

**INTEGRATED SYSTEM
ANNUAL REVENUE REQUIREMENT
FOR TRANSMISSION SERVICE
Effective January 1, 2010**

Line

No.

1			
2			
3	<u>Annual IS Transmission Costs</u>		<u>Notes</u>
4	Basin Electric	\$43,991,644	Basin Electric Revenue Requirement Template
5	Western	\$109,858,592	Western Revenue Requirement Template
6	Heartland	<u>\$1,050,126</u>	Heartland Revenue Requirement Template
7		\$154,900,362	L4 + L5 + L6
8			
9			
10	<u>Transmission Customer Facility Credits</u>		
11		\$5,843,088	MRES Revenue Requirement Template
12		<u>\$2,777,801</u>	NWPS Revenue Requirement Template
13		\$8,620,889	
14			
15			
16	<u>Annual Revenue Requirement for IS Transmission Service</u>		
17			
18		\$163,521,251	L7 + L13

**INTEGRATED SYSTEM
FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2010**

Line

No.

1			
2			
3	<u>Annual Revenue Requirement for IS Transmission Service</u>		<u>Notes</u>
4			
5		\$163,521,251	IS Annual Revenue Requirement for
6			Transmission Service Worksheet, L33
7			
8	<u>IS Transmission System Total Load</u>		
9			
10		4,605,000 KW	IS Transmission System Total Load Worksheet, C5L14
11			
12			
13	<u>Maximum Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>		
14			
15		\$2.96 / KW-Mo	L5 / L10 / 12 months

INTEGRATED SYSTEM
NON-FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2010

Line
No.

1		
2		
3	<u>Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>	<u>Notes</u>
4		
5	\$2.96 / KW-Mo	IS Firm Point-to-Point Rate Design Worksheet, L15
6		
7		
8		
9	<u>Maximum Non-Firm Point-to-Point Transmission Rate</u>	
10	4.05 Mills/KWh	(1.5 * 1000) / 730 hours per month

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)				\$ 113,951,904
	REVENUE CREDITS	(Note R)	Total	Allocator	
2	Short-Term Firm Point-to-Point Transmission Service Credit		8,523	NA 1.00000	8,523
3	Non-Firm Point-to-Point Transmission Service Credit		145,017	NA 1.00000	145,017
4	Revenue from Existing Transmission Agreements		3,337,273	NA 1.00000	3,337,273
5	Scheduling, System Control, and Dispatch Service Credit		523,417	NA 1.00000	523,417
6	Account No. 454	(page 3, line 36)	79,082	TP 1.00000	79,082
7	Account No. 456	(page 3, line 39)	0	TP 1.00000	0
8	TOTAL REVENUE CREDITS				<u>4,093,312</u>
9	NET REVENUE REQUIREMENT (line 1 minus line 8)				<u>\$ 109,858,592</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line No.	(1) RATE BASE:	(2) ROOs Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
GROSS PLANT IN SERVICE (Note A)					
1	Production	Schedule 1A Total	19,570,800	NA	
2	Transmission	Schedule 1A Total	970,893,029	TP	1.00000
3	Distribution	Schedule 1A Total	30,395,401	NA	
		Bal Sheet - Other Assets			
4	General & Intangible	- SGL 175002		W/S	1.00000
5	Common		0	CE	0.00000
6	TOTAL GROSS PLANT (sum lines 1-5)		1,020,859,230	GP=	95.105%
ACCUMULATED DEPRECIATION					
7	Production	Schedule 4	9,707,844	NA	
8	Transmission	Schedule 4	481,014,194	TP	1.00000
9	Distribution	Schedule 4	15,077,247	NA	
		Bal Sheet - Other Assets			
10	General & Intangible	- SGL 175902	0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		505,799,285		
NET PLANT IN SERVICE					
13	Production	(line 1 - line 7)	9,862,956		
14	Transmission	(line 2 - line 8)	489,878,835		
15	Distribution	(line 3 - line 9)	15,318,154		
16	General & Intangible	(line 4 - line 10)	0		
17	Common	(line 5 - line 11)	0		
18	TOTAL NET PLANT (sum lines 13-17)		515,059,945	NP=	95.111%
ADJUSTMENTS TO RATE BASE (Note B)					
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95111
21	Account No. 283 (enter negative)		0	NP	0.95111
22	Account No. 190		0	NP	0.95111
23	Account No. 255 (enter negative)		0	NP	0.95111
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
WORKING CAPITAL (Note D)					
26	CWC	calculated	13,212,510		
		Bal Sheet - Other Assets			
27	Materials & Supplies (Note C)	- SGL 151191	0	TE	0.00000
28	Prepayments	Bal Sheet Other Assets	0	GP	0.95105
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		13,212,510		
30	RATE BASE (sum lines 18, 24, 25, and 29)		528,272,455		

489,878,835

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line No.	(1)	(2)	(3)	(4)	(5)
	Results of Operation Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note E)	Schedule 11			
1a	Western UGP	48,746,696	PTP/UGP 0.95105	46,360,545	
1b	Western RMR	31,175,887	PTP/RMR 0.01027	320,176	
2	Less Account 565 (Note E)		NA 1.00000	0	
3	A&G (Note F)	Schedule 11			
3a	Western UGP	17,049,060	PTP/UGP 0.95105	16,214,509	
3b	Western RMR	8,728,433	PTP/RMR 0.01027	89,641	
4	Less FERC Annual Fees	0	W/S 1.00000	0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note G)	0	W/S 1.00000	0	
5a	Plus Transmission Related Reg. Comm. Exp (Note G)	0	TE 0.00000	0	
6	Common	0	CE 0.00000	0	
7	Transmission Lease Payments	0	NA 1.00000	0	
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)	105,700,076		62,984,871	
DEPRECIATION EXPENSE					
9	Transmission (Note E)	Schedule 4			
9a	Western UGP	25,364,078	PTP/UGP 0.95105	24,122,506	
9b	Western RMR	14,228,852	PTP/RMR 0.01027	146,130	
10	General	0	W/S 1.00000	0	
11	Common	0	CE 0.00000	0	
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	39,592,930		24,268,636	
TAXES OTHER THAN INCOME TAXES (Note H)					
LABOR RELATED					
13	Payroll	0	W/S 1.00000	0	
14	Highway and vehicle	0	W/S 1.00000	0	
PLANT RELATED					
16	Property	0	GP 0.95105	0	
17	Gross Receipts	0	zero	0	
18	Other	0	GP 0.95105	0	
19	Payments in lieu of taxes	0	GP 0.95105	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)	0		0	
INCOME TAXES (Note I)					
21	$T = 1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	0.00%	NA		
22	$CIT = (T / (1 - T)) * (1 - (WCLTD / R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote I.	0.00%			
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 0.95111	0	
27	Total Income Taxes (line 25 plus line 26)	0		0	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	28,790,849	NA	26,698,397	
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)	174,083,855		113,951,904	

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line
No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		970,893,029
2	Less transmission plant excluded from IS rates (Note K)		0
3	Less transmission plant included in OATT Ancillary Services (Note L)		0
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)		970,893,029
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)	TP=	1.00000

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)		0
7	Less transmission expenses included in OATT Ancillary Services (Note J)		0
8	Included transmission expenses (line 7 less line 6)		0
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		0.00000
10	Percentage of transmission plant included in IS Rates (line 5)	TP	1.00000
11	Percentage of transmission expenses included in IS Rates (line 9 times line 10)	TE=	0.00000

WAGES & SALARY ALLOCATOR (W&S)

	\$	TP	Allocation	
12	Production	0	0.00	0
13	Transmission	18,904,344	1.00	18,904,344
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	18,904,344		18,904,344 = 1.00000

PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)

	\$		
17	Transmission Plant in Service UGP	970,893,029	
18	Total Plant in Service UGP	1,020,859,230	
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP = 0.95105
20	Transmission Plant in Service RMR	6,296,120	
21	Total Plant in Service RMR	612,929,825	
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 21)		PTP/RMR = 0.01027

COMMON PLANT ALLOCATOR (CE) (Note N)

	\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
23	Electric	0		
24	Gas	0	0.00000	1.00000 = 0.00000
25	Water	0		
26	Total (sum lines 17-19)	0		

RETURN (R)

27	Long Term Interest Schedule 5	\$33,461,987
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	\$	%	Cost (Note O)	Weighted
28	Long Term Debt	23,25,26,29,30	0.0545	0.0545 =WCLTD
29	Proprietary Capital		0.1238	0.0000
30	Total (sum lines 22-23)	613,591,483	100%	0.0545 =R

31	Proprietary Capital Cost Rate =	12.38%
32	TIER =	1.00

REVENUE CREDITS

		Load
33	ACCOUNT 447 (SALES FOR RESALE)	
34	a. Bundled Non-RQ Sales for Resale (Note P)	0
35	b. Bundled Sales for Resale included in Divisor on page 1	0
36	Total of (a)-(b)	0
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note Q)	79,082
37	ACCOUNT 456 (OTHER ELECTRIC REVENUES)	
38	a. Transmission charges for all transmission transactions	
39	b. Transmission charges for all transmission transactions included in Divisor on page 1	
39	Total of (a)-(b)	\$0

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

General Note: References to Results of Operations in this revenue requirement template indicate the Financial Statement Results of Operations (ROOs) Schedule where data is located

Note Letter	To the extent the references to ROOs data are missing, the entity will include a "Notes" section to provide this data.		
A	Combines plant data for both the Upper Great Plains Region and Rocky Mountain Region.		
B	Does not apply to Western. For others, the balances in Accounts 190, 281, 282 and 283, as adjusted by any contra accounts identified as regulatory assets amounts in 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.		
C	Transmission related only.		
D	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 in the Other Assets Section of the Balance Sheet		
E	For O&M Expense, Calculated as Total O&M from Results of Operations less Purchase Power, Transmission Service Provided by Others (FERC 565), O&M Expense Fort Peck Powerhouse, Prior Year Adjustments, A&G Expense from Schedule 11, plus CME and Warehouse Interest from Schedule 5. Depreciation Expense from Results of Operations Schedule 4.		
F	Totals of Results of Operations Schedule 11A Object Classes 1411, 1412, 1415, 1416, 1421, 1422, 1425, 1426, 1431, 1432, 1441, 1442		
G	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.		
H	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.		
I	Western is not subject to Federal or State Income Tax.		
	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)
J	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Acct No. 561. Western does not include transmission expenses in ancillary service rates.		
K	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).		
L	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be 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.		
M	Percentage of Total Plant Allocators are developed separately for the Upper Great Plains Region and Rocky Mountain Region to allocate O&M, A&G, and Depreciation Expenses between Transmission and Generation.		
N	Western does not have Common Plant.		
O	Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.		
P	Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.		
Q	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.		
R	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Revenue Requirement Template.		

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)				\$ 1,072,929
	REVENUE CREDITS	(Note P)			
2	Account No. 454	(page 4, line 30)	24,588	TP 0.52394	\$12,883
3	Account No. 456.1	(page 4, line 33)	0	TP 0.52394	0
4	Revenue From Existing Transmission Agreements		9,920	NA 1.00000	9,920
5	Transmission Service Credits		0	NA 1.00000	0
6	TOTAL REVENUE CREDITS				<u>22,803</u>
	NET REVENUE REQUIREMENT	(line 1 minus line 6)			<u>\$ 1,050,126</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.	(1)	(2)	(3)	(4)	(5)
		Reference	Company Total	Allocator	Transmission (Col 3 lines Col 4)
RATE BASE:					
GROSS PLANT IN SERVICE					
1	Production	Schedule A	41,649,775	NA	
2	Transmission	Schedule A	14,657,677	TP	0.52394
3	Distribution		0	NA	
4	General & Intangible	Schedule A	7,081,295	W/S	0.06760
5	Common		0	CE	0.06760
6	TOTAL GROSS PLANT (sum lines 1-5)		63,388,747	GP=	12.870%
ACCUMULATED DEPRECIATION					
7	Production		30,690,947	NA	
8	Transmission		11,087,299	TP	0.52394
9	Distribution		0	NA	
10	General & Intangible		3,168,544	W/S	0.06760
11	Common		0	CE	0.06760
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		44,856,790		
NET PLANT IN SERVICE					
13	Production	(line 1 - line 7)	11,048,828		
14	Transmission	(line 2 - line 8)	3,570,378		1,870,664
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	3,912,751		264,502
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		18,531,957	NP=	11.522%
ADJUSTMENTS TO RATE BASE (Note A)					
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.11522
21	Account No. 283 (enter negative)		0	NP	0.11522
22	Account No. 190		0	NP	0.11522
23	Account No. 255 (enter negative)		0	NP	0.11522
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note B)		0	TP	0.52394
WORKING CAPITAL (Note C)					
26	CWC		391,657		53,045
27	Materials & Supplies (Note B)		0	TE	1.00000
28	Prepayments		114,025	GP	0.12870
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		505,682		67,720
30	RATE BASE (sum lines 18, 24, 25, and 29)		19,037,639		2,202,886

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.	(1)	(2)	(3)	(4)	(5)	
		Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
	O&M					
1	Transmission	Schedule A	331,172	TE	1.00000	331,172
1a	Less LSE Expenses included in Transmission O&M Accounts (Note D)		0		1.00000	0
2	Less Account 565		103,209	NA	1.00000	103,209
3	A&G (Note G)	Schedule A	2,905,296	W/S	0.06760	196,398
4	Less FERC Annual Fees		0	W/S	0.06760	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note E)		0	W/S	0.06760	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note E)		0	TE	1.00000	0
6	Common		0	CE	0.06760	0
7	Transmission Lease Payments		0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 8, 7 less 2, 4, 5)		3,133,259			424,361
	DEPRECIATION EXPENSE					
9	Transmission		883,749	TP	0.52394	463,031
10	General		262	W/S	0.06760	18
11	Common		0	CE	0.06760	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		884,011			463,049
	TAXES OTHER THAN INCOME TAXES (Note F)					
	LABOR RELATED					
13	Payroll		69,023	W/S	0.08760	4,666
14	Highway and vehicle		0	W/S	0.06760	0
	PLANT RELATED					
16	Property		160,866	GP	0.12870	20,703
17	Gross Receipts		0	NA	zero	0
18	Other		0	GP	0.12870	0
19	Payments in lieu of taxes		0	GP	0.12870	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		229,895			25,369
	INCOME TAXES (Note G)					
21	$T = 1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * \rho) =$		0.00%	NA		
22	$CIT = (T / (1 - T)) * (1 - (WCLTD / R)) =$ where WCLTD = (page 4, line 27) and R = (page 4, line 30) and FIT, SIT & \rho are as given in footnote G.		0.00%			
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	0.11522	0
27	Total Income Taxes (line 25 plus line 28)		0			0
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]		1,364,036	NA		160,150
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		5,631,201			1,072,929

Heartland Consumers Power District

Line No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)				14,657,677
2	Less transmission plant excluded from IS rates (Note H)				6,752,305
3	Less transmission plant included in OATT Ancillary Services (Note I)				225,576
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)				7,679,796
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)		TP=		0.52394

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)				331,172
7	Less transmission expenses included in OATT Ancillary Services (Note J)				0
8	Included transmission expenses (line 7 less line 6)				331,172
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				1.00000
10	Percentage of transmission plant included in IS Rates (line 5)		TP		0.52394
11	Percentage of transmission expenses included in IS Rates (Note K)		TE=		1.00000

WAGES & SALARY ALLOCATOR (W&S)

		\$	TP	Allocation	
12	Production	813,014	0.00	0	
13	Transmission	121,485	0.52	63,172	
14	Distribution	0	0.00	0	
15	Other	0	0.00	0	W&S Allocator (\$ / Allocation)
16	Total (sum lines 12-15)	934,499		63,172	= 0.06760 = W/S

COMMON PLANT ALLOCATOR (CE) (Note L)

		\$	% Electric (line 17 / line 20)	Labor Ratio (line 15)	CE
17	Electric	63,388,747	1.00000	0.06760	0.06760
18	Gas	0			
19	Water	0			
20	Total (sum lines 17-19)	63,388,747			

RETURN (R)

		\$	%	Cost (Note M)	Weighted
21	Long Term Interest	\$1,997,380			
22	Long Term Debt	32,061,995	83%	6.23%	0.0517 =WCLTD
23	Proprietary Capital	6,467,893	17%	12.38%	0.0210
24	Total (sum lines 22, 23)	38,529,888	100%		0.0727 =R

25 Proprietary Capital Cost Rate = 12.38%

26 TIER = 1.17

REVENUE CREDITS

ACCOUNT 447 (SALES FOR RESALE)

27	a. Bundled Non-RQ Sales for Resale	(Note N)	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 O) 324,588

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)

31	a. Transmission charges for all transmission transactions		0
32	b. Transmission charges for all transmission transactions included in Divisor on page 1		0
33	Total of (a)-(b)		0

Heartland Consumers Power District

General Note: References to pages in this revenue requirement template are indicated as: (page#, line#, col.#)

Note
Letter

- A Does not apply to Heartland. For others, 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.
- B Transmission related only.
- C 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.
- D 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.
- E 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.
- F 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.
- G Heartland is not subject to Federal or State Income Tax
Inputs Required: FIT = 0.00% (Federal Income Tax Rate)
SIT = 0.00% (State Income Tax Rate or Composite SIT)
p = 0.00% (percent of federal income tax deductible for state purposes)
- H 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).
- I Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be 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.
- J 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.
- K All O&M expense included in Page 3 line 1 column 3 is associated with transmission plant in IS rates. The O&M expense for non-qualifying facilities (Page 4 lines 2.3) is the responsibility of others.
- L Heartland has no common plant.
- M Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.
- N 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.
- O Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- P 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 IS (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.

Line No.	Description	Total Transmission	IS Transmission	West (MBPP) Transmission	Other Transmission
1	GROSS REVENUE REQUIREMENT (page 3, line 28) (MBPP West Excluded - 1--065997)	\$ 84,082,625	\$ 44,328,378	\$ 8,572,116	\$ 31,182,131
				\$ (8,006,362)	
REVENUE CREDITS					
2	Third Party Receipts		\$ (1,000,000)	\$ -	\$ -
3	Third Party Payments		\$ 97,532		
4			\$ (902,468)		
5	(line 2 + 4)				
6	NET REVENUE REQUIREMENT (line 1+ 5)		\$ 43,425,910	\$ 565,734	\$ 31,182,131
7	TOTAL REVENUE REQUIREMENT WITH MBPP EAST	\$ 43,991,644			

Total	Allocators
TP	1,00000
TP	1,00000

Revenue Requirement Worksheet
 Estimated RUS form 12 Data
 BASIN ELECTRIC POWER COOPERATIVE

(1)	(2) Worksheets	(3)	(4) Allocator A	(5) Total Trans	(6) Allocator B	(7) West (MBPP) Transmission	(8) Other Transmission
GROSS PLANT IN SERVICE (Note A)							
1	Production	2,446,635,528	NA	-	NA	-	-
2	Transmission	673,787,258	DA	673,787,258	DA	92,500,000	216,840,852
3	Distribution	-	NA	-	NA	-	-
4	General	131,354,247	DA	48,584,890	DA	4,161,570	15,572,132
4a	Direct Assign - Transmission (Note B)	48,584,890	DA	-	NA	-	-
4b	Direct Assign - Production	23,130,076	NA	-	GP1	922,198	2,161,747
4c	Other	59,639,281	WS	6,717,172	DA	2,617,639	34,362,020
5	Intangible	71,683,380	DA	67,450,255	DA	-	-
6	TOTAL GROSS PLANT (sum lines 1,2,4,5)	\$ 3,323,460,413		\$ 795,539,575	GP1	\$ 100,221,357	\$ 288,936,751
						13.728%	32.182%
ACCUMULATED DEPRECIATION							
7	Production	1,085,942,527	NA	-	NA	-	-
8	Transmission	275,397,227	DA	275,397,227	DA	52,424,325	34,374,725
9	Distribution	-	NA	-	NA	-	-
10	General	101,075,646	DA	28,760,846	DA	3,195,998	3,449,847
10a	Direct Assign - Transmission	26,760,846	DA	-	NA	-	-
10b	Direct Assign - Production	20,498,859	NA	-	GP1	802,583	1,881,436
10c	Other	51,905,941	WS	5,846,166	DA	1,854,209	18,118,277
11	Intangible	45,750,724	DA	40,634,284	DA	-	-
12	TOTAL ACCUM. DEPR (sum lines 7,8,10,11)	\$ 1,908,166,124		\$ 350,638,523		\$ 58,280,115	\$ 57,824,285
NET PLANT IN SERVICE							
13	Production	1,360,693,001	AUTO	-	AUTO	-	-
14	Transmission	396,390,031	AUTO	396,390,031	AUTO	40,075,675	182,466,127
15	Distribution	-	AUTO	-	AUTO	-	-
16	General	30,278,601	AUTO	19,824,044	AUTO	982,572	12,122,285
16a	Direct Assign	19,824,044	AUTO	-	AUTO	-	-
16b	Production	2,721,217	AUTO	-	AUTO	-	-
16c	Other	7,733,340	AUTO	871,006	AUTO	119,575	280,311
17	Intangible	25,932,656	AUTO	26,815,971	AUTO	763,420	16,243,743
18	TOTAL NET PLANT (sum lines 13, 14, 16, 17)	\$ 1,815,294,289		\$ 445,901,052		\$ 41,941,242	\$ 211,112,466
WORKING CAPITAL							
19	CWC (Note C)	9,814,077	DA	3,561,638	DA	423,311	1,046,395
20	Materials & Supplies Transmission	5,643,975	GP	5,643,975	GP1	774,626	1,816,366
21	Prepayments (Note C)	-	GP	-	GP	-	-
22	TOTAL WORKING CAPITAL (sum lines 19-21)	\$ 15,458,052		\$ 9,205,613		\$ 1,198,137	\$ 2,862,761
23	Rate Base (sum lines 18 and 22)	\$ 1,830,752,341		\$ 455,106,665		\$ 43,139,379	\$ 213,975,227

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	O&M							
2	Transmission less Account 565	Expense Worksheet #5, L 7&16 C, d	21,004,511	DA	11,105,760	100.000%	DA	100.000%
3	Direct Assignment (Note D)	Accounting Records	11,105,760	TPW	9,898,751	100.000%	TPW	(page 4)
4	Other	Accounting Records	8,888,751					1,929,915
5	A&G	Expense Worksheet, L11, C b	57,508,108					4,954,834
5a	Less Regulatory Fees (Note F)	Accounting Records	533,335	NA	-	0.000%	NA	0.000%
6	Regulatory fees	Accounting Records	98,333	DA	98,333	0.000%	DA	0.000%
7	Production	Accounting Records	2,114,776	NA	-	0.000%	NA	0.000%
8	Transmission (Note F)	Accounting Records	1,377,610	DA/TPW	1,377,610	100.000%	DA/TPW	631,132
9	Headquarters	Accounting Records	33,394,054	WS	6,072,646		GP1	825,438
9	TOTAL O&M (sum lines 2, 3, 5, 6, 7, 8)		\$ 78,512,619		\$ 28,493,100			\$ 3,386,465
10	DEPRECIATION & AMORTIZATION EXPENSE							
10	Depreciation and Amortization Expense	Accounting Records	52,358,287					
11	Transmission	Accounting Records	67,855,857	DA	15,497,470	100.000%	DA	100.000%
12	Production	Accounting Records	15,497,470	NA	-	0.000%	NA	0.000%
13	General Plant	Accounting Records	52,358,387	NA	-	0.000%	NA	0.000%
14	Transmission	Accounting Records	7,194,646	DA	1,936,318	100.000%	DA	100.000%
15	Production	Accounting Records	1,936,318	NA	-	0.000%	NA	0.000%
16	Other General Plant	Accounting Records	1,052,309	WS	473,724		GP1	65,035
17	Other Amortization	Accounting Records	4,206,019	WS	1,837,364	11.263%	DA	81,397
18	TOTAL (sum lines 10,13,17)	Expense Worksheet #3, L 20 C b	\$ 1,927,673	DA	\$ 1,837,364	100.000%	DA	66,397
18	TOTAL (sum lines 10,13,17)		\$ 76,978,176		\$ 19,744,876			\$ 2,066,269
19	TAXES OTHER THAN INCOME TAXES							
19	PLANT RELATED							
20	Property total	2008 RUS Form 12 less inc tx		NA		0.000%	NA	0.000%
21	Tax Reclassification	Accounting Records	2,303,288	DA	2,303,288	100.000%	DA	Estimated
22	Gross Receipts (Note G)	2008 RUS Form 12		NA		0.000%	NA	0.000%
23	Production							
24	TOTAL OTHER TAXES		\$ 1,489,303		\$ 2,303,288			\$ -
25	TOTAL OPERATING EXPENSES (sum 9+18+24)		\$ 156,980,098		\$ 50,541,264			\$ 5,382,744
26	Return		\$ 134,926,448	WCC	\$ 33,541,361	Rate Base	WCC	\$ 3,179,372
27	REV. REQUIREMENT (sum lines 25+26)		\$ 291,906,546		\$ 84,082,625			\$ 8,572,116
27	REV. REQUIREMENT (sum lines 25+26)		\$ 291,906,546		\$ 84,082,625			\$ 31,182,131

A & G Allocation

WAGES AND SALARY ALLOCATOR (W/S)

Line #	(1) From Accounting Report	(2)	(3)	(4) Allocator	(5) Percent	(6) Transmission	(7) West (MBPP) Transmission	(8) Other Transmission
1	Production	Accounting Records	TOTAL			\$2,252,765	\$433,400	\$2,252,765
2	Transmission-East	Accounting Records	39,025,624					
3	Transmission-West	Accounting Records	211,446					
4	Transmission-Allocated	Accounting Records	433,400	WS	11.253%			
5	Distribution	Accounting Records	4,308,297	TPW		54.089%	13.728%	32.182%
6	Other Transmission	-	-	TPWS		50.157%	0.000%	49.843%
7	Total Wages and Salaries (sum lines 1-6) (exclude adm)		\$43,976,767			45.768%	8.750%	45.482%

Transmission Wage and Salary Dollar Split

Line #	Description	Weight	LTD	Equity	Percent	Rate	Weighted cost
8	IS Transmission Plant (p.2 c 6.L.14, 16a, 17)		3,156,288,089		72.86%	6.08%	4.43%
9	West (MBPP) Transmission Plant (p.2, c.7, L.14, 16a, 17)		1,175,430,794		27.14%	10.85%	2.94%
10	Other Transmission Plant (p.2 c 8, L. 14, 16a, 17)		4,331,728,823		100.00%		7.37%
11	Total (sum lines 8-10)						
12	Percent of IS to Total Transmission (Note H)						
13	Percent of Other to Total Transmission (Line 10/Line 11-9)						
14	IS Trans Wage & Salary Dollar (L.4 times L.11)		2,055,532				
15	West Trans Wage & Salary Dollar (no allocation)		-				
16	Other Transmission Wage & Salary (L.4 times L.12)		2,252,765				
17	Total Transmission Wage and Salary Allocated (L-4)		\$4,308,297				

Note

- A RUS form 12h plus new investment averaged over 13 months.
- B General Plant directly assigned to transmission includes the transmission maintenance buildings and microwave assigned to transmission.
- C Cash working capital assigned to transmission is one eighth of O&M allocated to transmission on page 3, line 9, column 6-8. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Section B, line 24, in the RUS 12.
- D Includes Lease payments of \$4,319,842 for member facilities in the IS system and O&M that is charged to specific lines or substations.
- E Line 5 - Regulatory Commission expenses directly related to transmission service, ISO filings, or transmission sitings.
- F A&G costs directly allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages. Includes O&SIS costs for West Side and Common Use System; plus A&G costs allocated to MBPP Transmission.
- G SD Gross receipts taxes paid in lieu of property with a portion directly assigned to Common Use System (CUS). Payroll taxes are included in the RUS 500 series of accounts along with the labor costs. ND Trans Line tax is included in O&M, line 2.
- H West (MBPP) net plant (\$41,821,658) is excluded in the percentage calculations on line 12 and 13 as costs for transmission and A&G are directly allocated to MBPP.
- I Equity percent as a percent of total long term debt plus current portion of long term debt plus equity.

Confidential

Formula Rate - Cash Flow

Rate Formula Template
 Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

Missouri River Energy Services

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)			\$ 11,433,059
	REVENUE CREDITS	(Note Q)			
2	Account No. 454	(page 3, line 34)	0	TP 1.00000	0
3	Account No. 456.1	(page 3, line 37)	70,250	TP 1.00000	70,250
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000	0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)				70,250

7 NET REVENUE REQUIREMENT (line 1 minus line 6) \$ 11,362,809

Allocation of Net Revenue Requirements by Pricing Zones:			Marshall Wind		Total
	Irv Simmons	OTP	MBPP	Circuit	
Transmission Plant Investment	\$ 1,957,786	\$ 27,309,547	\$ 29,052,153	\$ 1,984,245	\$ 60,303,731
% of Total Transmission Plant	3.2%	45.3%	48.2%	3.3%	100.0%
Not Transmission Revenue Requirement (Allocated on Transmission Plant)	\$ 368,898	\$ 5,145,837	\$ 5,474,190	\$ 373,884	\$ 11,362,809

DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service	(Note A)	675,337
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 P)		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)		675,337

16	Annual Cost (\$/kW/Yr) (line 7/ line 15)	\$ 16.825
17	Network & P-lo-P Rate (\$/kW/Mo) (line 11/ 12)	\$ 1.402

		Peak Rate	Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 18 / 52; line 16/ 52)	0.324	\$0.324
19	Point-To-Point Rate (\$/kW/Day) (line 18/ 5; line 18/ 7)	0.085 Capped at weekly rate	\$0.046
20	Point-To-Point Rate (\$/MWh) (line 19/ 16; line 19/ 24 times 1,000)	4.045 Capped at weekly and daily rates	\$1.926

21	FERC Annual Charge(\$/MWh) (Note E)	\$0.000 Short Term	\$0.000 Short Term
22		\$0.000 Long Term	\$0.000 Long Term

Formula Rate - Cash Flow		Rate Formula Template Utilizing EIA Form 412 Data		For the 12 months ended 12/31/08	
(1)	(2)	Missouri River Energy Services (3)	(4)	(5)	
Line No.	EIA 412 Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note X)	16,642,850	TE	1.0000	18,642,850
1a	Less LSE Expenses included in Transmission O&M Accounts (Note Y)	0		1.0000	0
2	Less Account 565	13,138,692		1.0000	13,138,692
3	A&G VII.13.d	7,458,554	W/S	0.1969	1,468,501
4	Less FERC Annual Fees	0	W/S	0.1969	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)	0	W/S	0.1969	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)	0	TE	1.0000	0
6	Common	0	CE	0.1969	0
7	Transmission Lease Payments	0		1.0000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 1a, 2, 4, 5)	10,962,712			4,972,659
DEBT SERVICE					
9a	Debt Service - Transmission Bond Resolution (Note T)	2,215,634		1.0000	2,215,634
9b	Debt Service- Excluding Transmission Bond Resolution (Note U)	23,819,148	GP 2	0.1132	2,697,298
10	Amortization of premium or discount (Note V)	0	GP	0.1808	0
11	TOTAL DEBT SERVICE (Sum lines 9 - 10)	26,034,781			4,912,932
TAXES OTHER THAN INCOME TAXES (Note G)					
LABOR RELATED					
13	Payroll	0	W/S	0.1969	0
14	Highway and vehicle	0	W/S	0.1969	0
PLANT RELATED					
16a	Property- Transmission Only (Note G)	360,304		1.0000	360,304
16b	Property- General Plant	55,795	GP	0.1806	10,090
17	Gross Receipts	0		0.0000	0
18	Other	0	GP	0.1808	0
19	Payments in lieu of taxes	0	GP	0.1808	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	416,099			370,394
21	SUBTOTAL (sum lines 8, 11, 20)	37,413,593			10,255,985
22	MARGIN REQUIREMENT (Note H)	8,508,695	GP	0.1808	1,177,074
23	REV. REQUIREMENT (sum lines 21 22)	43,922,288			11,433,059

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

Missouri River Energy Services

Line No.	SUPPORTING CALCULATIONS AND NOTES		Company Total	Allocator	Transmission
	GROSS PLANT IN SERVICE	EIA 412 Reference			
1	Production	IV.6.f	275,188,085	NA	0.0000
2a	Transmission, excluding separate T	IV.7.f	32,994,184	TP	1.0000
2b	Separate Transmission Project (Not IV.7.f)		27,309,547	TP	1.0000
3	Distribution	IV.8.f	0	NA	0.0000
4	General & Intangible	IV.9.f	22,738,822	W/S	0.1969
5	Common		0	CE	0.1969
6	TOTAL GROSS PLANT (sum lines 1-5)		358,209,418	GP	0.1808
6a	Gross Plant Allocator, excluding Separate Transmission Project		330,899,871	GP 2	0.1132
	TRANSMISSION PLANT INCLUDED IN ISO RATES				
7	Total transmission plant (line 2)				60,303,731
8	Less transmission plant excluded from ISO rates (Note J)				0
9	Less transmission plant included in OATT Ancillary Services (Note K)				0
10	Transmission plant included in ISO rates (line 7 less lines 8 & 9)				60,303,731
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)			TP=	1.00000
	TRANSMISSION EXPENSES				
12	Total transmission expenses (page 2, line 1, column 3)				16,642,850
13	Less transmission expenses included in OATT Ancillary Services (Note I)				0
14	Included transmission expenses (line 12 less line 13)				16,642,850
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)				1.00000
16	Percentage of transmission plant included in ISO Rates (line 11)			TP	1.00000
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)			TE=	1.00000
	WAGES & SALARY ALLOCATOR (W&S) (Note L)				
			\$	Allocation	
18	Production		1,713,972	0.00	
19	Transmission		454,504	1.00	
20	Distribution		0	0.00	
21	Other		139,959		
22	Total (sum lines 18-21)		2,306,435		454,504 = W&S Allocator (\$ / Allocation) 0.1969
	COMMON PLANT ALLOCATOR (CE) (Note M)				
			\$	% Electric (line 23 / line 26)	Labor Ratio (line 22)
23	Electric		358,209,418	1.00000	0.1969 = CE 0.1969
24	Gas		0		
25	Water		0		
26	Total (sum lines 23-25)		358,209,418		
	FINANCING DATA		\$		
27	Long Term Debt	II.33.b +34.b	\$232,070,418		
28	Debt Service		26,034,781		
29	Interest on Long Term Debt	III.16.b + III.17.b (Note R)	11,934,781		
30	Bond Principal Amortization (line 28 less line 29)		14,100,000		
	REVENUE CREDITS				
	ACCOUNT 447 (SALES FOR RESALE)				Load
31	a. Bundled Non-RQ Sales for Resale (Note N)				
32	b. Bundled Sales for Resale included in Divisor on page 1				
33	Total of (a)-(b)				
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O)				\$0
	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)				
35	a. Transmission charges for all transmission transactions				\$70,250
36	b. Transmission charges for all transmission transactions included in Divisor on page 1				\$0
37	Total of (a)-(b)				\$70,250

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

Missouri River Energy Services

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 Form 412 to provide this data.

Note
Letter

- A The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of ISO coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
- 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 ISO coincident monthly peaks.
- C LF as defined above at time of ISO coincident monthly peaks.
- D LF as defined above at time of ISO coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
- F Line 5 - EIPRI 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.
- G 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. MRES segregates property taxes between generation, transmission, and general plant based on internal accounting records. Therefore, MRES transmission property taxes are directly assigned to the revenue requirement and general property taxes will be allocated based on the GP allocator. Work papers will be provided."
- H The Margin Requirement is the margin the utility uses in calculating rates applicable to its native load sales. The Margin Requirement as a percent of interest expense yields a TIER (times interest earned ratio), and the Margin Requirement as a percent of debt service is the DSR (debt service ratio), either of which may be referred to as a Margin Ratio (MR). Some utilities have MRs required by bond covenants and/or MRs that include expenses additional to interest or debt service (for example, an MR equal to a percentage of the sum of DS+Q&M). The ISO will review such party's filings to assure that the MRs are consistent with those applicable to native load or required by bond covenants and utility must provide workpapers showing derivation of margin. The margin requirement will be allocated on GP.
- I Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
- J Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be 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.
- L If the utility has more employees assigned to A&G than to the sum of production, transmission, and distribution, set the W&S allocator at page 3, line 22 equal to the gross plant allocator (GP) at page 3, line 6.
- M Enter dollar amounts.
- N Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
- O Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- P 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.
- Q 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.
- R From Reference II.17.b include only the amount from Account 430.
- 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 Represents only Debt Service that can be directly assigned to transmission assets and no other types of assets. Work papers will be provided.
- U Represents all Debt Service, other than transmission debt service included in line 9a, page 2. Work papers will be provided.
- V The amortization of debt discounts and premiums are excluded since amortization is a non-cash item that does not affect debt service cash flow. The principal and interest payments already reflect all discounts or premiums when the debt was originally issued.
- W Represents only transmission assets that can be directly assigned to the Transmission Service Agreements and no other types of assets. These transmission assets were financed under the Transmission Bond Resolution. Work papers will be provided.
- X Transmission Expense will be the sum of (a) Form 412 VII.8.d and (b) facility credits for the Irv Simmons project in the Integrated System (IS).

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT joint Plant Transmission Facilities

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 29)		\$ 2,968,715
	REVENUE CREDITS	(Note T)	Total	Allocator
2	Account No. 454	(page 4, line 34)	147,593	TP 0.85990 126,915
3	Account No. 456	(page 4, line 37)	74,426	TP 0.85990 63,999
4	Revenues from Grandfathered Interzonal Transactions		0	TP 0.85990 0
5	Revenues from service provided by the ISO at a discount		0	TP 0.85990 0
6	TOTAL REVENUE CREDITS	(sum lines 2-5)		<u>190,914</u>
7	NET REVENUE REQUIREMENT	(line 1 minus line 6)		<u>\$ 2,777,801</u>
	DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service	(Note A)		231,667
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 Contract Demands from service over one year provided by ISO at a discount (enter negative)			0
15	Divisor (sum lines 8-14)			<u>231,667</u>
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	11.990	
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	0.999	
			Peak Rate	Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.231	\$0.231
19	Point-To-Point Rate (\$/kW/Day)	(line 18 / 5; line 18 / 7)	0.046 Capped at weekly rate	\$0.033
20	Point-To-Point Rate (\$/MWh)	(line 19 / 16; line 19 / 24 times 1,000)	2.875 Capped at weekly and daily rates	\$1.375
21	FERC Annual Charge(\$/MWh)	(Note E)	\$0.000 Short Term	\$0.000 Short Term
22			\$0.000 Long Term	\$0.000 Long Term

		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities				
(1)	(2)	(3)	(4)	(5)		
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)		
RATE BASE:						
GROSS PLANT IN SERVICE						
1	Production 206.42.g	157,385,947	NA			
2	Transmission 206.53.g	44,397,456	TP 0.85990	38,177,372	6,220,084	
3	Distribution 206.69.g	198,004,315	NA			
4	General & Intangible 206.5.g & 83.g	9,641,521	W/S 0.06219	599,606		
5	Common 356.1	24,375,865	CE 0.04021	980,154		
6	TOTAL GROSS PLANT (sum lines 1-5)	433,805,104	GP= 9.165%	39,757,132		
ACCUMULATED DEPRECIATION						
7	Production 219.18-22.c	98,867,583	NA			
8	Transmission 219.23.c	34,291,203	VEst. 84.220%	28,880,122		
9	Distribution 219.24.c	67,351,901	NA			
10	General & Intangible 219.25.c	2,643,284	W/S 0.06219	164,386		
11	Common 356.1	9,052,317	CE 0.04021	363,994		
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)	212,206,288		29,408,502		
NET PLANT IN SERVICE						
13	Production (line 1- line 7)	58,518,364				
14	Transmission (line 2- line 8)	10,106,253		9,297,250		
15	Distribution (line 3 - line 9)	130,652,414				
16	General & Intangible (line 4 - line 10)	6,998,237		435,220		
17	Common (line 5 - line 11)	15,323,548		616,160		
18	TOTAL NET PLANT (sum lines 13-17)	221,598,816	NP= 4.670%	10,348,630		
ADJUSTMENTS TO RATE BASE (Note F)						
19	Account No. 281 (enter negative) 273.8.k	0	NA zero	0		
20	Account No. 282 (enter negative) 275.2.k	-53,341,253	NP 0.04670	-2,491,037		
21	Account No. 283 (enter negative) 277.9.k	-7,288,777	NP 0.04670	-340,386		
22	Account No. 190 234.8.c	15,540,720	NP 0.04670	725,752		
23	Account No. 255 (enter negative) 267.8.h	-2,640,059	NP 0.04670	-123,291		
24	TOTAL ADJUSTMENTS (sum lines 19- 23)	-47,729,369		-2,228,982		
25	LAND HELD FOR FUTURE USE 214.x.d (Note G)	0	VEst. 0.84220	0		
WORKING CAPITAL (Note H)						
26	CWC calculated	1,034,011		100,153		
27	Materials & Supplies (Note G) 227.8.c & .15.c	0	GP 1.00000	0	Excluded trans	
28	Prepayments (Account 165) 111.46.d	0	GP 0.09165	0		
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)	1,034,011		100,153		
30	RATE BASE (sum lines 18, 24, 25, & 29)	174,903,458		8,219,821		

		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities				
(1)	(2)	(3)	(4)	(5)		
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)		
O&M						
1	Transmission 321.100.b	5,743,246	TE	0.85990	5,663,153	
2	Less Account 565 321.88.b	5,171,562		1.00000	5,171,562	
3	A&G 323.168.b	7,700,402	W/S	0.04021	309,633	
4	Less FERC Annual Fees	0	W/S	0.04021	0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)	0	W/S	0.04021	0	
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)	0	TE	0.85990	0	
6	Common 356.1	0	CE	0.04021	0	
7	Transmission Lease Payments	0		1.00000	0	
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)	8,272,086			801,224	
DEPRECIATION EXPENSE						
9	Transmission 336.7.b	921,067	VRB00	0.84220	736,113	
10	General 336.9.b	623,354	W/S	0.04021	25,065	
11	Common 336.10.b	1,800,673	CE	0.04021	72,405	
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	3,345,094			833,583	
TAXES OTHER THAN INCOME TAXES (Note J)						
LABOR RELATED						
13	Payroll 262.i	755,995	W/S	0.04021	30,399	
14	Highway and vehicle 262.i	64,949	W/S	0.04021	2,612	
PLANT RELATED						
16	Property 262.i	3,301,290	GP	0.09165	302,563	
17	Gross Receipts 262.i	132,883	NA	zero	0	
18	Other 262.i	244,984	GP	0.09165	22,453	
19	Payments in lieu of taxes	0	GP	0.09165	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)	4,500,101			358,027	
INCOME TAXES (Note K)						
21	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	35.00%				
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote K.	36.67%				
23	$1 / (1 - T) =$ (from line 21)	1.5385				
24	Amortized Investment Tax Credit (266.8f) (enter negative)	-536,574				
25	Income Tax Calculation = line 22 * line 28	5,791,580	NA		272,183	
26	ITC adjustment (line 23 * line 24)	-825,519	NP	0.04670	-38,552	
27	Total Income Taxes (line 25 plus line 26)	4,966,061			233,631	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	15,793,782	NA		742,250	
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)	36,877,124			2,968,715	

Excluded 184,954

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities

SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES						
1	Total transmission plant (page 2, line 2, column 3)					44,397,456	
2	Less transmission plant excluded from ISO rates (Note M)					6,220,244	
3	Less transmission plant included in OATT Ancillary Services (Note N)					0	
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)					38,177,212	
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)			TP=		0.85990	
TRANSMISSION EXPENSES							
6	Total transmission expenses (page 3, line 1, column 3)					5,743,246	
7	Less transmission expenses included in OATT Ancillary Services (Note L)					0	
8	Included transmission expenses (line 6 less line 7)					5,743,246	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)					1.00000	
10	Percentage of transmission plant included in ISO Rates (line 5)			TP		0.85990	
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)			TE=		0.85990	
WAGES & SALARY ALLOCATOR (W&S)							
		Form 1 Reference	\$	TP	Allocation		
12	Production	354.18.b	467,893	0.00	0		
13	Transmission	354.19.b	399,793	0.86	343,822		
14	Distribution	354.20.b	3,842,059	0.00	0		
15	Other	354.21,22,23.b	1,719,325	0.00	0		
16	Total (sum lines 12-15)		6,429,070		343,822	=	0.05348 = WS 0.06219 = W _{sact}
COMMON PLANT ALLOCATOR (CE) (Note O)							
			\$	% Electric (line 17 / line 20)	W&S Allocator (line 16)		CE
17	Electric	200.3.c	409,396,824	0.75192	0.05348	=	0.04021
18	Gas	200.3.d	135,070,061				
19	Water	200.3.e	0				
20	Total (sum lines 17 - 19)		544,466,885				
RETURN (R)							
21	Long Term Interest (117, sum of 56c through 60c)					\$	\$0
22	Preferred Dividends (118.29c) (positive number)					\$	-
Development of Common Stock:							
23	Proprietary Capital (112.14d)						0
24	Less Preferred Stock (line 28)						0
25	Less Account 216.1 (112.12d) (enter negative)						0
26	Common Stock (sum lines 23-25)						0
			\$	%	Cost (Note P)	Weighted	
27	Long Term Debt (112, sum of 16d through 19d)		634,089,495.0000	0.4537	0.0000	0.0634	0.0000 0.0288 =WCLTD
28	Preferred Stock (112.3d)		0.0000	0.0000	0.0000	0.0000	0.0000
29	Common Stock (line 26)		763,532,149.0000	0.5463	0.0000	0.1125	0.0000 0.0615
30	Total (sum lines 27-29)		#####		0.0000	0.0000	0.0000 0.0903 =R
REVENUE CREDITS							
						Load	
31	ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)						
	a. Bundled Non-RQ Sales for Resale (311.x.h)						264,504
32	b. Bundled Sales for Resale included in Divisor on page 1						264,504
33	Total of (a)-(b)						0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)						\$147,593
35	ACCOUNT 456 (OTHER ELECTRIC REVENUES) (330.x.n)						\$208,577
	a. Transmission charges for all transmission transactions						\$132,151
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1						\$132,151
37	Total of (a)-(b)						\$74,426

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities

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 Peak as would be reported on page 401, column d of Form 1 at the time of the ISO coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the ISO coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
- 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 Pages 100-111 line 46 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).
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | 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 all of Account No. 561.
- 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 to be 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 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.