



GridLiance West LLC
2020 Annual Formula Rate Projection
Stakeholder Meeting

November 12, 2019

Agenda



- Introductions
- GridLiance West LLC company and formula rate background
- Rate year 2020 transmission net revenue requirement projection
- Questions/discussion

GridLiance West Background



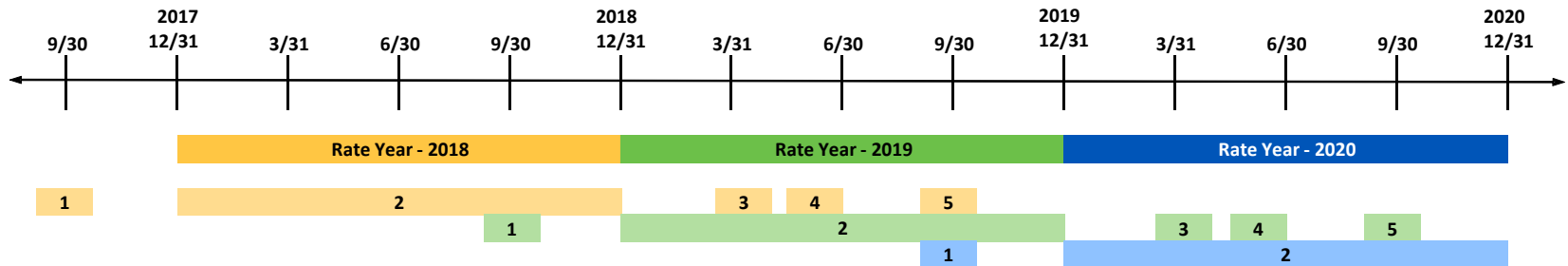
GridLiance West LLC (GridLiance West) is a stand-alone, competitive electric transmission-only utility formed to acquire and optimize Valley Electric Transmission Association LLC's ("VETA") high voltage transmission system; partner with Public Power to solve transmission issues, optimize public power systems, and help manage costs on these systems throughout CAISO; and compete for needed projects in the Order No. 1000 Competitive Solicitation Process of the California Independent System Operator (CAISO).

- February 2017 – FERC (ER17-706) accepts and suspends, subject to refund, GridLiance West transmission formula rate, becoming effective September 15, 2017, upon becoming a participating transmission owner in CAISO (ER17-694).
- August 2017 – the Commission sets proposed transmission formula rate, implementation protocols, and projected cost of service for hearing and settlement judge procedures along with approving various incentives requested by GridLiance.
- June 2018 – FERC approves a settlement agreement filed by GridLiance in March 2018 that resolved every issue in Docket No. ER17-706.
- July 2018 – FERC grants GridLiance's request for three additional rate incentives
- September 2018 – GridLiance files Offer of Settlement resolving all issues set for hearing and includes a rate moratorium through October 24, 2019.
- October 2018 – GridLiance files for recovery of its regulatory asset of \$20.3 million over a ten-year period (ER19-191)
- December 2018 – FERC accepts GridLiance filing in ER19-191



GridLiance West Formula Rate Timeline

Rate Year Process



For Rate Year - 2018

- 1 Publish 2018 projected ATRR by October 1, 2017
- 2 Collect 2018 estimated/forecasted ATRR over the Rate Year - 2018
- 3 Calculate true-up based on 2018 FERC Form No. 1 submitted in mid April 2019
- 4 Provide finalized true-up to stakeholders and post to GridLiance website on or before June 3, 2019
- 5 Incorporate actual recovery/return into 2020 projection

For Rate Year - 2019

- 1 Publish 2019 projected ATRR by October 1, 2018
- 2 Collect 2019 estimated/forecasted ATRR over the Rate Year - 2019
- 3 Calculate true-up based on 2018 FERC Form No. 1 submitted in mid April 2019
- 4 Provide finalized true-up to stakeholders and post to GridLiance website on or before July 1, 2020
- 5 Include actual recovery/return into 2021 projection

For Rate Year - 2020

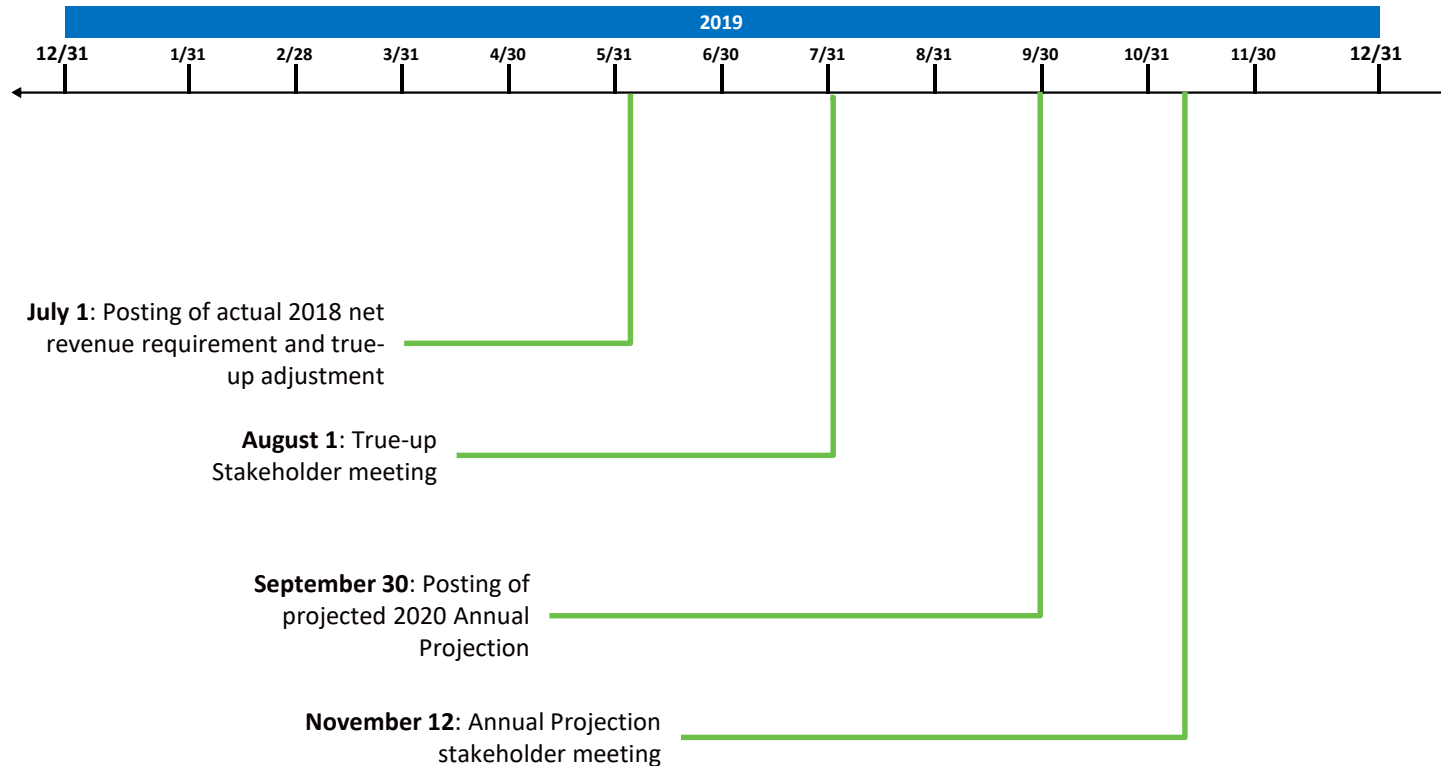
- 1 Publish 2020 projected ATRR by September 30, 2019
- 2 Collect the 2020 estimated/forecasted ATRR over the Rate Year - 2020

Continues going forward consistent with Rate Years 2018 and 2019

GridLiance West Formula Rate Timeline



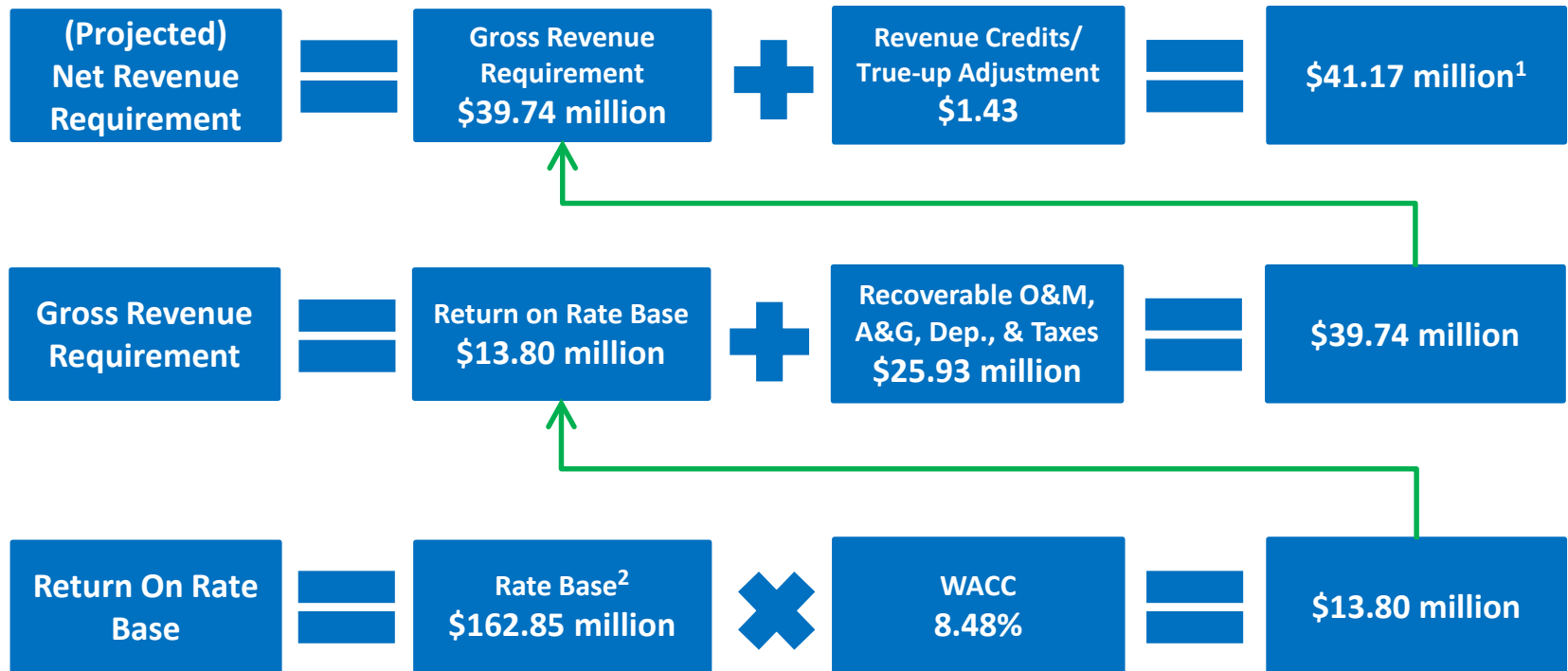
Selected 2019 milestones



GridLiance West 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



App. III Reference	Return on Rate Base	
Page 2, Line 30	Rate Base ¹	\$162,845,224
Page 4, Line 86	Rate of Return	8.48%
Page 3, Line 64	Return on Rate Base	\$13,802,761
Recoverable Operating Expenses		
Page 3, Line 38	O&M and A&G Expenses	\$19,653,124
Page 3, Line 43	Depreciation Expenses	\$3,133,520
Page 3, Line 52	Taxes Other Than Income Taxes	\$1,421,388
Page 3, Line 62	Income Taxes	\$1,726,478
Sum	Total Recoverable Operating Expenses	\$25,934,510
Projected Gross Revenue Requirement		
above	Return on Rate Base	\$13,802,761
above	Total Recoverable Operating Expenses	\$25,934,510
Page 3, Line 67	Projected Gross Revenue Requirement	\$39,737,271
Projected Net Revenue Requirement		
above	Projected Gross Revenue Requirement	\$39,737,271
Page 1, Line 2	Revenue credits	\$0
Page 1, Line 3	True-up Adjustment	\$1,430,351
Page 1, Line 4	Projected Net Revenue Requirement	\$41,167,622

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