

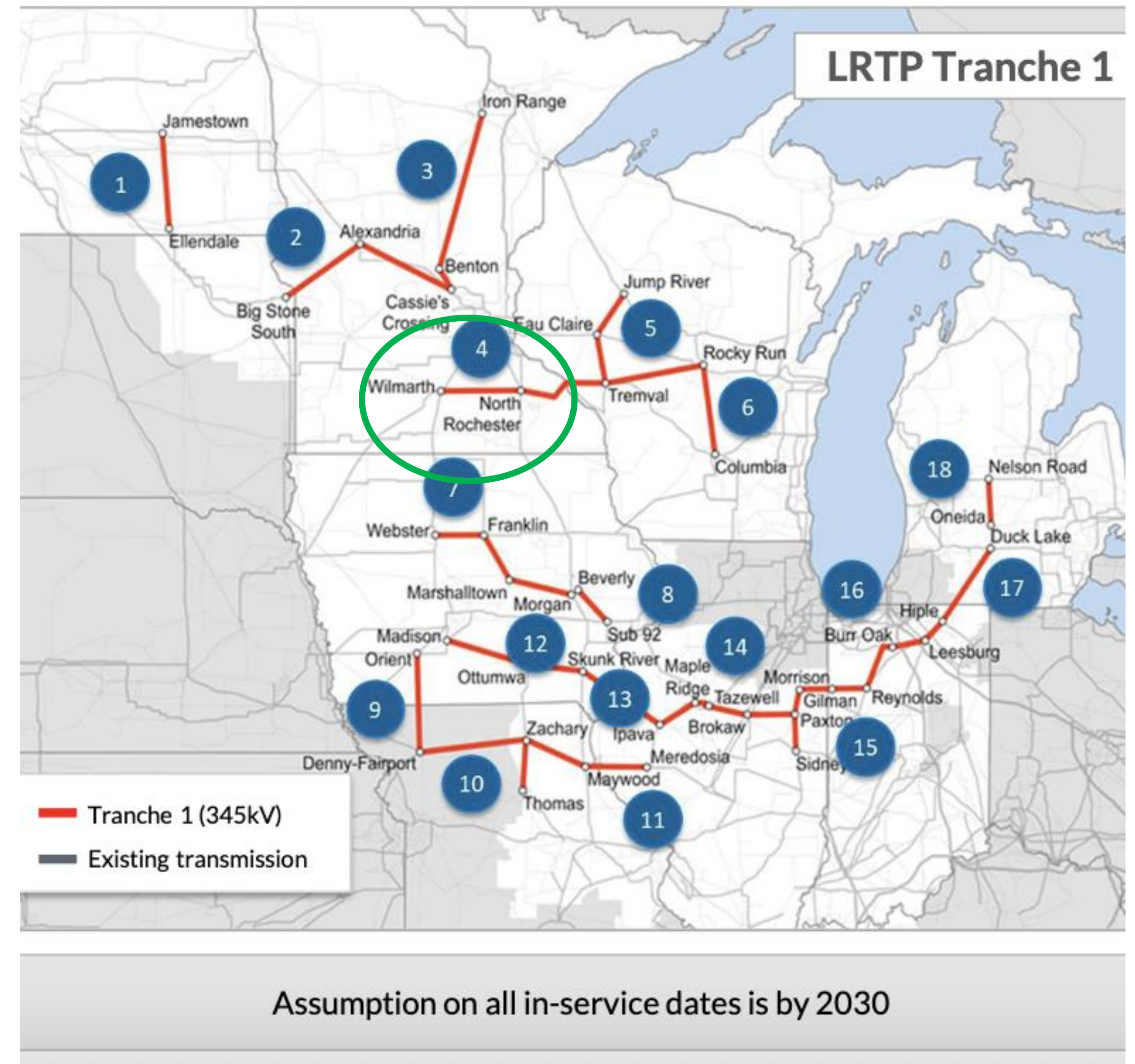
5.A. Grid North Partners Project Update



MISO Tranche 1 Project Update – October 2025

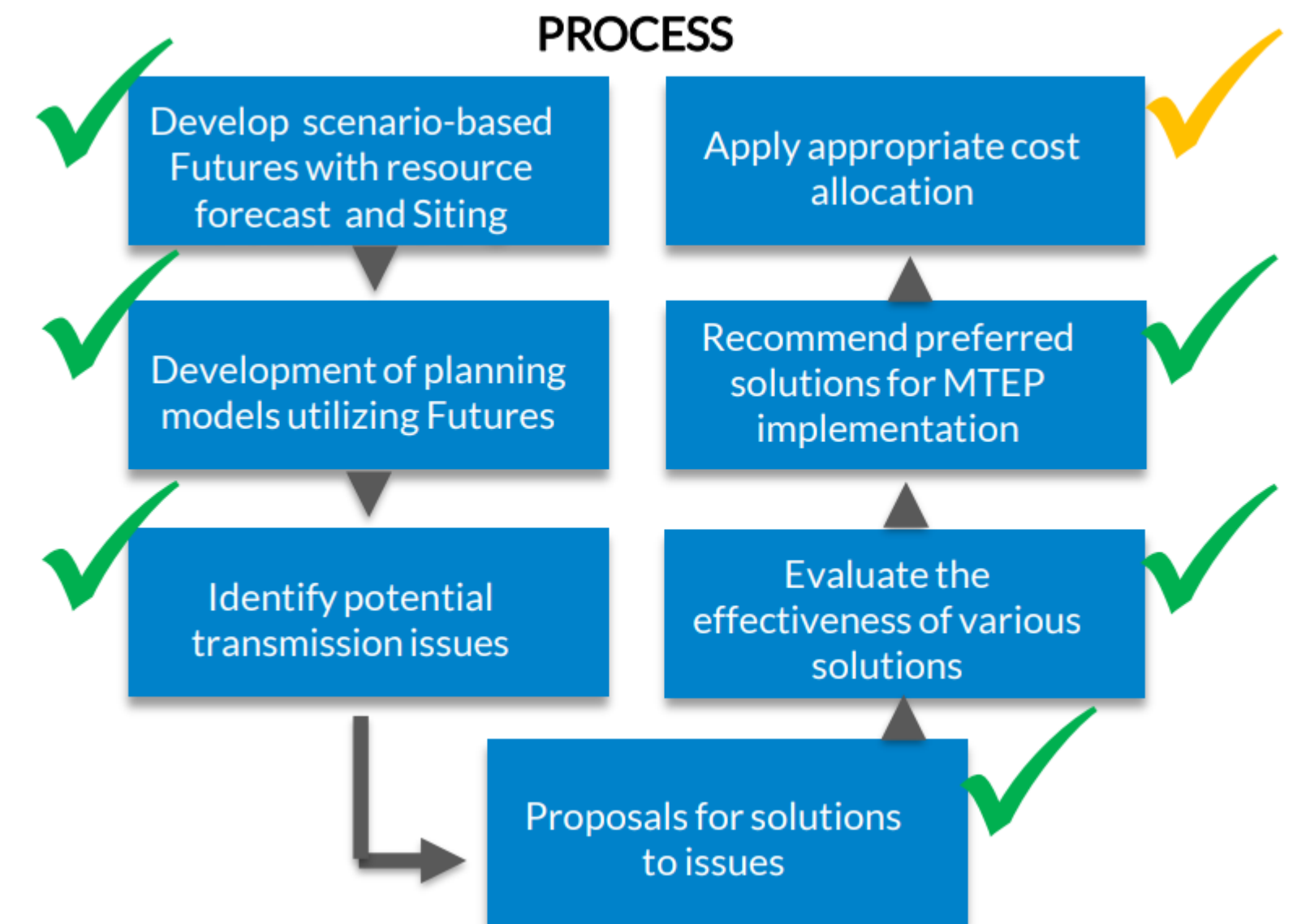
MISO Tranche 1 Projects

- \$10.4 Billion in new transmission lines, substations, and upgrades to existing facilities in MISO Midwest.
- MISO classified all projects as Multi-Value Projects (MVP).
- All costs will be paid by the load in the MISO Midwest Subregion based on MWh.
- RPU is seeking ownership stake in LRTP 4 of \$27.9 million, based on MWh ratio share, to offset Tranche 1 costs.
- Grid North Partner utilities involved in LRTP 4 include RPU, XCEL Energy, Dairyland Power Cooperative, and WPPI Energy.



MISO Long-Range Transmission Plan (LRTP)

- Long Range Transmission Planning is necessary to ensure a reliable and efficient regional and interregional transmission system that enables the changing portfolio across the near and long term and is part of the comprehensive Reliability Imperative Initiative.¹
- Renewable Integration Impact Assessment (RIIA) - Resource fleet has evolved to include increasing amounts of renewable resources.
- Transmission expansion required to reliably enable the renewable expansion plans and goals of MISO States, Utilities, and Industries.
- Transmission congestion mitigation and reliability improvement.



•¹ misoenergy.org - 20220325 LRTP Workshop Item 02 Tranche 1 Portfolio and Process

Review623633.pdf



Project Milestones Achieved to Date

- Filed the Certificate of Need (CON) and Route Permit to the Minnesota Public Utilities Commission (PUC). Final CON and Routing decision expected in December 2025.
- Conducted public outreach hearings with the MN PUC and LRTP 4 project partners to present the need case and preliminary route corridors for the project.
- Executed the Joint Prosecution Agreement between the LRTP 4 project partners.
- RPU filed for transmission rate incentives with the Federal Energy Regulatory Commission (FERC) on RPU's investment in the project.



Transmission Rate Incentive Filing

- On 12/31/24, FERC approved RPU's rate incentives filing RPU's investment in the project which will:
- Allows RPU the ability to recover Construction Work in Progress (CWIP), which results in approximately \$4.4 million of return on CWIP that will be earned during the development and construction period of the project. This return is calculated based on RPU's \$27.9 million ownership and 7.66% rate of return allowed in Attachment FF of the MISO tariff for MVP project ownership .
- Provide 100% Abandoned Plant protections from risks and challenges that are outside of RPU's control that could lead to the cancellation of the project.
- Provide ancillary benefits:
 - improve RPU's credit rating for the remainder of the project.
 - increase available on-hand cash position (vs. without incentive).
 - reduce the amount of financing needed.
 - improve RPU's adjusted debt ratio position.
 - lower business risk to rating agencies.



2026 Project Tasks and Future Governance Actions

- Finalize and execute the Project Development Agreement (in progress).
- Amend and restate the original 2012 CAPX Subordinate Agreements to include the LRTP 4 Project. The 2012 CAPX agreements that will require amendments may include, but are not limited to the:
 - Cost Allocation Agreement
 - Joint Ownership Agreement
 - Operation and Maintenance Agreement
 - Capacity Exchange Agreement
- Future Board Actions:
 - Approve the final ownership amount in LRTP 4.
 - Approve RPU's participation in the LRTP 4 project.
 - Approve the execution of all project agreements. This action will come to the Utility Board as early as December 16th, 2025. This action will also include a request for the delegation to the General Manager and City Attorney for approval and authorization of future subordinate agreements.
- Future Council Action:
 - Approve the execution of all project agreements as stated in the December 16th, 2025 Utility Board FBA. This action will come to the Council as early as January 5th, 2026.

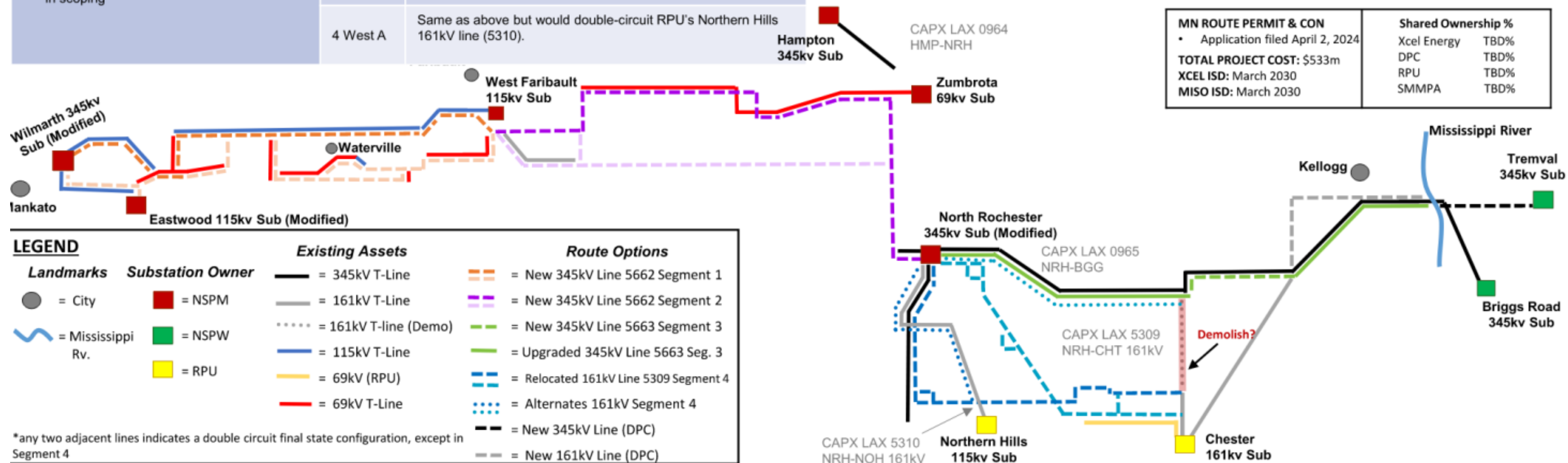


Project Timeline

Anticipated Construction Schedule – Segments 3 & 4	
Project/Construction Activity	Preliminary Date
Joint MN CON/RP Application Filed	4/2/2024
Final EIS issued, post hearing briefs and responses	7/25/2025
Administrative Law Judge (ALJ) report due	10/30/2025
PUC CON/RP Approval - Anticipated	4 th Quarter 2025
Conduct Cultural and Biological Field Surveys	2 nd Quarter 2026
Complete Engineering and Final Design	3 rd Quarter 2026
Federal, State and Local Permits Issued	4 th Quarter 2026
Easement Acquisition Process	3 rd Quarter 2027 – 4 th Quarter 2027
Vegetation Clearing	1 st Quarter 2027
Construction Mat Installation	1 st Quarter 2027
Foundation Installation	2 nd Quarter 2027 – 3 rd Quarter 2027
Structure Setting, Wire Stringing, Clipping and Removal of Existing Pole Structures	2 nd Quarter 2027 – 4 th Quarter 2027
Restoration Activities and Removal of Construction Mats	1 st Quarter 2028
Project In-Service	1 st Quarter 2028



Segment 3: 5663 345kV NRH – River 43 miles	Route Option	Construction Notes	Scope: NRH buildout and new 345kV line Ownership: NSPM Cost: \$174,600,000 Primary Maintenance: NSPM RISK: Can't in-service until Segment 1 is complete	2 North	- Access Work – Begin Q2 2027 - Foundations – Q3 2027 – Q1 2028 - Set Poles – Q4 2027 –Q2 2028 - Wire Work - Q1 – Q2 2028					
Scope: Install second circuit 345kV and upgrade existing 161kV to 345 kV Ownership: NSPM, SMMPA, RPU, DPC Cost: \$25,100,000 Primary Maintenance: NSPM RISK: NRH-CHT & DPC 161 need to be relocated prior in-service	3	- Permitting – Begin Q1 2026 - Access Work – Begin Q4 2026 - Wire Work – Q1 – Q3 2027		2 South	Same as above. Would require more purchasing of easements due to greenfield route.					
Segment 4: 5309 161kV NRH - CHT 20 – 24 miles	Route Option	Construction Notes	Segment 1: 5662 345kV WLM-NRH 41 – 48 miles	Route Option	Construction Notes					
Scope: Relocate 161kV to new corridor Ownership: NSPM, SMMPA, RPU, DPC Cost: \$58,400,000 Primary Maintenance: Xcel RISK: Multiple system alternatives proposed in scoping	4 East	- Access Work – Begin Q1 2027 - Foundations – Q2 –Q3 2027 - Set Poles – Q2 – Q3 2027 - Wire Work – Q3 – Q4 2027	Scope: WLM Sub Expansion and new 345kV line Ownership: NSPM Cost: \$240,650,000 Primary Maintenance: NSPM RISK: Will need a TR at Eastwood if S route is chosen. WLM may require wetland mitigation	1 North	- Access Work – Begin Q4 2027 - Foundations – Q2 – Q4 2028 - Set Poles – Q2 – Q4 2028 - Wire Work – Q3 2028 – Q2 2029					
	4 West	Same as above but would parallel 345kV line 0979 before turning East and continuing as a greenfield route.		1 South	Same as above but would include installing new equipment at Eastwood Substation to accommodate bringing in line 0708 69kV t-line					
	4 East A	Same as above but would parallel the existing CAPX line								
	4 West A	Same as above but would double-circuit RPU's Northern Hills 161kV line (5310).								
			<table border="1"> <tr> <td> MN ROUTE PERMIT & CON Application filed April 2, 2024 </td> <td> Shared Ownership % <table border="1"> <tr> <td>Xcel Energy</td> <td>TBD%</td> </tr> <tr> <td>DPC</td> <td>TBD%</td> </tr> </table> </td> </tr> </table>		MN ROUTE PERMIT & CON Application filed April 2, 2024	Shared Ownership % <table border="1"> <tr> <td>Xcel Energy</td> <td>TBD%</td> </tr> <tr> <td>DPC</td> <td>TBD%</td> </tr> </table>	Xcel Energy	TBD%	DPC	TBD%
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Questions