

September 30, 2026

Republic Transmission 2027 Projection Accounting Changes & Disclosures

The Republic Transmission, LLC (“Republic”) formula rate includes Annual True-Up, Information Exchange, and Challenge Procedures (“Protocols”) requiring Republic to identify any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”) and to provide a narrative explanation of the individual impact of such changes on the net revenue requirement (Protocols Section II.F.5).

Accounting Changes:

1. New accounting standard or policy (Protocols Section II.F.5.a.i)

Depreciation Rates

On June 8, 2026, in FERC Docket No. ER26–2758, the Company submitted revisions to Republic’s transmission formula rate template, contained in Attachment O Section 92, Attachment 1 of MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, to revise its depreciation rates. The filing was publicly noticed, no protests or adverse comments were filed and was accepted via FERC’s August 26, 2026, Letter Order.

The Tariff appended to the Company’s June 8, 2026, submittal inadvertently omits updates to FERC Accounts 391 (Office Furniture & Equipment), 391.1 (Computer Hardware), 393 (Stores Equipment), and 397 (Communication Equipment) contained in the Depreciation Study and testified to by Mr. Watson. Consistent with the Depreciation Study, the presentation of depreciation rates in the Company’s 2027 projection includes the updates to the aforementioned FERC Accounts. As supported by the study that used data from 2025, the updated depreciation rates result in a net decrease to the annual accrual (i.e., depreciation expense) and thus lead to a decrease in ATRR. The Company will make this ministerial correction in its next update of the tariff.

2. Issues of first impression (Protocols Section II.F.5.a.ii)

Unfunded Plant Adjustment

During rate year 2026, Republic expects to place in service certain software assets that are capitalized upon commencement of the applicable software agreements, while the related contractual payments are made over time. Accordingly, the Company’s books and records will reflect the full capitalized

Republic Transmission

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cost of the software assets in plant in service, together with a corresponding unpaid liability for the portion of the cost not yet paid.

The 2027 Projection utilizes WP1 – Cost Support to reduce rate base for the estimated unpaid portion of the related plant. The adjustment is based on the expected payment schedules under the applicable software agreements and will decline as the related liabilities are paid. The adjustment does not change the Company’s booked plant balance or the underlying capitalized cost of the software assets. The Company will update the adjustment using actual balances and payments in its annual update as applicable.

3. Prior period adjustments (Protocols Section II.F.5.a.iii)

Updated Interest Rate

On June 1, 2026, the Company posted its Annual True-Up for rate year 2025 and completed the applicable postings and notifications required under its Formula Rate Protocols. At that time, FERC had not yet published the interest rates for the third quarter of 2026 needed to calculate true-up interest for July and August 2026 in WP8 – True-Up Interest Rate. Accordingly, the second-quarter 2026 interest rates were used as a proxy pending publication of the applicable third-quarter rates.

The 2027 Projection updates WP8 – True-Up Interest Rate to reflect the published interest rates for July and August 2026. This update decreases the calculated over-recovery, including interest, reflected in the 2027 projection from \$122,244 to \$122,215.

4. Accounting estimates (Protocols Section II.F.5.a.iv)

None to report.

5. Tax elections (Protocols Section II.F.5.a.v)

None to report.

Other Disclosures:

6. Valuation (Protocols Section II.F.5.b)

None to report.

7. Reorganization/merger (Protocols Section II.F.5.c)

None to report.