

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/17

**Rochester Public Utilities**

| Line No. |  |                     |                                  | Allocated Amount |
|----------|--|---------------------|----------------------------------|------------------|
| 1        | GROSS REVENUE REQUIREMENT (page 3, line 31)  |                     |                                  | \$5,262,963.60   |
|          | REVENUE CREDITS (Note T)   | Total               | Allocator                        |                  |
| 2        | Account No. 454 (page 4, line 30)  | 37,020              | TP 0.97742                       | 36,184.09        |
| 3        | Account No. 456.1 (page 4, line 33)  | 920,000             | TP 0.97742                       | 899,226.37       |
| 4        | Revenues from Grandfathered Interzonal Transactions  | 0                   | TP 0.97742                       | 0                |
| 5        | Revenues from service provided by the ISO at a discount  | 0                   | TP 0.97742                       | 0                |
| 6        | TOTAL REVENUE CREDITS (sum lines 2-5)  |                     |                                  | 935,410.46       |
| 6a       | Historic Year Actual ATRR  |                     |                                  | \$ 3,787,834.11  |
| 6b       | Historic Year Projected ATRR   |                     |                                  | \$ 4,853,389.76  |
| 6c       | Historic Year ATRR True-up   | (line 6a - line 6b) |                                  | \$(1,065,555.65) |
| 6d       | Historic Year Actual Divisor   |                     |                                  | 193,116          |
| 6e       | Historic Year Projected Divisor  |                     |                                  | 207,080          |
| 6f       | Difference in Divisor  | (line 6e - line 6d) |                                  | 13,964           |
| 6g       | Historic Year Projected Annual Cost (\$/kW/Yr)   |                     |                                  | \$21.694         |
| 6h       | Historic Year Divisor True-up  | (line 6f * line 6g) |                                  | \$ 302,938.63    |
| 6i       | Interest on Historic Year True-up  |                     |                                  | \$ (51,037.10)   |
| 7        | NET REVENUE REQUIREMENT (line 1 minus line 6 + line 6c + line 6h + line 6i)                              |                     |                                  | \$3,513,899.02   |
|          | DIVISOR  |                     |                                  |                  |
| 8        | Average of 12 coincident system peaks for RPU transmission system  |                     | (Note A)                         | 215,667          |
| 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 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative) |                     |                                  | 0                |
| 15       | Divisor (sum lines 8-14)   |                     |                                  | 215,667          |
| 16       | Annual Cost (\$/kW/Yr) (line 7 / line 15)  | 16.293              |                                  |                  |
| 17       | Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)  | 1.358               |                                  |                  |
|          |  | Peak Rate           |                                  | Off-Peak Rate    |
| 18       | Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)  | 0.313               |                                  | \$0.313          |
| 19       | Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)   | 0.063               | Capped at weekly rate            | \$0.045          |
| 20       | Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 * 1000)                                   | 3.917               | Capped at weekly and daily rates | \$1.860          |

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| Line No. | (1)<br>RATE BASE: (Note CC)                | (2)<br>EIA 412<br>Reference | (3)<br>Company Total | (4)<br>Allocator | (5)<br>Transmission<br>(Col 3 * Col 4) |
|----------|--|-----------------------------|----------------------|------------------|--|
|          | GROSS PLANT IN SERVICE (Note AA)           |                             |                      |                  |  |
| 1        | Production                                 | IV.6.e                      | 109,270,183          | NA               |  |
| 2        | Transmission                               | IV.7.e                      | 59,557,080           | TP 0.97742       | 58,212,279                             |
| 3        | Distribution                               | IV.8.e                      | 140,281,177          | NA               |  |
| 4        | General & Intangible                       | IV.9.e & IV.1.e             | 45,720,810           | W/S 0.08408      | 3,844,194                              |
| 5        | Common                                     |                             | 0                    | CE 0.08408       | 0                                      |
| 6        | TOTAL GROSS PLANT (sum lines 1-5)          |                             | 354,829,250          | GP= 17.489%      | 62,056,474                             |
|          | ACCUMULATED DEPRECIATION (Note AA)         |                             |                      |                  |  |
| 7        | Production                                 |                             | 88,202,237           | NA               |  |
| 8        | Transmission                               |                             | 13,728,270           | TP 0.97742       | 13,418,285                             |
| 9        | Distribution                               |                             | 70,306,224           | NA               |  |
| 10       | General & Intangible                       |                             | 31,052,042           | W/S 0.08408      | 2,610,848                              |
| 11       | Common                                     |                             | 0                    | CE 0.08408       | 0                                      |
| 12       | TOTAL ACCUM. DEPRECIATION (sum lines 7-11) |                             | 203,288,773          |                  | 16,029,133                             |
|          | NET PLANT IN SERVICE                       |                             |                      |                  |  |
| 13       | Production                                 | (line 1 - line 7)           | 21,067,946           |                  |  |
| 14       | Transmission                               | (line 2 - line 8)           | 45,828,810           |                  | 44,793,994                             |
| 15       | Distribution                               | (line 3 - line 9)           | 69,974,953           |                  |  |
| 16       | General & Intangible                       | (line 4 - line 10)          | 14,668,768           |                  | 1,233,346                              |
| 17       | Common                                     | (line 5 - line 11)          | 0                    |                  | 0                                      |
| 18       | TOTAL NET PLANT (sum lines 13-17)          |                             | 151,540,477          | NP= 30.373%      | 46,027,340                             |
|          | ADJUSTMENTS TO RATE BASE (Note F)          |                             |                      |                  |  |
| 19       | Account No. 281 (enter negative)           |                             | 0                    | zero             | 0                                      |
| 20       | Account No. 282 (enter negative)           |                             | 0                    | NP 0.30373       | 0                                      |
| 21       | Account No. 283 (enter negative)           |                             | 0                    | NP 0.30373       | 0                                      |
| 22       | Account No. 190                            |                             | 0                    | NP 0.30373       | 0                                      |
| 23       | Account No. 255 (enter negative)           |                             | 0                    | NP 0.30373       | 0                                      |
| 24       | TOTAL ADJUSTMENTS (sum lines 19 - 23)      |                             | 0                    |                  | 0                                      |
| 25       | LAND HELD FOR FUTURE USE                   | IV.12.e (Note G)            | 0                    | TP 0.97742       | 0                                      |
|          | WORKING CAPITAL (Note H)                   |                             |                      |                  |  |
| 26       | CWC  |                             | 1,509,122            |                  | 252,542                                |
| 27       | Materials & Supplies                       | (Note G)                    | 420,000              | TE 0.94734       | 397,882                                |
| 28       | Prepayments                                | II.20.b                     | 654,273              | GP 0.17489       | 114,427                                |
| 29       | TOTAL WORKING CAPITAL (sum lines 26 - 28)  |                             | 2,583,395            |                  | 764,851                                |
| 30       | RATE BASE (sum lines 18, 24, 25, and 29)   |                             | 154,123,873          |                  | 46,792,191                             |

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| Line No.  | (1)<br>O&M (Note BB)   | (2)<br>EIA 412<br>Reference | (3)<br>Company Total | (4)<br>Allocator | (5)<br>Transmission<br>(Col 3 * Col 4) |           |
|---|--|-----------------------------|----------------------|------------------|--|-----------|
| 1   | Transmission   | VII.8.d                     | 8,451,400            | TE               | 0.94734                                | 8,006,340 |
| 1a  | Less LSE Expenses included in Transmission O&M Accounts (Note V)   |                             | 7,000                |                  | 1.00000                                | 7,000     |
| 2   | Less Account 565   |                             | 7,510,000            | TE               | 0.94734                                | 7,114,515 |
| 3   | A&G  | VII.13.d                    | 11,225,479           | W/S              | 0.08408                                | 943,835   |
| 4   | Less FERC Annual Fees  |                             | 0                    | W/S              | 0.08408                                | 0         |
| 5   | Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)  |                             | 317,400              | W/S              | 0.08408                                | 26,687    |
| 5a  | Plus Transmission Related Reg. Comm. Exp. (Note I)   |                             | 230,500              | TE               | 0.94734                                | 218,362   |
| 6   | Common   |                             | 0                    | CE               | 0.08408                                | 0         |
| 7   | Transmission Lease Payments  |                             | 0                    | NA               | 1.00000                                | 0         |
| 8   | TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 1a, 2, 4, 5)  |                             | 12,072,979           |                  |  | 2,020,335 |
| DEPRECIATION AND AMORTIZATION EXPENSE (Note AA) |  |                             |                      |                  |  |           |
| 9   | Transmission   |                             | 1,501,966            | TP               | 0.97742                                | 1,468,052 |
| 10  | General & Intangible   |                             | 2,466,192            | W/S              | 0.08408                                | 207,357   |
| 11  | Common   |                             | 0                    | CE               | 0.08408                                | 0         |
| 12  | TOTAL DEPRECIATION (sum lines 9 - 11)  |                             | 3,968,158            |                  |  | 1,675,408 |
| TAXES OTHER THAN INCOME TAXES (Note J)          |  |                             |                      |                  |  |           |
| LABOR RELATED                                   |  |                             |                      |                  |  |           |
| 13  | Payroll  |                             | 940,000              | W/S              | 0.08408                                | 79,035    |
| 14  | Highway and vehicle  |                             | 0                    | W/S              | 0.08408                                | 0         |
| PLANT RELATED                                   |  |                             |                      |                  |  |           |
| 16  | Property   |                             | 0                    | GP               | 0.17489                                | 0         |
| 17  | Gross Receipts   |                             | 0                    | NA               | zero                                   | 0         |
| 18  | Other  |                             | 0                    | GP               | 0.17489                                | 0         |
| 19  | Payments in lieu of taxes  |                             | 8,676,000            | GP               | 0.17489                                | 1,517,355 |
| 20  | TOTAL OTHER TAXES (sum lines 13 - 19)  |                             | 9,616,000            |                  |  | 1,596,390 |
| INCOME TAXES (Note K)                           |  |                             |                      |                  |  |           |
| 21  | T=1 - {[ (1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =   |                             | 0.00%                |                  |  |           |
| 22  | CIT=(T/1-T) * (1-(WCLTD/R)) =  |                             | 0.00%                |                  |  |           |
|   | where WCLTD=(page 4, line 22) and R= (page 4, line 24)   |                             |                      |                  |  |           |
|   | and FIT, SIT & p are as given in footnote K.   |                             |                      |                  |  |           |
| 23  | 1 / (1 - T) = (from line 21)   |                             | 0.0000               |                  |  |           |
| 24  | Amortized Investment Tax Credit (enter negative)   |                             | 0                    |                  |  |           |
| 25  | Income Tax Calculation = line 22 * line 28   |                             | 0                    | NA               |  | 0         |
| 26  | ITC adjustment (line 23 * line 24)   |                             | 0                    | NP               | 0.30373                                | 0         |
| 27  | Total Income Taxes (line 25 + line 26)   |                             | 0                    |                  |  | 0         |
| 28  | RETURN<br>[ Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]  |                             | 9,844,561            | NA               |  | 2,988,820 |
| 29  | REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)   |                             | 35,501,698           |                  |  | 8,280,954 |
| 30  | LESS ATTACHMENT GG ADJUSTMENT [Attachment GG, page 2, line 3, column 10] (Note W)<br>[Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment GG] |                             | 3,017,990            |                  |  | 3,017,990 |
| 30a   | LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 14] (Note Y)<br>[Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM] |                             | 0                    |                  |  | 0         |
| 31  | REVENUE REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O<br>(line 29 - line 30 - line 30a)   |                             | 32,483,708           |                  |  | 5,262,964 |

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| Line No.                                 | SUPPORTING CALCULATIONS AND NOTES   |                              |             |                     |             |                   |         |   |     |             |
|--|---|------------------------------|-------------|---------------------|-------------|-------------------|---------|---|-----|-------------|
| TRANSMISSION PLANT INCLUDED IN ISO RATES |   |                              |             |                     |             |                   |         |   |     |             |
| 1  | Total transmission plant (page 2, line 2, column 3)                                     |                              |             |                     |             |                   |         |   |     | 59,557,080  |
| 2  | Less transmission plant excluded from ISO rates (Note M)                                |                              |             |                     |             |                   |         |   |     | 0           |
| 3  | Less transmission plant included in OATT Ancillary Services (Note N)                    |                              |             |                     |             |                   |         |   |     | 1,344,801   |
| 4  | Transmission plant included in ISO rates (line 1 - line 2 - line 3)                     |                              |             |                     |             |                   |         |   |     | 58,212,279  |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| 5  | Percentage of transmission plant included in ISO Rates (line 4/line 1)                  |                              |             |                     |             |                   |         |   |     | TP= 0.97742 |
| TRANSMISSION EXPENSES                    |   |                              |             |                     |             |                   |         |   |     |             |
| 6  | Total transmission expenses (page 3, line 1, column 3)                                  |                              |             |                     |             |                   |         |   |     | 8,451,400   |
| 7  | Less transmission expenses included in OATT Ancillary Services (Note L)                 |                              |             |                     |             |                   |         |   |     | 260,100     |
| 8  | Included transmission expenses ( line 6 - line 7)                                       |                              |             |                     |             |                   |         |   |     | 8,191,300   |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| 9  | Percentage of transmission expenses after adjustment (line 8/line 6)                    |                              |             |                     |             |                   |         |   |     | 0.96922     |
| 10                                       | Percentage of transmission plant included in ISO Rates (line 5)                         |                              |             |                     |             |                   |         |   |     | TP 0.97742  |
| 11                                       | Percentage of transmission expenses included in ISO Rates (line 9 * line 10)            |                              |             |                     |             |                   |         |   |     | TE= 0.94734 |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| WAGES & SALARY ALLOCATOR (W&S)           |   |                              |             |                     |             |                   |         |   |     |             |
| 12                                       | Production  |                              | \$          | TP                  | Allocation  |                   |         |   |     |             |
| 13                                       | Transmission  |                              | 504,095     | 0.00                | 0           |                   |         |   |     |             |
| 14                                       | Distribution  |                              | 546,553     | 0.98                | 534,212     |                   |         |   |     |             |
| 15                                       | Other   |                              | 3,689,384   | 0.00                | 0           | W&S Allocator     |         |   |     |             |
| 16                                       | Total (sum lines 12-15)   |                              | 1,613,603   | 0.00                | 0           | (\$ / Allocation) |         |   |     |             |
|  |   |                              | 6,353,636   |                     | 534,212     | =                 | 0.08408 | = | W/S |             |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| COMMON PLANT ALLOCATOR (CE) (Note O)     |   |                              |             |                     |             |                   |         |   |     |             |
| 17                                       | Electric  |                              | \$          | % Electric          | Labor Ratio |                   |         |   |     |             |
| 18                                       | Gas   |                              | 354,829,250 | (line 17 / line 20) | (line 16)   | CE                |         |   |     |             |
| 19                                       | Water   |                              | 0           | 1.00000 *           | 0.08408     | =                 | 0.08408 |   |     |             |
| 20                                       | Total (sum lines 17-19)   |                              | 0           |                     |             |                   |         |   |     |             |
|  |   |                              | 354,829,250 |                     |             |                   |         |   |     |             |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| RETURN (R)                               |   |                              |             |                     |             |                   |         |   |     |             |
| 21                                       | Long Term Interest  | III.16.b + III.17.b (Note U) | \$          |                     |             |                   |         |   |     |             |
|  |   |                              | 7,883,544   |                     |             |                   |         |   |     |             |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| 22                                       | Long Term Debt  | II.37.b (Note CC)            | \$          | %                   | Cost        | Weighted          |         |   |     |             |
| 23                                       | Proprietary Capital   | II.32.b (Note CC)            | 209,900,201 | 63%                 | (Note P)    |                   |         |   |     |             |
| 24                                       | Total (sum lines 22, 23)  |                              | 124,616,144 | 37%                 |             |                   |         |   |     |             |
|  |   |                              | 334,516,345 | 100%                |             |                   |         |   |     |             |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| 25                                       | Proprietary Capital Cost Rate =   |                              |             |                     |             |                   |         |   |     | 10.82%      |
| 26                                       | TIER =  |                              |             |                     |             |                   |         |   |     | 0.00        |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| REVENUE CREDITS                          |   |                              |             |                     |             |                   |         |   |     |             |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| ACCOUNT 447 (SALES FOR RESALE)           |   |                              |             |                     |             |                   |         |   |     |             |
| 27                                       | a. Bundled Non-RQ Sales for Resale  | (Note Q)                     | Load        |                     |             |                   |         |   |     | 0           |
| 28                                       | b. Bundled Sales for Resale included in Divisor on page 1                               |                              |             |                     |             |                   |         |   |     | 0           |
| 29                                       | Total of (a)-(b)  |                              |             |                     |             |                   |         |   |     | 0           |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| 30                                       | ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)                                      |                              |             |                     |             |                   |         |   |     | \$37,020    |
|  |   |                              |             |                     |             |                   |         |   |     |             |
| ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)  |   |                              |             |                     |             |                   |         |   |     |             |
| 31                                       | a. Transmission charges for all transmission transactions                               |                              |             |                     |             |                   |         |   |     | \$4,652,000 |
| 32                                       | b. Transmission charges for all transmission transactions included in Divisor on page 1 |                              |             |                     |             |                   |         |   |     | 513,000     |
| 32a                                      | c. Transmission charges from Schedules associated with Attachment GG (Note X)           |                              |             |                     |             |                   |         |   |     | 3,219,000   |
| 32b                                      | d. Transmission charges from Schedules associated with Attachment MM (Note Z)           |                              |             |                     |             |                   |         |   |     | 0           |
| 33                                       | Total of (a)-(b)-(c)-(d)  |                              |             |                     |             |                   |         |   |     | \$920,000   |

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

References to data from EIA Form 412 are indicated as: x.y.z (section, line, column)

To the extent the page references to EIA Form 412 are missing, the entity will include a "Notes" section in the EIA 412 to provide this data.

| 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           | Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of applicable pricing zone coincident monthly peaks.   |        |   |       |  |  |      |       |  |  |     |       |   |
| C           | LF as defined above at time of applicable pricing zone coincident monthly peaks.  |        |   |       |  |  |      |       |  |  |     |       |   |
| D           | LF as defined above at time of applicable pricing zone coincident monthly peaks.  |        |   |       |  |  |      |       |  |  |     |       |   |
| E           | [Reserved]  |        |   |       |  |  |      |       |  |  |     |       |   |
| 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. 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.   |        |   |       |  |  |      |       |  |  |     |       |   |
| G           | Transmission related only.  |        |   |       |  |  |      |       |  |  |     |       |   |
| 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 as shown on Schedule I of EIA Form 412.  |        |   |       |  |  |      |       |  |  |     |       |   |
| I           | Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings or transmission siting.  |        |   |       |  |  |      |       |  |  |     |       |   |
| 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. multiplied by (1/(1-T)) (page 3, line 26).   |        |   |       |  |  |      |       |  |  |     |       |   |
|             | <table><tr><td>Inputs</td><td>FIT =</td><td>0.00%</td><td></td></tr><tr><td></td><td>SIT=</td><td>0.00%</td><td>(State Income Tax Rate or Composite SIT)</td></tr><tr><td></td><td>p =</td><td>0.00%</td><td>(percent of federal income tax deductible for state</td></tr></table>  | Inputs | FIT =   | 0.00% |  |  | SIT= | 0.00% | (State Income Tax Rate or Composite SIT) |  | p = | 0.00% | (percent of federal income tax deductible for state |
| Inputs      | FIT =   | 0.00%  |   |       |  |  |      |       |  |  |     |       |   |
|             | SIT=  | 0.00%  | (State Income Tax Rate or Composite SIT)            |       |  |  |      |       |  |  |     |       |   |
|             | p =   | 0.00%  | (percent of federal income tax deductible for state |       |  |  |      |       |  |  |     |       |   |
| 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 to be state-jurisdictional by Commission order according to the seven-factor test (until EIA 412 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 22). ROE will be supported in the original filing and no change in ROE may be made absent a filing FERC. A 50 basis point adder for RTO participation may be added to the ROE up to the upper end of the zone of reasonableness established by FERC for a Transmission Owner that has turned over functional control of its Transmission Facilities to MISO or provides service over Non-transferred Transmission Facilities through the MISO Tariff with MISO acting as agent, subject to the following criteria. RPU affirms that it: 1) commits to providing refunds (with interest at the FERC refund interest rates) to the extent that the ROE or zone of reasonableness established in Docket No. EL14-12 when applied to the effective date establishing the RPU RTO Adder, would result in a lower revenue requirement than that charged; and 2) commits to providing refunds (with interest at the FERC refund interest rates) consistent with any refund effective date established in any other proceedings resulting in a new base ROE or new zone of reasonableness for the MISO transmission owners' base ROE, to the extent that the ROE or zone of reasonableness established in any such proceedings, when applied as of the refund effective date established in such proceedings, would result in a lower revenue requirement than that charged. FERC-authorized ROE is 10.32% with a total or maximum ROE (including transmission incentive adders) not to exceed 11.35%, the upper end of the zone of reasonableness established by FERC in EL14-12. |        |   |       |  |  |      |       |  |  |     |       |   |
| Q           | Line 29 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           | From Reference III.17.b include only the amount from Accounts 428, 429, and 430.  |        |   |       |  |  |      |       |  |  |     |       |   |
| V           | Account Nos. 561.4 and 561.8 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.   |        |   |       |  |  |      |       |  |  |     |       |   |
| W           | Pursuant to Attachment GG of the MISO 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 MISO 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 MISO 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 MISO 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.   |        |   |       |  |  |      |       |  |  |     |       |   |
| BB          | Schedule 10-FERC charges should not be included in O&M recovered under this Attachment O.   |        |   |       |  |  |      |       |  |  |     |       |   |
| CC          | Calculated using 13 month average balances. Balances for Transmission Gross Plant, Accumulated Depreciation, and Depreciation Expense are reduced for CIAC amounts.   |        |   |       |  |  |      |       |  |  |     |       |   |