**Indianola – 2018 Attach. O – Review Questions**

1. **Attachment O, P. 2, Line 25 -** Please provide a workpaper showing how the $67,666 value on this line was calculated. I see $359,207 as the total Electric Plant Held for Future Use. I want to understand how you determined the Transmission portion of that amount. If it is already in the workpapers, just point me to it.The following description was included as an additional tab on the Attachment O spreadsheet in 2011 and 2012. The $67,666 has not changed since those filings.

“IMU's Plant Records and Audited Financial Statements include a total amount for Land, but do not separate this asset by operating function. The total balance of Land as of 6/30/2011 was $359,207. Of this amount, $193,885 is attributed to Westside Substation, which is used for both transmission and distribution operations. For the Westside Substation the ratio of transmission functional plant to the total of transmission plant and distribution plant is 34.9%. Consistent with the allocation of common plant at Westside Substation, allocation of Land to transmission function would be $67,666. This amount has been entered as transmission plant held for future use as the most expedient method for capturing the value of the transmission-related land in IMU's rate base and revenue requirements. IMU has determined that the remaining balance of land assets is non-transmission related.”

**MISO Response - Thank you! Next year you should make a workpaper that shows this calculation.**

1. **Attachment O, P. 2, Line 27 -** Please confirm that there are no Transmission-related Materials & Supplies. I see that Indianola has $1,118,378 in total Plant Materials & Operating Supplies…just want to confirm that none of those are Transmission-related.This amount represents the value of our electric inventory on 6-30-17. We have estimated that $41,938.39 of that is transmission-related (work paper is provided).

**MISO Response - Thank you!**

1. **Attachment O, P. 3, Line 1a** - Please confirm that Indianola has no expenses to report on this line.  
   That is correct.

**MISO Response - Thank you!**

1. **Attachment O, P. 3, Line 2** - Please confirm that Indianola has no expenses to report on this line.  
   That is correct.

**MISO Response - Thank you!**

1. **Attachment O, P. 3, Line 4** - Please confirm that Indianola has no expenses to report on this line.  
   FERC fees are charged by MEAN to member communities based on their network load ratio share and are included on monthly purchased power bills as Schedule 10-MISO Cost Adder FERC. The FERC fees are calculated as the members’ network load ratio share x FERC rate. For 2017 these charges amounted to $9,580.61 (work paper is provided).

**MISO Response - Thank you!**

1. **Attachment O, P. 3, Line 5 -** Please confirm that Indianola has no EPRI, Regulatory Commission, and Non-Safety Advertising expenses to report on this line.  
   That is correct.

**MISO Response - Thank you!**

1. **Attachment O, P. 3, Line 7** - Please confirm that Indianola has no expenses to report on this line.  
   That is correct.

**MISO Response - Thank you!**

1. **Attachment O, P. 4, Lines 30 -** Please confirm that Indianola has no Rent Revenue to report on this line.  
   That is correct.

**MISO Response - Thank you!**

1. **Attachment O, P. 4, Lines 31 thru 33 -** I see the explanation of the $11,826 shown on Line 31 and am OK with how you have presented it on the Attachment O. I also noticed that Indianola had $623,812 of Transmission Revenue during FY 2017. I assume that is revenue distributed to Indianola by MEC via the Joint Pricing Zone Revenue Sharing Agreement. I need to understand what that is, so that we can get it reported on the Attachment O properly. We would need to know if that is Network Revenue, Point to Point Revenue, or both. Please send me any detail you have for that amount. After that we can have a call to discuss if any action is necessary.  
   This is MISO transmission revenue, $564,513, adjusted for accrual revenues per our auditor. It is a combination of revenue from the Brookings – Twin Cities agreement and MEC/MEAN monthly 30.9 credits (work papers provided).

**MISO Response - Thank you! From our discussion, the $623,812 is transmission revenue inclusive of accruals that your outside auditors developed ($59,299) to take your cash basis records and adjust them for FERC Uniform System of Accounts (USofA) accruals. Your transmission revenue consists of 30.9 credits from MEC and distributions from CMMPA for participation in the Brookings project. There appear to be no Sch. 7 & Sch. 8 revenue credits to consider for 2017.**