MidAmerican 2015 Projected Formula Transmission Rate Template

Answers to Frequently Asked Questions

November 25, 2014

Appended January 12, 2015

**Question:** What are MISO Attachment GG and Attachment MM?

**Response:** Attachment GG is the vehicle that is used to recover a transmission owner’s revenue requirements for investments in certain reliability projects that are authorized in the MISO Transmission Expansion Plan (“MTEP”). For example, 10% of the cost of generator interconnection projects at 345 kV is allocated across the MISO footprint and is recovered by Schedule 26.

Attachment MM is the vehicle that is used to recover a transmission owner’s revenue requirements for investments in multi value projects (“MVPs”) that are approved in the MTEP. These revenue requirements are recovered by Schedule 26-A.

**Question:** Attachment O revenue requirements are used in the calculation of which rates?

**Response:** The MidAmerican Attachment O revenue requirements are used in the calculation of MidAmerican’s portion of the MidAmerican Zonal Schedules 7, 8 and 9 rates. Revenue requirements of other transmission owners such as municipal utilities are also included in MidAmerican’s Zonal rates.

**Question:** How are the charges for Attachment GG and Attachment MM revenue requirements applied (Schedules 26 and 26-A)?

**Response:** Schedule 26 is a demand charge applied to the network customer’s zonal coincident peak demand and to the point-to-point customer’s reservation. Schedule 26-A is a megawatt hour charge that is applied to a customer’s hourly withdrawals of energy and to export schedules.

**Question:** Is MidAmerican’s Attachment O capital structure hypothetical?

**Answer:** No, MidAmerican’s Attachment O capital structure is its forecasted capital structure for the year. The actual capital structure is applied in true-ups of the rates.

**Question:** Are the MidAmerican zone Schedule 26 and Schedule 26-A charges solely based on MidAmerican’s Attachment GG and Attachment MM revenue requirements?

**Answer:** No, the MidAmerican zone Schedule 26 and Schedule 26-A charges are based on all Attachment GG and Attachment MM revenue requirements allocated to the MidAmerican zone.

**Question:** What is the link to the projected MISO Schedule 26-A charges?

**Answer:** The link to the projected MISO Schedule 26-A charges is:

<https://www.misoenergy.org/_layouts/MISO/ECM/Redirect.aspx?ID=177750>

**January 12, 2015 Addendum Based on MISO Pricing Staff Review**

The following provides questions from MISO and MidAmerican’s answers to those questions.

**Attachment O**

1. Page 3 Line 2 – Account 565 **-** Please explain the driver for the 54% increase from 2014 forecast ($23,647,281) to 2015 ($36,411,425).

**MidAmerican Response:** The increase to the Account 565 forecast is due to an anticipated increase of 2015 MidAmerican Schedule 26-A payments to MISO as compared to 2014 payments and to a change to more explicitly account for those payments as compared to the 2014 forecast.

1. Page 3 Line 18 – Other Taxes **-** Please explain the driver for the 99% decrease from 2014 forecast ($1,015,324) to 2015 ($13,882).

**MidAmerican Response:** MidAmerican’s corporate accounting group forecasts “Taxes Other Than Income Taxes” as a total amount. Transmission Services then allocates that amount over the Taxes Other Than Income Taxes components based on the prior year’s ratios of Property, Payroll and Other Taxes. The ratio for Other Taxes at year-end 2013 was less than year-end 2012.

1. Page 3 Line 5a – Transmission Related Regulatory Commission Expenses – please confirm MEC has no projected expenses to include on this line.

**MidAmerican Response:** MidAmerican confirms that it does not have Transmission Related Regulatory Commission Expenses forecast for 2015.

1. ‘2013 Attachment O True-up’ tab in Attachment O workbook – this doesn’t affect the calculation but noticed Line 12 appears to be mislabeled. It says the ‘Average Monthly MEC ST debt interest rate’. I think this should be the FERC Interest Rate instead?

**MidAmerican Response:** Corrections have been made and an updated work book is provided.

**2015 Schedule 1 Rev Req Calc**

1. Attachment O pg 4 line 7 (transmission expenses included in OATT Ancillary Svcs)– the value reported here changed to $1,550,501 but the value reported on the Schedule 1 worksheet still reports the original submission value ($1,567,433). Is there an updated Schedule 1 worksheet you wish to provide?

**MidAmerican Response:** The corrected current version of the Schedule 1 calculation is attached.

**Attachment MM**

1. P2248 – can you please provide a status update for this project?

**MidAmerican Response:** MidAmerican is still a party to this project but does not expect to include any amounts in 2015 rates related to its facilities for this project.

**Attachment MM Reporting Form**

Ben Stearney from TAM has completed his review of the submitted reporting form and identified a few potential issues – please refer to the attached reporting form and related comments for items below

1. Related to TAMs review of the reporting form, please confirm no costs are being projected/included for facility ID’s #6587 (withdrawn), #6427, #6556 (withdrawn), #6586 (withdrawn)

**MidAmerican Response:** MidAmerican confirms that it is not projecting any costs in 2015 rates for the above listed Project IDs.

1. See comments in orange on attached MM Reporting Form – facility IDs #5990 & #5951 appear to have discrepancies in the facility descriptions. Please make any necessary revisions to either the database or the reporting form to resolve these discrepancies.

**MidAmerican Response:** MidAmerican has made the necessary revisions in the attached reporting form.