

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	
<b>O&amp;M EXPENSE</b>				
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%
<b>GENERAL AND COMMON (G&amp;C) DEPRECIATION EXPENSE</b>				
5	Total G&C Depreciation Expense	Attach O, p 3, lines 10 & 11, col 5 (Note H)	4,052,000	
6	Annual Allocation Factor for G&C Depreciation Expense	(line 5 divided by line 1 col 3)	0.40%	0.40%
<b>TAXES OTHER THAN INCOME TAXES</b>				
7	Total Other Taxes	Attach O, p 3, line 20 col 5	15,272,000	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	1.51%	1.51%
9	<b>Annual Allocation Factor for Expense</b>	<b>Sum of line 4, 6, and 8</b>		<b>9.22%</b>
<b>INCOME TAXES</b>				
10	Total Income Taxes	Attach O, p 3, line 27 col 5	36,450,278	
11	Annual Allocation Factor for Income Taxes	(line 10 divided by line 2 col 3)	5.29%	5.29%
<b>RETURN</b>				
12	Return on Rate Base	Attach O, p 3, line 28 col 5	75,273,211	
13	Annual Allocation Factor for Return on Rate Base	(line 12 divided by line 2 col 3)	10.92%	10.92%
14	<b>Annual Allocation Factor for Return</b>	<b>Sum of line 11 and 13</b>		<b>16.20%</b>

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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 9)	(Col. 3 * Col. 4)	(Note D)	(Page 1 line 14)	(Col. 6 * Col. 7)	(Note E)	(Sum Col. 5, 8 & 9)	(Note F)	Sum Col. 10 & 11 (Note G)	
1a	Tittabawassee-Hemlick 138kV	1416	\$15,358,934	9.22%	\$1,416,274.88	\$14,200,104	16.20%	\$2,300,764.36	\$258,012	\$3,975,051.25	\$ 92,650	4,067,701
1b	Keystone-Clearwater-Stover 138kV line	660	\$20,603,389	9.22%	\$1,899,875.50	\$19,757,044	16.20%	\$3,201,124.64	\$332,588	\$5,433,588.14	\$ 1,988,270	7,421,858
1c	Tallmadge Station Transformer #3 Addition	481	\$8,563,457	9.22%	\$789,651.75	\$8,085,550	16.20%	\$1,310,056.98	\$181,210	\$2,280,918.72	\$ (374,826)	1,906,093
1d	HSC Phase 3-Midland Project- out of cycle	1817	\$22,787,768	9.22%	\$2,101,301.01	\$21,932,564	16.20%	\$3,553,612.12	\$432,905	\$6,087,818.13	\$ (1,245,403)	4,842,415
1e	Felch Road-Croton 138kV Rebuild	1819	\$8,392,579	9.22%	\$773,894.78	\$8,204,935	16.20%	\$1,329,400.27	\$136,434	\$2,239,729.05	\$ (187,750)	2,051,979
1f	Brickyard Jct.-Felch Road 138kV Rebuild	480	\$12,570,922	9.22%	\$1,159,187.29	\$12,299,565	16.20%	\$1,992,830.54	\$209,882	\$3,361,899.83	\$ (1,701,103)	1,660,797
1g	Simpson - Batavia 138 kV line	988	\$2,361,867	9.22%	\$217,792.00	\$2,359,998	16.20%	\$382,377.43	\$24,308	\$624,477.43	\$ -	624,477
1h	Almeda - Saginaw River 138kV Rebuild	1797	\$17,180,603	9.22%	\$1,584,254.25	\$17,012,162	16.20%	\$2,756,386.58	\$310,969	\$4,651,609.83	\$ -	4,651,610
1i	Campbell - Black River 138kV	1798	\$18,448,024	9.22%	\$1,701,125.42	\$18,145,019	16.20%	\$2,939,937.14	\$343,133	\$4,984,195.56	\$ -	4,984,196
1j	Twining-Almeda 138kV Rebuild	1796	\$1,755,323	9.22%	\$161,861.49	\$1,754,140	16.20%	\$284,213.61	\$1,183	\$447,258.09	\$ -	447,258
2	Annual Totals									\$34,086,546	-\$1,428,162	\$32,658,384
3	Rev. Req. Adj For Attachment O									\$34,086,546		

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 less any prefunded AFUDC, if applicable.
- 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 less any prefunded AFUDC, if applicable.
- 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.
- H The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.