

Rate Formula Template
Utilizing FERC Form 1 Data Enter whether Actuals or Projected | Projected
For the 12 months ended 12/31/2017

ITC-Great Plains, LLC.

Line No.	(1)	(2)	(3)	(4)	(5)
					Allocated Amount
1	GROSS REVENUE REQUIREMENT	(line 78)		12 months	\$ 95,671,017
2	REVENUE CREDITS		Total		
3	Account No. 454 and 456	(Notes G and M) (Line 99)	48,000		48,000
4	Account No. 456.1	(Line 102)	7,365,509		7,365,509
5	Net Revenue Requirement	[line 1 - (lines 3 & 4)]			88,257,508
6	Under(Over)True-up Adjustment w interest	(Attach 1, line 69)			4,696,307
7	Incentives	(Attach 1, line 24)			-
8	Total Revenue Requirement				\$ 92,953,814

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						For the 12 months ended		12/31/2017	
		ITC-Great Plains, LLC.							
(1)	(2)	(3)	(4)	(5)					
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission					(Col 3 times Col 4)
RATE BASE:									
	GROSS PLANT IN SERVICE	(Note J)							
9	Production	(Wksht 2)	-	NA	0.00000			-	
10	Transmission (Note L)	(Wksht 1)	544,501,566	T	1.00000			544,501,566	
11	Distribution	(Wksht 2)	-	NA	0.00000			-	
12	General & Intangible	(Wksht 2)	1,615,964	W/S	1.00000			1,615,964	
13	Line deliberately left blank								
14	TOTAL GROSS PLANT (sum lines 9-13)		<u>546,117,530</u>	GP=	100.000%			<u>546,117,530</u>	
	ACCUMULATED DEPRECIATION and AMORTIZATION	(Note J)							
15	Production	(Wksht 2)	-	NA	0.00000			-	
16	Transmission (Note L)	(Wksht 1)	30,294,125	T	1.00000			30,294,125	
17	Distribution	(Wksht 2)	-	NA	0.00000			-	
18	General & Intangible	(Wksht 2)	916,209	W/S	1.00000			916,209	
19	Line deliberately left blank								
20	TOTAL ACCUM. DEPR & AMORT (sum lines 15-19)		<u>31,210,334</u>					<u>31,210,334</u>	
	NET PLANT IN SERVICE								
21	Production	(line 9- line 15)	-					-	
22	Transmission	(line 10- line 16)	514,207,441					514,207,441	
23	Distribution	(line 11- line 17)	-					-	
24	General & Intangible	(line 12- line 18)	699,756					699,756	
25	Line deliberately left blank								
26	TOTAL NET PLANT (sum lines 21-25)		<u>514,907,196</u>	NP=	100.000%			<u>514,907,196</u>	
	ADJUSTMENTS TO RATE BASE	(Note A)							
27	Account No. 281 (enter negative)	(Wksht 5)	-	NA	0.00000			-	
28	Account No. 282 (enter negative)	(Wksht 5)	(48,509,212)	NP	1.00000			(48,509,212)	
29	Account No. 283 (enter negative)	(Wksht 5)	(8,150,698)	NP	1.00000			(8,150,698)	
30	Account No. 190	(Wksht 5)	43,000	NP	1.00000			43,000	
31	Account No. 255 (enter negative)	(Wksht 5)	-	NP	1.00000			-	
32	Transmission CWIP	(Wksht 1)	-	T	1.00000			-	
33	Unamortized Regulatory Asset - Start Up & Development	(Wksht 2) (Note U)	11,880,328	T	1.00000			11,880,328	
34	Unamortized Regulatory Asset - Project	(Attach 1) (Notes L and U)	6,992,614	T	1.00000			6,992,614	
35	Unamortized Abandoned Plant	(Attach 1) (Notes L and U)	<u>0</u>	T	1.00000			<u>0</u>	
36	TOTAL ADJUSTMENTS (sum lines 27-35)		<u>(37,743,967)</u>					<u>(37,743,967)</u>	
37	LAND HELD FOR FUTURE USE	(Note G)	-	T	1.00000			-	
	WORKING CAPITAL	(Note C)							
38	CWC	(1/8 * line 53)	1,670,045		(1/8 * line 53)			1,670,045	
39	Materials & Supplies (NOTE B)	(Wksht 5)	1,721,300	T	1.00000			1,721,300	
39a	Customer Funded Reserves (enter negative)	Note P	0					0	
40	Prepayments (Account 165) (Note O)	(Wksht 5)	<u>680,181</u>	GP	1.00000			<u>680,181</u>	
41	TOTAL WORKING CAPITAL (sum lines 38-40)		<u>4,071,526</u>					<u>4,071,526</u>	
42	RATE BASE (sum lines 26, 36, 37, & 41)		<u>481,234,755</u>					<u>481,234,755</u>	

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		Utilizing FERC Form 1 Data		For the 12 months ended		
				Projected		
				12/31/2017		
		ITC-Great Plains, LLC.				
(1)	(2)	(3)	(4)	(5)	(6)	
	Form No. 1 Page, Line, Col.	Company Total	Allocator		Transmission (Col 3 times Col 4)	
O&M Note N						
43	Transmission Less Amortization in Lines 43 a & b (Note K)	321.112.b less 43a & b; Note S	1,880,629	T	1.00000	1,880,629
43a	Amortization of Regulatory Asset - Start Up & Development	FERC Order (Note U)	1,533,388	T	1.00000	1,533,388
43b	Amortization of Regulatory Asset - Project	(Wksht 1) (Note U)	902,506	T	1.00000	902,506
44	Less Account 565	321.96.b	-	T	1.00000	-
45	A&G	323.197.b	9,198,703	W/S	1.00000	9,198,703
46	Less FERC Annual Fees	(Wksht 6, line 3)	-	W/S	1.00000	-
47	Less EPRI & Reg. Comm. Exp. & Other (Note D & Wksht	(Wksht 6, lines 1,2,9)	32,236	W/S	1.00000	32,236
48	Less PBOP expenses in Year	(Wksht 6)	372,877	W/S	1.00000	372,877
49	Plus Transmission Related Reg. Comm. Exp. (Note D & W	(Wksht 6, line 5)	3,274	W/S	1.00000	3,274
50	Plus PBOP expense allowed amount	(Wksht 6)	246,976	W/S	1.00000	246,976
51	Line deliberately left blank					
52	Line deliberately left blank					
53	TOTAL O&M (sum lines 43, 43a , 43b , 45, & 49 to 52 less lines 44, & 46 to 48)		13,360,363			13,360,363
DEPRECIATION EXPENSE Note N (Note J)						
54	Transmission (Note L)	336.7.f	10,458,202	T	1.00000	10,458,202
55	General and Intangible	336.1.f & 336.10.f	416,512	W/S	1.00000	416,512
56	Line deliberately left blank					
57	Amortization of Abandoned Plant	(Attach 1) (Notes L and U)	0	T	1.00000	0
58	TOTAL DEPRECIATION (Sum lines 54-57)		10,874,714			10,874,714
TAXES OTHER THAN INCOME TAXES (Note E)						
LABOR RELATED						
59	Payroll	263.i	342,000	W/S	1.00000	342,000
61	Highway and vehicle	263.i	-	W/S	1.00000	-
PLANT RELATED						
63	Property	263.i	6,027,000	GP	1.00000	6,027,000
64	Gross Receipts	263.i	-	DA	1.00000	-
65	Other	263.i	-	GP	1.00000	-
66	Line deliberately left blank					
67	TOTAL OTHER TAXES (sum lines 60-66)		6,369,000			6,369,000
INCOME TAXES (Note F)						
68	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		39.46%			
69	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		54.27%			
70	where WCLTD=(line 95) and R= (line 98)					
71	and FIT, SIT & p are as given in footnote F.					
72	$1 / (1 - T) = (T \text{ from line } 68)$		1.6519			
73	Amortized Investment Tax Credit (266.8f) (enter negative)		0			
74	Income Tax Calculation = line 69 * line 77		22,889,877	Calculated		22,889,877
75	ITC adjustment (line 72 * line 73)		0	NP	1.00000	-
76	Total Income Taxes (line 74 plus line 75)		22,889,877			22,889,877
RETURN						
77	[Rate Base (line 42) * Rate of Return (line 98)]		42,177,063	Calculated		42,177,063
78	REV. REQUIREMENT (sum lines 53, 58, 67, 76, 77)		95,671,017			95,671,017

Formula Rate - Non-Levelized

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 For the 12 months ended 12/31/2017
ITC-Great Plains, LLC.

79 SUPPORTING CALCULATIONS and NOTES

80 WAGES & SALARY ALLOCATOR (W&S)

	Form 1 Reference	\$	Transmission	
81	Production	354.20.b	0	
82	Transmission	354.21.b	273,612	
83	Distribution	354.23.b	0	
84	Other	354.22, 24, & 25.b	0	
85	Total (sum lines 81-84) [WS equals 1 if there are no wages & salaries]		273,612	273,612 = 1.00000
85a				=W/S
86	Line deliberately Left			
87	Line deliberately Left			
88	Line deliberately Left			
89	Line deliberately Left			
90	Line deliberately Left			
91	Line deliberately Left			

92 RETURN (R)

				\$
92	Long Term Interest	(Wksht 3, line 33)		7,468,669
93	Preferred Dividends (118.29.c) (positive number)			-
94	Common Stock	(Wksht 3)		305,196,419
			\$ %	Cost Weighted
95	Long Term Debt (Note T)	(Wksht 3)	203,458,462 40%	0.0367 WCLTD= 0.0147
96	Preferred Stock	(Wksht 3)	-	0.0000 0.0000
97	Common Stock (line 94) (Note I)	(line 94)	305,196,419 60%	0.1216 0.0730
98	Total (sum lines 95 - 97)		508,654,880	R= 0.08764343

REVENUE CREDITS

99	ACCOUNT 454 and 456 (RENT and OTHER ELEC REVEN Notes G and M)	(Wksht 6, line 30)	Input to line 3	48,000
100	ACCOUNT 456.1 (REVENUES FROM TRANSMISSION FOR OTHERS)	(330.x.n); Note S		
101	a. Transmission charges for all transmission transactions			95,671,017
101	b. Transmission charges for all transmission transactions under this formula that are not revenue credited			88,305,508
102	Total of (a)-(b)		Input to line 4	7,365,509

Note: Line 100 includes Sch 1 revenue, if any, and line 101 does not include Sch 1 revenue except as provided for in Note S. All revenues will be credited that reflect facilities or expenses included in the formula, if the underlying charges are not developed in the formula and shown on Attachment 1.

SUPPORTING CALCULATIONS AND NOTES

Rate Formula Template

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For the 12 months ended 12/31/2017

ITC-Great Plains, LLC.

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

Note
Letter

- A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note F. Account 281 is not allocated. Deferred taxes exclude deferred taxes on true-up, regulatory assets, goodwill, facilities, or premium on asset acquisitions unless the underlying amount is included in rate base.
- B Identified in Form 1 as being only transmission related.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission
Prepayments are the electric related prepayments booked to Account No. 165.
- D EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, advertising except safety related and education and outreach related advertising included in Account 930.1. Line 47 - Regulatory Commission Expenses directly related to transmission service, ISO/RTO filings, or transmission siting itemized at 351.h.
All EEI lobbying expenses and EPRI industry association dues shall be excluded from the costs recoverable under the Formula Rate. EEI or EPRI research, development and demonstration expenses associated with projects in which transmission customers can voluntarily participate shall be recovered under the Formula Rate only up to a maximum annual aggregate amount of \$100,000.
- E Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes that are retail related are not included in transmission revenue requirement.
- F The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (line 110).
For each Rate Year (including both Annual Projections and True-Up Adjustments) the statutory income tax rates utilized in the Formula Rate shall reflect the weighted average rates actually in effect during the Rate Year. For example, if the statutory tax rate is 10% from January 1 through June 30, and 5% from July 1 through December 31, such rates would be weighted 181/365 and 184/365, respectively.
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | SIT = | 6.87% (State Income Tax Rate or Composite SIT from Wksht 6) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
- G Transmission related.
- H Note Deliberately left blank
- I ROE is fixed and no change in ROE may be made absent a filing with FERC.
Equity ratio shall be capped so as not to exceed sixty percent (60%), calculated on the basis of a 13 month average. Long term debt percentage will be adjusted so that the capitalization ratio shall always equal 100.
- J Excludes amounts related to Asset Retirement Obligations. Depreciation rates are shown on Wksht 4 and do not change absent a filing with FERC.
- K The amortization for all regulatory assets will be booked to Account 566
- L All transmission plant, transmission accumulated depreciation, CWIP, Unamortized Regulatory Asset--Project, Unamortized Abandoned Plant, transmission depreciation expense, Amortization of Regulatory Asset-Project, and Amortization of abandoned plant must be broken out by project on Attachment 1 and the applicable Wkshts.
Accordingly, the "T" allocator is equal to 1.00000.
- M Rent credits and credits for Other revenues exclude credits for facilities or expenses whose costs are not included in the formula rate.
- N ITC shall not seek rate recovery of payments to other Transmission Owners or their affiliates, other than payments for services rendered or assets acquired at net book value, without approval to recover those payments pursuant to a Section 205 filing.
- O Prepaid Pension Expense costs shall be excluded from rate base whether recorded in Account 165--Prepayments or in another account.
- P ITC will make a Section 205 filing for authority to create any Customer-Funded Reserve, and include a credit to rate base for any such Customer-Funded Reserves.
- Q Deferred income taxes directly related to transmission plant will be identified by project in Line 9a of Attachment 1. The balance of the ADIT will be allocated in distributed charges in Line 21 of Attachment 1.
- R The cost of projects for plant excluded from rate base, e.g., direct assignment facilities under SPP OATT Attachment AI, generator interconnections and generator step-up substations, will be shown as separate projects on Attachment 1 and thus excluded from rate base and revenue requirement of other projects.
- S Any revenues associated with costs in Accounts 561-561.8 will either offset the expenses or be revenue credited.
pursuant to FERC Docket ER09-548 Settlement Terms, Section II. C. 1
- T The Formula Rate shall include the annual amortization of gains and losses resulting from interest rate hedging; provided that the net cost (or cost reduction due to net gains) shall be limited in True-Up calculations so as not to exceed 6 basis points in the weighted average cost of capital. To determine the includable hedging costs or gains, ITC will multiply the total 3-component capitalization (LTD, PS and CS) by 0.0006, and compare the result to the hedging cost or gain amount amortized in the year.
- U The Formula Rate shall not recover any charges associated with a Regulatory Asset or Abandoned Plant until a filing is made under FPA Section 205 seeking to recover such charges and recovery has been authorized by the Commission.