



Tariff Pricing Calculation Guide
Effective Date: NOV-2020

Tariff Pricing Calculation Guide



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A. Purpose

Transmission rates are calculated by MISO per the relevant sections of MISO’s Tariff and data provided by transmission owners and/or resource owners. Given the complexity of some Tariff language, the Tariff Pricing Calculation Guide has been created to:

1. simplify tariff language
2. summarize pertinent rate components
3. assist stakeholders in using this information to shadow rate calculations.

This guide is to be used as a supplement to the MISO Tariff and in no way seeks to replace the Tariff-defined calculations. In any instances in which a calculation in this guide deviates from the calculation defined in the Tariff, the Tariff prevails.

B. Scope

This guide should be used with the Zonal Rates/Determinants file for the relevant month, found in the ‘Rates and Data’ section of the Transmission Settlements and Pricing page of the MISO website (<https://www.misoenergy.org/markets-and-operations/settlements/ts-pricing/#t=10&p=0&s=&sd=>).

C. Rate Derivation

Each section of this guide explains the calculations used to determine a rate and/or charge for a specific schedule (typically an annual amount). That rate or charge can then be used to derive the rates or charges for that schedule for different time periods. The formulas used to calculate rates for other time periods are as follows:

Annual Rate = Monthly Rate multiplied by 12 (if tariff rate calculation starts with the Monthly Rate)

Monthly Rate = Annual Rate divided by 12 (if tariff rate calculation starts with the Annual Rate)

Weekly Rate = Annual Rate divided by 52

Daily Rate (On Peak) = Annual Rate divided by 260

Daily Rate (Off Peak) = Annual Rate divided by 365

Hourly Rate (On Peak) = Annual Rate divided by 4160

Hourly Rate (Off Peak) = Annual Rate divided by 8760

NOTE: certain schedules specify rate caps – refer to Tariff language

D. Schedules

Schedule	Tariff Name	Description
1	Scheduling, System Control, and Dispatch Service	Scheduling and administering the movement of power into, out of, thru, or within the MISO Balancing Authority.
2	Reactive Supply and Voltage Control from Generation or Other Sources Service	Operating generating facilities to produce reactive power to maintain transmission voltages within acceptable limits.



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Schedule	Tariff Name	Description
7	Long-Term and Short-Term Firm Point-to-Point Transmission Service	Transmission Service under the Tariff that is reserved between specified Points of Receipt and Delivery pursuant to Module B of the Tariff. The minimum is one (1) day and maximum duration is specified in the service agreement.
8	Non-Firm Point-to-Point Transmission Service	Transmission Service under the Tariff that is reserved on an as available basis and is subject to Curtailment or Interruption as set forth in Module B. Non-Firm Point-to-Point Transmission Service is available on a stand-alone basis for periods ranging from one (1) hour to one (1) month.
9	Network Integration Transmission Service	Transmission Service that allows Network Customers to efficiently and economically utilize their Network resources (as well as other non-designated generation resources) to serve their Network Load located in a Transmission Owner's Local Balancing Authority or pricing zone pursuant to the rates, terms, and conditions set forth in Module B.
26	Network Upgrade Charge from Transmission Expansion Plan	Transmission charge for Network Upgrade Charge from Transmission Expansion Plan under the Regional Expansion Criteria and Benefits (RECB) provisions of the Tariff which is composed of Attachment FF, Attachment GG and Schedule 26.
26-A	Multi-Value Project (MVP) Usage Rate	MVP is a transmission planning and cost allocation project category for projects that qualify based on multiple reliability and/or economic criteria affecting multiple transmission zones.
26-C	Targeted Market Efficiency Projects Constructed by MISO Transmission Owners	Transmission charge for Targeted Market Efficiency Projects (TMEPs) constructed by MISO Transmission Owners that have been approved by MISO Board of Directors as part of the MTEP process.
26-D	Targeted Market Efficiency Projects Constructed by PJM Interconnection, L.L.C.	Transmission charge for Targeted Market Efficiency Projects (TMEPs) constructed by PJM that have been approved by MISO Board of Directors as part of the MTEP process.
37	MTEP Project Cost Recovery for ATSI	Transmission charge that provides the mechanism for recovering a portion of the MTEP Projects constructed or approved by the MISO Board of Directors (approved prior to ATSI exit from MISO) for construction by ATSI upon ATSI's integration into PJM.
38	MTEP Project Cost Recovery for DEO and DEK	Transmission charge that provides the mechanism for recovering a portion of the MTEP Projects constructed or approved by the MISO Board of Directors (approved prior to DEO/DEK exit from MISO) for construction by DEO/DEK upon DEO/DEK's integration into PJM.
41	Charge to Recover Costs of Entergy Storm Securitization Charges from Entergy Operating Companies' Pricing Zones	MISO mechanism for collecting storm securitization charges from reservations sinking in Entergy.



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Schedule	Tariff Name	Description
42-B	Credit Associated with AFUDC From Entergy Operating Companies' Pricing Zones	MISO mechanism for collecting AFUDC credits from network upgrades to the Entergy Operating Companies.
45	Cost Recovery of NERC Recommendation or Essential Action	Transmission charge that provides a mechanism for Transmission Owners who are Registered Entities registered under the NERC Functional Model to recover costs for NERC Recommendations or Essential Action projects eligible under Attachment FF, Attachment GG and Schedule 45.



E. Calculations

E.1 Schedule 1: Scheduling, System Control and Dispatch Service

Definitions	
Accounts 561.1, 561.2, 561.3, 561.BA	(\$) Values listed on lines 10-15 of Schedule 1 worksheet
True-Up	(\$) Value listed on line 19 of Schedule 1 worksheet (only applicable to forward-looking TOs)
Revenue Credits	(\$) Value listed on line 17 of Schedule 1 worksheet
CBM Flowgate Values	(MW) Average CBM on the flowgate for the current calendar year – updated semi-annually on January 1 and June 1
Flowgate TTC Values	(MW) Average TTC on the flowgate for the current calendar year – updated semi-annually on January 1 and June 1
MISO Total Schedule 7 Divisor	(KW) Total of divisors used in Schedule 7 Drive Through/Out calculation
Zonal Schedule 7 Divisor	(KW) Total of divisors included in zonal Schedule 7 calculation – found on Schedule 7 Determinants tab and as the final zone load on the Schedule 1 Rate Determinants tab, Zone Summary section
Drive Through/Out Divisor	(KW) MISO Total Schedule 7 Divisor * (1+(CBM Flowgate Values/Flowgate TTC Values))
Schedule 1 Zonal Divisor	(KW) Zonal Schedule 7 Divisor net of applicable adjustments listed under Load Transfers section of Schedule 1 Rate Determinants tab.

Items to Note:

- Schedule 1 Rates are updated each January and June in concert with Attachment O rate updates.
- Schedule 1 Rate Determinants tab displays data in two ways: by Transmission Owner with Load transfers listed below, and then by Zonal Summary.
- Rate calculations below determine an annual rate; rates for monthly, weekly, daily, and hourly rates are derived from the annual rate.

Annual Rate Calculation:

For each Pricing Zone:

$$= \text{Zone Total } [((\text{Account } 561.1 + \text{Account } 561.2 + \text{Account } 561.3 - \text{Account } 561.BA) + \text{True Up Adjustment}) - \text{Revenue Credits}] / \text{Schedule 1 Zonal Divisor}$$

Schedule 1 Zonal Divisor Adjustments:

Schedule 1 calculations utilize zonal divisor data from Schedule 7. However, due to existing agreements between transmission owners, adjustments are required in some zones. Established zonal load transfers are listed below. Values for each adjustment are listed in the Schedule 1 Rate Determinants tab, under Load Transfers:

Zone 1	GRE load is removed from Zone 1 and added to Zone 8
Zone 1	SMP load is removed from Zone 1 and added to Zone 20
Zone 8	NSP load is removed from Zone 8 and added to Zone 16
Zone 8	SMP load is removed from Zone 8 and added to Zone 20



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Zone 14	GRE load is removed from Zone 14 and added to Zone 8
Zone 16	GRE load is removed from Zone 16 and added to Zone 8
Zone 16	SMP load is removed from Zone 16 and added to Zone 20
Zone 16	Certain NSP load is removed from Zone 16 and added to Zone 18
Zone 18	GRE load is removed from Zone 18
Zone 20	GRE load is removed from Zone 20 and added to Zone 8

MISO Drive Through and Drive Out Rate:

A single system-wide rate excluding any amounts recovered via Schedule 24 (561.BA).

$$= \text{Total of all Zones } [((\text{Account 561.1} + \text{Account 561.2} + \text{Account 561.3} - \text{Account 561.BA}) + \text{True Up Adjustment}) - \text{Revenue Credits}] / \text{Drive Through and Out Divisor}$$

Drive Through/Out Divisor

$$= (\text{Total MISO Schedule 7 Divisor} * (1 + (\text{CBM Flowgate Values} / \text{Flowgate TTC Values})))$$

Allocation of Revenues

MISO shall pass through the revenues it receives pursuant to this Schedule 1 for transactions that sink in the MISO zones to the Transmission Owner or ITC providing the zonal Schedule 1 service where the transaction sinks. Except in the case of ITC Service, which shall be governed by the ITC's Control Area Services and Operations Tariff, the Transmission Provider shall distribute the revenues it receives pursuant to Schedule 1 in connection with Drive-Out and Drive-Through Transmission Service to the Transmission Owners and ITCs that provide Schedule 1 service in accordance with the revenue distribution provisions in Appendix C, Section III of the ISO Agreement.

*Please see Schedule 1 of the MISO Tariff for full details.



E.2 Schedule 2: Reactive Supply and Voltage Control from Generation or Other Sources Service

Schedule 2 provides the mechanism for compensation for reactive power support necessary to maintain transmission voltages within the voltage range generally accepted in the region.

Definitions	
Annual Revenue Requirement	FERC approved Schedule 2 revenue requirement
Stated Rate	FERC approved cost-based rate schedule which does not include an annual revenue requirement (displayed as Monthly Stated Rate)
Schedule 7 Zonal Divisor	(KW) Sum of all Attachment O, page 1, line 15 values of TO's located in the Transmission Pricing Zone – this value is located on the Schedule 7 Determinants tab, beginning in row 248, column D. Note, the value listed is in KW; convert to MW for Schedule 2 calculation

Items to Note:

1. Schedule 2 rates are updated each June as well as any month in which a change occurs in a revenue requirement or divisor.
2. Schedule 2 Determinants tab displays data by zone ID. Stated Rates are listed in the first section and annual revenue requirements are listed in the second section. When determining a zonal rate, the stated rate(s) in a zone should be considered as indicated below.
3. Schedule 2 Rates are calculated on a monthly basis; annual, weekly, daily and hourly are derived from the monthly rate.

Monthly Zonal Rate Calculation:

Rates for Reactive Supply and Voltage Control provided to Load within the Transmission System:

In zones in which no Stated Rate reactive power resource exists:

$$= ((\text{sum of annual revenue requirements in the zone})/12) / \text{Schedule 7 Zonal divisor}$$

In zones that include a reactive power resource that has a Stated Rate:

$$= (((\text{sum of annual revenue requirements in the zone})/12) / \text{Schedule 7 Zonal divisor}) + \text{stated rate}$$

MISO through and Out Rate: Rates for Reactive Supply and Voltage Control for Transactions exiting the Transmission System (MISO Average Rate):

$$= \text{Sum of all zones (Schedule 7 Zonal divisor / sum of all Schedule 7 Zonal Divisors x monthly Schedule 2 zonal rate)}$$

Revenue Distribution:

For Transmission Service provided to Load within a pricing zone, MISO will distribute to each Qualified Generator a pro rata allocation of Schedule 2 amounts collected:

$$= \text{Qualified Generator Rate in Pricing Zone} / \text{Total of all Qualified Generator Rates in Pricing Zone}$$

For Transmission Service provided to Points of Delivery or loads located outside the Transmission System, MISO



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will distribute to each Qualified Generator a pro rata allocation of the amounts collected for its share of its revenue requirement among all Qualified Generators.

Qualified Generator Rate in Pricing Zone = (annual revenue requirement/Schedule 7 Zonal Divisor/12)

Revenue Allocation:

Revenues are allocated to each pricing zone using a load weighted rate compared to the average rate:

Load weighted zonal rate = Schedule 7 Zonal divisor/total of Schedule 7 zonal divisors x monthly zonal rate

Then weighted system wide rate for zone = Load weighted zonal rate/sum of all load weighted zonal rates

*Distribution of system wide revenue = weighted system wide rate for zone * pro rata share of revenue requirement of total revenue requirements in the zone*



E.3 Schedule 7: Long-Term and Short-Term Firm Point-to-Point Transmission Service

Definitions	
Zonal Net Revenue Requirement	(\$) Sum of all Attachment O, page 1, line 7 values of TO's located in the Transmission Pricing Zone
Zonal Divisor	(KW) Sum of all Attachment O, page 1, line 15 values of TO's located in the Transmission Pricing Zone – note the values listed on the Schedule 7 Determinants tab are in KW.
MISO Net Revenue Requirement	(\$) Sum of all Attachment O, page 1, line 7 values in MISO (\$)
MISO Sum of Divisors	(KW) Sum of all Attachment O, page 1, line 15 values in MISO before adjustments- note the values listed on the Schedule 7 Determinants tab are in KW.
CBM Flowgate Value	(MW) Average CBM on the flowgate for the current calendar year – updated semi-annually on January 1 and June 1.
Flowgate TTC Value	(MW) Average TTC on the flowgate for the current calendar year – updated semi-annually on January 1 and June 1.
MPDC Revenue Requirement	(\$) Allete, Inc (Minnesota Power) Direct Current Revenue Requirement
MPDC Divisor	(KW) Allete, Inc (Minnesota Power) Direct Current Divisor
CIPCO Revenue Requirement	Not a MISO TO
CIPCO Divisor	Not a MISO-TO
Entitlements	METC GFA Load and Non-GFA Load – listed on Schedule 7 Rate Determinants as METC Subzone Entitlement Load
Sum of Entergy Net Revenue Requirements	(\$) Total of Attachment O Net Revenue Requirements for EATO, ELTO, EMTO, ENTO, ETTO
Sum of Entergy Divisors	(KW) Total of Attachment O Divisors for EATO, ELTO, EMTO, ENTO, ETTO
Entergy Annual Adder Factor	Per ER14-19-002; Factor to transition for an Entergy- Only RTOR to the MISO RTOR

Items to Note:

- Schedule 7 is updated in January and June of each year (and any other months that require an update).
- The Schedule 7 Rate Determinant file displays data in three ways:
 - Alphabetically by full Transmission Owner Name
 - By Zone, broken down by Transmission Owners in the zone
 - Summarized by zone, in order of zone number
- In cases where Transmission Owners have assets and/or load in multiple zones, the data displayed is already allocated to each zone, as noted on the TO's Gross Transmission Plant Reporting form. There is no need to further allocate data.
- The Schedule 7 Rate Determinants Tab displays load data in KW (called KW Load). The Schedule 7 rates are calculated per MW.



Zonal Rate Calculations

Drive-In and Drive-Within ISO Transmission Service Annual Zonal Rate:
 $= \text{Zonal Net Revenue Requirement} / \text{Zonal Divisor}$

METC Joint Zone Subzone Annual Rate (13A):
 $= \text{Sum of Non-METC Net Revenue Requirements in MI Joint Zone} / (\text{METC Divisor in MI Joint Zone} + \text{Entitlements})$

Michigan Joint Zone Annual Rate (13):
 $= ((\text{METC Net Revenue Requirement} / \text{Sum of Divisors in MI Joint Zone excluding Entitlements}) + (\text{Consumers Net Revenue Requirement} / \text{Sum of Divisors in MI Joint Zone excluding Entitlements}) + \text{MI Joint Zone SubZone Rate})$

MISO System- Wide Rate:

MISO System-Wide Rate, i.e Drive-Out and Drive-Through ISO Transmission Service Annual Zonal Rate:

$$= (\text{MISO Net Revenue Requirement} - \text{MPDC Revenue Requirement} - \text{CIPCO Revenue Requirement}) / ((\text{MISO Sum of Divisors} - \text{MPDC Divisor} - \text{CIPCO divisor} - \text{METC Subzone entitlements}) * (1 + (\text{CBM Flowgate Value} / \text{Flowgate TTC Value})))$$

Entergy-only Regional Through and Out Rate (RTOR):
 $\text{Entergy RTOR} = \text{Entergy Only Rate} + \text{Entergy Adder}$
Where: $\text{Entergy Only Rate} = \text{Sum of Entergy Net Revenue Requirements} / \text{Sum of Entergy Divisors}$
 $\text{Entergy Adder} = \text{Adder Factor} * (\text{MISO System Wide Rate} - \text{Entergy Only Rate})$

Revenue Distribution:

$\text{Total for the Zone} = (\text{Gross Plant Att O of TOs in the zone} - \text{Reg Asset Att O of TOs in the zone} - \text{Gross Plant Att GG of TOs in the zone} - \text{Gross Plant Att MM of TOs in the zone} - \text{Gross Plant Att ZZ of TOs in the zone})$

TOA Appendix C.III governs revenue distribution for Schedules 7, 8, and 9 and generally provides:

- 50% distributed based on relative proportion of transmission investment (gross plant values)
- 50% distributed based on power flows (transaction participation factors – TPFs)



E.4 Schedule 8: Non-Firm Point-to-Point Transmission Service

MISO is required to provide Non-Firm Point-To-Point (PTP) Transmission Service according to the terms in Module B of the Tariff. Schedule 8 service charges are assessed on all non-firm PTP reservations; this includes drive-in, drive-within, drive-out and drive-through reservations.

MISO provides Schedule 8 service equal to the Reserved Capacity approved by MISO during the Transmission Service reservation process. The Transmission Customer pays MISO a Schedule 8 charge based on the amount of Reserved Capacity purchased.

The only non-firm service reservations exempt from Schedule 8 service charge are those non-firm contracts listed in the MISO Tariff Attachment P (Grandfathered Agreement). MISO will not settle or bill for Grandfathered Agreements except for their Schedule 10 or Schedule 23 obligations.

Items to Note:

1. Schedule 8 is updated in January and June of each year as well as any other months in which Schedule 7 is updated.
2. Schedule 8 rates mirror the Monthly, Weekly, and Daily rates calculated in Schedule 7. Hourly Rates are calculated using the formula for On and Off Peak Hourly described in Section C.
3. Schedule 8 Rate Determinants can be found on the Schedule 7 Determinants tab, except for rates for the (Minnesota Power HVDC (MPDC) zone).
4. Per docket ER09-1727, MPDC Schedule 8 Rates are as follows (in \$/MW):

	Monthly	Weekly	Daily – On Peak	Monthly – On Peak	Daily – Off Peak	Hourly – Off Peak
MPDC	30.00	68.4615	3.6923	.1058	4.00	.00



E.5 Schedule 9: Network Integration Transmission Service

MISO is required to provide Network Integration Transmission Service (NITS) according to the terms in Module B of the Tariff. Monthly Demand Charges for Schedule 9 service are assessed by MISO on all actual monthly Network Integration Transmission Service usage by Network Customer. The Monthly Demand Charge is defined as the NITS Schedule 9 charges.

All registered MISO Transmission Customers granted Network Integration Transmission Services from MISO purchase Schedule 9 service from MISO. Transmission Customers purchasing NITS from MISO are also called Network Customers. This Transmission Service allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load.

Items to Note:

1. Schedule 9 is updated in January and June of each year as well as any other months in which Schedule 7 is updated.
2. Schedule 9 rates mirror the Annual and Monthly rates calculated in Schedule 7.
3. Schedule 9 Rate Determinants can be found on the Schedule 7 Determinants tab. No determinants tab exists for Schedule 9.



E.6 Schedule 26: Network Upgrade Charge from Transmission Expansion Plan

Definitions	
Attachment GG	Used to recover a transmission owners revenue requirements for investments in certain projects that are authorized in the MISO Transmission Expansion Plan (MTEP)
Attachment FF	Transmission Expansion Planning Protocol – governs the allocation of the cost of MTEP projects for Network Upgrades
Network Upcharge	Demand charge applied to the network customers zonal coincident peak demand and to point to point customers reservations
MTEP Year	Year a project was approved via MISO Planning's annual MTEP cycle
MTEP Project Number	Project ID # assigned by MISO Planning during the annual MTEP process.
Project Cost Allocations	MISO Planning determines project cost allocation amongst the pricing zones. This is fixed at the time of MTEP project approval and follows the project over its lifetime.
Determinants	
Revenue Requirement	TO's Project costs to be recovered – calculated and submitted via Attachment GG. (Att GG, Page 2 column 10)
True-Up Adjustment	Adjustment calculated by Forward-Looking TO's each year – to reflect actual results of prior years projections (Att GG column 11)
Alternate GG True-Up	Applicable only to ITC, ITCM, METC, NSP - Special allocation methodology utilized to calculate Att GG true-up allocations
MTEP Cost Allocator %	Project Cost allocation ratio assigned to specific pricing zones for a project (fixed at time of MTEP project approval)
Duke Project Cost Allocator %	Allocation % assigned to CIN/DEO/DEK due to CIN's partial exit from MISO (DEO and DEK left, DEI remains). Sch 38 assigned these cost allocation ratios amongst the 3 entities to split the zonal allocations
Revenue Requirement Allocation	Total revenue requirements allocated to pricing zones by applying the assigned project ratios to the revenue requirements submitted
DEO Project Exclusion	Project exclusions (#91) due to DEO exit from MISO, as outlined in Schedule 38
FE Project Exclusions	Project exclusions (#890 & #1326) due to FE exit from MISO, as outlined in Schedule 37
RPU Adjustments	Project #1024 – exclusion of allocations to FE, DEO, DEK. RPU is not listed as a Schedule 37 or 38 applicable project
WPPT Adjustments	Project #1024 – exclusion of allocations to FE, DEO, DEK. WPPT is not listed as a Schedule 37 or 38 applicable project
Entitlements – METC Subzone GFA Load	Included in divisor value used for MI Joint Zone (13) and Joint Subzone (13A)
Entitlements – METC Subzone Non-GFA Load	Included in divisor value used for Michigan Joint Zone (13)
Entergy Yearly Transition Factor	Due to Entergy Settlement (ER14-19-002/ER13-948) – this provides the Phase-in ratios to be used each year in calculating the Entergy RTOR
Zonal Net Revenue Requirement	(\$ Sum of all Attachment GG project amounts allocated to the pricing zone per set MTEP project allocations
Zonal Divisor (called Zone KW Load, Final Zone Load on 26	(KW) Sum of all Attachment O, page 1, line 15 values of TO's located in the Transmission Pricing Zone (+ or – required load adjustments)

Items to Note:



1. MTEP Annual Board Approval is in mid-December
2. Schedule 26 is updated in January and June of each year (and any other months that require an update)
3. The Schedule 26 Rate Determinant file displays data in three ways:
 - Project Totals by Transmission Owner – project revenue requirements as submitted by each TO via Attachment GG
 - Zone MTEP Allocations – details for allocation of TO revenue requirements, by Pricing Zone & MTEP Year
 - Zone Allocation Totals – summary of Zone MTEP Allocations table to summarize total revenue requirements by pricing zone

Calculations

Revenue Requirement Allocation

For projects listed in the 'Project Totals by Transmission Owner table:

$$= (TO \text{ Project Revenue Requirement} + \text{True Up Adjustment}^1) * (MTEP \text{ Cost Allocator } \%) * (\text{Duke Project Cost Allocator } \%, \text{ where applicable})$$

This allocation process is applied to every project submitted by every TO. After the revenue requirement allocations are complete, they are summed by zone to determine the total zonal revenue allocations.

Zone Allocation Totals² table

Zone Revenue Requirement Total:

$$= \text{Sum by Pricing Zone (All Revenue Requirement Allocations)} - \text{Transmission Owner Project Revenue Adjustments}$$

Transmission Owner Project Revenue Adjustments

Transmission Owner Project Revenue Adjustments

- (a) Per Docket ER11-3279 PJM will be receiving First Energy's proportionate share on First Energy's behalf (Sch 37 Section IV.D).
- (b) Removal of revenue requirement that would have been allocated to First Energy for projects constructed by First Energy (890 & 1326), Schedule 37 Section IV.C.
- (c) Per Docket ER12-334 PJM will be receiving DEO's proportionate share on DEO's behalf. DEK has no MTEP projects, and is not entitled to any revenue. (Sch 38 Section IV.D)
- (d) Removal of revenue requirements that would have been allocated to DEO & DEK for projects constructed by DEO or DEK (91), Schedule 38 Section IV.C.
- (e) Removal of portion of revenue requirements that would have been allocated to FE, DEO & DEK for project 1024, Schedule 37 & 38 Section V. Project allocations were revised January 2015 to reflect the inclusion of RPU (ER14-2154/ER15-277)

	MTEP Year	Transmission Owner		Project Number	Zone ID	Revenue Requirement	
(a), (b)	MTEP06	FE	✓	890	FE		
(a), (b)	MTEP06	FE	✓	1326	FE		
(e)	MTEP08	RPU	✓	1024	DEK		
(e)	MTEP08	RPU	✓	1024	DEO		
(e)	MTEP08	RPU	✓	1024	FE		
(e)	MTEP08	WPPT	✓	1024	DEK		
(e)	MTEP08	WPPT	✓	1024	DEO		
(e)	MTEP08	WPPT	✓	1024	FE		
(c), (d)	MTEP06	DEO	✓	91	DEK		
(c), (d)	MTEP06	DEO	✓	91	DEO		
Totals							0.00

Zonal Rate Calculation

¹ ITC, ITCM, METC, NSP will use Total Alternate GG True Up column

² Zone Allocation Totals summarizes the Project Allocations, adjusted for Transmission Owner Project Revenue Adjustments



Rates to be collected for each pricing zone:

Annual Rate per MW:

$$(Zone Revenue Requirement Total / Final Zone Load^3) * 1000$$

Monthly, Weekly, Daily, Hourly rates are derived from the Annual Rate as detailed in Sch 26

MISO System- Wide Rate Calculation:

(Refer to 'Adjustments for MISO System Wide Calculation' table in output file)

MISO RTOR:

$$= ((Pre Adjustment Revenue Requirements - Project Adjustments - Project Exclusions) / (Pre Adjustment KW Load + METC Subzone Non GFA Load)) * 1000$$

Entergy RTOR Calculation:

Entergy-only Regional Through and Out Rate (RTOR): Due to requirements of the Entergy RTOR Settlement (EL14-19-002/ER13-948) which specifies the phase-in ratio to be used each year to transition from using an Entergy-only RTOR to the MISO-wide RTOR per the defined settlement timeline.

ENTERGY RTOR SETTLEMENT			
PER EL14-19-002 SETTLEMENT FILED 02/25/16; SETTLEMENT APPROVED 6/23/16			
TRANSITION FROM AN ENTERGY-ONLY RTOR TO THE MISO-WIDE RTOR PER SCHEDULE BELOW:			
APPLICABLE TIME PERIOD	SETTLEMENT REFERENCE	TRANSITION FORMULA RATE	
YEAR 1 12/19/13 - 12/31/14	II.A(4)(b)	NO SCH 26 CHARGES	
YEAR 2 01/01/15 - 12/31/15	II.A(4)(c)	NO SCH 26 CHARGES	
YEAR 3 01/01/16 - 12/31/16	II.A(4)(c)	NO SCH 26 CHARGES	
YEAR 4 01/01/17 - 12/31/17	II.A(4)(c)	NO SCH 26 CHARGES	
YEAR 5 1/1/2018 - 12/31/18	II.A(4)(c)	NO SCH 26 CHARGES	
YEAR 6 1/1/2019 - 12/31/19	II.A(4)(d)	12.5% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 7 1/1/2020 - 12/31/20	II.A(4)(e)	25% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 8 1/1/2021 - 12/31/21	II.A(4)(f)	37.5% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 9 1/1/2022 - 12/31/22	II.A(4)(g)	50% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 10 1/1/2023 - 12/31/23	II.A(4)(h)	62.5% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 11 1/1/2024 - 12/31/24	II.A(4)(i)	75% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 12 1/1/2025 - 12/31/25	II.A(4)(j)	87.5% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
YEAR 13 1/1/2026 - 12/31/26	II.A(4)(k)	100% OF THE THEN-CURRENT OUT AND THROUGH RATE ON SETTLEMENT SVC AGREEMENTS	
SCH 26 TRANSITION TERMINATES AT END OF YEAR 13			

Entergy RTOR:

$$= MISO RTOR * (Transition Formula Rate ratio for Applicable Time Period from table above)$$

Revenue Distribution:

³ Final Zone Load – this load will differ from the Sch 789 load amounts due to the following adjustments:

- a) 13 – Add METC Subzone Non-GFA Load
- b) 13A – result of 13 above + METC Subzone GFA Load
- c) 16 & 18 - Loads included in Attachment O rate divisor for the NSP Pricing Zone (zone 16) but are located in the OTP load balancing area and are charged the applicable OTP pricing zone (zone 18) Schedule 26 rate shall be excluded from the



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To the extent MISO collects revenues from Transmission Customers, it shall remit revenues to the Transmission Owners in proportion to their annual pro-rata share of the total NUC revenue requirement determined under Attachment GG

Network and Internal Point to Point :

=Total Attachment GG Revenue Requirements – Transmission Owner Project Revenue Adjustments⁴

Drive – Through and Drive – Out Service :

=Total Attachment GG Revenue Requirements – Transmission Owner Project Revenue Adjustments – Project Exclusions⁵

⁴ Revenue requirements that would have been allocated to ATSI for projects constructed by ATSI - #890 & #1326 +
Revenue requirements that would have been allocated to DEO & DEK for projects constructed by DEO - #91 +
Revenue requirements that would have been allocated to ATSI, DEO, DEK for RPU's project 1024 +
Revenue requirements that would have been allocated to ATSI, DEO, DEK for WPPI's project 1024

⁵ Adjusted to remove FE (ATSI) revenue requirement included in zonal rate calculations. Per Attachment GG.2.h.4 & GG.2.h.5- ATSI will no longer receive a pro-rata share of the Schedule 26 revenues related to Drive-through and drive-out Point-to-Point Transmission Service reservations. Adjusted to remove DEO/DEK revenue requirement included in zonal rate calculations. Per Attachment GG.2.i.4 & GG.2.i.5 - DEO/DEK will no longer receive a pro-rata share of the Schedule 26 revenues related to Drive-through and drive-out Point-to-Point Transmission Service reservations.



E.7 Schedule 26-A: Multi-Value Project Usage Rate

The Multi-Value Project Usage Rate (“MUR”) is assessed to Market Participants⁶ that have Monthly Net Actual Energy Withdrawals⁷, Export Schedules, and Through Schedules.

Definitions	
Attachment MM	Used to recover a transmission owners revenue requirements for investments in Multi-Value Projects (MVP) that are authorized in the MISO Transmission Expansion Plan (MTEP)
Attachment FF	Transmission Expansion Planning Protocol – governs the allocation of the cost of MTEP projects for Network Upgrades
Multi-Value Project Usage Rate (“MUR”)	Rate charged to Monthly Net Actual Energy Withdrawals, Export Schedules, and Through Schedules.
Schedule 39	MVP Annual Revenue Requirement for Withdrawing TOs MVPs is calculated pursuant to this Schedule
Determinants	
Revenue Requirement	TO’s Project costs to be recovered – calculated and submitted via Attachment MM. (Att MM, Page 2 column 14 for most templates) utilizing project information and Annual Allocation Factors derived from Attachment O inputs
True-Up Adjustment	Adjustment calculated by Forward-Looking TO’s each year – to reflect actual results of prior year’s projections (Att MM column 15 for most templates)
Net Revenue Requirement	TO’s total Costs to be recovered – calculated and submitted via Attachment MM (Att MM, Page 2 column 16 for most templates)

Items to Note:

1. Schedule 26A is updated each January and June in concert with Attachment O rate updates.
2. MTEP Annual Board Approval is in mid-December.

Calculations

Net Revenue Requirement

$$= \text{Project Revenue Requirement} + \text{Project True Up}$$

Sch 26A Net Revenue Requirements are used to develop Schedule 26A MUR Usage Rate (handled by Transmission Settlements using weighting factors, net actual energy withdrawal volumes etc)

Revenue Distribution:

Revenue collected from Market Participants by the Transmission Provider is remitted to the Transmission Owner and/or ITC’s in proportion to their annual pro-rata share of the total MVP revenue requirement in the applicable Planning Area(s) as determined under Attachment MM

⁶ An entity that (i) has successfully completed the registration process with the Transmission Provider and is qualified by the Transmission Provider as a Market Participant, (ii) is financially responsible to the Transmission Provider for all of its Market Activities and obligations, and (iii) has demonstrated the capability to participate in its relevant Market Activities.

⁷ For a Commercial Pricing Node a calculated volume in MWh that flows out of the Transmission System during the Operating Month at a specified location that is equal to the net positive sum of (1) the hourly time-weighted average of the Metered volume of the Commercial Pricing Node and (2) the hourly timeweighted Actual Energy Injections for Demand Response Resources and EDR resources associated to a Load Zone. The Commercial Pricing Node Metered volume in MWh that flows out of the Transmission System during the Operating Month, used for the calculation of the Monthly Net Actual Energy Withdrawal, is submitted to the Transmission Provider by a Market Participant or a Market Participant’s Meter Data Management Agent for each Hour of the Operating Month that is used for Settlement purposes.



E.8 Schedule 26-C: Targeted Market Efficiency Projects Constructed by MISO Transmission Owners

Determinants	
Project Number	Targeted Market Efficiency Project as defined in MISO Attachment FF, Section II.F and approved by the MISO Board of Directors for inclusion in Appendix A of the MTEP
Revenue Requirement	MISO TO's Project costs to be recovered - submitted via Attachment GG. (Att GG, Page 3 column 12). This is the value to be used in Schedule 26-C.
MISO Cost Allocation	Ratio of a TMEP Projects costs to be allocated to MISO per the Joint Operating Agreement between MISO and PJM.
PJM Cost Allocation	Ratio of a TMEP Projects costs to be allocated to PJM per the Joint Operating Agreement between MISO and PJM.
Annual MISO Revenue Allocation	MISO Cost Allocation ratio applied to a TMEP projects Revenue Requirement to determine MISO portion to be allocated amongst pricing zones
Annual PJM Revenue Allocation	PJM Cost Allocation ratio applied to a TMEP projects Revenue Requirement to determine PJM portion
Zone Allocation	A TMEP projects zonal allocation ratio. The pricing zone allocations are fixed at the time of TMEP project approval and follows the project over its lifetime
MISO Annual Allocation	Total revenue requirement allocated to pricing zones by applying the TMEP Zone Allocation to the Annual MISO Revenue Allocation.
MISO Monthly Allocation	MISO Annual Allocation / 12

Calculations

Annual MISO Revenue Allocation:

$$= \text{TMEP Projects Revenue Requirement} * \text{TMEP Projects applicable MISO Cost Allocation}$$

Annual PJM Revenue Allocation:

$$= \text{TMEP Projects Revenue Requirement} * \text{TMEP Projects applicable PJM Cost Allocation}$$

Annual MISO Allocation (by Pricing Zone):

$$= \text{TMEP Projects Annual MISO Revenue Allocation} * \text{Zone Allocation}$$

MISO Monthly Allocation (by Pricing Zone):

$$= \text{MISO Annual Allocation} / 12$$

- Revenue requirements are collected from MISO TOs within each zone taking NITS and/or Point to Point Transmission Service.
- PJM is billed monthly for their portion of the revenue requirements for the TMEPs constructed by MISO TOs.

Revenue Distribution:

MISO shall distribute total Sch 26-C received to MISO TOs in proportion to their pro-rata share of the total MISO TMEP revenue requirements



E.9 Schedule 26-D: Targeted Market Efficiency Projects Constructed by PJM Interconnection, L.L.C Transmission Owners

Determinants	
Project Number	Targeted Market Efficiency Project as defined in MISO Attachment FF, Section II.F and approved by the MISO Board of Directors for inclusion in Appendix A of the MTEP
Revenue Requirement	PJM Transmission Owners costs to be collected by MISO from MISO Transmission Customers.
MISO Cost Allocation	Ratio of a TMEP Projects costs to be allocated to MISO per the Joint Operating Agreement between MISO and PJM.
PJM Cost Allocation	Ratio of a TMEP Projects costs to be allocated to PJM per the Joint Operating Agreement between MISO and PJM.
Annual MISO Revenue Allocation	MISO Cost Allocation ratio applied to a TMEP projects Revenue Requirement to determine MISO portion to be allocated amongst pricing zones
Annual PJM Revenue Allocation	PJM Cost Allocation ratio applied to a TMEP projects Revenue Requirement to determine PJM portion
Zone Allocation	A TMEP projects zonal allocation ratio. The pricing zone allocations are fixed at the time of TMEP project approval and follows the project over its lifetime
Annual MISO Allocation	Total revenue requirement allocated to pricing zones by applying the TMEP Zone Allocation to the Annual MISO Revenue Allocation.
Monthly MISO Allocation	Annual Zonal Allocation / 12

Calculations

Annual MISO Revenue Allocation:

$$= \text{TMEP Projects Revenue Requirement} * \text{TMEP Projects applicable MISO Cost Allocation}$$

Annual PJM Revenue Allocation:

$$= \text{TMEP Projects Revenue Requirement} * \text{TMEP Projects applicable PJM Cost Allocation}$$

Annual MISO Allocation (by Pricing Zone):

$$= \text{TMEP Projects Annual MISO Revenue Allocation} * \text{Zone Allocation}$$

Monthly MISO Allocation (by Pricing Zone):

$$= \text{Annual MISO Allocation} / 12$$

Revenue requirements are collected from MISO TOs within each zone taking NITS and/or Point to Point Transmission Service.

Revenue Distribution:

MISO shall remit to PJM total Sch 26-D revenue received from MISO Customers on a monthly basis.



E.10 Schedule 37: MTEP Project Cost Recovery for ATSI

ATSI Withdrawal from MISO – Effective June 1, 2011

Determinants	
Revenue Requirement	MISO TO Project costs to be recovered - submitted via Attachment GG. (Att GG, Page 2 column 10)
True-Up Adjustment	Adjustment calculated by Forward-Looking TO's each year – to reflect actual results of prior years projections (Att GG column 11)
Alternate GG True-Up	Applicable only to ITC, ITCM, METC, NSP - Special allocation methodology utilized to calculate Att GG true-up allocations
MTEP Cost Allocator %	Project Cost allocation ratio assigned to specific pricing zones for a project (fixed at time of MTEP project approval)
Annual Revenue Allocation	Total revenue requirements allocated to pricing zones by applying the assigned project ratios to the revenue requirements submitted

Items to Note:

1. Transmission Customers taking transmission service in MISO, as well as DEO or DEK (as defined in Sch 38 of the MISO Tariff) shall pay a portion of MTEP Projects constructed or approved by the MISO Board of Directors for construction by ATSI upon ATSI's integration into PJM
2. Portion of the annual revenue requirements for MTEP projects constructed by ATSI should be included in the development of the Sch 26 transmission rates for each applicable zone
3. Portion of the revenue requirement that would have been allocated to ATSI will be removed from the Sch 26 rate calculation
4. Revenue Requirement as determined in Schedule 37, Section IV will be included in the determination of the NUC under Attachment GG for charges and revenue distributions under Schedules 26, 37, 38

Projects Constructed by ATSI
MTEP06 – Project # 890
MTEP06 – Project #1326

	ATSI MTEP Project Revenue Requirements Allocated to MISO Zones
Derivation of Annual Rev Req	ATSI provides annual revenue requirement annually for June rate update
Allocation of Annual Rev Req to MISO zones	MTEP Projects revenue requirement * % for each applicable MISO Zone with respect to that project = annual rev req allocations
Recovery of Annual Rev Req for ATSI MTEP Projects	MISO will include the portion of the annual rev req in the development of the Sch 26 trans rates for each applicable MISO Zone. Portion of the rev req that would have been allocated to ATSI will be removed from the Sch 26 rate calculation
Rev distribution from pymts made by DEO, DEK and trans customers in MISO	Each month MISO shall remit to PJM (on behalf of ATSI) from payments made by DEO, DEK or Transmission Customers in proportion to ATSI's annual pro-rata share (ATSI's annual rev req less the portion of ATSI's rev req removed from Sch 26 rate calc) of the total Network Upgrade Charge rev req



Revenue Distribution:

MISO shall remit an amount to PJM (from the payments made by DEO, DEK or Transmission customers) in proportion to ATSI's annual pro-rata share of the total Network Upgrade Charge revenue requirements (ATSI's annual revenue requirement less the portion of ATSI's annual revenue requirement removed from the Sch 26 rate calculation)

ATSI Responsibility for Projects Constructed by MISO TOs

- ATSI is still responsible for paying a portion of the revenue requirements of MTEP projects constructed by MISO TOs approved prior to ATSI's departure.

Projects Constructed by MISO TO's		
2068 – Ameren Illinois	286 – Northern States Power Company	612 - NIPSCO
2069 – Ameren Illinois	286 – Otter Tail Power Company	1457 – Northern States Power Company
2472 – Ameren Illinois	286 – Missouri River Energy Services	1458 – Northern States Power Company
2829 – Ameren Illinois	286 – Minnesota Power	1024 – Northern States Power Company
345 – ATC LLC	1749 – ITC Midwest	1024 - SMMPA
356 – ATC LLC	686 - ITC	1257 – Vectren Energy
2793 – ATC LLC	910 - ITC	1004 – Vectren Energy
2837 – ATC LLC	911 - ITC	
91 – Duke Energy Ohio	481 - METC	
1263 – Duke Energy Indiana	1817 - METC	
3104 – Great River Energy	1828 - METC	
286 – Great River Energy	662 - METC	

Schedule 37 Revenue Charge Calculation:

Allocations for projects listed in the 'Projects Constructed by MISO TOs' table above are determined as follows:

Annual Revenue Allocation:

$$=(TO \text{ Project Revenue Requirement} + \text{True Up Adjustment}^8) * MTEP \text{ Cost Allocator } \%$$

Revenue requirement allocations for these projects are summarized in Sch 37 and ATSI is billed monthly (Total Revenue Requirement Allocation / 12)

	MTEP Project Revenue Requirements Allocated to ATSI
Derivation of Annual Rev Req	Annual revenue requirement submissions – follow set project allocations
Allocation of Annual Rev Req to ATSI	(Each MTEP Projects revenue requirements * % for ATSI with respect to that project)/12 = monthly portion of annual rev req
Monthly revenue requirements owed from ATSI	MISO will bill ATSI monthly via Schedule 37
Rev distribution from pymts made by ATSI	ATSI's remittance of amounts billed under Sch 37 shall be distributed to 1)MISO TOs (including DEO/DEK) & 2) ATSI in proportion to their pro-rata share of the total Network Upgrade Charge revenue requirements per Sch 26

⁸ ITC, ITCM, METC, NSP will use Alternate GG True Up



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Revenue Distribution:

Upon ATSI's remittance to MISO of amounts billed in Sch 37, MISO shall distribute the remitted amounts to 1) MISO TOs, 2) ATSI in proportion to their pro-rata share of the total Network Upgrade Charge revenue requirements as called for in Sch 26



E.11 Schedule 38: MTEP Project Cost Recovery for DEO and DEK

DEO & DEK Withdrawal from MISO – Effective January 1, 2012

Determinants	
DEO Revenue Requirement	DEO Revenue Requirement allocation determined by applying the Duke Project Cost Allocator % ⁹ to specified projects (listed below) where CIN/DEI receives an allocation. This revenue requirement is calculated via Schedule 26.
DEK Revenue Requirement	DEK Revenue Requirement allocation determined by applying the Duke Project Cost Allocator % to specified projects (listed below) where CIN/DEI receives an allocation. This revenue requirement is calculated via Schedule 26.

Items to Note:

1. Transmission Customers taking transmission service in MISO, as well as ATSI (pursuant to Schedule 37), shall pay for a portion of the MTEP Projects of DEO and DEK.
2. Portion of the annual revenue requirements for MTEP projects constructed by DEO should be included in the development of the Sch 26 transmission rates for each applicable zone
3. Portion of the revenue requirement that would have been allocated to DEO & DEK will be removed from the Sch 26 rate calculation

Projects Constructed by DEO
MTEP06 – Project # 91

DEO & DEK Responsibility for Projects Constructed by MISO TOs (Excluding DEI)

- DEO & DEK are still responsible for paying a portion of the revenue requirements of MTEP projects listed below, constructed by MISO TOs approved prior to DEO & DEK's departure

Projects Constructed by MISO TO's		
2068 – Ameren Illinois	286 – Missouri River Energy Services	1024 - SMMPA
2069 – Ameren Illinois	286 – Minnesota Power	1257 – Vectren Energy
2472 – Ameren Illinois	1749 – ITC Midwest	1004 – Vectren Energy
2829 – Ameren Illinois	686 - ITC	988 - METC
345 – ATC LLC	910 - ITC	1259 – Vectren Energy
356 – ATC LLC	911 - ITC	1615 - NIPSCO
2793 – ATC LLC	481 - METC	870 – Ameren Illinois
2837 – ATC LLC	1817 - METC	1970 – Vectren Energy
2846 – ATC LLC	1828 - METC	2053 – Indianapolis Power & Light
3104 – Great River Energy	612 - NIPSCO	2306 – Ameren Missouri
286 – Great River Energy	1457 – Northern States Power Company	3191 – ITC Midwest
286 – Northern States Power Company	1458 – Northern States Power Company	3206 – ATC LLC
286 – Otter Tail Power Company	1024 – Northern States Power Company	

⁹Schedule 38 requires amounts that would have been allocated to the Historic Duke Zone (prior to DEO & DEK departure) to be further allocated per the following ratios: DEI = 57.9%, DEO = 35%, DEK = 7.1% to determine the applicable revenue requirements



Schedule 38 Monthly Revenue Charge Calculation:

DEO Revenue Requirement:

$$= \text{Total DEO Revenue Requirement} / 12$$

DEK Revenue Requirement:

$$= \text{Total DEK Revenue Requirement} / 12$$

Revenue requirement allocations for these projects are summarized in Sch 38 and ATSI is billed monthly

Revenue Distribution:

Upon PJMs remittance to MISO of amounts billed under Sch 38, MISO shall distribute the remitted amounts to

- 1) MISO TOs in proportion to their pro-rata share of the total Network Upgrade Charge revenue requirements as called for in Sch 26,
- 2) PJM as designated agent for DEO and DEK per Appendix I of Sch 38 and
- 3) PJM as designated agent for ATSI



E.12 Schedule 41: Charge to Recover Costs of Entergy Storm Securitization Charges from Entergy Operating Companies' Pricing Zones

Schedule 41 provides for the recovery of storm securitization charges consistent with settlement agreements approved by FERC (detailed below) which ensures Entergy Operating Companies' wholesale transmission customers bear their share of the transmission portion of the storm restoration costs for the hurricanes in wholesale rates.

Definitions	
Schedule 41	Billing mechanism developed when Entergy joined MISO to provide for the recovery of storm securitization charges (hurricane and ice storm restoration costs) consistent with settlement agreements approved by FERC.
Entergy Pricing Zones	<p>Applicable to the following Entergy pricing zones:</p> <p><u>Entergy Arkansas</u> Recovery of storm securitization charges as accepted in ER14-469 (Appendix I), adjusted for annual true-up.</p> <p><u>Entergy Louisiana</u> Recovery of storm securitization charges as accepted in ER14-469 (Appendix I), adjusted for annual true-up. Updated 1/1/17 to reflect additional charges related to Hurricane Isaac, as approved in ER17-273 Appendix I and adjusted for annual true-up. Effective 9/1/16 Entergy New Orleans has its own TPZ (ER16-967). ENO values moved from Entergy Louisiana to Entergy New Orleans TPZ.</p> <p><u>Entergy New Orleans</u> Updated 1/1/17 to reflect additional charges related to Hurricane Isaac, as approved in ER17-273 Appendix I and adjusted for annual true-up. ENO's initial securitization values will be from Hurricane Isaac, and will begin in 2016 (ER17-273) Effective 9/1/16 Entergy New Orleans has its own TPZ (ER16-967). ENO values moved from Entergy Louisiana to Entergy New Orleans TPZ.</p> <p><u>Entergy Texas</u> Recovery of storm securitization charges as accepted in ER14-469 (Appendix I), adjusted for annual true-up.</p>
Determinants	
Revenue Requirement	Applicable Entergy TO ATRR by pricing zone (Storm Securitization Charge per Appendix I of Schedule 41 (listed by Pricing Zone), adjusted for true-up
Zonal Divisor	Divisor used for Sch 789 Zonal Rates (KW)

Items to Note:

1. Schedule 41 Rates are updated each June in concert with Entergy's Attachment O rate updates.
2. Total annual securitization charges are determined based on the annual amortization schedules included in the settlement agreements in Docket Nos. ER10-984 and ER11-3274 (Appendix I of Sch 41 Tariff), adjusted for annual true-up
3. True-Up Adjustment - the revenues associated with short-term firm and non-firm transactions, together with other revenues collected under Schedule 41, will be included in the calculation of the True-up Adjustment

Zonal Rate Calculations

Annual Rate Calculation for each applicable Entergy TPZ:
= *Zone Total Revenue Requirement / Zonal Divisor*

Revenue Distribution:

All revenues that the Transmission Provider collects under this Schedule 41 shall be remitted to the applicable Entergy Operating Company.



E.13 Schedule 42-B: Credit Associated with AFUDC from Entergy Operating Companies' Pricing Zones

Schedule 42-B provides for a credit consistent with the settlement agreement approved by FERC in Docket No. ER04-886.

- FERC's general policy is that when a generator pays for upgrades located "at or beyond" the point of interconnection to the transmission grid, it is entitled to transmission credits, with interest, because these are network upgrades.
- The Entergy Operating Companies recorded this interest and originally included such AFUDC in transmission plant in calculating their annual wholesale transmission rates.
- the Entergy Operating Companies agreed to remove this capitalized AFUDC from wholesale transmission rates as well as all of the components that would flow through such rates (Accumulated Depreciation and Depreciation Expense).
- Upon the Entergy Operating Companies' transfer of functional control of their electric transmission facilities to MISO Schedule 42B was necessary to continue to ensure that wholesale customers in the Entergy Operating Companies' pricing zones receive the benefit of the AFUDC reversal consistent with the terms of the settlement agreement.

Definitions	
Schedule 42B	Billing mechanism developed when Entergy joined MISO to provide a credit to Transmission Customers based upon a settlement agreement in ER04-886.
AFUDC	"Allowance for Funds Used During Construction" – cost of financing capital construction projects that is added to the cost of the asset (interest). Entergy submits this as Accrued Paid Interest.
Entergy Pricing Zones	There are four applicable Entergy pricing zones for Sch 42B purposes: Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy Texas (NOTE: Entergy New Orleans was not yet a pricing zone when this settlement was reached)
Determinants	
Accrued Paid Interest	Entergy AFUDC amount by pricing zone
Zonal Divisor	Divisor used for Sch 789 Zonal Rates (KW)

Items to Note:

1. Schedule 42B Rates are updated each June in concert with Entergy's Attachment O rate updates
2. While the zonal rates^{10, 11} developed are positive, Schedule 42B is actually a credit to Entergy Transmission Customers which is paid by the applicable Entergy Operating Company of the pricing zone where the load is located.

Zonal Rate Credit Calculations

Annual Rate Credit Calculation for each applicable Entergy TPZ:
= *Zone Total Accrued Paid Interest / Zonal Divisor*

¹⁰ These rates are applicable to all Point-to-Point and Network Integration Transmission Service in the applicable pricing zones.

¹¹ These rates are not applicable to transmission reservations made by the Entergy Operating Companies.



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The credits will be remitted to (1) all Network Integration Transmission Service customers; and (2) all Point-to-Point Transmission Service customers subject to the zonal rates, including short-term firm and non-firm transactions, in the following Entergy Operating Companies' pricing zones: Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy Texas (not applicable to transmission reservations made by the Entergy Operating Companies taking service in the Entergy Operating Companies' pricing zones.)

Revenue Distribution:

All credits that MISO passes through to transmission service customers under Schedule 42-B shall be paid by the applicable Entergy Operating Company.



E.14 Schedule 45: Cost Recovery of NERC Recommendation or Essential Action

Transmission Owners¹² that are Registered Entities under the NERC Functional Model as a transmission owner (“TO-RE”) and for which a NERC Recommendation or Essential Action is applicable to such TO-RE function, shall be eligible for the cost recovery described in this Schedule 45.

Transmission Owners have the option to make a one-time election per project to recover costs for NERC Recommendation or Essential Action under this Schedule 45 rather than through their Attachment O.

Definitions	
Attachment ZZ	Used to recover a transmission owner’s revenue requirements for NERC Recommendation or Essential Action Charge (“NREAC”)
Attachment FF	Governs the eligibility of projects that form the basis of the NREAC
Determinants	
NREAC Revenue Requirement	TO’s Project costs to be recovered - submitted via Attachment ZZ. (Att ZZ, Page 2 column 10)
True-Up Adjustment	Adjustment calculated by Forward-Looking TO’s each year – to reflect actual results of prior year’s projections (Att ZZ page 2 column 11)
Zonal Revenue Requirement	TO’s Total Project Adjusted Costs to be recovered – submitted via Attachment ZZ (Att ZZ, Page 2 column 12)
Zonal Divisor	Divisor used for Sch 789 Zonal Rates

Items to Note:

- Schedule 45 Rates are updated each January and June in concert with Attachment O rate updates.
- Currently only one TO is utilizing Schedule 45. Since MP is Forward Looking, Schedule 45 revenue requirement is updated in January, however the through-and-out rate will also change when zonal load values are changed.

Zonal Rate Calculations

Drive-In and Drive-Within ISO Transmission Service Annual Zonal Rate:

$$= \text{Zonal Revenue Requirement} / \text{Zonal Divisor}$$

MISO System- Wide Rate:

MISO System-Wide Rate, i.e Drive-Out and Drive-Through ISO Transmission Service Annual Zonal Rate:

$$= (\text{Total of all Schedule 45 Zonal Revenue Requirements}) / (\text{all Zonal Divisors, excluding MP HVDC})$$

Revenue Distribution:

All revenues collected by the Transmission Provider under Schedule 45 shall be distributed 100% to each Transmission Owner – Registered Entity (TO-RE) in proportion to their annual pro-rata share of the total Attachment ZZ revenue requirement for the Transmission Pricing Zone or Zones associated with the NERC Recommendation or Essential Action.

¹² Each member of the ISO whose transmission facilities (in whole or in part) make up the Transmission Provider Transmission System.