PowerOn Midwest

☐ **Not-Public Document – Not For Public Disclosure**
☐ **Public Document – Not-Public Data Has Been Excised**
☒ **Public Document**

Information Request No. 16

Docket No.:	E002/CN-25-117
Response To:	Minnesota Department of Commerce
Requestor:	Logan Hicks, Rock Park, Forest Eidbo
Date Received:	August 5, 2026

Question:

Please reference the attached Tranche 2.1 Dashboard: Tranche 2.1 Dashboard732078.pdf, and IR 7.

a) Do Applicants plan on increasing baseline estimates, high-range contingency, or both? If so, please provide the updated costs. If not please detail why.
    a. Please confirm that all cost escalation is accounted for in the contingency only. If any cost escalation and/or accounting for price volatility is included in baseline costs, please detail the amount and methodology of estimating cost escalation in both the contingency and baseline estimates.

b) What is the total revenue requirement for LRTP 22-25 that Applicants will be submitting to MISO (in 2024$)? If the revenue requirement will not be in 2024$, please provide the costs normalized to a year. If the number is not yet finalized, please provide your most recent estimate.

c) What is the Minnesota-specific portion of the LRTP 22-25 costs submitted to MISO as a share of the overall revenue requirement (both in 2024$ and in percentage)?

Response:

a) The Project costs will be substantially impacted by the final route approved for each of the transmission lines as well as labor availability, equipment costs and construction schedule. For the Route Permit applications, Applicants will update costs for the proposed routes by applying a per mile cost to the length of each line route. Applicants anticipate later updating costs with the mileage of the approved routes for LRTPs 22-25 based on a route-based construction schedule and the then best available information regarding labor, equipment and materials cost.

    The base and high-range estimates in the Application are in 2024$. This is also the methodology used by MISO—the estimates in MTEP24, Appendix A, are in 2024$. The estimates do not currently include escalation costs. A detailed construction schedule is critical to assessing the timing of Project expenditures and therefore, the Project costs that

would be subject to escalation. When costs are escalated, the Applicants will rely on the Handy-Whitman Index to establish the escalation percentage.

b) Applicants object to this question as vague because the date of the MISO submission is unspecified. Subject to this objection, Applicants respond as follows: The total revenue requirements are updated on an annual basis through the MISO formula rate process and not a single fixed value over the life of the projects. The Project's costs will be allocated across the MISO footprint and collected via annual revenue requirement for the Project. The annual revenue requirement is determined pursuant to the formula rate in Attachment MM-MVP Charge in the MISO tariff. The revenue requirement for each Applicant is calculated using each specific Applicant's formula rate each rate year for recovery. Annual revenue requirements will vary from year to year based on numerous factors, including actual project costs, accumulated depreciation, capital structure, allowed return components, and other Attachment MM inputs. The Applicants will provide a total estimated annual revenue requirement to be recovered based on the base and high-range project costs for each Applicant. This estimated revenue requirement will include components from MISO formula rate recovery for the Applicants: FERC approved return on equity, return on debt, depreciation, accumulated deferred income tax, property tax, income taxes, and operations and maintenance costs. The preparation of this analysis is currently underway and the information will be provided once the analysis is complete.

c) As stated in Section 2.5.1 of the Application, the allocated share of the annual revenue requirement for Minnesota customers is determined by the percent of total MISO energy used by Minnesota utilities, which has been estimated at approximately 18 to 24 percent based on MISO's posted 2023 energy withdrawal data.

Preparer (a):	Derrick Johnson	Tony Wendland	Fairman Campbell
Title:	Regional Transmission Project Manager	Project Director, Capital Project Development	Principal Engineer
Department:	Great River Energy	Xcel Energy	ITC Midwest
Date:	August 19, 2026	August 19, 2026	August 19, 2026
Preparer (b):	Matt Lacey	Charles Henckler	Joseph Stephanoff
Title:	Director, Transmission Business Strategy and Development	Principal Rate Analyst	Director, Financial Analysis and Business Development
Department:	Great River Energy	Xcel Energy	ITC Midwest
Date:	August 19, 2026	August 19, 2026	August 19, 2026
Preparer (c):	Matt Ellis		
Title:	Director, Transmission Planning and Compliance		
Department:	Great River Energy		
Date:	August 19, 2026		