

Stakeholder Presentation 2026 Budget

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Agenda

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

Budget Highlights

- Revenue requirement is \$1,079.4M; a 9.4% increase from the 2025 budget of \$986.6M
 - Increase primarily due to economic growth and reliability capital additions to rate base and a higher weighted debt rate
- Proposed O&M is \$175.2M; a 4.8% increase from the 2025 budget of \$167.2M
 - Supports our focus areas of safety, security, reliability, people and financial
- Network revenue is \$866.5M; a 10.6% increase compared to the 2025 budget of \$783.3M

2026 Key Budget Assumptions

- Return on equity (ROE)
 - Reflects the current approved ROE of 10.48% - no impact from D.C. Circuit Court remand
 - Retaining the 50 bp RTO adder - ~\$19M estimated impact to 2026 revenue requirement
- Capital projects
 - A 35% increase in capital 2026 plan compared to 2025 budget - ~\$1.1B
- Asset maintenance
 - 1.4% (\$0.6M) increase to execute work plan
 - Unplanned maintenance budget allocated at 100% of 3-year historical average
 - No major event or significant equipment failures have been factored into the budget

2026 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 2024 over-collection true-up

Network Revenue Requirement Projection

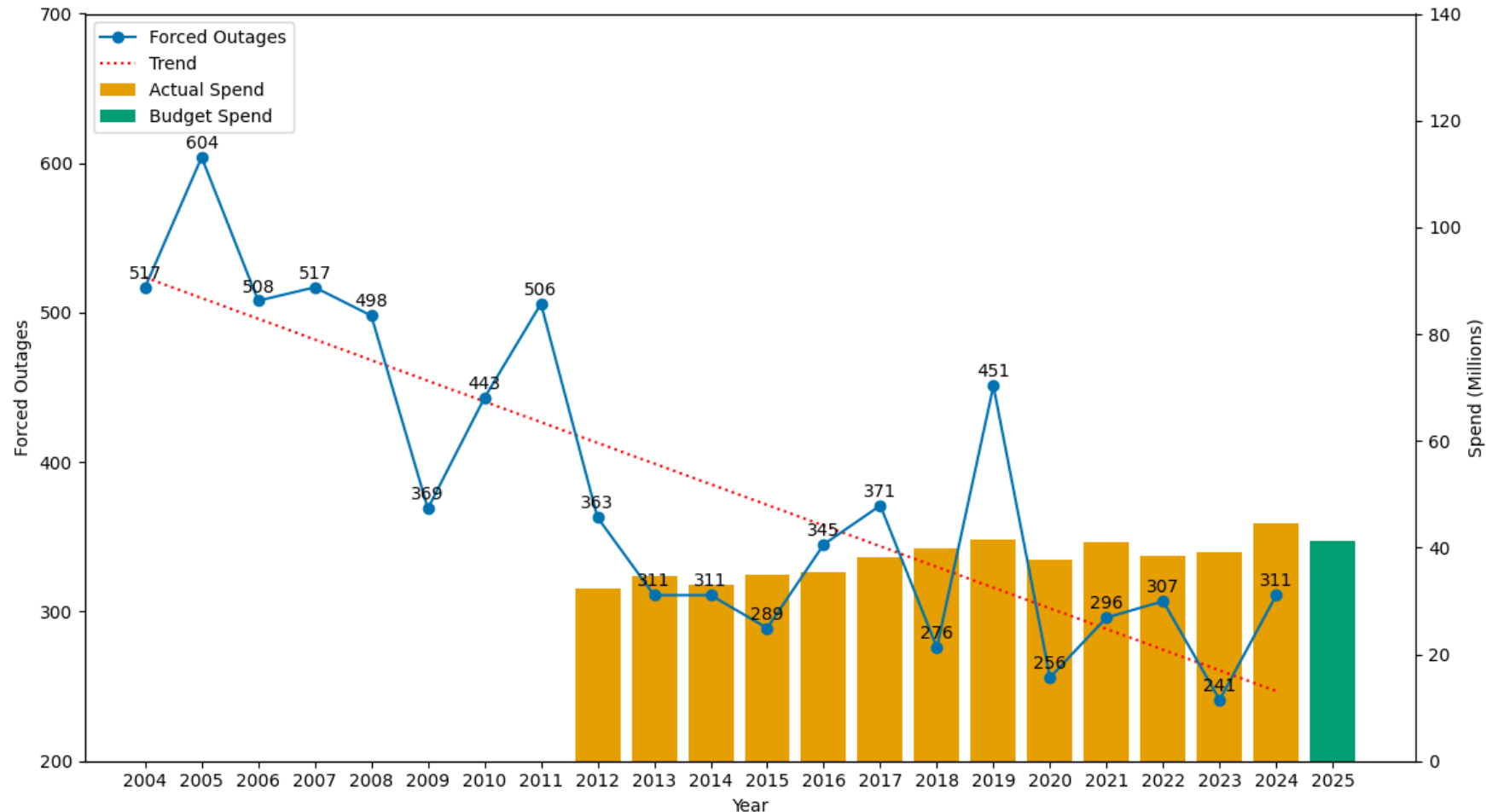
(\$ in millions)

	2025 Forecast	2026 Proposed	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Rate Base (13 Month Average)	5,440.4	6,123.3	6,856.5	8,098.7	9,319.0	10,386.6
Return on Rate Base	413.7	469.1	530.8	630.3	728.0	815.0
Income Taxes	86.4	96.2	107.5	128.4	148.5	166.1
Depreciation	243.5	266.2	287.2	304.7	326.9	388.4
Operations & Maintenance	166.6	174.9	182.0	186.5	191.2	196.0
Other Operating Expenses	76.3	73.0	79.3	93.8	95.5	98.2
Total Revenue Requirement	986.5	1,079.4	1,186.8	1,343.6	1,490.1	1,663.6
Offsets						
RECB (Schedule 26)	(102.6)	(103.2)	(102.8)	(101.1)	(97.2)	(93.2)
MVP (Schedule 26-A)	(75.7)	(79.6)	(114.3)	(172.1)	(221.5)	(253.6)
Point-to-Point (Schedule 7 & 8)	(12.5)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Load Dispatch (Schedule 1)	(17.8)	(18.3)	(18.7)	(19.2)	(19.7)	(20.2)
Other Operating Revenue	(2.5)	(1.9)	(2.3)	(10.4)	(26.2)	(43.2)
Over/(Under) collection	6.7	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Network Revenue Requirement	782.2	866.5	938.7	1,030.9	1,115.4	1,243.5
Network True-up Adjustments	(5.0)	(6.2)	-	-	-	-
Network Billed Revenue	777.2	860.3	938.7	1,030.9	1,115.4	1,243.5
Year over Year Change		83.2	78.4	92.1	84.6	128.1
Year over Year Percentage Change		11%	9%	10%	8%	11%
Network Billed Revenue (Oct 2024)	778.3	851.1	927.7	987.0	1,066.6	
Network Billed Change from Prior	(1.2)	9.2	11.1	43.9	48.8	
% Change from Prior	(0.2)%	1.1%	1.2%	4.4%	4.6%	

- The MVP offset is increasing from 7% in 2026 of the revenue requirement to 15% in 2030 due to the addition of the Grid Forward Central Wisconsin regionally cost shared project

Budget Details

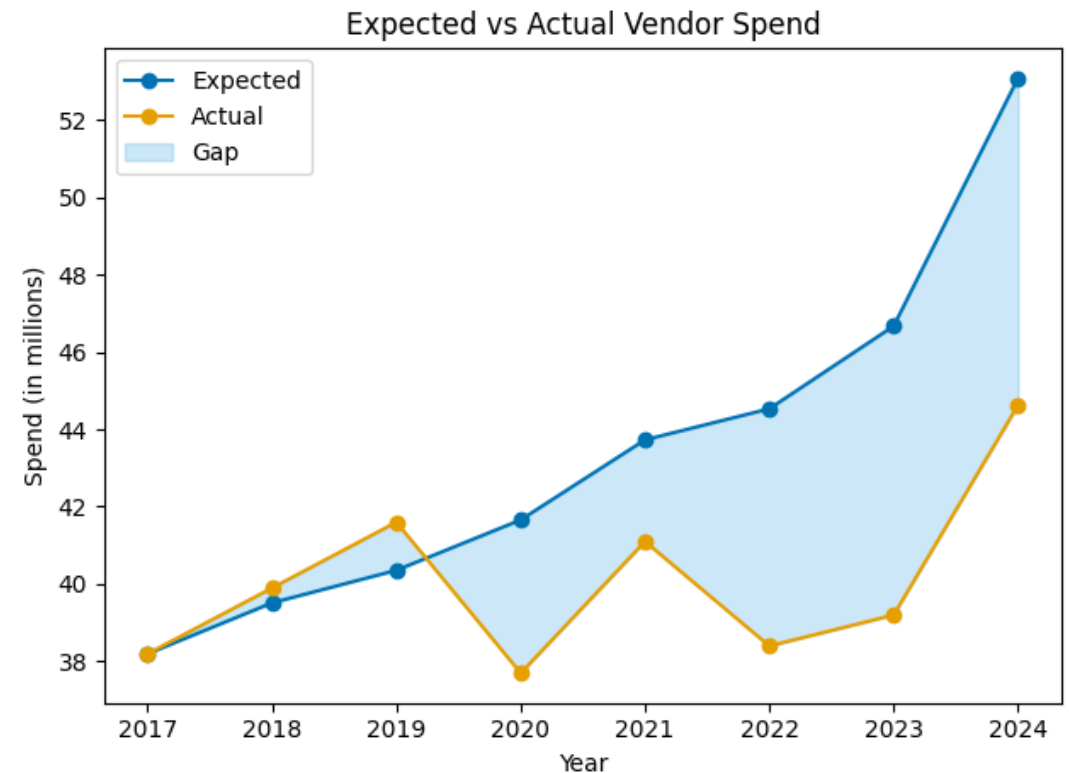
Cost-Effective Reliability Improvement



Five-year rolling average of forced outages fell from 529 in 2004–08 to 282 in 2020–24, a **47% reduction** (~247 fewer per year) (Note: 2018 and 2019 include the Straits and Blount events).

Substation Maintenance Program

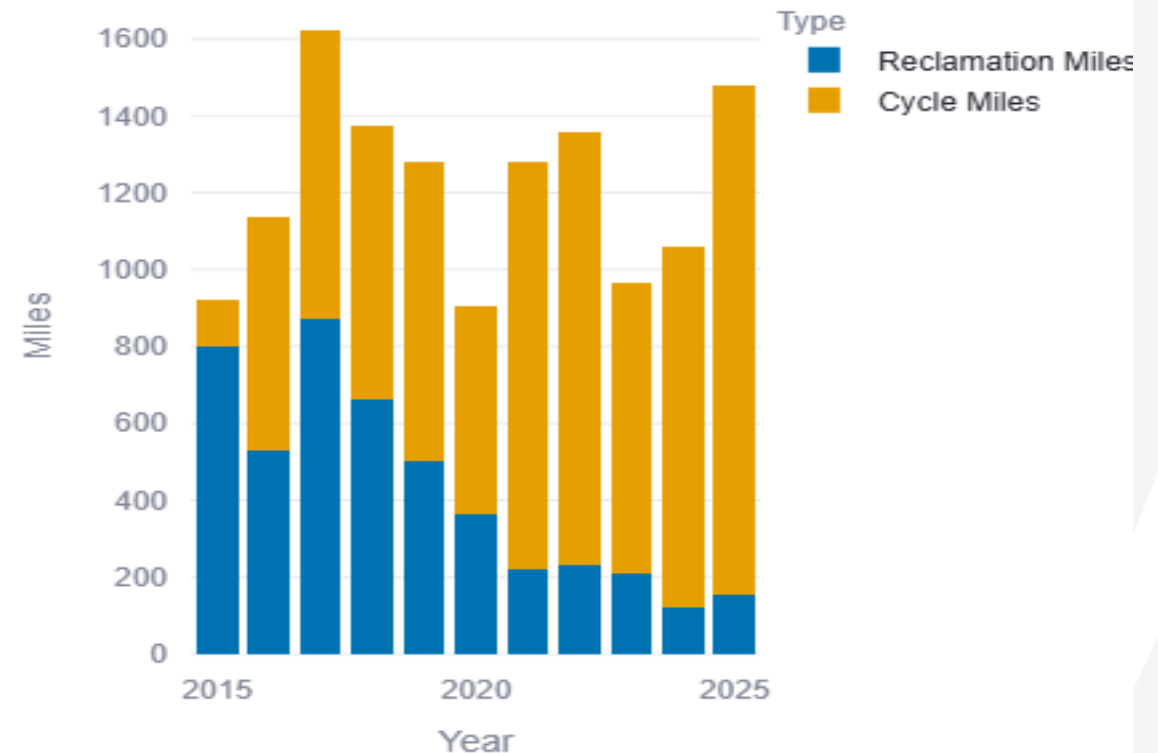
- Optimizing non-BES relay testing to align spending with risk
- Piloting remote substation inspection and battery monitoring technologies to reduce operational and maintenance costs, lower risks, and extend asset lifespan.



Leveraging Technology

- Leveraging advanced technologies for regulatory compliance and cost-effective maintenance
 - LiDar & satellite imagery
- Enhancing field connectivity for timely decision-making
 - iPads, Wi-Fi, Starlink
- Data-driven planning for risk-informed work execution
 - Geospatial data, digital tools, and risk analytics

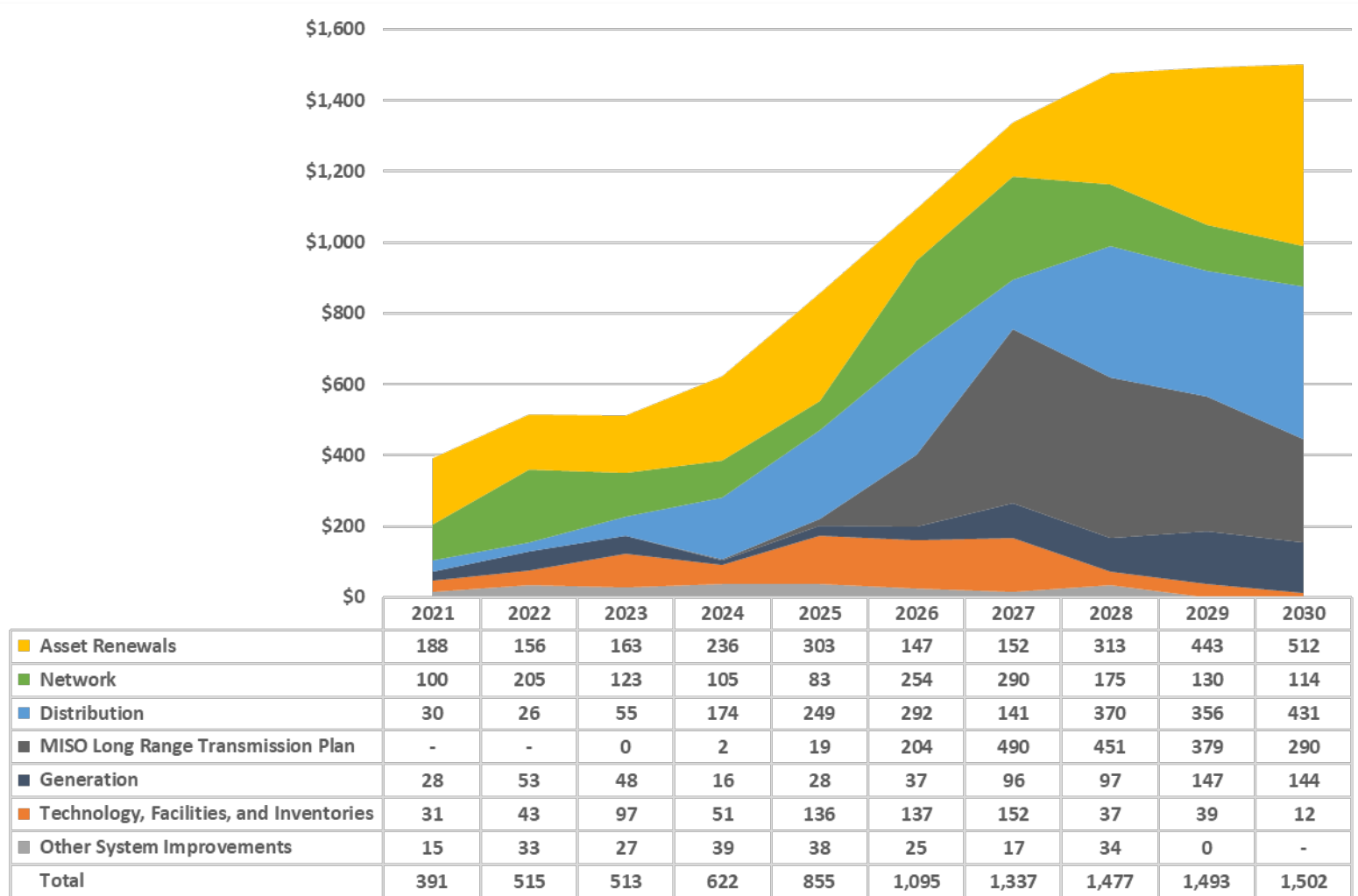
VM: Cycle vs Reclamation



Capital Investment

Capital Expenditures by Category

(\$ in millions)



- Ramping up from 2025 with a ~28% increase in our capital plan to ~\$1.1 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
 - Competitive bid projects in L RTP 2.1

Note: Excludes contingency

Top 15 Projects in 2026

(\$ in millions)

Project	2026 Spend	Project Total	Project Type
Grid Forward	176	1,130	MISO LRTP 1
Mill Road - Granville Rebuild	164	283	Network
Jupiter & Cosmos New Substations	149	339	Distribution
Dodge County DIC (Project Wave)	108	158	Distribution
Western Feed New T-line	95	138	Distribution
Dane County DIC (Project Quaker)	36	45	Distribution
Jupiter SS STATCOM	33	88	Distribution
Lincoln - 43rd St UG Rebuild	29	69	Asset Renewals
N Adams County Area Network Improvement Project	25	32	Network
Darlington - Rock Branch	21	23	Asset Renewals
Cardinal - Hill Valley New 345kV T-line	18	275	Network
Grant County DIC	16	31	Distribution
Hilltop - Council Creek	16	47	Asset Renewals
Racine County DIC - Stratus SS	16	62	Distribution
Elm Road - Racine 345kV T-line	14	43	MISO LRTP 2
Remaining Projects	179		
Total Capital Expenditures	1,095	2,763	

The 15 projects noted above represent 84% of the total 2026 capital expenditures.

Project plan for the Ozaukee County load addition is being developed and will likely include significant spend in 2026. Other projects will be adjusted accordingly.

Grid Forward – MISO LRTP 1

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

Project	\$ in millions					Total
	2026	2027	2028	2029	2030	
Grid Forward Central Wisconsin (LRTP Tranche 1)	\$180	\$265	\$347	\$263	\$117	\$1,172
LRTP Tranche 2.0	\$23	\$225	\$105	\$115	\$173	\$642

**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 Asset Renewals (ISD Dollars)
2025	13
2028	21
2029	5
2030	7
2031	181
2032+	557
Total	784

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):
 - Markets and Operations > Settlements > Transmission Settlements and Pricing

Documents

- 📁 Sch. 26A MVP MUR
- 📁 Sch. 26A MNAEW Calendar
- 📁 Sch. 26A and 26A Indicative Reports

🏠 Rates and Data > Schedule 26A >

Sch. 26A and 26A Indicative Reports

Read more about [Schedule 26](#) and [26A Indicative Annual Charges](#).

The logo features the letters 'Q', '&', and 'A' in a stylized, bold font. The 'Q' is blue, the '&' is grey, and the 'A' is green. They are arranged in a slightly overlapping, diagonal sequence from top-left to bottom-right. The letters have a subtle drop shadow effect.

Q&A

