



Rate Year 2019 True-Up
Stakeholder Meeting
GridLiance High Plains LLC

Wholesale Tariff

August 26, 2020

Agenda



- Introduction
- GridLiance High Plains LLC (GridLiance HP) Background
- Wholesale Tariff Formula Rate Template True-Up for Rate Year 2019
- Q&A
- Closing Remarks

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.

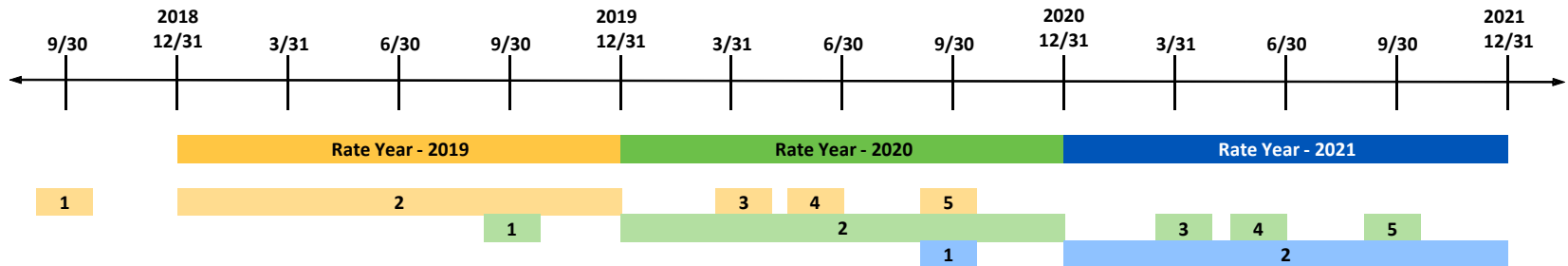
Recent Formula Rate Template Changes

- February 20, 2020 (ER20-1047)
Compliance filing setting income tax allowance (ITA) to 72.13 percent.
 - December 19, 2020 effective date requested
 - Awaiting FERC action
- April 29, 2020 (ER20-1047)
Compliance filing lowering ITA to 53.29 percent
 - July 1, 2020 effective date requested
 - Awaiting FERC action
- June 12, 2020 (ER20-2043)
Compliance filing for Order No. 864 (ADIT remeasurement)
 - January 27, 2020 effective date requested
 - Awaiting FERC action

GridLiance HP Formula Rate Timeline



Rate Year Process



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 2019 FERC Form No. 1 submitted in mid April 2020
- 4 Provide finalized true-up to stakeholders and post to SPP and GridLiance website on or before June 1, 2020
- 5 Incorporate actual recovery/return into 2021 projection

Rate Year - 2020

- 1 Publish 2020 projected ATRR by October 1, 2019
- 2 Collect 2020 estimated/forecasted ATRR over the Rate Year 2020
- 3 Calculate true-up based on 2020 FERC Form No. 1 submitted in mid April 2021
- 4 Provide finalized true-up to stakeholders and post to GridLiance website on or before June 1, 2021
- 5 Incorporate actual recovery/return into 2022 projection

Rate Year - 2021

- 1 Publish 2021 projected ATRR by October 1, 2020
- 2 Collect 2021 estimated/forecasted ATRR over the Rate Year 2021

Continues going forward consistent with Rate Years 2019 and 2020

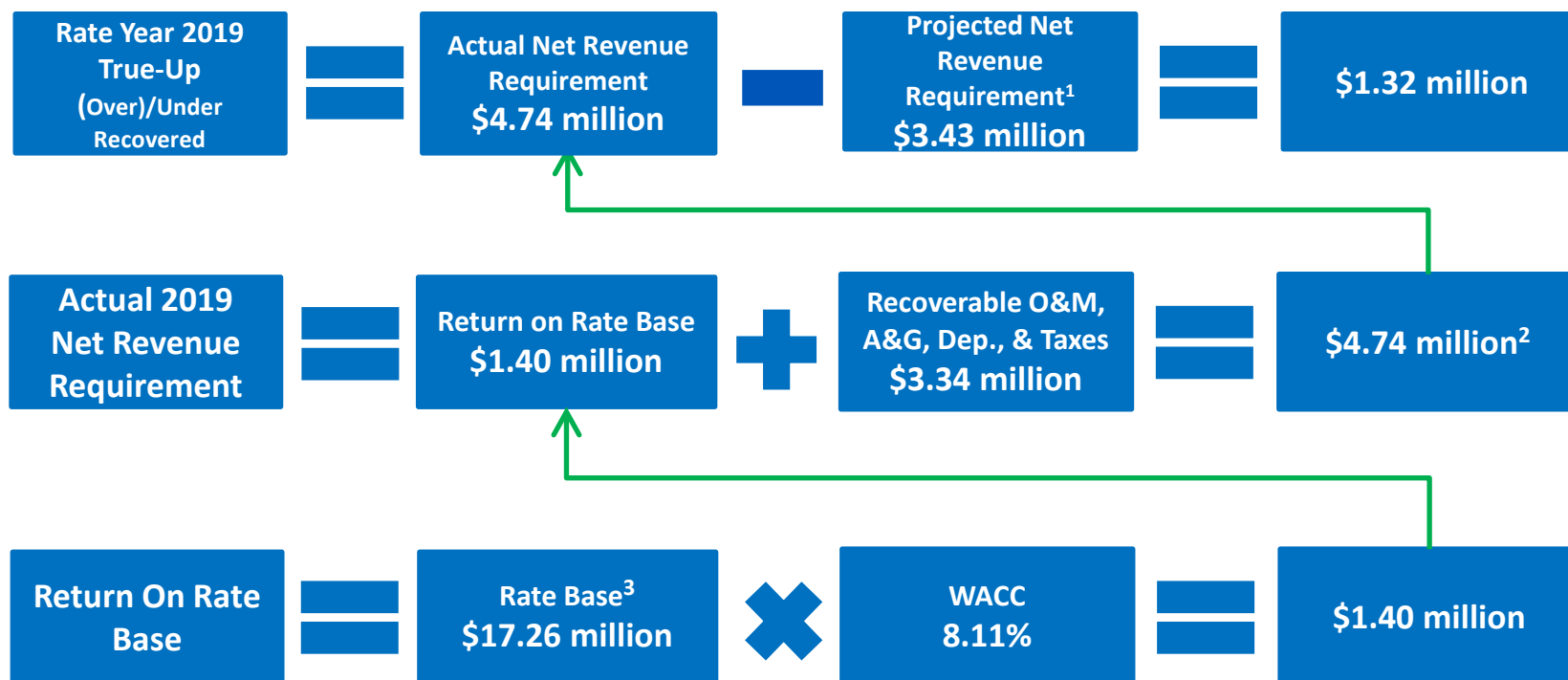
GridLiance HP Formula Rate Timeline



Selected 2020-21 milestones

- June 8, 2020 – Publication of actual 2019 net revenue requirement and true-up adjustment
- August 26, 2020 – 2019 True-up Stakeholder meeting
- October 1, 2020 – Publication of 2021 Projection
- October 1-October 31, 2020 – Date range for 2021 Projection Stakeholder meeting
- February 8, 2021 – Last day for Interested Parties to notify GridLiance HP of an Informal Challenge
- February 28, 2021 – Last day for GridLiance HP to respond to an Informal Challenge

Formula Rate True-Up for Rate Year 2019



¹ Represents the projected net revenue requirement as posted by GridLiance HP on October 1, 2018

² Refer to appendix for details of the Actual 2019 Net Revenue Requirement calculation

³ Rate Base is calculated as the 13-month average Net PP&E with miscellaneous adjustments

Appendices

Appendix A – Formula Rate True-Up for Rate Year 2019



Rate Base
Rate of Return
Allowed Return on Rate Base
O&M
A&G
Depreciation Expenses
Income Taxes
Other Taxes
Net Revenue Requirement

Projection	Actual ATRR	Net (Over)/Under Collection
12,900,100	17,258,464	
8.4%	8.11%	
1,089,389	1,398,919	309,529
424,266	460,716	36,450
938,303	1,803,250	864,947
371,781	503,404	131,623
321,251	231,139	(90,113)
282,436	347,444	65,008
3,427,427	4,744,871	1,317,445

Appendix B – GridLiance HP Rate Base¹



	Gross Plant Value		Accum Depreciation	
December-18	\$	25,264,139	\$	(6,736,559)
January-19	\$	25,355,237	\$	(6,780,476)
February-19	\$	25,354,775	\$	(6,823,766)
March-19	\$	25,358,596	\$	(6,867,056)
April-19	\$	25,388,536	\$	(6,909,205)
May-19	\$	25,388,536	\$	(6,952,286)
June-19	\$	25,388,536	\$	(6,996,195)
July-19	\$	25,388,536	\$	(7,039,754)
August-19	\$	25,388,536	\$	(7,082,894)
September-19	\$	25,381,366	\$	(7,111,942)
October-19	\$	25,399,493	\$	(7,149,792)
November-19	\$	28,806,461	\$	(7,193,920)
December-19	\$	14,909,649	\$	(4,577,825)
13-month average	\$	24,828,646	\$	(6,786,282)

¹ Table excludes other adjustments to rate base items such as ADIT, unamortized regulatory assets and working capital

Appendix C – WACC



		<u>\$</u>	<u>%</u>	<u>Cost</u>	<u>Weighted</u>
Long Term Debt	Attachment H, Page 4, Line 20	42,000,000	42.00%	5.77%	2.42%
Preferred Stock (112.3.c)	Attachment H, Page 4, Line 21	-	0.00%	0.00%	0.00%
Common Stock	Attachment H, Page 4, Line 22	58,006,252	58.00%	9.80%	5.68%
Total	(Sum of Lines 14 through 16)	100,006,252			8.11%