

## GridLiance High Plains LLC – 2019 Formula Rate True-Up Meeting – 8/26/2020

### **Xcel/SPS Questions Provided on 9/10/2020**

1. Please provide the following information that is included 2019 true-up:
  - a. Gross and net plant amounts by project
  - b. Indicate whether each project placed in service is part of:
    - i. Phase I GridLiance transmission plan:
    - ii. Phase II GridLiance transmission plan
    - iii. Part of another transmission plan

#### **Response (10/1/2020):**

Please refer to Attachment 1 to this response, which provides gross and net plant values for the major capital projects that went into service in Zone 11 in 2019. These projects include the Panhandle Reliability Project (Phase II), and the Y Road 115 kV Switching Station, Hovey-Jefferson OPGW Replacement and Jefferson-Cole OPGW Replacement projects (planned outside of the Phase I and II planning processes). The Cole SPS breaker replacement (SPS project) was added to GHP's rates in 2019 but SPS placed it in service in a prior rate year.

2. The 2019 formula rate true-up includes the following values that do not match GridLiance FERC Form 1. Please provide supporting calculation used to arrive at these values for the following:
  - a. Transmission Gross Plant BOY (4)
  - b. Gen & Int Gross Plant BOY and EOY (4)
  - c. Materials and Supplies BOY and EOY (4)
  - d. Prepayments BOY and EOY (4)
  - e. Transmission Accumulated Depr. BOY (4)
  - f. ADIT-282 EOY (4d)
  - g. ADIT-283 EOY (4d)
  - h. ADIT-190 EOY (4d)
  - i. Transmission O&M Expenses (5)
  - j. A&G Expenses (5)
  - k. Property Taxes (5)
  - l. Revenue Received (3) (this drives the large change in true-up calculation)

#### **Response (10/1/2020):**

As a result of a \$65 thousand reclassification of facilities from wholesale distribution to transmission that occurred after the publication of the GridLiance HP 2019 Form No. 1, the allocation of certain values between transmission and wholesale distribution was different in the 2019 True-up. Please refer to Attachment 2, to this response. In the worksheet labelled 'Allocation Comparison', which is referenced in the responses to items 'b' through 'k' below, rows 11-25 show the allocation calculations consistent with the 2019 Form No. 1 (and related footnotes) while rows 35-49 highlight the reclassification and the affected allocations used in the 2019 True-up.

- a. The difference between the 2019 FERC Form No. 1 beginning of year value and the value on Attachment 4 is due to the erroneous inclusion of two switches with a total gross plant value of \$29,940 that should have been classified as wholesale distribution. This error was identified after GridLiance HP filed its 2018 FERC Form No. 1 but prior to publication of the 2018 True-Up and was explained in the December 20, 2019 GridLiance HP response to item no. 5 of the November 29, 2019 SPS data request set. GridLiance HP inadvertently used the year end value from the 2018 Form No.

- 1 to populate the beginning-of-year value in the 2019 Form No. 1 rather than the correct value used in the 2018 True-up. The 2019 True-up reflects the correct beginning-of-year value.
- b. GridLiance High Plains included no intangible or general plant in the 2019 true-up for SPP transmission. This is consistent with the value of zero reported for intangible plant on page 205.5 of the 2019 Form No. 1 and the footnote to the general plant subtotal at page 204.96 explaining that general plant component items were attributable to wholesale distribution.
  - c. The differences are due to the reclassification effect on allocation calculations. Please refer to Attachment 2, worksheet column AL.
  - d. The differences are due to the reclassification effect on allocation calculations. Please refer to Attachment 2, worksheet column AO.
  - e. The difference is due to a coding error in the 2019 True-up. The correct value is reported in the 2019 Form No. 1.
  - f. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column AX.
  - g. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column AY.
  - h. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column AZ.
  - i. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column BD.
  - j. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column BH.
  - k. The difference is due to the reclassification effect on the allocation calculation. Please refer to Attachment 2, worksheet column BL.
  - l. Please refer to the table below and Attachment 2 to this response for the reconciliation of the value in Line 2, Column E of Attachment 3 of 2019 True-up to the values on pages 328-330 of the 2019 Form No. 1. The worksheets labeled '1-Project Rev Req pre reclass' and '3-Proj True-up pre reclass' respectively represent Attachments 1 and 3 of the formula rate as prepared before \$65k reclassification.

	<b>Att. 2 to Response</b>			
	<b>2019 True-up values</b>			
	<b>before reclassification</b>		<b>2019 Form No. 1</b>	<b>Difference</b>
SPP Zone 10 revenue Att. 3 Ln. 3a, Col. F + Col. I Form No. 1, p330.2n	(i) 2,291,468		2,291,468	(0)
SPP Zone 11 revenue Form No. 1, p330.1n Att. 3 Ln. 3b, Col. F + Col. I	(i) 7,012,383		7,012,256 (ii)	(127)
Sum rev. rec'd plus interest Att. 3 Ln. 4, Col. F + Col. I	9,303,851		9,303,724	(127)
2019 true-up Att. 3, Line 4, Col. J	(iii) 1,842,029			
Att. 3, Line 2, Col. E	11,145,880			

Notes

- (i) Actual net revenue requirement plus interest
- (ii) Difference attributable to coding error; Form No. 1 value is correct

(iii) Difference between 2019 revenue received and calculated actual 2019 ATRR plus interest

3. Please reconcile the following formula rate template calculation errors:

- m. Row 2 and 18 on worksheet 4a: calculation zeroes out ADIT EOY value when value should be included. This reference appears incorrect.
- n. Row 41 on worksheet 4c inadvertently doubles the 283 ADIT BOY value
- o. The true-up uses the ADIT projected proration logic, not the true-up proration logic (4e & 4f). It is the values from 4b (ADIT projected proration) that flow forward into the revenue requirement, not the values from 4f (ADIT True-up proration). This appears to be incorrect.

**Response (10/1/2020):**

Responses below refer to Attachment 3 which is a version of the published 2019 True-up containing the corrections below resulting in an increase to Attachment H ATRR of \$10,681. The correction noted in in the response to Item 2.e is not included in this version.

- a. The calculations on Lines 2, 10, and 18 of Attachment 4a are intended to remove the end of year (EOY) ADIT balance used in proration. In the GHP formula rate, all ADIT is subject to proration, therefore there should be no EOY ADIT values on Lines 2, 10, or 18 of Attachment 4a. On Attachment 3 to this response, the Excel formulas on Line 10 of Attachment 4a have been revised to align with the correct formulas on Lines 2 and 18 which reflect the instructions stated in column (a). contains a corrected calculation.
- b. GridLiance HP acknowledges this calculation error. Attachment 3 to this response contains a corrected calculation on Attachment 4c.
- c. GridLiance HP acknowledges this error. Attachment 3 to this response contains corrected references to Attachment 4f.