Republic Transmission

an LS Power Grid Company

AUGUST 10, 2026

2025 Annual Update Stakeholder Meeting

Republic Transmission, LLC

Outline

1. **Introductions**

2. **Background**
   - Company and Project(s)
   - Formula Rate

3. **2025 Annual Update**
   - 2025 Annual Update vs. 2024 Annual Update
   - True-up Adjustment
   - Weighted Average Cost of Capital

4. **Discussion**

Background

Company, Project(s), and Formula Rate

Background – General

Overview of the Company

- Republic Transmission, LLC ("Republic") is a transmission-only company with a mission to ensure reliable and cost-effective electric transmission in the MISO region. Republic is indirectly owned by LS Power and Hoosier Energy.

- Republic was selected in 2016 through a competitive solicitation to develop the 345kV Duff to Coleman Project, a ~30 mile, single-circuit, 345 kV transmission line from the Duff substation in southern Indiana to the Coleman EHV substation in Kentucky.

- Republic was selected in 2023 to develop a 345kV transmission line originating at the existing Hiple Substation in LaGrange County, Indiana and extending north to the IN/MI border. This project is not expected to be in service and reflected in rates until 2030.

- Republic was selected in 2025 to develop a 345kV transmission line connecting to the Reid EHV Substation in Kentucky with a crossing of the Ohio River into Indiana. This project is not expected to be in service and reflected in rates until 2032.

- More information is available at https://www.lspowergrid.com/utilities/republic-transmission/

Background – Regulatory

Selected Regulatory Filings and Orders

- October 6, 2017 – FERC approves certain transmission rate incentives requested by Republic in Docket No. ER17-52:
  - Regulatory asset incentive and accrual of carrying charges;
  - 100% recovery of prudently-incurred costs associated with abandonment of the Project;
  - 50 bps RTO participation adder (subject to 9.8% maximum ROE); and
  - Hypothetical capital structure of 55% debt and 45% equity until in service, then equity the lesser of actual or 45%.

- December 19, 2018 – Republic files a transmission owner tariff and proposed company-specific transmission formula rate in Docket No. ER19-605

- June 11, 2019 – FERC accepts Republic's formula rate filing in Docket No. ER19-605.

- March 22, 2022 – FERC accepts formula revisions submitted April 16, 2020, and amended December 16, 2021, to comply with FERC Order No. 864 (ADIT) in Docket No. ER20-1581.

- June 8, 2026 – MISO on behalf of Republic submitted a request for authorization to adjust the depreciation rates for certain accounts in Republic's Formula Rate Template in Docket No.26-2758

Background – Cost Commitments

Key Provisions

Republic made certain cost commitments for the Duff to Coleman Project

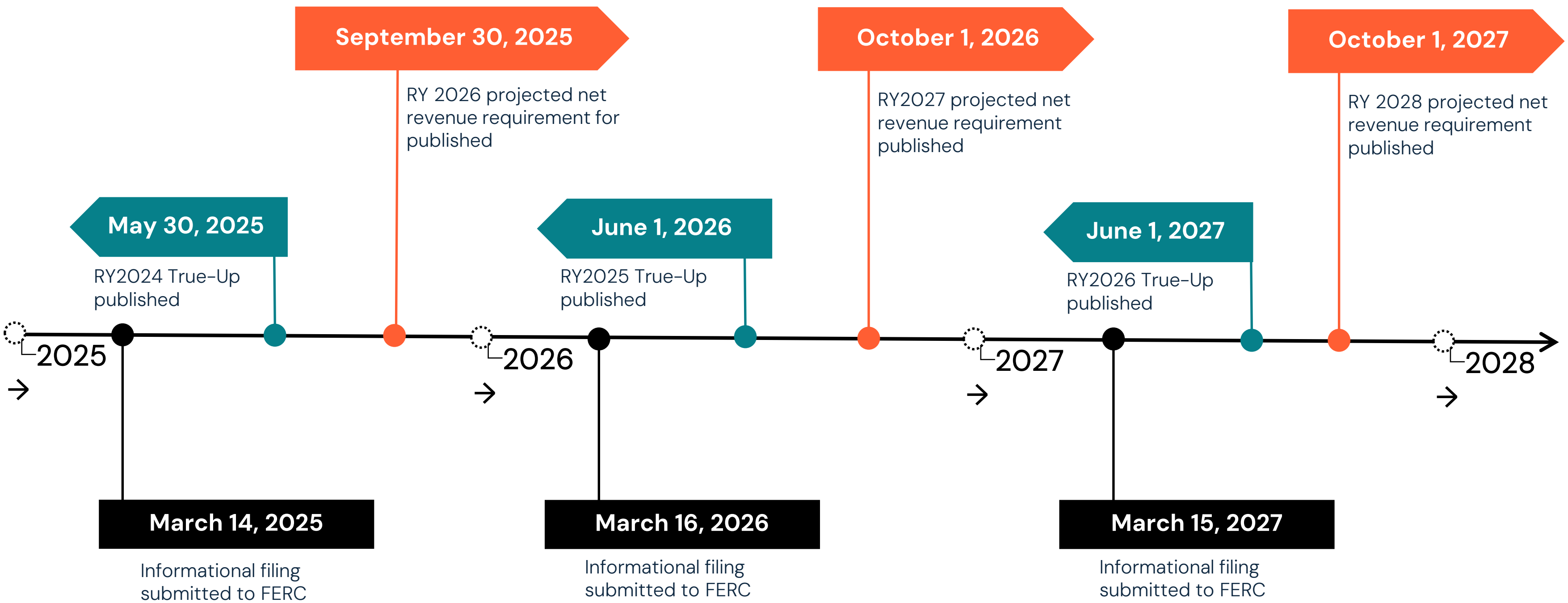
- **Cost Cap**[1] – Project Costs may not exceed the binding cost cap of $58.1M, subject to certain exclusions.
- **ROE Cap**[1] – Republic is subject to a return on equity (ROE) cap on the initial investment in the Project stating that ROE shall be the lesser of
- (i) 9.80% (inclusive of all ROE adders), or
- (ii) the MISO region-wide base ROE plus the RTO adder (currently 10.30%).
- **Equity Cap**[1] – Republic is subject to an Equity Percentage Cap of 45% for the Project.

---

[1] As defined in and subject to the terms of the Selected Developer Agreement between Republic and MISO. Refer to Attachment A included in the 2025 Annual Update package for additional details.

Formula Rate Timeline

General Update Process



Formula Rate Timeline

Selected Milestones

- March 15, 2026 – Informational filing submitted to FERC in Docket No. ER26-1817
- April 15, 2026 – 2025 FERC Form No. 1 submitted to FERC
- June 1, 2026 – 2025 Annual Update published
- August 10, 2026 – Stakeholder meeting for 2025 Annual Update (by September 1)
- October 1, 2026 – Publication of 2027 Projection
- TBA – Stakeholder meeting for 2027 Projection (by November 15)
- December 1, 2026 – Last day to incorporate corrections into 2027 Projection
- January 1, 2027 – Scheduled end of information request period

Annual Update (True-up)

2025 Rate Year

Annual Update: 2025 vs. 2024

Comparison of Revenue Requirement Components

Attachment O Item	2024 True-up	2025 True-up	Difference (2025 True-up minus 2024 True-up)	Notes
Average Rate Base	$44,914,171	$43,228,190	($1,685,980) | -4%	Regulatory asset amortization and decreased insurance premiums
Rate of Return[1]	5.98%	5.96%	-2 bps	Decrease in proprietary capital
Return on Rate Base	**$2,683,990**	**$2,576,183**	**($107,807) | -4.%**	**Lower average rate base and rate of return**
Income Taxes	$536,787	$512,229	($24,558) | -5%	Lowe average rate base
Total Income Taxes	**$536,787**	**$512,229**	**($24,558) | -5%**	**Lower average rate base**
Operating Expenses: O&M and A&G Expenses Depreciation Expenses Non-income taxes	, $1,288,999 $1,160,414 $644,835	$1,381,912 $1,160,502 $507,183	$92,913 | 7% $88 | 0% ($137,652) | - 21%	Increased miscellaneous transmission expense Property taxes in 2024 included a prior year true-up.
Total Operating Expenses	**$3,094,248**	**$3,049,597**	**($44,651) | -1%**	**Lower taxes other than income partially offset by higher O&M and A&G**
Gross Revenue Requirement	**$6,315,025**	**$6,138,009**	**($177,015) | -3%**	**Lower Return, Income Taxes and Operating Expenses**
Less: Revenue Credits	0	0	-	
Less: Attachment GG[2]	$6,315,025	$6,138,009	($177,015) | -3%	Recovered through MISO Attachment GG
Net Revenue Requirement[2]	0	0	-	Gross revenue requirement with no revenue credits

[1] Weighted Average Cost of Capital (WACC) calculation for true-up provided in separate slide.
[2] For the 2025 rate year, Republic's entire revenue requirement (calculated under Attachment O) is recovered through MISO's Attachment GG.

True-up Adjustment

True-up adjustment and interest calculation

True-Up Adjustment (including interest)[1]	**2025 True-up** Published June 1	**2025 True-up** Updated interest[2]
Actual Annual 2025 Revenue Received	$6,063,909	$6,063,909
Actual Annual 2025 Revenue Requirement	$5,958,344	$5,958,344
Under/(Over) Recovery of Revenue Requirement	($105,566)	($105,566)
Average Monthly Interest Rate	0.6165%	0.6155%
Interest For 24 Months	($16,678)	($16,649)
Total Under/(Over) Recovery Including Interest	**($122,244)**	**($122,215)**

True-up Adjustment to be incorporated into Attachment GG (Page 3, Column 11) for the 2027 Projection[2]

[1] Refer to True-up and Interest work paper in the published 2025 True-up for more detail.
[2] Interest rate applied to under/(over) recovery amounts averages rates for twenty four (24) months. Final adjustment revised based on updated interest rate values for July and August published by FERC: ferc.gov/interest-calculation-rates-and-methodology

Weighted Average Cost of Capital

WACC Calculation

WACC Element[1]	Weight	Cost	Weighted	
Long Term Debt	55%	2.9%	1.58%	
Preferred Stock	–	–	–	
Common Stock	45%	9.80%	4.38%	
Total			5.96%	= Return

[1] Refer to Workpaper No. 5 in the published 2025 True-up for more detail.

Discussion

Formula rate materials are posted online:

- https://www.lspowergrid.com/utilities/republic-transmission/
- misoenergy.org/markets-and-operations/settlements/to-rate-data/republic-transmission-llc

Direct inquiries, information requests, and challenges to:

- Rates@republictransmission.com

Disclaimer

Notwithstanding requirements and terms defined in Republic Transmission, LLC's (Republic) formula rate implementation protocols and terms commonly used in FERC ratemaking (e.g., 'projected', 'projection'), this document and any related discussions may contain certain statements that describe Republic management's beliefs concerning future financial performance, future business conditions and prospects, growth opportunities and the outlook for the electric transmission industry based upon information currently available. Such statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, and are often identified by words such as "anticipates", "believes", "intends", "estimates", "expects", "projects", "projected", "shall", "will", "should", "could", "may" and similar phrases. Such forward-looking statements are based upon assumptions management believes are reasonable. Such forward-looking statements are subject to important risks, uncertainties and other factors which could cause actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements. These important risks, uncertainties and other factors include: future economic conditions in regional, national and international markets and their effects on prices, costs and availability of required goods and services; market perception of the energy industry and Republic; changes in business strategy, operations or development plans; the outcome of contract negotiations for goods and services; effects of current or proposed state and federal legislative and regulatory actions or developments, including deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates that Republic may charge; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital; impairments of long-lived assets or goodwill; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; and weather conditions, including weather-related damage. Given these uncertainties, you should not rely on forward-looking information.