



# GridLiance High Plains LLC 2020 Annual Projected Rate Meeting

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*Wholesale Distribution*

October 25, 2019

# Agenda

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- Introductions
- GridLiance High Plains LLC (GridLiance HP) company and formula rate background
- Rate year 2020 wholesale distribution net revenue requirement projection
- Questions/discussion

# GridLiance High Plains Background

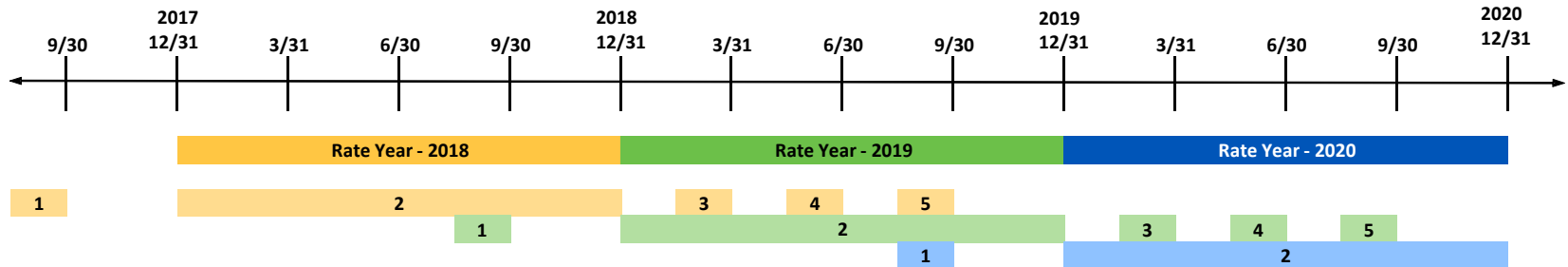
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GridLiance HP is a startup, stand-alone, competitive electric transmission-only utility. GridLiance HP's purpose is to develop, jointly own, operate, and maintain new or existing regulated transmission assets, principally through co-development and joint development agreements with non-jurisdictional electric cooperatives, municipally-owned electric utilities, and joint action agencies within the SPP region and on SPP's seams with other RTOs.

- October 29, 2015 – Formula Rate Template accepted by the FERC in Docket No. ER15-2594 and amended via FERC Orders issued on October 19, 2017; May 24, 2018; and September 21, 2018.
- July 2018 - GridLiance renames South Central MCN LLC to GridLiance High Plains LLC.
- As of this presentation, the following items related to GridLiance HP's Formula Rate Template are pending or have been recently resolved at FERC:
  - April 5, 2019 – GridLiance High Plains submits compliance filing related to protocols and income tax component of GridLiance HP's Formula Rate (Docket Nos. ER15-2594, ER17-953, EL18-16)
  - October 19, 2019 – FERC consolidated Docket No. ER19 -1357 (a formal challenge to GridLiance's 2019 Annual Update) with Docket No. ER18-2358 (a protest of the placement of certain upgraded Oklahoma facilities into SPP Zone 11) which had hearing and settlement judge procedures pending.

# GridLiance High Plains Formula Rate Timeline



## For Rate Year - 2018

- 1 Submit estimated/forecasted ATRR by October 1, 2017 (includes Rate Year - 2016 recovery/return of rate)
- 2 Collect 2018 estimated/forecasted ATRR and collect/pay 2016 true-up over the Rate Year - 2018
- 3 Perform true-up for Form 1 prior to April 18, 2019
- 4 Provide finalized true-up to stakeholders and post to GridLiance website on or before June 3, 2019
- 5 Include recovery/return of rate in Rate Year - 2020 estimated/forecasted ATRR

## For Rate Year - 2019

- 1 Submit estimated/forecasted ATRR by October 1, 2018 (includes Rate Year - 2017 recovery/return of rate)
- 2 Collect 2019 estimated/forecasted ATRR and collect/pay 2017 true-up over the Rate Year - 2019
- 3 Perform true-up for Form 1 prior to April 20, 2020
- 4 Provide finalized true-up to stakeholders and post to GridLiance website on or before June 1, 2020
- 5 Include recovery/return of rate in Rate Year - 2021 estimated/forecasted ATRR

## For Rate Year - 2020

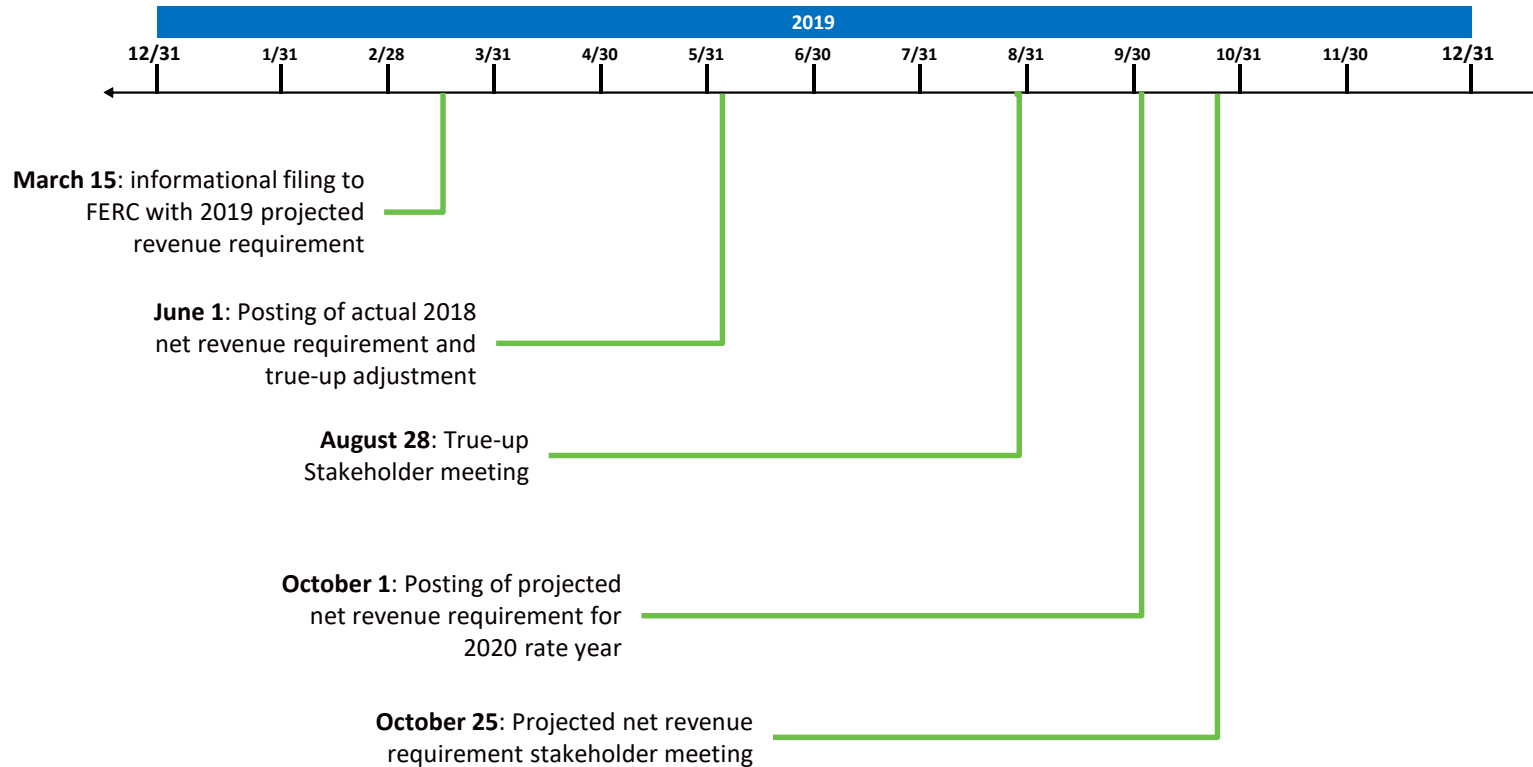
- 1 Submit estimated/forecasted ATRR by October 1, 2019 (includes Rate Year - 2018 recovery/return of rate)
- 2 Collect the 2020 estimated/forecasted ATRR and collect/pay 2018 true-up over the Rate Year - 2020

*Continues going forward consistent with Rate Years 2018 and 2019*



# GridLiance High Plains Formula Rate Timeline

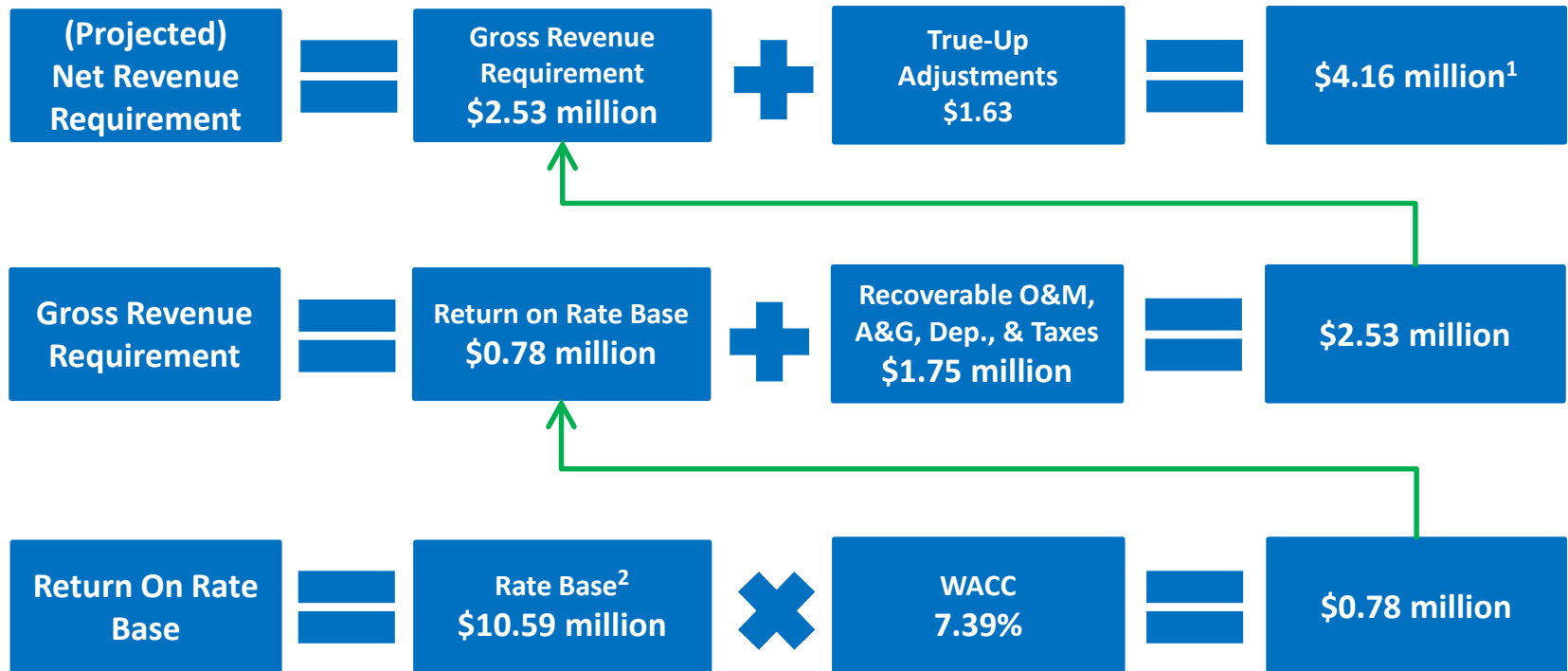
## Selected 2019 milestones



# GridLiance High Plains Formula Rate Components



## Projected Wholesale Distribution Net Revenue Requirement Calculation



<sup>1</sup> Refer to next slide for details of the Projected Net Revenue Requirement calculation.

<sup>2</sup> Rate Base is calculated as the 13-month average Net PP&E with miscellaneous adjustments

# 2020 Projected Revenue Requirement Summary



## Wholesale Distribution

<b>Att. 11A Reference</b>	<b>Return on Rate Base</b>	
Page 4, Line 37	Rate Base <sup>1</sup>	\$10,590,056
Page 6, Line 19	Rate of Return	7.39%
Page 5, Line 36	<b>Return on Rate Base</b>	<b>\$782,425</b>
<b>Recoverable Operating Expenses</b>		
Page 5, Line 8	O&M Expenses	\$1,106,646
Page 5, Line 13	Depreciation Expenses	\$266,989
Page 5, Line 23	Taxes Other Than Income Taxes	\$252,861
Page 5, Line 34	Income Taxes	\$122,648
Sum	<b>Total Recoverable Operating Expenses</b>	<b>\$1,749,145</b>
<b>Projected Gross Revenue Requirement</b>		
above	Return on Rate Base	\$782,425
above	Total Recoverable Operating Expenses	\$1,749,145
Page 3, Line 45	<b>Projected Gross Revenue Requirement</b>	<b>\$2,531,570</b>
<b>Projected Net Revenue Requirement</b>		
above	Projected Gross Revenue Requirement	\$2,531,570
Att 12, Line 4	True-up adjustment or credits	\$1,628,513
Sum	<b>Projected Net Revenue Requirement</b>	<b>\$4,160,082</b>

<sup>1</sup>Rate Base is calculated as the 13-month average Net Plant, Property, and Equipment, adjusted for miscellaneous items, including deferred income taxes and working capital