

Exhibit B-4

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

International Transmission Company

Line No.	(1)	(2)	(3)	(4)	(5)
			Allocated Amount	Adjustments	Adjusted Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)		\$ 318,805,003	\$ -	\$ 318,805,003
		12 months			
	REVENUE CREDITS (Note T)	Total	Allocator		
2	Account No. 454 (page 4, line 34)	27,397,000	TP 1.00	27,397,000	0
3	Account No. 456.1 (page 4, line 37)	8,486,179	TP 1.00	8,486,179	8,486,179
4	Revenues from Grandfathered Interzonal Transactions	0	TP 1.00	0	0
5	Revenues from service provided by the ISO at a discount	0	TP 1.00	0	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			35,883,179	0
6A	True-up Adjustment [See Note 1.]			3,982,460	3,982,460
7	NET REVENUE REQUIREMENT (line 1 minus line 6 plus line 6A)			\$ 286,904,284	\$ -
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service		(Note A)	8,549,780	8,549,780
9	Plus 12 CP of firm bundled sales over one year not in line 8		(Note B)		0
10	Plus 12 CP of Network Load not in line 8		(Note C)		0
11	Less 12 CP of firm P-T-P over one year (enter negative)		(Note D)		0
12	Plus Contract Demand of firm P-T-P over one year				0
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)				0
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)			8,549,780	0
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)	33.557			
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)	2.796			
		Peak Rate		Off-Peak Rate	
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)	0.645		\$0.645	
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)	0.129	Capped at weekly rate	\$0.092	
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 times 1,000)	8.067	Capped at weekly and daily rates	\$3.831	
21	FERC Annual Charge (\$/MWh) (Note E)		Short Term	\$0.000	Short Term
22			Long Term	\$0.000	Long Term

Note 1. Calculated in accordance with the International Transmission Company Annual Rate Calculation and True-up Procedures in Attachment O-International of this Tariff.

Exhibit B-4

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

				For the 12 months ended 12/31/2017			
International Transmission Company							
Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)	Adjustments	Adjusted Amount
<b>RATE BASE:</b>							
GROSS PLANT IN SERVICE (Note AA)							
1	Production	205.46.g		NA			
2	Transmission - (Note U)	207.58.g	2,438,551,250	TP 1.00000	2,438,551,250		2,438,551,250
3	Distribution	207.75.g		NA			
4	General & Intangible - (Note U)	205.5.g & 207.99.g	262,478,130	W/S 1.00000	262,478,130		262,478,130
5	Common	356.1		CE 1.00000	0		0
6	TOTAL GROSS PLANT (sum lines 1-5)		2,701,029,380	GP= 100.000%	2,701,029,380	0	2,701,029,380
ACCUMULATED DEPRECIATION (Note AA)							
7	Production	219.20-24.c		NA			
8	Transmission - (Note U)	219.25.c	692,866,390	TP 1.00000	692,866,390		692,866,390
9	Distribution	219.26.c		NA			
10	General & Intangible - (Note U)	219.28.c & 200.21.c	94,192,490	W/S 1.00000	94,192,490		94,192,490
11	Common	356.1		CE 1.00000	0		0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		787,058,880		787,058,880	0	787,058,880
NET PLANT IN SERVICE							
13	Production	(line 1 - line 7)	0				
14	Transmission	(line 2 - line 8)	1,745,684,860		1,745,684,860		1,745,684,860
15	Distribution	(line 3 - line 9)	0				
16	General & Intangible	(line 4 - line 10)	168,285,640		168,285,640		168,285,640
17	Common	(line 5 - line 11)	0		0		0
18	TOTAL NET PLANT (sum lines 13-17)		1,913,970,500	NP= 100.000%	1,913,970,500	0	1,913,970,500
ADJUSTMENTS TO RATE BASE (Note F)							
19	Account No. 281 (enter negative) - (Note V) 273.8.k			NA zero	0		
20	Account No. 282 (enter negative) - (Note V) 275.2.k		-313,123,463	NP 1.00000	-313,123,463		-313,123,463
21	Account No. 283 (enter negative) - (Note V) [See Note 2.] 277.9.k		-396,000	NP 1.00000	-396,000		-396,000
22	Account No. 190 - (Note V) [See Note 2.] 234.8.c		19,820,000	NP 1.00000	19,820,000		19,820,000
23	Account No. 255 (enter negative) - (Note V) 267.8.h			NP 1.00000	0		0
23A	Account No. 182.3 Attmt O Def	232.f			0		0
23B	Account No. 114 ADIT Deferral	200.c.12	15,655,501		15,655,501		15,655,501
24	TOTAL ADJUSTMENTS (sum lines 19- 23B)		-278,043,962		-278,043,962	0	-278,043,962
25	LAND HELD FOR FUTURE USE - (Note V) 214.x.d (Note G)		6,290,000	TP 1.00000	6,290,000		6,290,000
WORKING CAPITAL (Note H)							
26	CWC	calculated	8,606,625		8,079,000	0	8,079,000
27	Materials & Supplies (Note G) - (Note V) 227.8.c & .16.c		36,272,000	TP 1.00000	36,272,000		36,272,000
28	Prepayments (Account 165) - (Note V) 111.57.c		2,003,000	GP 1.00000	2,003,000		2,003,000
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		46,881,625		46,354,000	0	46,354,000
30	RATE BASE (sum lines 18, 24, 25, & 29)		1,689,098,163		1,688,570,538	0	1,688,570,538

Note 2. Excludes deferred taxes associated with the True-up Adjustment that are not otherwise included in rate base.

Exhibit B-4

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

		International Transmission Company						
Line No.	(1) O&M	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	(6) Adjustments	(7) Adjusted Amount	
1	Transmission [See Note 3.]	321.112.b	34,026,000	TE 0.87595	29,805,000		29,805,000	
2	Less Account 565	321.96.b		TE 0.87595	0		0	
3	A&G	323.197.b	34,987,000	W/S 1.00000	34,987,000		34,987,000	
4	Less FERC Annual Fees			W/S 1.00000	0		0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		556,000	W/S 1.00000	556,000		556,000	
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		396,000	TP 1.00000	396,000		396,000	
6	Common	356.1		CE 1.00000	0		0	
7	Transmission Lease Payments			1.00000	0		0	
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		68,853,000		64,632,000	0	64,632,000	
DEPRECIATION AND AMORTIZATION EXPENSE (Note AA)								
9	Transmission	336.7.b & c	39,657,911	TP 1.00000	39,657,911		39,657,911	
10	General & Intangible	336.10.f & 336.1.f	22,975,078	W/S 1.00000	22,975,078		22,975,078	
11	Common	336.11.b & c		CE 1.00000	0		0	
11A	Attachment O Deferral Adjustment	232.e			0		0	
11B	ADIT Adjustment	114.c.9	3,030,000		3,030,000		3,030,000	
12	TOTAL DEPRECIATION (sum lines 9 - 11B)		65,662,989		65,662,989	0	65,662,989	
TAXES OTHER THAN INCOME TAXES (Note J)								
LABOR RELATED								
13	Payroll	263i	1,013,000	W/S 1.00000	1,013,000		1,013,000	
14	Highway and vehicle	263i		W/S 1.00000	0		0	
PLANT RELATED								
16	Property	263i	48,419,000	GP 1.00000	48,419,000		48,419,000	
17	Gross Receipts	263i		NA zero	0		0	
18	Other	263i		GP 1.00000	0		0	
19	Payments in lieu of taxes			GP 1.00000	0		0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)		49,432,000		49,432,000	0	49,432,000	
INCOME TAXES (Note K)								
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		38.90%					
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		51.83%					
	where WCLTD=(page 4, line 27) and R= (page 4, line 30)							
	and FIT, SIT & p are as given in footnote K.							
23	$1 / (1 - T) =$ (from line 21)		1.6367					
24	Amortized Investment Tax Credit (266.8f) (enter negative)							
24a	(Excess)/Deficient Deferred Income Taxes (Note AB)		125,761					
24b	Tax Effect of Permanent Differences and AFUDC Equity (Note AC)		579,257					
25	Income Tax Calculation = line 22 * line 28		89,561,527	NA	89,533,550	0	89,533,550	
26	ITC adjustment (line 23 * line 24)		0	NP 1.00000	0		0	
26a	(Excess)/Deficient Deferred Income Tax Adjustment (Line 23 x Line 24a)		205,828	NP 1.00000	205,828		205,828	
26b	Permanent Differences and AFUDC Equity Tax Adjustment (Line 23 x Line 24b)		948,047	NP 1.00000	948,047		948,047	
27	Total Income Taxes (line 25 plus line 26 + 26a + 26b)		90,715,402		90,687,426	0	90,687,426	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		172,798,396	NA	172,744,419	0	172,744,419	
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		447,461,787		443,158,834	0	443,158,834	
30	LESS ATTACHMENT GG ADJUSTMENT [Attachment GG, page 2, line 3, column 10] (Note W) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment GG]		21,790,524		21,790,524	0	21,790,524	
30a	LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 14] (Note Y) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM]		102,563,307		102,563,307	0	102,563,307	
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		323,107,956		318,805,003	0	318,805,003	

Note 3. Adjustments to Line 1 will equal the sum of the amounts on ITC's Report on FERC Form No. 1 for Customer Accounts Expenses [FERC Form No. 1, 323.164.b], Customer Service and Informational Expenses [FERC Form No. 1, 323.171.b], and Sales Expenses [FERC Form No. 1, 323.178.b] that are not otherwise recoverable through some other tariff. Adjustments to be made before calculation of allocator for Line 1, Column (4).

Exhibit B-4  
Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

Formula Rate - Non-Levelized

International Transmission Company  
**SUPPORTING CALCULATIONS AND NOTES**

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total transmission plant (page 2, line 2, column 3)				2,438,551,250	
2	Less transmission plant excluded from ISO rates (Note M)					
3	Less transmission plant included in OATT Ancillary Services (Note N)					
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)				2,438,551,250	
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)			TP=	1.00000	
TRANSMISSION EXPENSES						
6	Total transmission expenses (page 3, line 1, column 3)				34,026,000	
7	Less transmission expenses included in OATT Ancillary Services (Note L)				4,221,000	
8	Included transmission expenses (line 6 less line 7)				29,805,000	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				0.87595	
10	Percentage of transmission plant included in ISO Rates (line 5)			TP	1.00000	
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)			TE=	0.87595	
WAGES & SALARY ALLOCATOR (W&S)						
	Form 1 Reference	\$	TP	Allocation		
12	Production 354.20.b		0.00000	0		
13	Transmission 354.21.b	4,440,097	1.00000	4,440,097		
14	Distribution 354.23.b		0.00000	0	W&S Allocator	
15	Other 354.24, 25, 26.b		0.00000	0	(\$ / Allocation)	
16	Total (sum lines 12-15)	4,440,097		4,440,097 =	1.00000 =	WS
COMMON PLANT ALLOCATOR (CE) (Note O)						
		\$	% Electric	W&S Allocator		
17	Electric 200.3.c	2,343,844,061	(line 17 / line 20)	(line 16)	CE	
18	Gas 201.3.d		1.00000 *	1.00000 =	1.00000	
19	Water 201.3.e					
20	Total (sum lines 17 - 19)	2,343,844,061		(5)	(6)	(7)
RETURN (R)						
		\$	Adjustments	Adjusted Amount		
21	Long Term Interest (117, sum of 62c through 67c)	\$31,008,000		31,008,000		
22	Preferred Dividends (118.29c) (positive number)			0		
Development of Common Stock:						
23	Proprietary Capital (112.16c) - (Note U)			978,271,000		978,271,000
24	Less Preferred Stock (line 28) - (Note U)			0		0
25	Less Account 216.1 (112.12c) (enter negative) - (Note U)					0
26	Common Stock (sum lines 23-25)			978,271,000	0	978,271,000
REVENUE CREDITS						
		\$	%	Cost (Note P)	Weighted	
27	Long Term Debt (112, sum of 18c through 21c) - (Note U)	652,115,000	40%	0.0475	0.0190 =WCLTD	
28	Preferred Stock (112.3c) - (Note U)		0%	0.0000	0.0000	
29	Common Stock (line 26) [See Note 4.]	978,271,000	60%	0.1388	0.0833	
30	Total (sum lines 27-29)	1,630,386,000			0.1023 =R	
ACCOUNT 447 (SALES FOR RESALE)						
	(310-311)	(Note Q)		Load		
31	a. Bundled Non-RQ Sales for Resale (311.x.h)					
32	b. Bundled Sales for Resale included in Divisor on page 1					
33	Total of (a)-(b)				0	
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)				\$27,397,000	
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)						
	(330.x.n)					
35	a. Transmission charges for all transmission transactions				\$419,982,834	
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1				\$287,142,824	
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)				\$21,790,524	
36b	d. Transmission charges from Schedules associated with Attachment MM (Note Z)				\$102,563,307	
37	Total of (a)-(b)-(c)-(d)				\$8,486,179	

Note 4. Allowed ROE set to 13.88%

Exhibit B-4

For the 12 months ended 12/31/2017

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

International Transmission Company

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 Peak as would be reported on page 401, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
- F 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. Exclude ADIT balances when the associated income tax consequences have been paid by others. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. The calculation of ADIT in the annual true-up calculation will use the beginning-of-year balances and end-of-year balances; the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation section 1.167(1)-1(h)(6).
- G Identified in Form 1 as being only transmission related.
- H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 110-111 line 57 in the Form 1.
- I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26).  
Inputs Required: FIT = 35.00%  
SIT = 6.00% (State Income Tax Rate or Composite SIT)  
p = 0.00% (percent of federal income tax deductible for state purposes)
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.
- M Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
- N Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- O Enter dollar amounts
- P Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made adivents a filing with FERC.
- Q Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
- R Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4, page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- T The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
- U Calculate using 13 month average balance.
- V Calculate using average of beginning and end of year balances.
- W Pursuant to Attachment GG of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment GG.
- X Removes from revenue credits revenues that are distributed pursuant to Schedules associated with Attachment GG of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment GG revenue requirements.
- Y Pursuant to Attachment MM of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment MM.
- Z Removes from revenue credits revenues that are distributed pursuant to Schedules associated with Attachment MM of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment MM revenue requirements.
- AA Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
- AB Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T) (page 3, line 26a).  
Includes the annual income tax cost or benefits due to permanent differences or differences between the amounts of expenses or revenues recognized in one period for ratemaking purposes and the amounts recognized for income tax purposes which do not reverse in one or more other periods, including the cost of income taxes on the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction is included in page 3, line 24b and will increase or decrease tax expense by the amount of the expense or benefit included on line 24b multiplied by (1/1-T) (page 3, line 26b).
- AC