

Stakeholder Presentation 2025 Budget

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Agenda

- Welcome
- Budget overview
 - Highlights
 - Operations and Maintenance
 - Capital investment
- Q&A

Budget Highlights

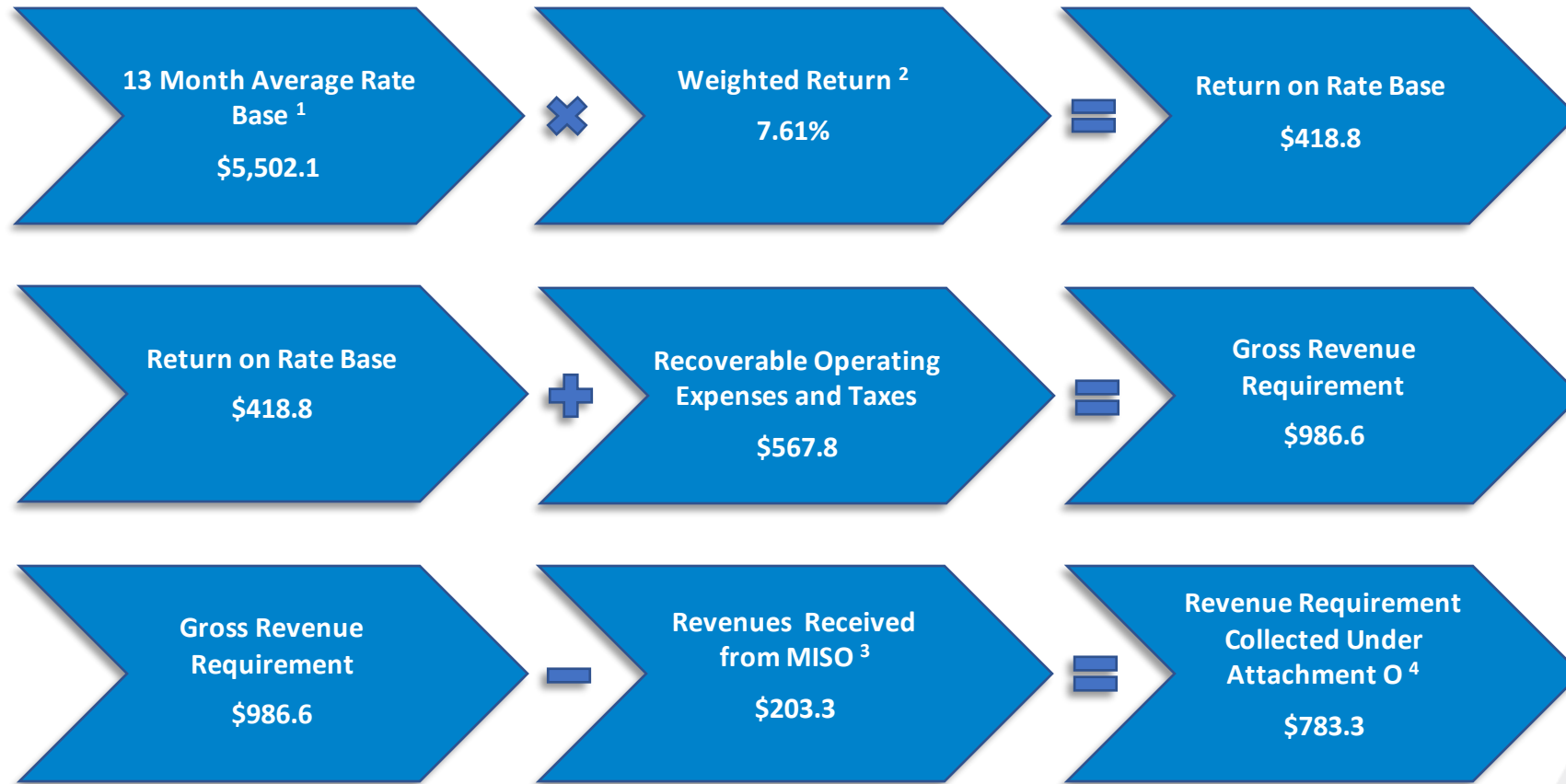
- Revenue requirement is \$986.6M; a 10.5% increase from the 2024 budget of \$893.1M
 - Increase primarily due to economic growth and reliability capital additions to rate base and a higher weighted debt rate
- Proposed O&M is \$167.2M; a 5.0% increase from the 2024 budget of \$159.2M
 - Supports our focus areas of safety, security, reliability, people and financial
- Network revenue is \$783.3M; a 12.6% increase compared to the 2024 budget of \$695.8M

2025 Key Budget Assumptions

- Return on equity (ROE)
 - Revenue requirement – reflects the current approved ROE of 10.52%
- Capital projects
 - Over a 35% increase in capital compared to 2024 budget – ~\$812M driven by economic growth and reliability projects
- Asset maintenance
 - Execution of ATC's base maintenance and NERC compliance programs
 - Increasing quantity of work
 - Continuing to leverage data and technology with a focus on cost efficiency and managing risk
 - No major event or significant equipment failures have been factored into the budget

2025 Projected Network Revenue Requirement

(\$ in Millions)



1. Includes CWIP and new assets placed in-service
2. Comprised of 50% Weighted Cost of Debt and 50% Allowed Return on Equity
3. This includes revenues collected under Schedule 26 (RECB), Schedule 26-A (MVP), Schedule 1 and other credits such as Point-to-Point revenues
4. Actual billed revenue will be decreased by the 2023 true-up

Network Revenue Requirement Projection

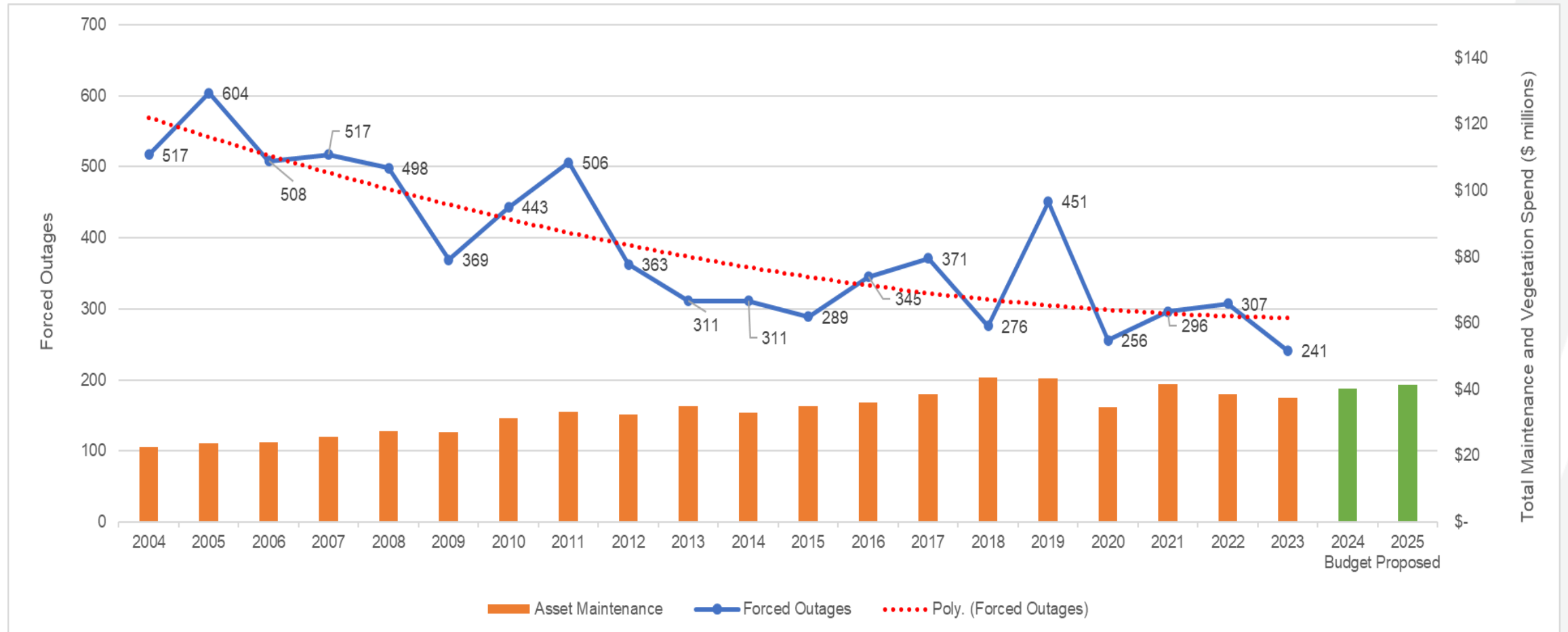
(\$ in millions)

	2024 Forecast	2025 Proposed	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Rate Base (13 Month Average)	4,905.5	5,502.1	5,998.0	6,568.7	7,096.5	8,090.6
Return on Rate Base	371.1	418.8	458.9	507.0	555.5	640.1
Income Taxes	77.9	86.4	93.2	102.5	111.3	128.4
Depreciation	225.3	245.1	266.3	286.9	304.1	339.9
Operations & Maintenance	159.7	166.8	173.5	177.0	181.4	185.9
Other Operating Expenses	65.2	69.5	54.8	62.7	67.9	70.1
Total Revenue Requirement	899.1	986.6	1,046.7	1,136.1	1,220.3	1,364.5
Offsets						
RECB (Schedule 26)	(98.7)	(102.2)	(102.8)	(102.5)	(102.1)	(105.3)
MVP (Schedule 26-A)	(71.4)	(72.5)	(68.1)	(76.4)	(98.6)	(153.6)
Point-to-Point (Schedule 7 & 8)	(10.9)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Load Dispatch (Schedule 1)	(16.5)	(16.9)	(17.4)	(17.8)	(18.2)	(18.7)
Other Operating Revenue	(2.0)	(1.6)	(1.6)	(1.8)	(4.4)	(10.3)
Over/(Under) collection	(3.8)	0.0	0.0	0.0	0.0	0.0
Network Revenue Requirement	695.8	783.3	846.9	927.7	987.0	1,066.6
Network True-up Adjustments	(3.1)	(5.0)	4.2	-	-	-
Network Billed Revenue	692.8	778.3	851.1	927.7	987.0	1,066.6
Year over Year Change		85.5	72.8	76.6	59.3	79.6
Year over Year Percentage Change		12%	9%	9%	6%	8%
Network Billed Revenue (Oct 2023)	692.8	752.6	821.6	898.8	989.7	
Network Billed Change from Prior	(0.0)	25.8	29.5	28.9	(2.7)	
% Change from Prior	(0.0)%	3.4%	3.6%	3.2%	(0.3)%	

- The MVP offset is increasing from 7% in 2025 of the revenue requirement to 11% in 2029 due to the addition of the Grid Forward Central Wisconsin regionally cost shared project

Budget Details

Cost Effective Reliability Improvement

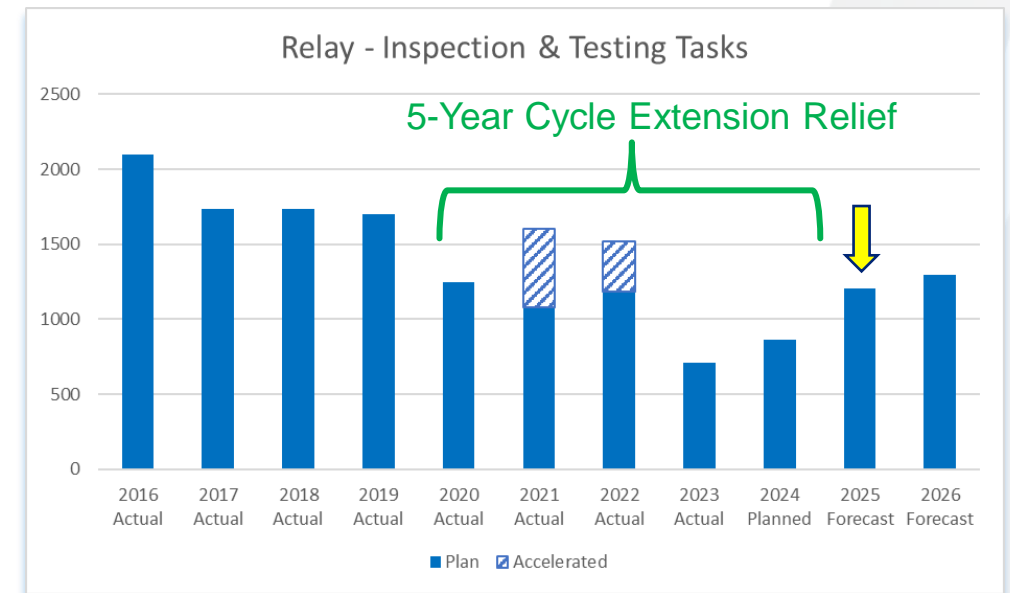
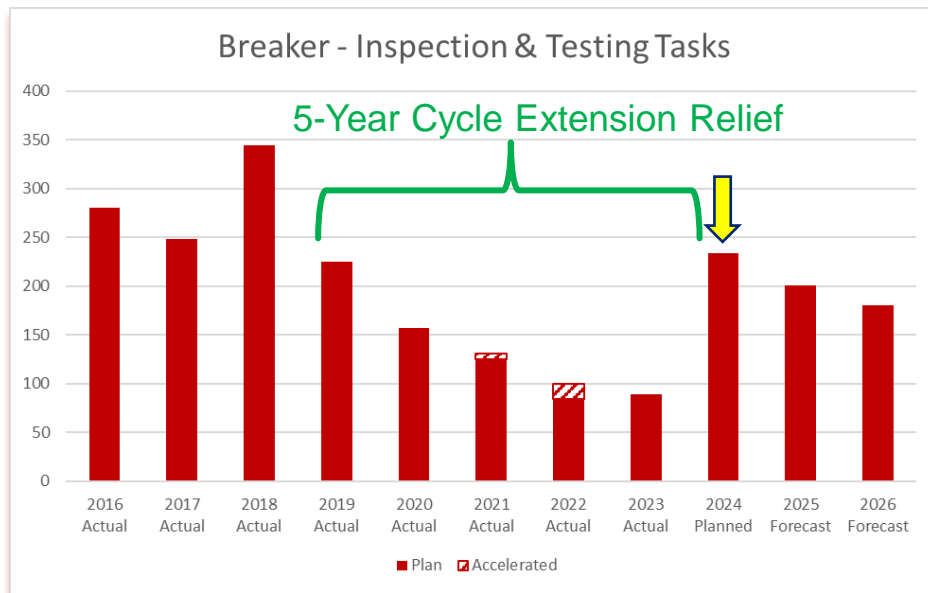


Note: 2018 and 2019 include the Straits and Blount events

In 2023, ATC's forced outages were 25% less than the 5-year historical average

Substation Maintenance Program

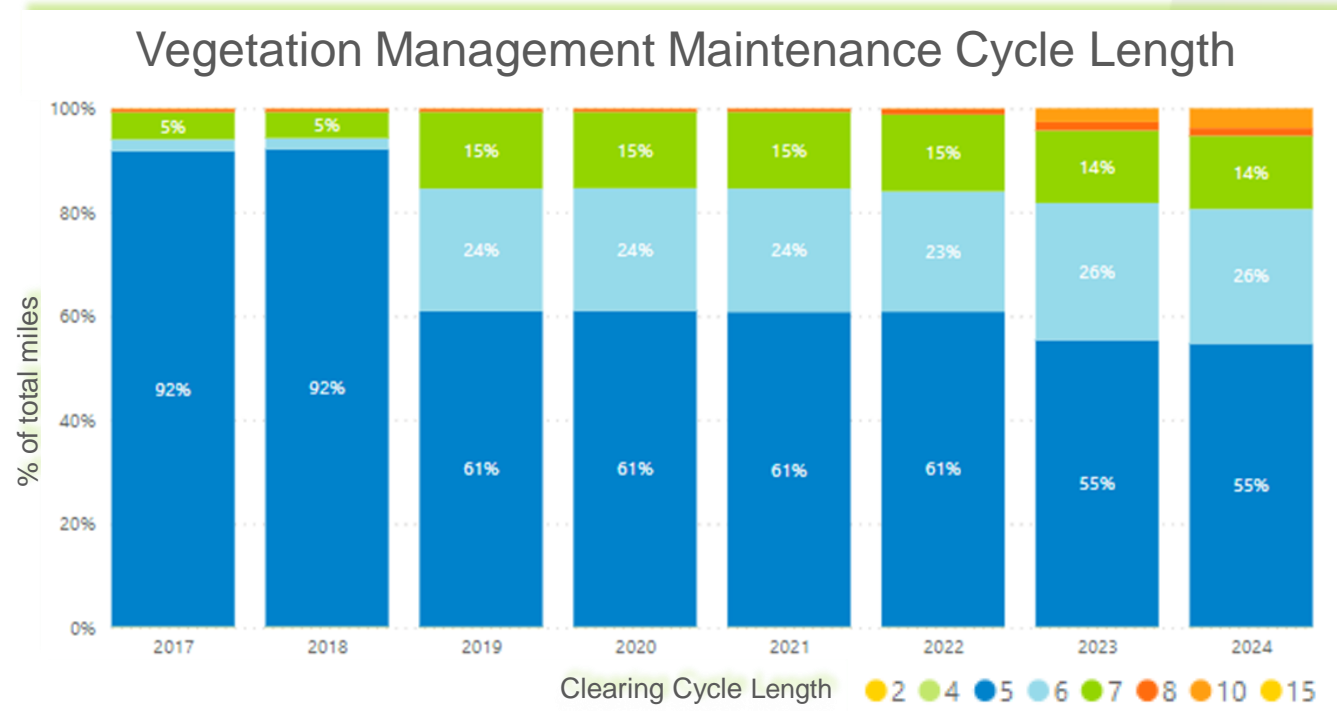
- At the end of realizing benefit from performance-based cycle extensions and the work is coming due in 2025
 - In 2019, Mitsubishi gas circuit breakers and microprocessor relays increased from ten to a fifteen-year cycle
 - In 2020, non-Mitsubishi gas circuit breakers went from eight to a ten-year cycle



Leveraging Technology

Cycle and Work Optimization

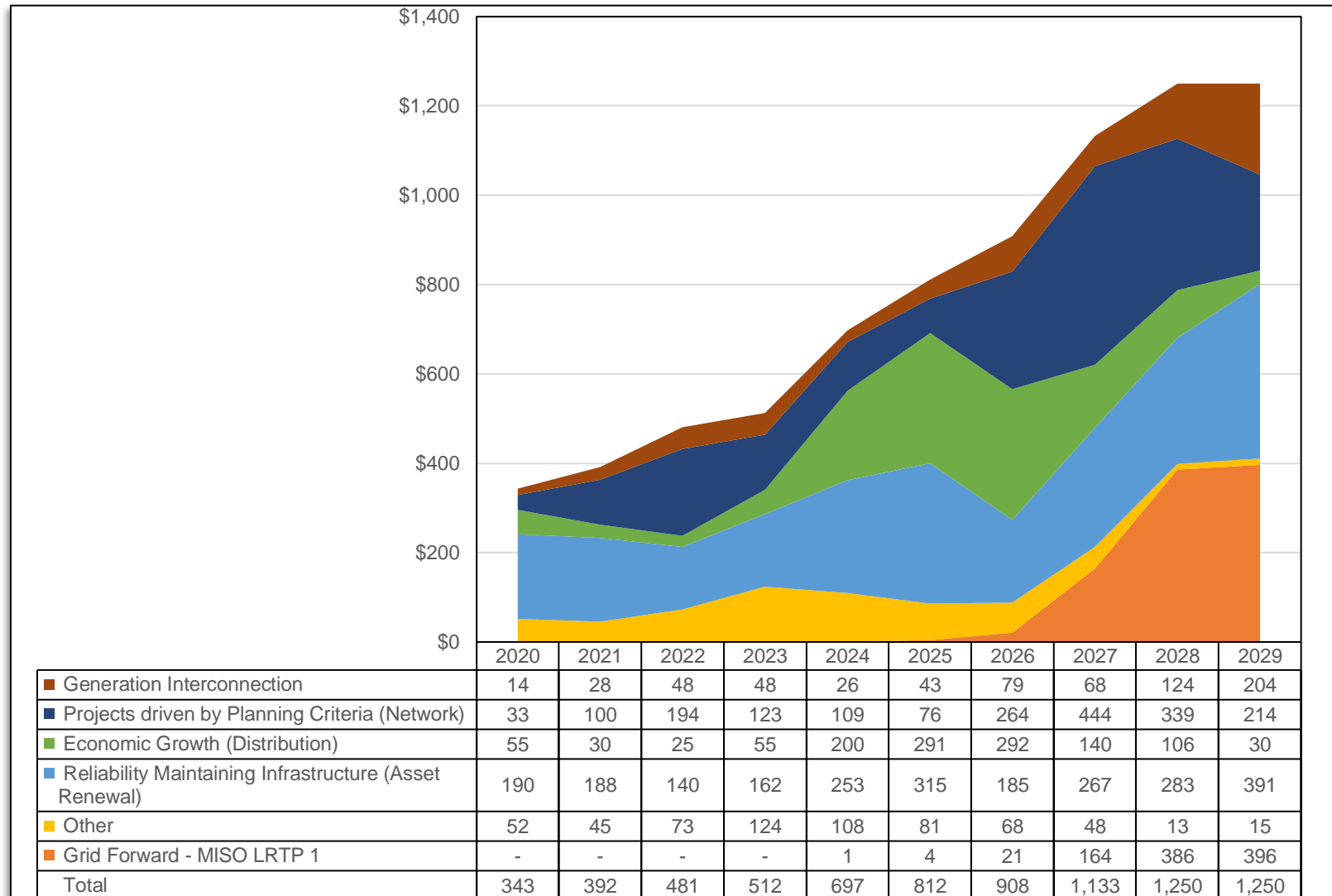
- Vegetation management
 - Using technology and data to optimize cycle length
 - ◆ Maintain investment in reclaimed rights-of-way
 - Piloted high resolution satellite imagery
 - ◆ Pilot investment: \$300k (incurred in 2023)
 - ✓ Results: \$500k deferred life-cycle costs
 - ◆ Planned investment of additional \$300k in 2025
- Substation maintenance
 - Additional innovation pilots occurring within substation maintenance
 - ◆ Remote substation inspections



Capital Investment

Capital Expenditures by Category

(\$ in millions)



Note: Excludes contingency

- Ramping up with a ~60% increase in our capital plan from 2023 to ~\$0.8 billion
- These projects will deliver on customer commitments and system needs
- Projecting a sustained capital forecast between \$1.0 and \$1.5 billion per year
- Does not include:
 - Pending affected system impact studies
 - Future Generator Interconnection queues
 - LRTP Tranche 2

Generation Interconnections

Generation additions helping to meet renewable energy goals and to serve load growth

Project Phase	#of Projects	\$ in millions					Total
		2025	2026	2027	2028	2029	
2020 Definitive Planning Phase (DPP) Cycle (Phase 3)	19	\$2	\$12	\$7	\$36	\$31	\$89
2021 DPP Cycle (Phase 2)	30	\$0	\$15	\$13	\$24	\$105	\$158
2022 DPP Cycle (Phase 3)	33	\$0	\$7	\$7	\$14	\$42	\$70
2023 DPP Cycle (Pre-Kick Off)	16	\$0	\$0	\$12	\$12	\$12	\$35
Signed GIAs	18	\$41	\$45	\$29	\$38	\$13	\$166
Total Generation Interconnection		\$43	\$79	\$68	\$124	\$204	\$518

Total unadjusted Generation Interconnections backlog for all study phases is ~\$900M

Note: Footing and cross footing impacted by rounding to millions

Projects Driven by Planning Criteria

Providing greater access to the wholesale energy marketplace provides economic opportunities to utility customers

Project	\$ in millions					
	2025	2026	2027	2028	2029	Total
SE Wisconsin 230kV Conversion	\$4	\$9	\$226	\$104	\$162	\$504
Mill Road - Granville Rebuild	\$6	\$158	\$96	\$0	\$0	\$260
Eden-Rock Branch (Y106) Rebuild	\$0	\$8	\$18	\$19	\$15	\$60
Mullet River Area Reliability	\$0	\$2	\$42	\$17	\$0	\$60
North Central WI Reliability	\$3	\$17	\$15	\$9	\$0	\$44
Valders SS	\$0	\$1	\$12	\$12	\$0	\$26
Other Network Projects	\$63	\$69	\$36	\$178	\$38	\$384
Total Projects driven by Planning Criteria (Network)	\$76	\$264	\$444	\$339	\$214	\$1,338

Note: Footing and cross footing impacted by rounding to millions

Economic Growth

Helping our customers serve their customers

Project	\$ in millions					Total
	2025	2026	2027	2028	2029	
Jupiter & Cosmos SS	\$63	\$212	\$93	\$1	\$0	\$369
Project Wave	\$23	\$114	\$10	\$0	\$0	\$147
Mount Pleasant Western Feed T-line	\$25	\$101	\$1	\$0	\$0	\$126
Racine County DIC, Stratus SS	\$28	\$23	\$0	\$0	\$0	\$51
Cosmos SS STATCOM	\$8	\$27	\$13	\$0	\$0	\$48
Other Distribution Projects	\$144	(\$185)	\$23	\$105	\$30	\$118
Total Economic Growth (Distribution)	\$291	\$292	\$140	\$106	\$30	\$860

Notes:

Footing and cross footing impacted by rounding to millions

Negative amount reflects anticipated changes in scope or project schedules as project portfolio is prioritized but specific projects have not yet been adjusted

Reliability Maintaining Infrastructure

Sustaining our system's safety and reliability

Project	\$ in millions					Total
	2025	2026	2027	2028	2029	
Transmission Line Asset Renewal Program	\$207	\$72	\$111	\$134	\$269	\$793
Substation Asset Renewal Program	\$107	\$113	\$156	\$150	\$122	\$649
Total Reliability Maintaining Infrastructure (Asset Renewal)	\$315	\$185	\$267	\$283	\$391	\$1,441

Note: Footing and cross footing impacted by rounding to millions

- 90 – 100 miles per year of pre-1970s wood poles to rebuild at ~\$160 million

Grid Forward Central Wisconsin – MISO LRTP 1

Delivering on ATC's portion of MISO's regional long range transmission projects building a stronger energy backbone to provide reliable and clean economic energy

Project	\$ in millions					
	2025	2026	2027	2028	2029	Total
Grid Forward Central Wisconsin (LRTP Tranche 1)	\$4	\$21	\$164	\$386	\$396	\$971
LRTP Tranche 2	TBD	TBD	TBD	TBD	TBD	TBD

**Grid Forward total project cost through year of completion in 2030 - \$1.1B (without contingency)*

- Regional cost sharing and utilizing existing rights of way will decrease the asset renewal program spend increasing the value to Wisconsin customers

\$ in millions	
In-Service Year	Decrease in Reliability Maintaining Infrastructure (ISD Dollars)
2025	\$13
2028	\$21
2029	\$5
2030	\$7
2035	\$123
2040+	\$241
Total	\$410

MISO regional charges

Regional cost sharing impact on ATC zone

- The MISO estimated charges to the ATC pricing zone are updated every June and December
- MISO projections for Schedule 26 (RECB) and Schedule 26A (MVP) charges can be found on the MISO website (www.misoenergy.org):
 - Planning > MTEP > Schedule 26 and 26A Indicative Rates
 - The following is from the MISO website:

[Home](#) > [Planning](#) > [MTEP](#) > Schedule 26 and 26A Indicative Reports

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Schedule 26 and 26A Indicative Reports

MISO produces indicative forecasts of Schedule 26 and 26-A annual charges (by MISO Pricing Zone) for cost shared projects approved in the MTEP. These reports are typically updated annually in Q2. The posted reports reflect the FERC approved ROE value (plus any applicable adders) and corporate tax rate provided in Attachment O and GG at the time of publication. Prospective changes to the ROE will be applied only to reports produced after the respective FERC order(s) become effective. Values should not be relied upon for settlement or ratemaking purposes and are subject to change.

- [Schedule 26 Indicative Annual Charges](#)
- [Schedule 26A Indicative Annual Charges](#)

Q&A

