



GridLiance High Plains LLC 2020 Annual Projected Rate Meeting

Transmission

October 25, 2019

Agenda



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

GridLiance High Plains Background



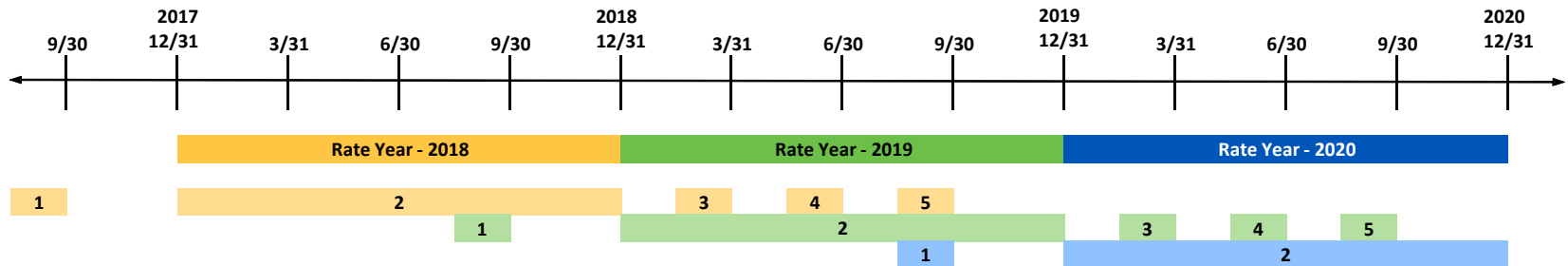
GridLiance HP is a startup, stand-alone, competitive electric transmission-only utility. GridLiance HP's purpose is to develop, jointly own, operate, and maintain new or existing regulated transmission assets, principally through co-development and joint development agreements with non-jurisdictional 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

Rate Year Process



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

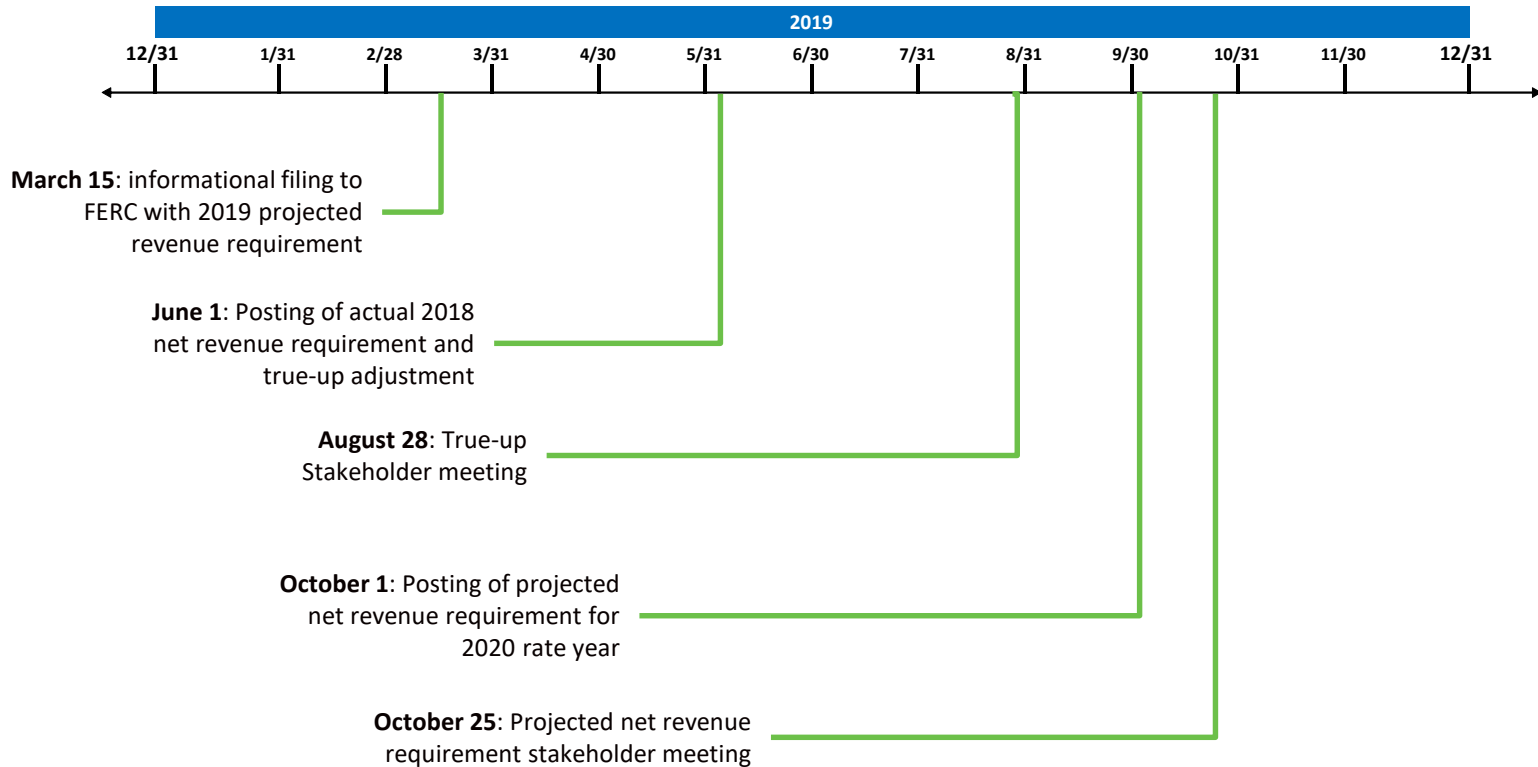
- 1 Submit estimated/forecasted ATRR by October 1, 2019 (includes Rate Year - 2018 recovery/return of rate)
- 2 Collect the 2020 estimated/forecasted ATRR and collect/pay 2018 true-up over the Rate Year - 2020

Continues going forward consistent with Rate Years 2018 and 2019



GridLiance High Plains Formula Rate Timeline

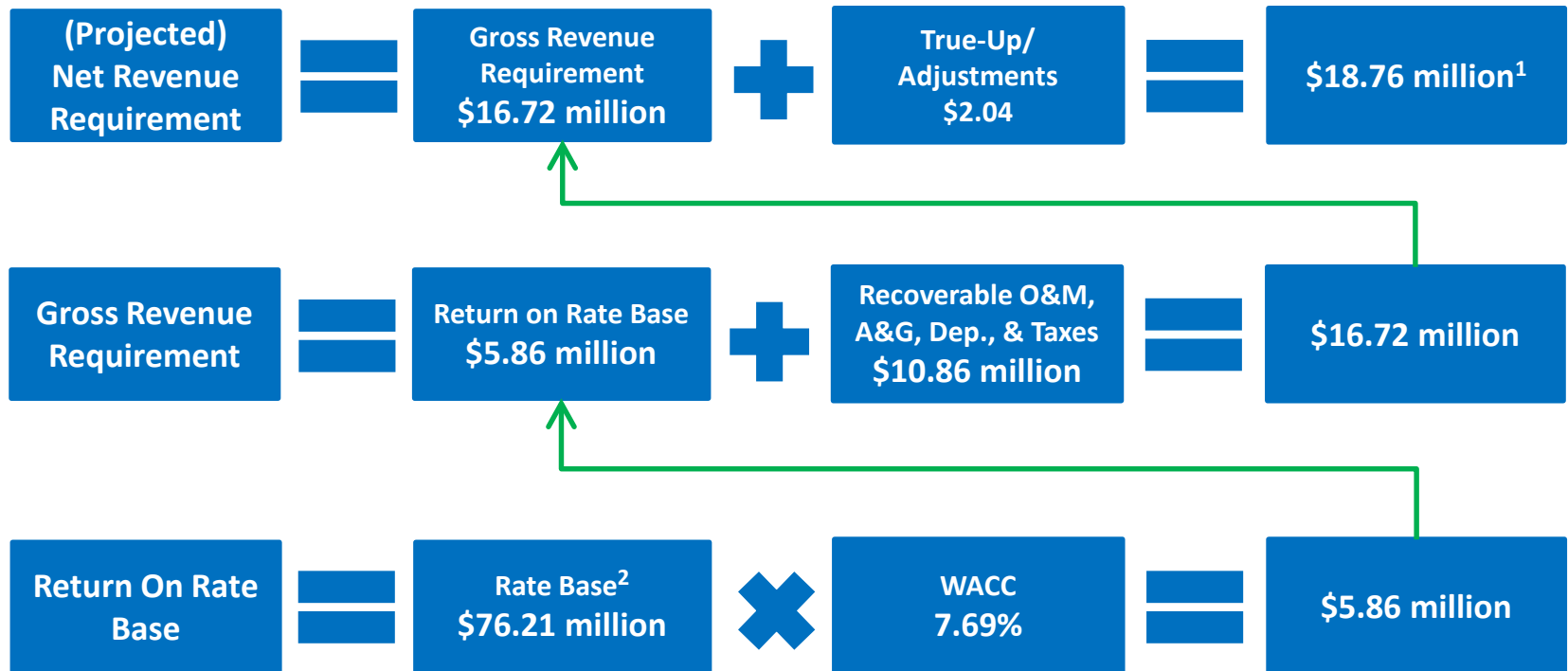
Selected 2019 milestones



GridLiance High Plains Formula Rate Components



Projected Net Revenue Requirement Calculation



¹ Refer to next slide for details of the Projected Net Revenue Requirement calculation.

² Rate Base is calculated as the 13-month average Net PP&E with miscellaneous adjustments.

2020 Projected Revenue Requirement Summary



Transmission

Att. H Reference	Return on Rate Base	
Page 2, Line 37	Rate Base ¹	\$76,207,371
Page 4, Line 23	Rate of Return	7.69%
Page 3, Line 44	Return on Rate Base	\$5,859,048
	Recoverable Operating Expenses	
Page 3, Line 14	O&M Expenses	\$6,594,396
Page 3, Line 20	Depreciation Expenses	\$1,864,826
Page 3, Line 30	Taxes Other Than Income Taxes	\$1,506,777
Page 3, Line 42	Income Taxes	\$892,916
Sum	Total Recoverable Operating Expenses	\$10,858,914
	Projected Gross Revenue Requirement	
above	Return on Rate Base	\$5,859,048
above	Total Recoverable Operating Expenses	\$10,858,914
Page 3, Line 45	Projected Gross Revenue Requirement	\$16,717,963
	Projected Net Revenue Requirement	
above	Projected Gross Revenue Requirement	\$16,717,963
Page 1, Line 9	True-up adjustment or credits	\$2,043,825
Page 3, Line 45	Projected Net Revenue Requirement	\$18,761,788

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