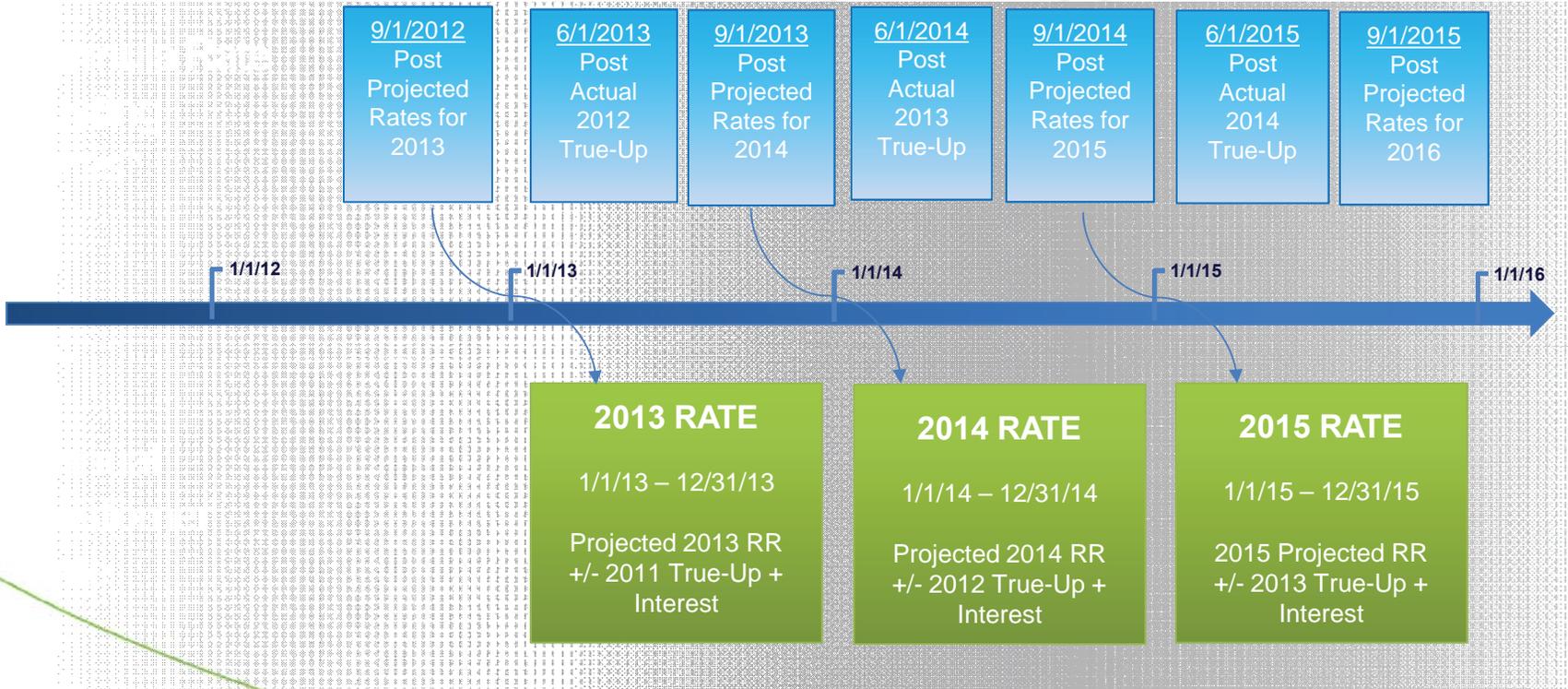


# ITC Midwest Forward Looking Formula Rate Timeline

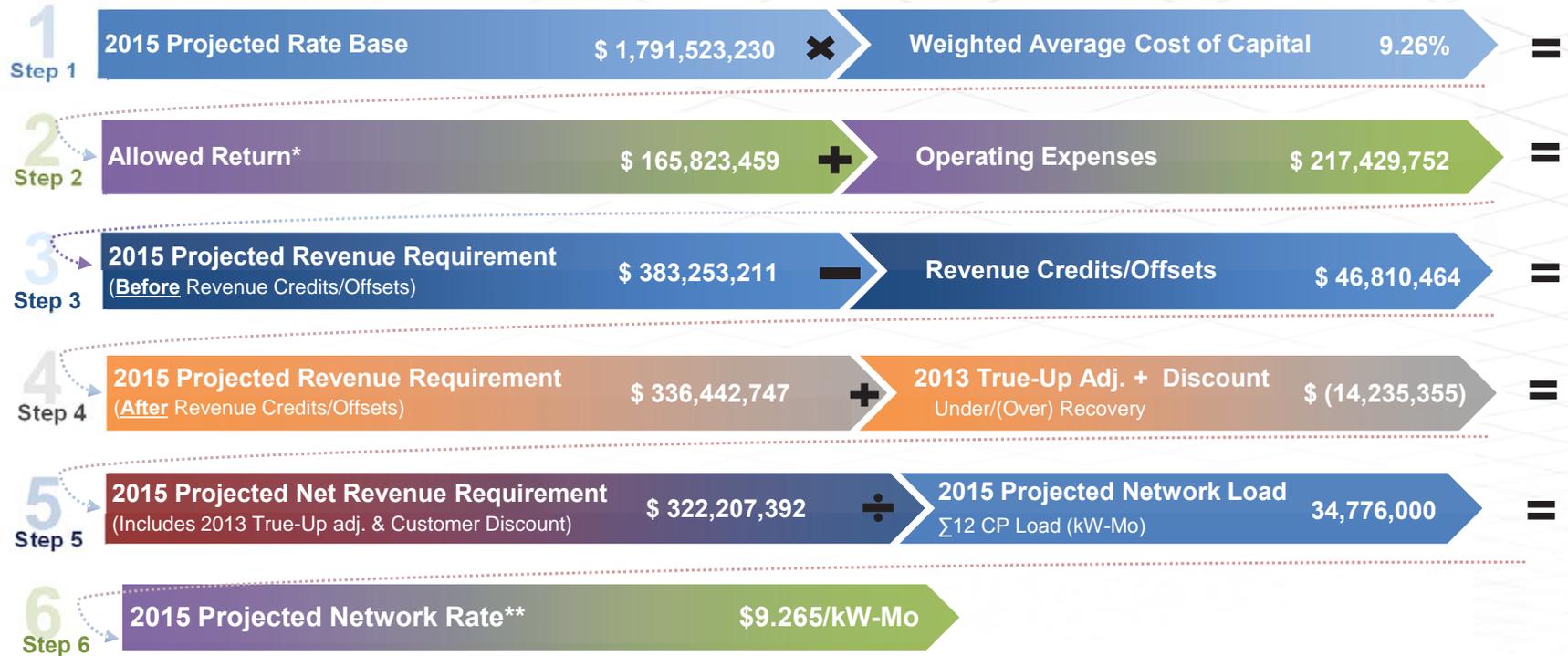


\* Preliminary True-Ups and Projected Rates are posted on/or before 06/01 and 09/01 respectively; (or the following business day when dates fall on a weekend or a holiday)

Appendix 12

# ITC Midwest

## Steps to Derive 2015 Projected Formula Rate



\* Totals may not reconcile due to rounding

\*\* Represents only the ITC Midwest portion of the ITC Midwest joint zone network rate. Schedules 1, 26, & 26A are billed separately by MISO.

## ITC Midwest

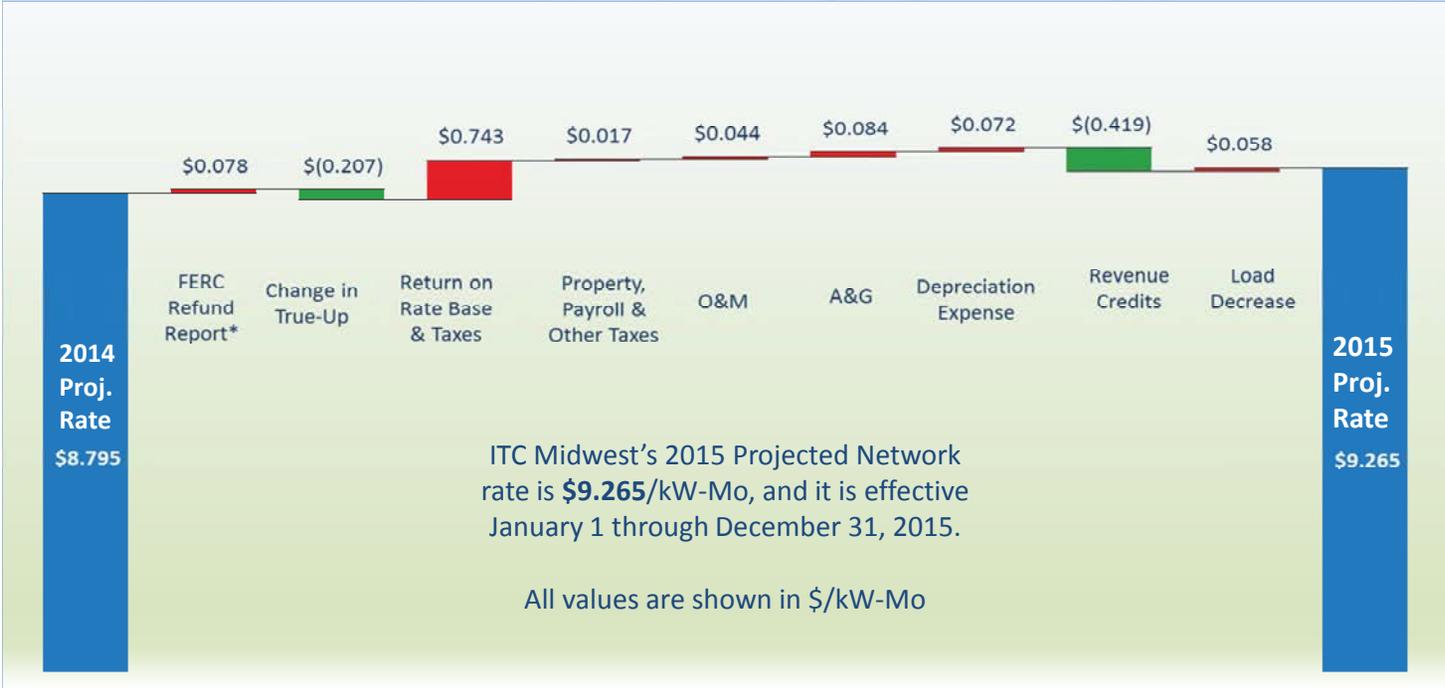
### Summary of Key Drivers of 2015 Projected Formula Rate

Descriptions	2015 Projected	2014 Projected	Increase/ (Decrease)*								
Return on Rate Base	\$ 165,823,459	\$ 149,044,031	\$ 16,779,428								
Operating Expenses	217,429,752	200,843,798	16,585,954								
Revenue Credits/Offsets (Sch. 26, 26A, PTP, & Rents)	(46,810,464)	(32,254,871)	(14,555,593)								
True-Ups and FERC Refund	(10,110,355)	(5,639,724)	(4,470,631)								
Customer Discount	(4,125,000)	(4,125,000)	-								
Projected Net Revenue Requirement	<u>\$ 322,207,392</u>	<u>\$ 307,868,234</u>	<u>\$ 14,339,158</u>								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Projected Network Load (based on 12 CP) kW-Mo.</td> <td style="width: 15%; text-align: right; padding: 2px;">34,776,000</td> <td style="width: 15%; text-align: right; padding: 2px;">35,004,000</td> <td style="width: 15%; text-align: right; padding: 2px;">(228,000)</td> </tr> <tr> <td style="padding: 2px;">Projected Network Rate (\$/kW-Mo)</td> <td style="text-align: right; padding: 2px;">\$ 9.265</td> <td style="text-align: right; padding: 2px;">\$ 8.795</td> <td style="text-align: right; padding: 2px;">\$ 0.470</td> </tr> </table>				Projected Network Load (based on 12 CP) kW-Mo.	34,776,000	35,004,000	(228,000)	Projected Network Rate (\$/kW-Mo)	\$ 9.265	\$ 8.795	\$ 0.470
Projected Network Load (based on 12 CP) kW-Mo.	34,776,000	35,004,000	(228,000)								
Projected Network Rate (\$/kW-Mo)	\$ 9.265	\$ 8.795	\$ 0.470								



\* Totals may not reconcile due to rounding

# ITC Midwest Waterfall – 2015 vs 2014 Projected Formula Rate



■ Represents increases from 2014 to 2015 Projected rates  
■ Represents decreases from 2014 to 2015 Projected rates

\* In 2014 ITC Midwest made a one-time refund of \$2.7 million to customers pursuant to FERC Order accepting a refund report filed in Docket No. PA10-13.