

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/18

**Rochester Public Utilities**

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 6,695,896
	REVENUE CREDITS (Note T)			
		Total	Allocator	
2	Account No. 454 (page 4, line 30)	37,020	TP 0.98123	36,325
3	Account No. 456.1 (page 4, line 33)	920,000	TP 0.98123	902,730
4	Revenues from Grandfathered Interzonal Transactions	0	TP 0.98123	0
5	Revenues from service provided by the ISO at a discount	0	TP 0.98123	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			939,055
6a	Historic Year Actual ATRR			3,686,740
6b	Historic Year Projected ATRR			4,411,211
6c	Historic Year ATRR True-up (line 6a - line 6b)			-724,471
6d	Historic Year Actual Divisor			197,759
6e	Historic Year Projected Divisor			211,819
6f	Difference in Divisor (line 6e - line 6d)			14,061
6g	Historic Year Projected Annual Cost (\$/kW/Yr)			\$20,852
6h	Historic Year Divisor True-up (line 6f * line 6g)			293,184
6i	Interest on Historic Year True-up			-30,432
7	NET REVENUE REQUIREMENT (line 1 minus line 6 + line 6c + line 6h + line 6i)			\$ 5,295,121
	DIVISOR			
8	Average of 12 coincident system peaks for RPU transmission system (Note A)			212,000
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)			212,000
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)	24.977		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)	2.081		
		Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)	0.480		\$0.480
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)	0.096	Capped at weekly rate	\$0.068
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160; line 16 / 8,760 * 1,000)	6.004	Capped at weekly and daily rates	\$2.851

Formula Rate - Non-Levelized		Rate Formula Template Utilizing EIA Form 412 Data		For the 12 months ended 12/31/18	
Line No.	(1) RATE BASE: (Note CC)	(2) EIA 412 Reference	(3) Rochester Public Utilities Company Total	(4) Allocator	(5) Transmission (Col 3 * Col 4)
<b>GROSS PLANT IN SERVICE (Note AA)</b>					
1	Production	IV.6.e	139,265,571	NA	
2	Transmission	IV.7.e	71,639,800	TP 0.98123	70,294,999
3	Distribution	IV.8.e	150,050,373	NA	
4	General & Intangible	IV.9.e & IV.1.e	51,292,156	W/S 0.08888	4,558,939
5	Common		0	CE 0.08888	0
6	TOTAL GROSS PLANT (sum lines 1-5)		412,247,900	GP= 18.158%	74,853,939
<b>ACCUMULATED DEPRECIATION (Note AA)</b>					
7	Production		89,684,585	NA	
8	Transmission		15,312,763	TP 0.98123	15,025,316
9	Distribution		73,978,462	NA	
10	General & Intangible		34,132,055	W/S 0.08888	3,033,719
11	Common		0	CE 0.08888	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		213,107,865		18,059,035
<b>NET PLANT IN SERVICE</b>					
13	Production	(line 1 - line 7)	49,580,986		
14	Transmission	(line 2 - line 8)	56,327,037		55,269,683
15	Distribution	(line 3 - line 9)	76,071,911		
16	General & Intangible	(line 4 - line 10)	17,160,101		1,525,221
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		199,140,035	NP= 28.520%	56,794,904
<b>ADJUSTMENTS TO RATE BASE (Note F)</b>					
19	Account No. 281 (enter negative)		0	zero	0
20	Account No. 282 (enter negative)		0	NP 0.28520	0
21	Account No. 283 (enter negative)		0	NP 0.28520	0
22	Account No. 190		0	NP 0.28520	0
23	Account No. 255 (enter negative)		0	NP 0.28520	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE	IV.12.e (Note G)	0	TP 0.98123	0
<b>WORKING CAPITAL (Note H)</b>					
26	CWC		1,778,075		363,306
27	Materials & Supplies	(Note G)	424,615	TE 0.95147	404,007
28	Prepayments	II.20.b	760,062	GP 0.18158	138,008
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		2,962,752		905,321
30	RATE BASE (sum lines 18, 24, 25, and 29)		202,102,787		57,700,225

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/18

Line No.	(1)	(2) EIA 412 Reference	Rochester Public Utilities		(5) Transmission (Col 3 * Col 4)
			(3) Company Total	(4) Allocator	
	O&M (Note BB)				
1	Transmission	VII.8.d	8,961,200	TE 0.95147	8,526,285
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		1,100	1.00000	1,100
2	Less Account 565		7,997,200	TE 0.95147	7,609,071
3	A&G	VII.13.d	13,333,200	W/S 0.08888	1,185,079
4	Less FERC Annual Fees		0	W/S 0.08888	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		1,012,400	W/S 0.08888	89,984
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		940,900	TE 0.95147	895,235
6	Common		0	CE 0.08888	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)		14,224,600		2,906,444
	DEPRECIATION AND AMORTIZATION EXPENSE (Note AA)				
9	Transmission		1,786,103	TP 0.98123	1,752,575
10	General & Intangible		2,927,788	W/S 0.08888	260,227
11	Common		0	CE 0.08888	0
12	TOTAL DEPRECIATION (sum lines 9 - 11)		4,713,891		2,012,802
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll		1,002,000	W/S 0.08888	89,060
14	Highway and vehicle		0	W/S 0.08888	0
	PLANT RELATED				
16	Property		0	GP 0.18158	0
17	Gross Receipts		0	NA zero	0
18	Other		0	GP 0.18158	0
19	Payments in lieu of taxes		8,780,500	GP 0.18158	1,594,320
20	TOTAL OTHER TAXES (sum lines 13 - 19)		9,782,500		1,683,379
	INCOME TAXES (Note K)				
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		0.00%	NA	
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 0.28520	0
27	Total Income Taxes (line 25 + line 26)		0		0
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]		13,664,337	NA	3,901,160
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		42,385,328		10,503,786
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]		3,807,890		3,807,890
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]		0		0
31	REVENUE REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		38,577,438		6,695,896

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing EIA Form 412 Data  
Rochester Public Utilities

For the 12 months ended 12/31/18

Line No.	<b>SUPPORTING CALCULATIONS AND NOTES</b>				
<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>					
1	Total transmission plant (page 2, line 2, column 3)			71,639,800	
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)			70,294,999	
5	Percentage of transmission plant included in ISO Rates (line 4/line 1)		TP=	0.98123	
<b>TRANSMISSION EXPENSES</b>					
6	Total transmission expenses (page 3, line 1, column 3)			8,961,200	
7	Less transmission expenses included in OATT Ancillary Services (Note L)			271,800	
8	Included transmission expenses (line 6 - line 7)			8,689,400	
9	Percentage of transmission expenses after adjustment (line 8 /line 6)			0.96967	
10	Percentage of transmission plant included in ISO Rates (line 5)		TP	0.98123	
11	Percentage of transmission expenses included in ISO Rates (line 9 * line 10)		TE=	0.95147	
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</b>					
		\$	TP	Allocation	
12	Production	671,830	0.00	0	
13	Transmission	645,770	0.98	633,648	
14	Distribution	4,024,719	0.00	0	
15	Other	1,786,787	0.00	0	
16	Total (sum lines 12-15)	7,129,106		633,648 = 0.08888 = W/S	
<b>COMMON PLANT ALLOCATOR (CE) (Note O)</b>					
		\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
17	Electric	412,247,900			
18	Gas	0	1.00000 *	0.08888 =	0.08888
19	Water	0			
20	Total (sum lines 17-19)	412,247,900			
<b>RETURN (R)</b>					
		\$			
21	Long Term Interest	\$8,989,298			
		\$	%	Cost (Note P)	Weighted
22	Long Term Debt	207,971,463	62%	4.32%	0.0270 =WCLTD
23	Proprietary Capital	124,955,130	38%	10.82%	0.0406
24	Total (sum lines 22, 23)	332,926,593	100%		0.0676 =R
25				Proprietary Capital Cost Rate =	10.32%
25a				RTO Membership Incentive Adder =	0.50%
26				TIER =	1.56
<b>REVENUE CREDITS</b>					
<b>ACCOUNT 447 (SALES FOR RESALE)</b>					
				Load	
27	a. Bundled Non-RQ Sales for Resale		(Note Q)	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	
<b>ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)</b>					
31	a. Transmission charges for all transmission transactions			\$5,000,000	
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)			\$3,567,000	
32b	d. Transmission charges from Schedules associated with Attachment MM (Note Z)			\$0	
33	Total of (a)-(b)-(c)-(d)			\$920,000	

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing EIA Form 412 Data  
Rochester Public Utilities

For the 12 months ended 12/31/18

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).
	Inputs Required: FIT = 0.00%
	SIT = 0.00% (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 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). <del>ROE will be supported in the original filing</del> The allowed base ROE shall be approved by FERC and no change in ROE may be made absent a filing at 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.
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	Calculate using 13 month average balances. Balances for Transmission Gross Plant, Accumulated Depreciation, and Depreciation Expense are reduced for CIAC amounts.

Line No.	FERC Account Number (A)	Description (B)	Actual Accrual Rates (C) %
<b><u>Transmission Plant</u></b>			
1	350	Land and land rights	-
2	352	Structures and improvements	2.857
3	353	Station Equipment	2.857
4	355	Poles and fixtures	2.857
5	356	Overhead conductors and devices	2.857
<b><u>General and Intangible Plant</u></b>			
6	389	Land and land rights	-
7	390	Structures and improvements - Lighting and surveillance	10.000
8	390	Structures and improvements	5.000
9	390	Structures and improvements - Service center	2.000
10	391	Office furniture and equipment	10.000
11	391	Office furniture and equipment - SAP and phones	10.000
12	391	Office furniture and equip. - Backup battery system	5.000
13	392	Transportation Equipment - Small	20.000
14	392	Transportation Equipment - Large	10.000
15	393	Stores Equipment	10.000
16	394	Tools, shop and garage equipment - Meter tester	14.286
17	394	Tools, shop and garage equipment	10.000
18	395	Laboratory equipment	10.000
19	396	Power operated equipment	10.000
20	397	Communication equipment - Mobile collector	10.000
21	397	Communication equipment - General	6.667
22	397	Communication equipment - Fiber optic cable	5.000
23	397	Communication equipment - Conduit for fiber optic cable	2.857
24	398	Miscellaneous equipment	10.000
25	398	Miscellaneous equipment - UPS system	6.667