

Formula Rate calculation

Rate Formula Template
 Utilizing Attachment O Data

Attachment GG
 For the 12 months ended 12/31/2011

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Michigan Electric Transmission Company, LLC

To be completed in conjunction with Attachment O.

Line No.	(1)	(2) Attachment O Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant - Total	Attach O, p 2, line 2 col 5 (Note A)	1,011,976,000	
2	Net Transmission Plant - Total	Attach O, p 2, line 14 col 5 (Note B)	689,547,000	
O&M EXPENSE				
3	Total O&M Allocated to Transmission	Attach O, p 3, line 8 col 5	73,992,124	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	7.31%	7.31%
TAXES OTHER THAN INCOME TAXES				
5	Total Other Taxes	Attach O, p 3, line 20 col 5	15,272,000	
6	Annual Allocation Factor for Other Taxes	(line 5 divided by line 1 col 3)	1.51%	1.51%
7	Annual Allocation Factor for Expense	Sum of line 4 and 6		8.82%
INCOME TAXES				
8	Total Income Taxes	Attach O, p 3, line 27 col 5	36,450,278	
9	Annual Allocation Factor for Income Taxes	(line 8 divided by line 2 col 3)	5.29%	5.29%
RETURN				
10	Return on Rate Base	Attach O, p 3, line 28 col 5	75,273,211	
11	Annual Allocation Factor for Return on Rate Base	(line 10 divided by line 2 col 3)	10.92%	10.92%
12	Annual Allocation Factor for Return	Sum of line 9 and 11		16.20%

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Network Upgrade Charge Calculation By Project

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Project Name	MTEP Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation Expense	Annual Revenue Requirement	True-Up Adjustment	Network Upgrade Charge
		(Note C)	(Page 1 line 7)	(Col. 3 * Col. 4)	(Note D)	(Page 1 line 12)	(Col. 6 * Col. 7)	(Note E)	Sum Col. 5, 8 & 9	(Note F)	11	(Note G)
1a	Tittabawassee-Hemlick 138kV	1416	\$15,358,934	8.82%	\$1,354,777	\$14,200,104	16.20%	\$2,300,764	\$258,012	\$3,913,553	\$ 92,650	4,006,203
1b	Keystone-Clearwater-Stover 138kV line	660	\$20,603,389	8.82%	\$1,817,379	\$19,757,044	16.20%	\$3,201,125	\$332,588	\$5,351,091	\$ 1,988,270	7,339,361
1c	Tallmadge Station Transformer #3 Addition	481	\$8,563,457	8.82%	\$755,363	\$8,085,550	16.20%	\$1,310,057	\$181,210	\$2,246,630	\$ (374,826)	1,871,804
1d	HSC Phase 3-Midland Project- out of cycle	1817	\$22,787,768	8.82%	\$2,010,058	\$21,932,564	16.20%	\$3,553,612	\$432,905	\$5,996,575	\$ (1,245,403)	4,751,172
1e	Felch Road-Croton 138kV Rebuild	1819	\$8,392,579	8.82%	\$740,290	\$8,204,935	16.20%	\$1,329,400	\$136,434	\$2,206,125	\$ (187,750)	2,018,375
1f	Brickyard Jct.-Felch Road 138kV Rebuild	480	\$12,570,922	8.82%	\$1,108,853	\$12,299,565	16.20%	\$1,992,831	\$209,882	\$3,311,565	\$ (1,701,103)	1,610,462
1g	Simpson - Batavia 138 kV line	988	\$2,361,867	8.82%	\$208,335	\$2,359,998	16.20%	\$382,377	\$24,308	\$615,020	\$ -	615,020
1h	Alameda - Saginaw River 138kV Rebuild	1797	\$17,180,603	8.82%	\$1,515,462	\$17,012,162	16.20%	\$2,756,387	\$310,969	\$4,582,818	\$ -	4,582,818
1i	Campbell - Black River 138kV	1798	\$18,448,024	8.82%	\$1,627,259	\$18,145,019	16.20%	\$2,939,937	\$343,133	\$4,910,329	\$ -	4,910,329
1j	Twining-Alameda 138kV Rebuild	1796	\$1,755,323	8.82%	\$154,833	\$1,754,140	16.20%	\$284,214	\$1,183	\$440,230	\$ -	440,230
2	Annual Totals									33,573,936	-1,428,162	32,145,774
3	Rev. Req. Adj For Attachment O									\$33,573,936		

Note

Letter

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment O and includes any sub lines 2a or 2b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- B Net Transmission Plant is that identified on page 2 line 14 of Attachment O and includes any sub lines 14a or 14b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- C Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1 and includes CWIP in rate base if applicable. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- D Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation.
- E Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment O page 3 line 12.
- F True-Up Adjustment is included pursuant to a FERC approved methodology if applicable.
- G The Network Upgrade Charge is the value to be used in Schedule 26.

Issued by: Stephen G. Kozey, Issuing Officer
Issued on: August 31, 2009

Effective: January 1, 2010