Dear Secretary Bose:

In compliance with the Commission’s September 8, 2014 order in this proceeding,\textsuperscript{1} American Transmission Systems, Incorporated (“ATSI”) submits this filing, which includes revisions to ATSI’s transmission formula rate set forth in the PJM Open Access Transmission Tariff (“PJM Tariff”).\textsuperscript{2} ATSI has revised its formula rate to remove all provisions that implemented the voltage-differentiated rate design that was found unjust and unreasonable in Opinion No. 533. As directed by the Commission in Opinion No. 533, the revised tariff records will become effective as of January 1, 2015.\textsuperscript{3}

I. Background

On July 18, 2011, Buckeye Power, Inc. filed a complaint pursuant to sections 206 and 306 of the Federal Power Act\textsuperscript{4} alleging that the ATSI voltage-differentiated rates for transmission service in the ATSI Zone of PJM are unjust, unreasonable, unduly


\textsuperscript{2} Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. (“PJM”) on behalf of ATSI as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, ATSI has requested PJM submit this Tariff revision in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

\textsuperscript{3} Opinion No. 533, P 100 and Ordering Paragraph (C).

\textsuperscript{4} 16 U.S.C. §§ 824e(a) and 825e (2012).
discriminatory, or preferential, and should be replaced with a rolled-in rate reflecting the cost of all ATSI transmission facilities, regardless of voltage.

On October 20, 2011, the Commission established hearing and settlement judge procedures. The settlement procedures were not successful and a hearing was held. On January 11, 2013, the presiding Administrative Law Judge (“ALJ”) issued an Initial Decision on the complaint finding that ATSI’s existing voltage-differentiated rates for transmission service in the ATSI transmission zone of PJM had become unjust, unreasonable, unduly discriminatory, or preferential. The ALJ also found that a single rolled-in rate reflecting the cost of all ATSI transmission facilities, without voltage differentiation, was a just and reasonable, and not unduly discriminatory or preferential alternative rate.

II. Opinion No. 533

In Opinion No. 533, the Commission affirmed the Initial Decision, found the voltage-differentiated rate design to be unjust, unreasonable, and unduly discriminatory and preferential, and directed ATSI to replace it with a rolled-in rate design, undifferentiated by voltage, effective as of January 1, 2015. It directed ATSI to submit, within 30 days of the date of the order, a compliance filing with tariff revisions to the PJM Tariff implementing a rolled-in rate design.

III. Compliance Filing

As ordered by the Commission, ATSI is submitting modifications to its transmission formula rate set forth in Attachment H-21 of the PJM Tariff. These modifications eliminate provisions of the formula rate that implemented the voltage-differentiated rate design, and establish a rolled-in rate reflecting the cost of all ATSI transmission facilities, regardless of voltage.

To implement the Commission’s ruling, ATSI has made the following modifications to its formula transmission rate:

1. ATSI has modified the introductory section to Attachment H-21 of the PJM Tariff by deleting paragraph 2 (concerning the application of the voltage-differentiated rate design), and removing references to that paragraph;

2. ATSI has modified the formula rate itself, which is set forth in Attachment H-21A, by removing lines, columns, references and notes that distinguish between the costs

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7 Opinion No. 533 at PP 2, 99 & 100.
8 Id. at P 100.
of 138 kV and above facilities and the costs of lower voltage transmission facilities and otherwise implement the voltage-differentiated rate design; and

(3) ATSI has deleted Attachment H-21A, Appendix B, which was an illustration and example of the calculation of billing factors used to calculate transmission charges under the voltage-differentiated rate design.

With these modifications, ATSI’s formula transmission rate establishes a rolled-in rate reflecting the cost of all ATSI transmission facilities, regardless of voltage, as Opinion No. 533 requires.

ATSI has also modified paragraphs 6 and 7 of the introductory section to Attachment H-21 to address an administrative oversight that occurred in ATSI’s June 30, 2011 compliance filing in Docket Nos. ER11-2814, et al. In that proceeding, the Commission ordered ATSI to remove certain costs from ATSI’s transmission rates, including the costs of legacy MTEP projects, MISO exit fee costs and costs billed by PJM to ATSI in connection with ATSI’s integration into PJM.9 On June 30, 2011, ATSI submitted a compliance filing in that proceeding, removing these costs from ATSI’s formula rate. However, due to an administrative oversight, ATSI failed to make corresponding modifications to the introductory section to the formula rate. ATSI is correcting this oversight in this filing by modifying paragraph 6 to remove references to the recovery of legacy MTEP costs and deleting paragraph 7, which concerns the recovery of MISO exit fee costs and PJM-billed costs, as well as the reference to paragraph 7 in paragraph 2. These revisions comply with the Commission’s order in Docket Nos. ER11-2814, et al.10

In addition to this transmittal letter, ATSI submits the following attachments to ensure that the tariff records in the eTariff database reflect the revisions required by Opinion No. 533.

Attachment A:

Marked PJM Tariff sheets showing modifications required by the Commission in Opinion No. 533; and

Attachment B:

Clean PJM Tariff sheets to become effective January 1, 2015 as required by the Commission in Opinion No. 533

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10 Because ATSI correctly modified the formula rate in compliance with the Commission’s order, ATSI has never recovered any of these costs in its transmission rates.
IV. Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. ATSI also has served a copy of this filing on the parties listed on the Commission’s official service list for Docket No. EL11-54. In accordance with the Commission’s regulations, PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the FERC’s eLibrary website located at the following link: http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission’s regulations and Order No. 714.

V. Conclusion

ATSI requests that the Commission accept this filing as complying with the directives in Opinion No. 533 to revise the PJM Tariff. Please contact the undersigned with any questions regarding this matter.

Respectfully submitted,

/s/ Kenneth G. Jaffe

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P. Nikhil Rao
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richard.sparling@alston.com

Attorneys for American Transmission Systems, Incorporated

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11 See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3) (2014).

12 PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.
Attachment A

PJM Open Access Transmission Tariff
Attachments:  H-21
             H-21A
             H-21A Appendix B

Marked Version / Redline

Marked PJM Tariff sheets showing modifications required by the Commission in Opinion No. 533
ATTACHMENT H-21
Annual Transmission Rates -- American Transmission Systems, Incorporated
for Network Integration Transmission Service

1. The Annual Transmission Revenue Requirements (“ATRR”) and the rates for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-21A, and will be posted on the PJM website. The ATRR and the rates reflect the cost of providing transmission service over the 69 kV and higher transmission facilities of American Transmission Systems, Inc. (“ATSI”), as specified in paragraphs 2, 6, and 7. Service utilizing other ATSI facilities will be provided at rates determined on a case-by-case basis and stated in service agreements with affected customers.

2. [RESERVED] Network Customers with load in the ATSI Zone shall pay rates differentiated by voltage level. Network Customers with load in the ATSI Zone shall pay the 138 kV and above transmission service rate. Network Customers with load in the ATSI Zone shall also pay the below 138 kV transmission service rate for their load that is served or deemed to be served by transmission facilities below 138 kV. In order to conduct settlements for transmission service in the ATSI Zone, the procedures outlined below will apply. An example calculation is provided in Attachment H-21A, Appendix B.

a. The Network Load for purposes of assessing the transmission service rate for transmission facilities at 138 kV and above for a Network Customer shall be equal to 100% of the Network Customer’s Network Load.

b. The Network Load for purposes of assessing the transmission service rate for transmission facilities below 138 kV for a Network Customer, other than retail choice providers and providers of last resort (“POLR”), shall be based on metered data adjusted for losses.

c. For retail choice providers and POLR, the Network Customer’s Network Load utilizing transmission facilities below 138 kV shall be the Network Customer’s monthly Network Load deemed to be utilizing transmission facilities below 138 kV in each state-approved service territory. A Network Customer’s Network Load deemed to be utilizing transmission facilities below 138 kV service in each state-approved service territory shall be the Network Customer’s percentage of the Network Load in such service territory multiplied by the total load deemed to be utilizing transmission facilities below 138 kV in such service territory, adjusted for specifically metered load.

d. The percentage of load in each state-approved service territory that is deemed to be utilizing transmission facilities below 138 kV shall be determined annually pursuant to an ATSI load flow analysis.

e. For ease in determining the amount of load deemed to be utilizing transmission facilities below 138 kV for each state-approved territory, billing factors for each territory shall be calculated annually, and communicated to customers prior to each rate year (June 1—May 31). Billing factors for specifically metered customers shall
be communicated confidentially. Billing factors for remaining customers shall be posted to the PJM website. An example calculation of the billing factors is provided in Attachment H-21A, Appendix B.

3. Within the ATSI Zone, a Network Customer’s peak load shall be adjusted to include transmission loss percentages for 69 kV and above facilities applied to the measured load, as well as any distribution losses as reflected in applicable state tariffs and/or service agreements that contain specific distribution loss factors for the Network Customer. The transmission loss percentage for load served utilizing 138 kV and above facilities shall be 1.486 percent, and the transmission loss percentage for load served utilizing both 138 kV and above transmission facilities and 69 kV transmission facilities shall be 2.786 percent.

4. The rate and revenue requirement in this attachment shall be effective until amended by ATSI or modified by the Commission.

5. In addition to the rate set forth in paragraphs 1 and 2 above, a Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse ATSI for applicable sales, excise, “Btu,” carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

6. Network Customers within the ATSI Zone shall be charged or credited, as appropriate, for recovery of legacy MTEP costs, and for recovery of costs associated with Regional Transmission Expansion Plan (“RTEP”) projects under the formula rate provided in Attachment H-21A.

7. [RESERVED] Network Customers within the ATSI Zone shall be charged for recovery of costs associated with exit fees from the Midwest ISO, and PJM costs billed to ATSI as part of the migration from the Midwest ISO to PJM under the formula rate provided in Attachment H-21A.
### Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Allocated NPA</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GROSS REVENUE REQUIREMENT (page 3, line 29, col 5)</td>
<td></td>
<td>0.000000</td>
</tr>
<tr>
<td></td>
<td>GROSS REVENUE REQUIREMENT BELOW 138 KV (line 2-3.5)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Account No. 454 (page 4, line 34)</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>3</td>
<td>Account No. 456 (page 4, line 35)</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>4a</td>
<td>Revenues from Grandfathered Intercross Transactions (Revenues from service provided by the ISO at a discount)</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>5a</td>
<td>Legacy MTEP Credit (Appendix E, page 2, line 3, col. 12)</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>5b</td>
<td>Reserved</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>5c</td>
<td>Reserved</td>
<td>0</td>
<td>TP</td>
</tr>
<tr>
<td>5d</td>
<td>Transmission Enhancement Credit (Appendix D, page 2, line 2, col. 10)</td>
<td>0</td>
<td>TP</td>
</tr>
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TOTAL REVENUE CREDITS (sum lines 2-5d) $ - $ $ - $

NET revenue REQUIREMENT (line 1 minus line 6) $ - $ $ - $

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<th>DIVISOR</th>
<th>Total</th>
<th>Value</th>
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<tbody>
<tr>
<td>1 Coincident Peak (CP) (MW)</td>
<td>(Note A)</td>
<td>$</td>
</tr>
<tr>
<td>Average 12 CPs (MW)</td>
<td>(Note B)</td>
<td>$</td>
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<tr>
<td>Reserves</td>
<td></td>
<td>$</td>
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### Peak Rate

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<tr>
<th>Line</th>
<th>Description</th>
<th>Below 138 KV</th>
<th>138 KV and Above All Voltages</th>
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<tbody>
<tr>
<td>17a</td>
<td>Point-To-Point Rate (S/MW/Year)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>17b</td>
<td>Point-To-Point Rate (S/MW/Week)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>18</td>
<td>Point-To-Point Rate (S/MW/Month)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>19</td>
<td>Point-To-Point Rate (S/MW/Day)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>20</td>
<td>Point-To-Point Rate (S/MWs)</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
American Transmission Systems, Inc.

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<th>No.</th>
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<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
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<td></td>
<td>Page, Line, Col.</td>
<td></td>
<td></td>
</tr>
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<td>GROSS PLANT IN SERVICE</td>
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<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>Transmission</td>
<td>207.58.g</td>
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<td>NA</td>
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<tr>
<td>3</td>
<td>Distribution</td>
<td>207.75.g</td>
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</tr>
<tr>
<td>4</td>
<td>General &amp; Intangible</td>
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<td>NA</td>
</tr>
<tr>
<td>5</td>
<td>Common</td>
<td>356.1</td>
<td>0</td>
<td>CE</td>
</tr>
<tr>
<td>6</td>
<td>TOTAL GROSS PLANT (sum lines 1-5)</td>
<td>0</td>
<td>GP=</td>
<td>0.000%</td>
</tr>
<tr>
<td></td>
<td>ACCUMULATED DEPRECIATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Production</td>
<td>219.20-24.c</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>8</td>
<td>Transmission</td>
<td>219.25.c</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>9</td>
<td>Distribution</td>
<td>219.26.c</td>
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<td>NA</td>
</tr>
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<tr>
<td>11</td>
<td>Common</td>
<td>356.1</td>
<td>0</td>
<td>CE</td>
</tr>
<tr>
<td>12</td>
<td>TOTAL ACCUM. DEPRECIATION (sum lines 7-11)</td>
<td>0</td>
<td>GP=</td>
<td>0.000%</td>
</tr>
<tr>
<td></td>
<td>NET PLANT IN SERVICE</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Production</td>
<td>(line 1- line 7)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Transmission</td>
<td>(line 2- line 8)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Distribution</td>
<td>(line 3 - line 9)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>General &amp; Intangible</td>
<td>(line 4 - line 10)</td>
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<td></td>
</tr>
<tr>
<td>17</td>
<td>Common</td>
<td>(line 5 - line 11)</td>
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<td></td>
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<tr>
<td>18</td>
<td>TOTAL NET PLANT (sum lines 13-17)</td>
<td>0</td>
<td>NP=</td>
<td>0.000%</td>
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<tr>
<td>19</td>
<td>Percentage of below 138 KV transmission plant (line 14, col 6 divided by col 5)</td>
<td>NPA</td>
<td></td>
<td>0.000000%</td>
</tr>
<tr>
<td></td>
<td>ADJUSTMENTS TO RATE BASE (Note F)</td>
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<td></td>
</tr>
<tr>
<td>19</td>
<td>Account No. 281 (enter negative)</td>
<td>273.8.k</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>20</td>
<td>Account No. 282 (enter negative)</td>
<td>275.2.k</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>21</td>
<td>Account No. 283 (enter negative)</td>
<td>277.9.k</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>22</td>
<td>Account No. 190</td>
<td>234.8.c</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>23</td>
<td>Account No. 255 (enter negative)</td>
<td>267.8.h</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>24</td>
<td>TOTAL ADJUSTMENTS (sum lines 19- 23)</td>
<td>0</td>
<td>GP=</td>
<td>0</td>
</tr>
<tr>
<td>25</td>
<td>LAND HELD FOR FUTURE USE</td>
<td>214.x.d</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>CWC</td>
<td>calculated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Materials &amp; Supplies (Note G)</td>
<td>227.8.c &amp; .16.c</td>
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<tr>
<td>28</td>
<td>Prepayments (Account 165)</td>
<td>111.57.c</td>
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<tr>
<td>29</td>
<td>TOTAL WORKING CAPITAL (sum lines 26 - 28)</td>
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<td>TE</td>
<td>0.00000</td>
</tr>
<tr>
<td>30</td>
<td>RATE BASE (sum lines 18, 24, 25, &amp; 29)</td>
<td>0</td>
<td>GP=</td>
<td>0.00000</td>
</tr>
</tbody>
</table>

For the 12 months ended 12/31/
## Formula Rate - Non-Levelized

### Rate Formula Template

Utilizing FERC Form 1 Data

American Transmission Systems, Inc.

### For the 12 months ended 12/31/

#### Attachment H-21A

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Form No. 1 Page, Line, Col.</th>
<th>Company Total</th>
<th>Allocator (Col 3 times Col 4)</th>
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</thead>
<tbody>
<tr>
<td>O&amp;M O&amp;M</td>
<td>Transmission 321.112.b</td>
<td>TE 0.00000</td>
<td>0</td>
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<tr>
<td>1a</td>
<td>Less LSE Expenses Included in Transmission O&amp;M Accounts (Note W) 321.96.b</td>
<td>1.00000</td>
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</tr>
<tr>
<td>2a</td>
<td>Less Deferred Internal Integration Costs (Note C) 323.197.b</td>
<td>TE 0.00000</td>
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</tr>
<tr>
<td>3</td>
<td>Less FERC Annual Fees 0 W/S 0.00000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Less EPRI &amp; Reg. Comm. Exp. &amp; Non-safety Ad. (Note I) 0 W/S 0.00000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5a</td>
<td>Plus Transmission Related Reg. Comm. Exp. (Note I) 356.1</td>
<td>TE 0.00000</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Common 0 CE 0.00000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Transmission Lease Payments 0</td>
<td>1.00000</td>
<td>0</td>
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<tr>
<td>8</td>
<td>TOTAL O&amp;M (sum lines 1, 3a, 5a, 6, 7 less 1, 2, 4, 5) 0</td>
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<td>0</td>
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</table>

#### Depreciation and Amortization Expense

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<tr>
<th>Line No.</th>
<th>Form No. 1 Page, Line, Col.</th>
<th>Company Total</th>
<th>Allocator (Col 3 times Col 4)</th>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>Transmission 336.7.b</td>
<td>TP 0.00000</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>General &amp; Intangible 336.1.f &amp; 336.10.f W/S 0.00000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Common 336.11.b</td>
<td>W/S 0.00000</td>
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</tr>
<tr>
<td>12</td>
<td>TOTAL DEPRECIATION (sum lines 9 - 11) 0</td>
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</table>

#### Taxes Other Than Income Taxes (Note J)

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<tr>
<th>Line No.</th>
<th>Form No. 1 Page, Line, Col.</th>
<th>Company Total</th>
<th>Allocator (Col 3 times Col 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Payroll 263.i</td>
<td>W/S 0.00000</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Highway and vehicle 263.i</td>
<td>W/S 0.00000</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>PLANT RELATED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Property 263.i</td>
<td>GP 0.00000</td>
<td>0</td>
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<tr>
<td>17</td>
<td>Gross Receipts 263.i</td>
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<td>18</td>
<td>Other 263.i</td>
<td>GP 0.00000</td>
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<td>19</td>
<td>Payments in lieu of taxes 0 GP 0.00000</td>
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</table>

#### Income Taxes (Note K)

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<tr>
<th>Line No.</th>
<th>Form No. 1 Page, Line, Col.</th>
<th>Company Total</th>
<th>Allocator (Col 3 times Col 4)</th>
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<tr>
<td>21</td>
<td>T=1 - [[[1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)] = 0.00%</td>
<td></td>
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<tr>
<td>22</td>
<td>CIT= (1/1-T) * (1-WCLTD/R) = 0.00%</td>
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<tr>
<td>23</td>
<td>1 / (1 - T) = (from line 21) 0.0000</td>
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<td>24</td>
<td>Amortized Investment Tax Credit (266.8) (enter negative)</td>
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<td>25</td>
<td>Income Tax Calculation = line 22 * line 28 0 NA</td>
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<td>26</td>
<td>ITC adjustment (line 23 * line 24) 0 NP 0</td>
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<td>27</td>
<td>Total Income Taxes (line 25 plus line 26) 0</td>
<td>0</td>
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<td>28</td>
<td>RETURN 0 NA</td>
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<td>29</td>
<td>GROSS REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)</td>
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### SUPPORTING CALCULATIONS AND NOTES

<table>
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<th>(3)</th>
<th>(4)</th>
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<td>5</td>
<td>Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)</td>
<td>TP=</td>
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<td>TRANSMISSION EXPENSES</td>
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<td>Total transmission expenses (page 3, line 1, column 3)</td>
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<td>Percentage of transmission expenses after adjustment (line 8 divided by line 6)</td>
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<td>Percentage of transmission expenses included in ISO Rates (line 9 times line 10)</td>
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<td>0</td>
<td>0</td>
<td>0.00000</td>
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<td>Long Term Interest (117, sum of 62c through 67c)</td>
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<td>Preferred Dividends (118.29c) (positive number)</td>
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<td>Development of Common Stock:</td>
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<td>26</td>
<td>Proprietary Capital (112.16c)</td>
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<td>Less Account 216.1 (112.12c) (enter negative)</td>
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<td>Common Stock (sum lines 23-25)</td>
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<td>REVENUE CREDITS</td>
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<td>ACCOUNT 447 (SALES FOR RESALE)</td>
<td>(310-311)</td>
<td>(Note Q)</td>
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<td>a. Bundled Non-RQ Sales for Resale (311.x.h)</td>
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<td>33</td>
<td>b. Bundled Sales for Resale included in Divisor on page 1</td>
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<td>34</td>
<td>Total of (a)-(b)</td>
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<td>ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)</td>
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<td>ACCOUNT 456 (OTHER ELECTRIC REVENUES) (Note V)</td>
<td>(330.x.n)</td>
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</table>
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized Rate Formula Template

American Transmission Systems, Inc.

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)

Letter

A As provided by PJM and in effect at the time of the annual rate calculations pursuant to Section 34.1 of the PJM OATT. The percentage of load served below 138 kV for the ATSI zone shall be updated annually in accordance with the settlement agreement in Docket No. EB05-785.
B Peak as would be reported on page 401, column d of Form 1 at the time of the zonal peak for the twelve month period ending October 31 of the calendar year used to calculate rates. The percentage of load served below 336 kV for the ATSI zone shall be updated annually in accordance with the settlement agreement in Docket No. EB05-785.
C Amount shown in Exhibit No. FE-100, Page 29 of 33, for Deferred Internal Integration Costs.
D Reserved
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 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 Page 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).

\[
\text{Required: } \quad \text{FIT} = \frac{\text{SIT}}{(1-p)}
\]

Required: 
\[
\text{FIT} = \frac{\text{SIT}}{(1-p)}
\]

(State Income Tax Rate or Composite SIT) 

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 - 561.3, 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 absent 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 Reserved
T The revenues credited on page 1, lines 2-4b 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, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.

U Gross plant and depreciation reserve balances for facilities below 138 kV are reported in a footnote to the FERC Form 1 page. Reserved
V On Line 35, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects. Include revenues and revenue adjustments associated with Docket EL02-111, and revenue credit adjustments related to ATSI's PJM integration as supported by Appendix G.
W Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
X Reserved
Y Reserved
Z Reserved
Dual Voltage Billing Factors Calculation Example
(Current Dual Voltage Billing factors and Rates are posted on PJM.com on the MSWG page)

Assumptions:
Total Annual Peak Load for ATSI Zone = 12,000 MW, with the breakdown of the peak within each state approved service territory below:

<table>
<thead>
<tr>
<th>Service Territory</th>
<th>Load (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEI</td>
<td>4,100</td>
</tr>
<tr>
<td>OE</td>
<td>5,000</td>
</tr>
<tr>
<td>PP</td>
<td>900</td>
</tr>
<tr>
<td>TE</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Based on engineering studies, the percentage of ATSI’s total annual peak load deemed to be utilizing transmission facilities below 138 kV is 34%, with 0% in CEI’s territory, 22% in OE’s territory, 5% in PennPower’s territory, and 7% in TE’s territory.

Two municipal/rural customers have loads metered at each interconnection point.

Customers A and B’s peak loads for each of the 3 service territories having transmission facilities below 138 kV facilities are provided below:

<table>
<thead>
<tr>
<th>Service Territory</th>
<th>Total Metered Load</th>
<th>OE</th>
<th>TE</th>
<th>PP</th>
</tr>
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<tr>
<td>Customer A</td>
<td></td>
<td>50</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Metered load at locations served below 138 kV</td>
<td>40</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Customer B</td>
<td></td>
<td>20</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Metered load at locations served below 138 kV</td>
<td>15</td>
<td>10</td>
<td>-</td>
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Transmission Rates

<table>
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<th>Voltage Range</th>
<th>Rate</th>
<th>MW-month</th>
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<tr>
<td>138 kV and above</td>
<td>$1,000</td>
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</tr>
<tr>
<td>Below 138 kV</td>
<td>$1,200</td>
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</table>

[Reserved]
Dual Voltage Billing Factors Calculation Example
(Current Dual Voltage Billing factors and Rates are posted on PJM.com)

(1) = (2)/((3))

<table>
<thead>
<tr>
<th>NPLS-Peak</th>
<th>NPLS-Billing</th>
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<tbody>
<tr>
<td>12,000</td>
<td>4,080</td>
</tr>
<tr>
<td>34.00%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total For ATSI Zone</th>
<th>-</th>
<th>12,000</th>
<th>4,080</th>
<th>-</th>
<th>34.00%</th>
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<tbody>
<tr>
<td><strong>Cleveland Electric Illuminating (CEI)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>CEI Total</td>
<td>-</td>
<td>4,100</td>
<td>0</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>CEI Wholesale, Retail, POLR, Load Suppliers</td>
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<td>4,100</td>
<td>0</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td></td>
<td>OE Edison (OE)</td>
<td>Toledo Edison (TE)</td>
<td>Pennsylvania Power (PP)</td>
<td></td>
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</tr>
<tr>
<td>-------------------------</td>
<td>---------------</td>
<td>-------------------</td>
<td>------------------------</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>OE Total</td>
<td>TOE Total</td>
<td>PP Total</td>
<td></td>
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<td></td>
<td>5,000</td>
<td>42.00%</td>
<td>66.67%</td>
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<td>Specifically Metered Wholesale Load</td>
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<td>52.80%</td>
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<td></td>
<td>80.00%</td>
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</tr>
<tr>
<td>Customer B</td>
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<td>75.00%</td>
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<td>OE Retail, POLR Load Suppliers</td>
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<tr>
<td>TE Retail, POLR Load Suppliers</td>
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<td></td>
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<td>TE Retail, POLR Load Suppliers</td>
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<td>40.97%</td>
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<td>TE Retail, POLR Load Suppliers</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pennsylvania Power (PP)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>-</td>
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<td></td>
<td>-</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer A</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer B</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PP Retail, POLR Load Suppliers</td>
<td>590</td>
<td>66.29%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Calculation of Monthly Transmission Bill Based Using the Dual Voltage Rates

Example: For a Transmission Customer serving 100 MW of retail load in Ohio Edison (OE) territory:

1) Multiply the Customer's Daily Average NPLS by the '138 kV and Above Rate' to get the 138 kV and above portion of the bill.

\[
100 \text{ MW} \times 1,000 = 100,000
\]

2) Multiply the Daily Average NPLS by the Billing Factor for OE Retail Load, then multiply the resultant product by the 'Below 138 kV Rate'.

\[
52 \text{ MW} \times 1,200 = 62,400
\]

3) Add the results of step 1 and 2 to get the total NITS charges.

\[
100,000 + 62,400 = 162,400
\]
Attachment B

PJM Open Access Transmission Tariff
Attachments:  H-21
              H-21A
              H-21A Appendix B

Clean Version

PJM Tariff sheets to become effective January 1, 2015
as required by the Commission in Opinion No. 533
ATTACHMENT H-21
Annual Transmission Rates -- American Transmission Systems, Incorporated
for Network Integration Transmission Service

1. The Annual Transmission Revenue Requirements (“ATRR”) and the rates for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-21A, and will be posted on the PJM website. The ATRR and the rates reflect the cost of providing transmission service over the 69 kV and higher transmission facilities of American Transmission Systems, Inc. (“ATSI”), as specified in paragraph 6. Service utilizing other ATSI facilities will be provided at rates determined on a case-by-case basis and stated in service agreements with affected customers.

2. [RESERVED]

3. Within the ATSI Zone, a Network Customer’s peak load shall be adjusted to include transmission loss percentages for 69 kV and above facilities applied to the measured load, as well as any distribution losses as reflected in applicable state tariffs and/or service agreements that contain specific distribution loss factors for the Network Customer. The transmission loss percentage for load served utilizing 138 kV and above facilities shall be 1.486 percent, and the transmission loss percentage for load served utilizing both 138 kV and above transmission facilities and 69 kV transmission facilities shall be 2.786 percent.

4. The rate and revenue requirement in this attachment shall be effective until amended by ATSI or modified by the Commission.

5. In addition to the rate set forth in paragraph 1 above, a Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse ATSI for applicable sales, excise, “Btu,” carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

6. Network Customers within the ATSI Zone shall be credited for recovery of costs associated with Regional Transmission Expansion Plan (“RTEP”) projects under the formula rate provided in Attachment H-21A.

7. [RESERVED]
# Attachment H-21A

For the 12 months ended 12/31/

**American Transmission Systems, Inc.**

## Formula Rate - Non-Levelized Rate Formula Template

Utilizing FERC Form 1 Data

### Line No. Allocated Amount

1. **GROSS REVENUE REQUIREMENT** (page 3, line 29, col 5) $ -

### REVENUE CREDITS

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Account No. 454 (page 4, line 34)</td>
<td>0</td>
<td>TP 0.00000</td>
</tr>
<tr>
<td>3</td>
<td>Account No. 456 (page 4, line 35)</td>
<td>0</td>
<td>TP 0.00000</td>
</tr>
<tr>
<td>4a</td>
<td>Revenues from Grandfathered Interzonal Transactions</td>
<td>0</td>
<td>TP 0.00000</td>
</tr>
<tr>
<td>4b</td>
<td>Revenues from service provided by the ISO at a discount</td>
<td>0</td>
<td>TP 0.00000</td>
</tr>
<tr>
<td>5a</td>
<td>Legacy MTEP Credit (Appendix E, page 2, line 3, col. 12)</td>
<td>0</td>
<td>TP 1.00000</td>
</tr>
<tr>
<td>5b</td>
<td>Reserved</td>
<td>0</td>
<td>TP 1.00000</td>
</tr>
<tr>
<td>5c</td>
<td>Reserved</td>
<td>0</td>
<td>TP 1.00000</td>
</tr>
<tr>
<td>5d</td>
<td>Transmission Enhancement Credit (Appendix D, page 2, line 2, col. 10)</td>
<td>0</td>
<td>TP 1.00000</td>
</tr>
<tr>
<td>6</td>
<td>TOTAL REVENUE CREDITS (sum lines 2-5d)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>7</td>
<td>NET REVENUE REQUIREMENT (line 1 minus line 6)</td>
<td></td>
<td>$ -</td>
</tr>
</tbody>
</table>

### DIVISOR

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Coincident Peak (CP) (MW) (Note A)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Average 12 CPs (MW) (Note B)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Reserved</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Reserved</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>Reserved</td>
<td>0</td>
</tr>
<tr>
<td>13</td>
<td>Reserved</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Reserved</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>Reserved</td>
<td></td>
</tr>
</tbody>
</table>

### Annual Network Rate ($/MW/Yr)

| (line 7 / line 8) | $ - |

### Point-To-Point Rate ($/MW/Year)

<table>
<thead>
<tr>
<th>All Voltages</th>
<th>Peak Rate</th>
<th>Off-Peak Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(line 7 / line 9)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(line 17/12)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(line 17/52)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(line 19/5)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(line 17/4,160; line 17/8,760)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
**American Transmission Systems, Inc.**

**Formula Rate - Non-Levelized Rate Formula Template**

**Utilizing FERC Form 1 Data**

**For the 12 months ended 12/31/**

**Attachment H-21A**

**Page 2 of 5**

<table>
<thead>
<tr>
<th>No.</th>
<th>RATE BASE:</th>
<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GROSS PLANT IN SERVICE</td>
<td>Line</td>
<td>Page, Line, Col.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Production 205.46.g</td>
<td>(1)</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>Transmission 207.58.g</td>
<td>(2)</td>
<td>TP</td>
<td>0.00000</td>
</tr>
<tr>
<td>3</td>
<td>Distribution 207.75.g</td>
<td>(3)</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>General &amp; Intangible 205.5.g &amp; 207.99.g</td>
<td>(4)</td>
<td>W/S</td>
<td>0.00000</td>
</tr>
<tr>
<td>5</td>
<td>Common 356.1</td>
<td>(5)</td>
<td>0</td>
<td>CE</td>
</tr>
<tr>
<td>6</td>
<td>TOTAL GROSS PLANT (sum lines 1-5)</td>
<td>(6)</td>
<td>0</td>
<td>GP**</td>
</tr>
</tbody>
</table>

**ACCUMULATED DEPRECIATION**

<table>
<thead>
<tr>
<th>No.</th>
<th>RATE BASE:</th>
<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Production 219.20-24.c</td>
<td>(7)</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>8</td>
<td>Transmission 219.25.c</td>
<td>(8)</td>
<td>TP</td>
<td>0.00000</td>
</tr>
<tr>
<td>9</td>
<td>Distribution 219.26.c</td>
<td>(9)</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>10</td>
<td>General &amp; Intangible 200.21.c &amp; 219.28.c</td>
<td>(10)</td>
<td>W/S</td>
<td>0.00000</td>
</tr>
<tr>
<td>11</td>
<td>Common 356.1</td>
<td>(11)</td>
<td>0</td>
<td>CE</td>
</tr>
<tr>
<td>12</td>
<td>TOTAL ACCUM. DEPRECIATION (sum lines 7-11)</td>
<td>(12)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**NET PLANT IN SERVICE**

<table>
<thead>
<tr>
<th>No.</th>
<th>RATE BASE:</th>
<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Production (line 1- line 7)</td>
<td>(13)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Transmission (line 2- line 8)</td>
<td>(14)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>Distribution (line 3 - line 9)</td>
<td>(15)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16</td>
<td>General &amp; Intangible (line 4 - line 10)</td>
<td>(16)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17</td>
<td>Common (line 5 - line 11)</td>
<td>(17)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>TOTAL NET PLANT (sum lines 13-17)</td>
<td>(18)</td>
<td>0</td>
<td>NP**</td>
</tr>
</tbody>
</table>

**ADJUSTMENTS TO RATE BASE** (Note F)

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<th>RATE BASE:</th>
<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Account No. 281 (enter negative) 273.8.k</td>
<td>(19)</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>20</td>
<td>Account No. 282 (enter negative) 275.2.k</td>
<td>(20)</td>
<td>NP</td>
<td>0.00000</td>
</tr>
<tr>
<td>21</td>
<td>Account No. 283 (enter negative) 277.9.k</td>
<td>(21)</td>
<td>NP</td>
<td>0.00000</td>
</tr>
<tr>
<td>22</td>
<td>Account No. 190 234.8.c</td>
<td>(22)</td>
<td>NP</td>
<td>0.00000</td>
</tr>
<tr>
<td>23</td>
<td>Account No. 255 (enter negative) 267.8.h</td>
<td>(23)</td>
<td>0</td>
<td>NP</td>
</tr>
<tr>
<td>24</td>
<td>TOTAL ADJUSTMENTS (sum lines 19- 23)</td>
<td>(24)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>25</td>
<td>LAND HELD FOR FUTURE USE 214.x.d (Note G)</td>
<td>(25)</td>
<td>TP</td>
<td>0.00000</td>
</tr>
</tbody>
</table>

**WORKING CAPITAL** (Note H)

<table>
<thead>
<tr>
<th>No.</th>
<th>RATE BASE:</th>
<th>Form No. 1</th>
<th>Company Total</th>
<th>Allocator</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>CWC</td>
<td>calculated</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>27</td>
<td>Materials &amp; Supplies (Note G) 227.8.c &amp; .16.c</td>
<td>(27)</td>
<td>0</td>
<td>TE</td>
</tr>
<tr>
<td>28</td>
<td>Prepayments (Account 165) 111.57.c</td>
<td>(28)</td>
<td>GP</td>
<td>0.00000</td>
</tr>
<tr>
<td>29</td>
<td>TOTAL WORKING CAPITAL (sum lines 26 - 28)</td>
<td>(29)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30</td>
<td>RATE BASE (sum lines 18, 24, 25, &amp; 29)</td>
<td>(30)</td>
<td>0</td>
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</table>
### Rate Formula Template
#### Utilizing FERC Form 1 Data

**American Transmission Systems, Inc.**

<table>
<thead>
<tr>
<th>Line</th>
<th>Form No. 1</th>
<th>Page, Line, Col.</th>
<th>Company Total</th>
<th>Allocator</th>
<th>Transmission (Col 3 times Col 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>O&amp;M</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>1</td>
<td>Transmission</td>
<td>321.112.b</td>
<td>TE</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>1a</td>
<td>Less LSE Expenses Included in Transmission O&amp;M Accounts (Note W)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Less Account 565</td>
<td>321.96.b</td>
<td>TE</td>
<td>1.00000</td>
<td>0</td>
</tr>
<tr>
<td>2a</td>
<td>Less Deferred Internal Integration Costs (Note C)</td>
<td></td>
<td>TE</td>
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<td>0</td>
</tr>
<tr>
<td>3</td>
<td>A&amp;G</td>
<td>323.197.b</td>
<td>W/S</td>
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</tr>
<tr>
<td>4</td>
<td>Less FERC Annual Fees</td>
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<td>W/S</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Less EPRI &amp; Reg. Comm. Exp. &amp; Non-safety Ad. (Note I)</td>
<td></td>
<td>W/S</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>5a</td>
<td>Plus Transmission Related Reg. Comm. Exp. (Note I)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Common</td>
<td>356.1</td>
<td>CE</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Transmission Lease Payments</td>
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<td>1.00000</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>TOTAL O&amp;M (sum lines 1, 3, 5a, 6, 7 less 1a, 2, 4, 5)</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>DEPRECIATION AND AMORTIZATION EXPENSE</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Transmission</td>
<td>336.7.b</td>
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<td>0</td>
</tr>
<tr>
<td>10</td>
<td>General &amp; Intangible</td>
<td>336.1.f &amp; 336.10.f</td>
<td>W/S</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Common</td>
<td>336.11.b</td>
<td>CE</td>
<td>0.00000</td>
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</tr>
<tr>
<td>12</td>
<td>TOTAL DEPRECIATION (sum lines 9 - 11)</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TAXES OTHER THAN INCOME TAXES</strong> (Note J)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LABOR RELATED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Payroll</td>
<td>263.i</td>
<td>W/S</td>
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<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Highway and vehicle</td>
<td>263.i</td>
<td>W/S</td>
<td>0.00000</td>
<td>0</td>
</tr>
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<td><strong>PLANT RELATED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Property</td>
<td>263.i</td>
<td>GP</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>17</td>
<td>Gross Receipts</td>
<td>263.i</td>
<td>NA</td>
<td>zero</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>Other</td>
<td>263.i</td>
<td>GP</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>19</td>
<td>Payments in lieu of taxes</td>
<td></td>
<td>GP</td>
<td>0.00000</td>
<td>0</td>
</tr>
<tr>
<td>20</td>
<td>TOTAL OTHER TAXES (sum lines 13 - 19)</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>INCOME TAXES</strong> (Note K)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>$T=1 - {(1 - SIT) \times (1 - FIT)} / (1 - SIT \times FIT \times p) =$</td>
<td></td>
<td></td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>CIT=$(T/1-T) \times (1-(WCLTD/R)) = \frac{1}{1 - T}$</td>
<td></td>
<td></td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>where WCLTD=(page 4, line 27) and R= (page 4, line30) and FIT, SIT &amp; p are as given in footnote K.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Amortized Investment Tax Credit (266.8f) (enter negative)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Income Tax Calculation = line 22 * line 28</td>
<td></td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>26</td>
<td>ITC adjustment (line 23 * line 24)</td>
<td></td>
<td>0</td>
<td>NP</td>
<td>0</td>
</tr>
<tr>
<td>27</td>
<td>Total Income Taxes (line 25 plus line 26)</td>
<td></td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>28</td>
<td>RETURN</td>
<td></td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>29</td>
<td>GROSS REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28 )</td>
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<td>0</td>
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<td>0</td>
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### SUPPORTING CALCULATIONS AND NOTES

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>TRANSMISSION PLANT INCLUDED IN ISO RATES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total transmission plant (page 2, line 2, column 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>0</td>
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<tr>
<td>2</td>
<td>Less transmission plant excluded from ISO rates (Note M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td>Less transmission plant included in OATT Ancillary Services (Note N)</td>
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<tr>
<td>4</td>
<td>Transmission plant included in ISO rates (line 1 less lines 2 &amp; 3)</td>
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<td></td>
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<td></td>
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<tr>
<td>5</td>
<td>Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td>TP= 0.00000</td>
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</table>

### TRANSMISSION EXPENSES

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>TRANSMISSION EXPENSES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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</thead>
<tbody>
<tr>
<td>6</td>
<td>Total transmission expenses (page 3, line 1, column 3)</td>
<td></td>
<td></td>
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<tr>
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<td>Less transmission expenses included in OATT Ancillary Services (Note L)</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>8</td>
<td>Included transmission expenses (line 6 less line 7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>Percentage of transmission expenses after adjustment (line 8 divided by line 6)</td>
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<td></td>
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<td>TP = 0.00000</td>
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<tr>
<td>10</td>
<td>Percentage of transmission plant included in ISO Rates (line 5)</td>
<td></td>
<td></td>
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<td>TE= 0.00000</td>
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</table>

### WAGES & SALARY ALLOCATOR (W&S)

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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<tbody>
<tr>
<td>12</td>
<td>Production</td>
<td>354.20.b</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>$ 0.00</td>
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<td>13</td>
<td>Transmission</td>
<td>354.21.b</td>
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<td></td>
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<td>$ 0.00</td>
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<td>14</td>
<td>Distribution</td>
<td>354.23.b</td>
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<tr>
<td>15</td>
<td>Other</td>
<td>354.24,25,26.b</td>
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<td></td>
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<td>$ 0.00</td>
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<tr>
<td>16</td>
<td>Total (sum lines 12-15)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</table>

### COMMON PLANT ALLOCATOR (CE) (Note O)

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>COMMON PLANT ALLOCATOR (CE)</th>
<th>(1)</th>
<th>(2)</th>
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<th>(6)</th>
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<tbody>
<tr>
<td>17</td>
<td>Electric</td>
<td>200.3.c</td>
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<td></td>
<td></td>
<td></td>
<td>% Electric $ 0.0000</td>
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<tr>
<td>18</td>
<td>Gas</td>
<td>201.3.d</td>
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<tr>
<td>19</td>
<td>Water</td>
<td>201.3.e</td>
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<td></td>
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<td></td>
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<td>$ 0.0000</td>
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</table>

### RETURN (R)

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>RETURN (R)</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
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<tr>
<td>21</td>
<td>Long Term Interest (117, sum of 62c through 67c)</td>
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<td></td>
<td></td>
<td>$</td>
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<tr>
<td>22</td>
<td>Preferred Dividends (118.29c) (positive number)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td></td>
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</table>

### Development of Common Stock:

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>Development of Common Stock:</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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</thead>
<tbody>
<tr>
<td>23</td>
<td>Proprietary Capital (112.16c)</td>
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<tr>
<td>24</td>
<td>Less Preferred Stock (line 28)</td>
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<tr>
<td>25</td>
<td>Less Account 216.1 (112.12c) (enter negative)</td>
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<tr>
<td>26</td>
<td>Common Stock (sum lines 23-25)</td>
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### REVENUE CREDITS

<table>
<thead>
<tr>
<th>Line</th>
<th>No.</th>
<th>REVENUE CREDITS</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
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<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>ACCOUNT 447 (SALES FOR RESALE)</td>
<td>(310-311)</td>
<td></td>
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<tr>
<td>32</td>
<td>a. Bundled Non-RQ Sales for Resale (311.x.h)</td>
<td></td>
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<tr>
<td>33</td>
<td>Total of (a)-(b)</td>
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<tr>
<td>34</td>
<td>ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)</td>
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<tr>
<td>35</td>
<td>ACCOUNT 456 (OTHER ELECTRIC REVENUES) (Note V)</td>
<td>(330.x.n)</td>
<td></td>
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</tbody>
</table>
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Rate Formula Template

American Transmission Systems, Inc.

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 As provided by PJM and in effect at the time of the annual rate calculations pursuant to Section 34.1 of the PJM OATT.

B Peak as would be reported on page 401, column d of Form 1 at the time of the zonal peak for the twelve month period ending October 31 of the calendar year used to calculate rates.

C Amount shown in Exhibit No. FE-100, Page 29 of 33, for Deferred Internal Integration Costs.

D Reserved

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 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 Page 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).

L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1 - 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 absent 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 Reserved

T The revenues credited on page 1, lines 2-4b 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, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template. The revenues on lines 5a-5d are supported by separate references for each item.

U Reserved

V On Line 35, enter revenues from RTO settlements that are associated with NITS and firm Point-to-Point Service for which the load is not included in the divisor to derive ATSI's zonal rates. Exclude non-firm Point-to-Point revenues, and revenues related to MTEP and RTEP projects. Include revenues and revenue adjustments associated with Docket EL02-111, and revenue credit adjustments related to ATSI's PJM integration as supported by Appendix G.

W Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.

X Reserved

Y Reserved

Z Reserved
[Reserved]