

## Attachment A to the Republic Transmission, LLC Protocols

### Duff-Coleman Rate Commitment Work Paper

This work paper will be used by Republic Transmission, LLC (Republic) to demonstrate compliance with the rate commitments made for the Duff-Coleman EHV Competitive Transmission Project (Duff-Coleman, or Project) in the Selected Developer Agreement between Republic and MISO dated February 7, 2017 and as amended by the parties thereafter (SDA).

#### 1. Categorization of FERC Form No. 1 Gross Plant and Unamortized Regulatory Asset

*Republic will report its regulatory asset and gross plant in service in FERC Form No. 1 page 232 line 1 column f and FERC Form No. 1 page 207 line 104 column g, respectively which may include Project Costs, Excluded Costs (as each are defined in the SDA), and other costs related to projects other than Duff-Coleman.*

Line No.		Notes	Transmission Cost
1	Project Costs in Unamortized Regulatory Asset	A	\$55,034
2	Excluded Costs in Unamortized Regulatory Asset	B	\$0
3	Other Costs in Unamortized Regulatory Asset	C	\$0
4	Total Unamortized Regulatory Asset (Line 1 + Line 2 + Line 3)	D	\$55,034
5	Project Costs in Gross Plant In Service	A	\$49,880,578
6	Excluded Costs in Gross Plant In Service	B	\$855,415
7	Other Costs in Gross Plant In Service	C	\$0
8	Total Gross Plant in Service (Line 5 + Line 6 + Line 7)	E	\$50,735,993
Notes:			
A	Project Costs as defined in the SDA		
B	Excluded Costs as defined in the SDA		
C	Other costs are costs related to projects other than Duff-Coleman		
D	Total reported in FERC Form 1, 232.1.f		
E	Total reported in FERC Form 1, 207.104.g		

## 2. Total Rate Base Cap

Section A.3.3.a of Appendix A to the SDA indicates that Republic will not seek recovery of or a return on any Project Costs, as defined therein, above \$58.1 million (subject to adjustments, deviations and exclusions pursuant to the terms of the SDA). If necessary to meet the Total Rate Base Cap Republic will adjust the amounts shown in Attachment O on page 2 lines 2 and 23a as demonstrated below:

Line No.		Notes	Col. 1 Republic	Col. 2 Divested to Others (Note M)	Col. 3 Total (Col 1+Col 2)
<b>1</b>	Duff-Coleman initial Project Costs (line 1a + line 1b)	A	\$49,935,612	\$6,643,849	\$56,579,462
<b>1a</b>	Initial Project Costs in Unamortized Regulatory Asset	A, B	\$55,034	\$0	\$55,034
<b>1b</b>	Initial Project Costs in Gross Plant in Service	A, C	\$49,880,578	\$6,643,849	\$56,524,428
<b>2</b>	Total Rate Base Cap	A, D			\$58,100,000
<b>2a</b>	Project Costs in excess of Total Rate Base Cap (Line 1 - Line 2)		\$0	\$0	-\$1,520,538
<b>3*</b>	Adjustment to Project Costs to meet Total Rate Base Cap if necessary (Line 3a + Line 3b)	A, E, F			\$0
<b>3a</b>	Adjustment to Project Costs in Unamortized Regulatory Asset to meet Total Rate Base Cap if necessary	A, E, F			\$0
<b>3b</b>	Adjustment to Project Costs in Gross Plant in Service to meet Total Rate Base Cap if necessary	A, E, F			\$0
<b>4</b>	Project Costs included in rates after adjustment (Line 4a + Line 4b)	A, G	\$49,935,612	\$6,643,849	\$56,579,462
<b>4a</b>	Project Costs included in Unamortized Regulatory Asset after adjustment (Line 1a + Line 3a)	A	\$55,034	\$0	\$55,034
<b>4b</b>	Project Costs included in Gross Plant in Service after adjustment (Line 1b + Line 3b)	A	\$49,880,578	\$6,643,849	\$56,524,428
<b>5</b>	Other costs included in rates (Line 5a + Line 5b)	H	\$855,415		
<b>5a</b>	Other costs included in Unamortized Regulatory Asset	H, I	\$0		
<b>5b</b>	Other costs included in Gross Plant in Service	H, J	\$855,415		

<b>6</b>	Total Unamortized Regulatory Asset in Attachment O page 2 line 23a	K	\$55,034		
<b>7</b>	Total Gross Plant in Service Attachment O page 2 line 2 + line 4	L	\$50,735,993		
<b>Notes:</b>					
<b>A</b>	Project Costs and Rate Base Cap as defined in the SDA.				
<b>B</b>	From Line 1 in Section 1 of this Attachment A				
<b>C</b>	From Line 5 in Section 1 of this Attachment A				
<b>D</b>	Subject to any adjustment necessary to comply with the terms of the SDA				
<b>E</b>	If Line 2a is greater than 0 then enter a negative number sufficient to comply with the cap. If no adjustment is required to comply with the cap then enter 0.				
<b>F</b>	Unamortized Regulatory Asset to be adjusted first, followed by Gross Plant in Service as necessary to limit Project Costs to the Rate Base Cap.				
<b>G</b>	Should not exceed the Rate Base Cap				
<b>H</b>	Republic's costs that are Excluded Costs or are not otherwise Project Costs as each are defined in the SDA				
<b>I</b>	Line 2 + Line 3 in Section 1 of this Attachment A				
<b>J</b>	Line 6 + Line 7 in Section 1 of this Attachment A				
<b>K</b>	Line 4a + Line 5a, only for Republic				
<b>L</b>	Line 4b + Line 5b, only for Republic				
<b>M</b>	Republic to provide sources of public information when available				

\* No adjustments to project costs are necessary because the project has not exceeded the Total Rate Base Cap.

### 3. Return on Equity

Section A.3.3.b of Appendix A to the SDA indicates that Republic will not seek a return on equity ("ROE") in excess of the lesser of (i) 9.80% (inclusive of all ROE adders/incentives) or (ii) the MISO region-wide base ROE plus the RTO ROE adder. In addition, Section A.3.3.e. states that the return on equity may be subject to further reduction if Duff-Coleman is placed in service after January 1, 2021. Adherence to the ROE commitments are demonstrated below:

Line No.		Notes			
1	MISO region-wide base ROE		10.02%		
2	Republic RTO Adder	A	0.50%		
3	Duff-Coleman In-Service Date	B	6/11/2020	Subject to Schedule Guarantee ROE Reduction?	No
4	ROE Reduction (if required)	C	0		
5	Applicable ROE Cap	D	9.80%		
6	ROE in Attachment O	E	9.80%		

Notes:

A	As approved by the Commission in EL17-52 or subsequent order.
B	Pursuant to the terms of the SDA
C	Enter negative, or zero if no applicable reduction due to Schedule Guarantee pursuant to the terms of the SDA
D	[Lessor of 9.8% or (Line 1 + Line 2)] + Line 4
E	Must be equal to or less than line 5

### 4. Equity Percentage Cap

Section A.3.3.c of Appendix A to the SDA indicates that Republic will limit equity as a percentage of overall capital structure to be no more than forty-five percent (45%) for Duff-Coleman as a whole. If Republic's actual equity percentage is above 45% then a capital structure consisting of 45% equity and 55% debt will be used for the purpose of rates.

Line No.		% of Overall Capital	Cost (%)	Exceeds Cap?	
1	Actual Equity	45%	9.80%		No
2	Actual Debt	55%	2.96%		
3	Adjusted Equity for use in Attachment O	45%	9.80%		
4	Adjusted Debt for use in Attachment O	55%	2.96%		