 1 | 24 | 26 |
| 63 | 1 | | | | | 27 |
| | | | Capacitor Bank | 1 | 5 | 28 |
| | | | Capacitor Bank | 1 | 5 | 29 |
| 112 | 1 | | Capacitor Bank | 3 | 67 | 30 |
| 14 | 1 | | | | | 31 |
| 75 | 1 | | | | | 32 |
| 25 | 1 | | | | | 33 |
| | | | Capacitor Bank | 1 | 16 | 34 |
| | | | Capacitor Bank | 1 | 6 | 35 |
| | | | Capacitor Bank | 2 | 58 | 36 |
| | | | Capacitor Bank | 1 | 8 | 37 |
| 75 | 1 | | | | | 38 |
| 100 | 1 | | | | | 39 |
| | | | Capacitor Bank | 1 | 8 | 40 |

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVA) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|--|---|--|--|------------------------|-----------------------------------|-------------|
| | | | Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVA) (k) | |
| | | | Capacitor Bank | 1 | 5 | 1 |
| 100 | 1 | | | | | 2 |
| 6 | 1 | | | | | 3 |
| 75 | 1 | | | | | 4 |
| 67 | 1 | | Capacitor Bank | 3 | 31 | 5 |
| 75 | 1 | | | | | 6 |
| 450 | 1 | | | | | 7 |
| | | | Capacitor Bank | 1 | 8 | 8 |
| | | | Capacitor Bank | 2 | 48 | 9 |
| | | | Capacitor Bank | 1 | 6 | 10 |
| 250 | 1 | | | | | 11 |
| 75 | | 1 | | | | 12 |
| | | | Capacitor Bank | 2 | 20 | 13 |
| 50 | 1 | | | | | 14 |
| 150 | 1 | | | | | 15 |
| 150 | 1 | | | | | 16 |
| 450 | 1 | | | | | 17 |
| 336 | | 1 | | | | 18 |
| 150 | 1 | | | | | 19 |
| 300 | 1 | | | | | 20 |
| | | | Capacitor Bank | 1 | 1 | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | | | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |

| | | | |
|---------------------------------------|---|--|----------------------------------|
| Name of Respondent ITC Midwest LLC | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| FOOTNOTE DATA | | | |

Schedule Page: 426 Line No.: 1 Column: f

SUBSTATION CAPACITY SUMMARY (MVA):

| <u>PRIMARY VOLTAGE</u> | <u>SECONDARY VOLTAGE</u> | <u># OF UNITS</u> | <u>TOTAL MVA</u> |
|------------------------|--------------------------|-------------------|------------------|
| 345.00 | 24.00 | - | - |
| 69.00 | 34.50 | 20 | 361 |
| 115.00 | 34.50 | 12 | 648 |
| 115.00 | 69.00 | - | - |
| 161.00 | 34.50 | 15 | 886 |
| 161.00 | 69.00 | 64 | 6,386 |
| 161.00 | 115.00 | 5 | 1,141 |
| 161.00 | 138.00 | 1 | 250 |
| 345.00 | 161.00 | 12 | 5,252 |
| 34.50 | 24.00 | 1 | 6 |
| Subtotal | | 130 | 14,930 |

Schedule Page: 426 Line No.: 14 Column: a

The transformer at Duane Arnold is jointly owned with Central Iowa Power Cooperative and Cornbelt Power Cooperative, which are not associated companies.

Schedule Page: 426 Line No.: 24 Column: a

The 252 MVA transformer at Hiawatha is jointly owned with Central Iowa Power Cooperative, which is not an associated company.

Schedule Page: 426.1 Line No.: 2 Column: a

The transformer at Ottumwa Generation is jointly owned with MidAmerica Energy, which is not an associated company.

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

| Line No. | Description of the Non-Power Good or Service (a) | Name of Associated/Affiliated Company (b) | Account Charged or Credited (c) | Amount Charged or Credited (d) |
|----------|---|---|---------------------------------|--------------------------------|
| 1 | Non-power Goods or Services Provided by Affiliated | | | |
| 2 | Labor | ITC Holdings | Various | 33,416,274 |
| 3 | Employee Benefits | ITC Holdings | 926, 107 | 10,635,408 |
| 4 | Payroll Taxes | ITC Holdings | 408, 107 | 2,122,971 |
| 5 | Rental Charge of HQ facilities - Operations | ITCTransmission | 561.1,561.2,567,568 | 2,662,069 |
| 6 | Rental Charge of HQ facilities - G&A | ITCTransmission | 921, 931 | 4,564,180 |
| 7 | Inventory Stock Transfers | ITCTransmission | 154 | 341,109 |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | Non-power Goods or Services Provided for Affiliate | | | |
| 21 | Inventory Stock Transfers | ITCTransmission | 154 | 434,808 |
| 22 | Warehouse Facility Rental charge | ITC Great Plains | 454 | 421,623 |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |

| | | | |
|--------------------|---|--|----------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 12/31/2015 | Year/Period of Report 2015/Q4 |
| ITC Midwest LLC | | | |
| FOOTNOTE DATA | | | |

Schedule Page: 429 Line No.: 2 Column: d

This amount includes amounts recorded based on a modified Massachusetts Formula allocation policy as described in page 123 Note 3 under "-Cost Assignment" and page 123 Note 10 Related-Party Transactions.

Schedule Page: 429 Line No.: 3 Column: d

This amount includes amounts recorded based on a modified Massachusetts Formula allocation policy as described in page 123 Note 3 under "-Cost Assignment" and page 123 Note 10 Related-Party Transactions.

Schedule Page: 429 Line No.: 4 Column: d

This amount includes amounts recorded based on a modified Massachusetts Formula allocation policy as described in page 123 Note 3 under "-Cost Assignment" and page 123 Note 10 Related-Party Transactions.

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