



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

Transmission

August 26, 2020

Agenda



- Introduction
- GridLiance High Plains LLC (GridLiance HP) Background
- Transmission 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.

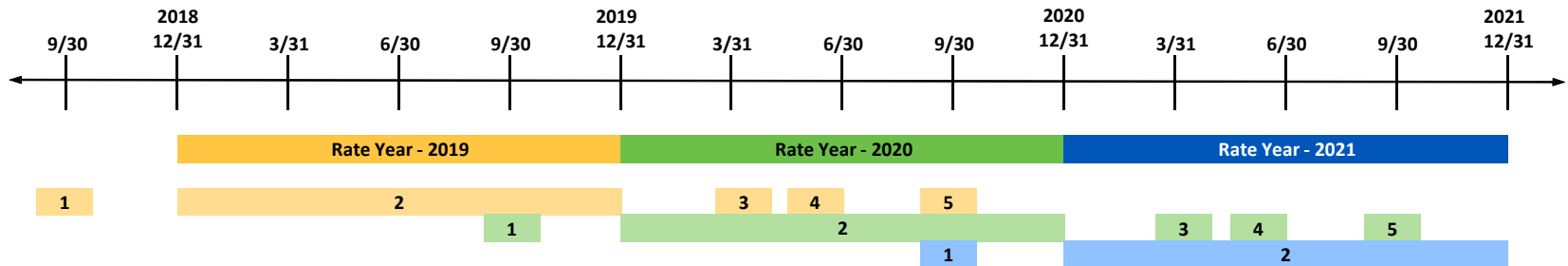
Recent Formula Rate Template Changes

- February 20, 2020 (ER20-1046)
Compliance filing setting income tax allowance (ITA) to 72.13 percent.
 - December 19, 2020 effective date requested
 - Awaiting FERC action
- April 29, 2020 (ER20-1046)
Compliance filing lowering ITA to 53.29 percent
 - July 1, 2020 effective date requested
 - Awaiting FERC action
- June 12, 2020 (ER20-2039)
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

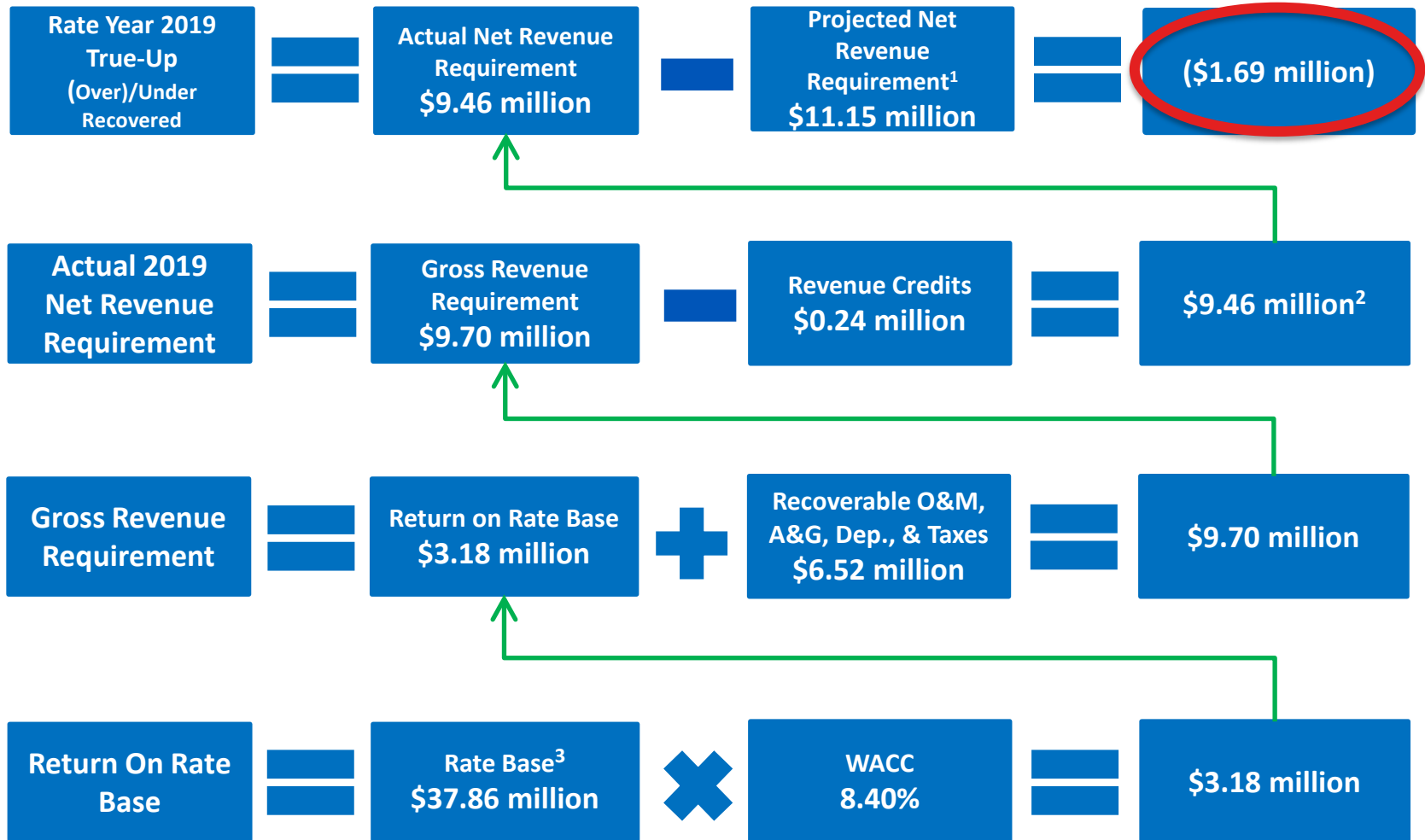


Selected 2020-21 milestones

- 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
Gross Revenue Requirement
Revenue Credit
Net Revenue Requirement

Projection	Actual ATRR	Net (Over)/Under Collection
45,714,153	37,857,531	(7,856,622)
8.74%	8.40%	
3,997,617	3,178,408	(819,209)
1,230,969	892,916	(338,052)
2,665,855	3,494,885	829,029
1,151,626	957,208	(194,418)
1,196,503	501,424	(695,079)
903,311	673,382	(229,929)
11,145,880	9,698,223	(1,447,657)
-	(240,111)	(240,111)
11,145,880	9,458,112	(1,687,769)

Appendix B – GridLiance HP Rate Base¹



	Gross Plant Value	Accum Depreciation
December-18	\$ 44,030,471	\$ (9,441,350)
January-19	\$ 44,072,083	\$ (9,513,685)
February-19	\$ 44,072,083	\$ (9,586,030)
March-19	\$ 44,075,890	\$ (9,658,378)
April-19	\$ 44,047,238	\$ (9,730,630)
May-19	\$ 44,384,855	\$ (9,803,168)
June-19	\$ 44,390,885	\$ (9,874,847)
July-19	\$ 44,407,973	\$ (9,947,746)
August-19	\$ 44,409,281	\$ (10,020,659)
September-19	\$ 44,411,943	\$ (10,077,363)
October-19	\$ 44,413,026	\$ (10,150,282)
November-19	\$ 51,734,443	\$ (9,001,485)
December-19	\$ 87,116,173	\$ (11,430,198)
13-month average	\$ 48,120,488	\$ (9,864,294)

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>	Cost (Notes K, Q, & R)	<u>Weighted</u>
Long Term Debt	(Notes Q & R)	42,000,000	42.0%	5.77%	2.42%
Preferred Stock (112.3.c)	(Notes Q & R)	-	0.0%	-	0.00%
Common Stock	(Notes K, Q & R)	<u>58,006,252</u>	58.0%	10.30%	<u>5.97%</u>
Total	(Sum of Lines 20 through 22)	100,006,252			8.40%