2022 Annual Revenue True-up Meeting

PRESENTED BY:

Trevor Stiles

Director Customer Engagement & Associate General Counsel

Tiffany Figliuzzi

Consultant Financial Reporting Specialist

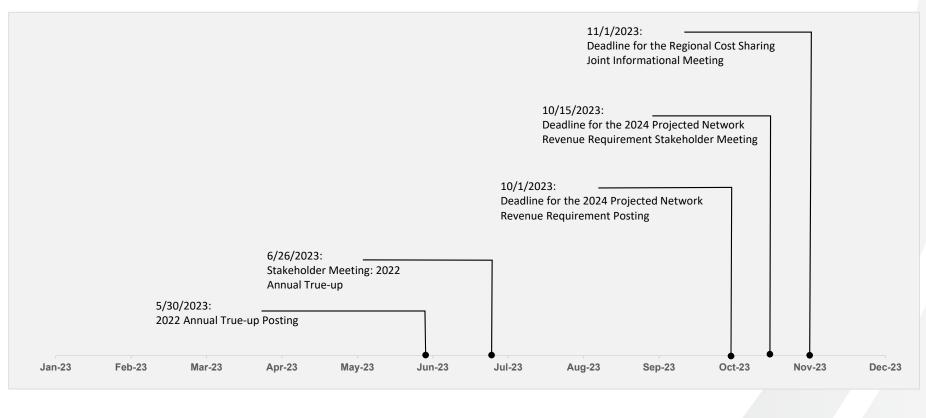
June 26, 2023

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Welcome & Overview

- Introductions Trevor Stiles
- 2022 Attachment O and True-up Tiffany Figliuzzi
- Q&A
- Summary & Close Trevor Stiles

Rate Protocols Timeline



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2022 Actual Network Revenue Requirement



¹ Includes eligible CWIP and new assets placed in-service

² Comprised of 50% Weighted Cost of Debt and 50% Allowed Return on Equity (ROE)

³ Includes O&M, precertification, depreciation and taxes collected in rates on behalf of taxable owners

⁴ Includes revenues collected under MISO Schedule 26 (RECB), Schedule 26-A (MVP), Schedule 1 and other credits such as Point-to-Point revenues (Sch. 7 & 8), Schedule 50 and other operating revenues

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2022 Network Revenue Requirement Actual vs. Projected (in thousands)

nuo)		[A]		[B]		[C]	
		2022 Actual		2022 Projected		True-up	
Average Rate Base	\$	4,382,818	\$	4,413,611			
Weighted Rate of Return		7.36%		7.25%			
Return on Average Rate Base		322,637		320,043		(2,594)	
Provision for Members' Income Taxes		75,283		69,945		(5,338)	
Total Return and Members' Income Taxes		397,920		389,988		(7,932)	
Recoverable Operating Expenses							
Operations & Maintenance ^(a)		147,111		146,711		(400)	
Depreciation and Amortization		201,853		204,655		2,802	
Taxes Other Than Income		31,185		30,835		(350)	
Total Recoverable Operating Expenses		380,149		382,201		2,052	
Total Revenue Requirement		778,069		772,189		(5,880)	
Amounts Collected from Other Sources							
Regional Cost-sharing (includes Multi-value Projects)		(142,253)		(138,937)		3,316	
Scheduling		(14,503)		(14,320)		183	
Point-to-Point		(12,714)		(8,400)		4,314	
		(2,416)		(1,600)		816	
Total Amounts Collected from Other Sources		(171,886)		(163,257)		8,629	
Network Revenue	\$	606,183	\$	608,932	\$	2,749	
	Average Rate Base Weighted Rate of Return Return on Average Rate Base Provision for Members' Income Taxes Total Return and Members' Income Taxes Recoverable Operating Expenses Operations & Maintenance ^(a) Depreciation and Amortization Taxes Other Than Income Total Recoverable Operating Expenses Total Revenue Requirement Amounts Collected from Other Sources Regional Cost-sharing (includes Multi-value Projects) Scheduling Point-to-Point Other Total Amounts Collected from Other Sources	Average Rate Base \$ Weighted Rate of Return Return on Average Rate Base	Average Rate Base\$4,382,818Weighted Rate of Return Return on Average Rate Base7.36% 322,637Provision for Members' Income Taxes Total Return and Members' Income Taxes75,283 	Average Rate Base2022 Actual202Average Rate Base\$4,382,818\$Weighted Rate of Return Return on Average Rate Base7.36% 322,637	Average Rate Base\$4,382,818\$4,413,611Weighted Rate of Return Return on Average Rate Base7.36% 322,6377.25% 320,043Provision for Members' Income Taxes Total Return and Members' Income Taxes75,283 397,92069,945 389,988Recoverable Operating Expenses Operations & Maintenance ^(a) Taxes Other Than Income147,111 201,853 31,185146,711 30,835Total Recoverable Operating Expenses Operation and Amortization Taxes Other Than Income31,185 30,83530,835 380,149Total Revenue Requirement778,069 (142,253) (144,203)772,189Amounts Collected from Other Sources Regional Cost-sharing (includes Multi-value Projects) Other(142,253) (142,714) (8,400)(138,937) (14,503)Amounts Collected from Other Sources (2,416) Total Amounts Collected from Other Sources(142,253) (14,503)(138,937) (14,503)Amounts Collected from Other Sources (2,416) Total Amounts Collected from Other Sources(142,253) (145,257)(163,257)	Z022 ActualZ022 ProjectedTAverage Rate Base\$ 4,382,818\$ 4,413,611Weighted Rate of Return Return on Average Rate Base7.36% 322,6377.25% 320,043Provision for Members' Income Taxes Total Return and Members' Income Taxes75,283 397,92069,945 389,988Recoverable Operating Expenses Operation and Amortization Taxes Other Than Income147,111 201,853 30,835146,711 201,853 30,835Total Recoverable Operating Expenses Operation and Amortization Total Recoverable Operating Expenses Scheduling Point-to-Point778,069 (142,253) (143,937) (14,320)Amounts Collected from Other Sources Regional Cost-sharing (includes Multi-value Projects) Other(142,253) (142,253) (142,253) (143,937) (14,320)Amounts Collected from Other Sources (2,416) Other(147,186) (143,267)Total Amounts Collected from Other Sources (2,416) (1,600)(143,227) (143,227)	2022 Actual 2022 Projected True-up Average Rate Base \$ 4,382,818 \$ 4,413,611 True-up Weighted Rate of Return Return on Average Rate Base 7.36% 7.25% (2,594) Provision for Members' Income Taxes 75,283 69,945 (5,338) Total Return and Members' Income Taxes 75,283 69,945 (5,338) Operations & Maintenance ^(a) 147,111 146,711 (400) Depreciation and Amortization 201,853 204,655 2,802 Taxes Other Than Income 31,185 30,835 (350) Total Revenue Requirement 778,069 772,189 (5,880) Amounts Collected from Other Sources (142,253) (138,937) 3,316 Scheduling (14,503) (14,320) 183 Point-to-Point (12,714) (8,400) 4,314 Other (177,1866) (163,257) 8,629

(a) Includes Preliminary Survey and Investigation, Project O&M, and non-Project O&M expenses

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Historical Network True-Ups (in millions)

[3]	True-up / Actual	-1.8%	0.1%	-0.8%	-1.0%	-0.4%
[2]	True-up ^(a)	(\$9.9)	\$0.7	(\$4.9)	(\$6.2)	(\$2.7)
[1]	Actual	\$542.0	\$566.5	\$583.3	\$594.5	\$606.2
		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
		[A]	[B]	[C]	[D]	[E]

^(a) (Negatives) represent a revenue over-collection / positives represent a revenue under-collection

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