



2021 Projection Stakeholder Meeting GridLiance High Plains LLC

SPP Transmission

October 30, 2020

Agenda



- Introduction
- GridLiance High Plains LLC Overview
- 2021 Projection Highlights
- Discussion

GridLiance High Plains Background



GridLiance High Plains LLC (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.

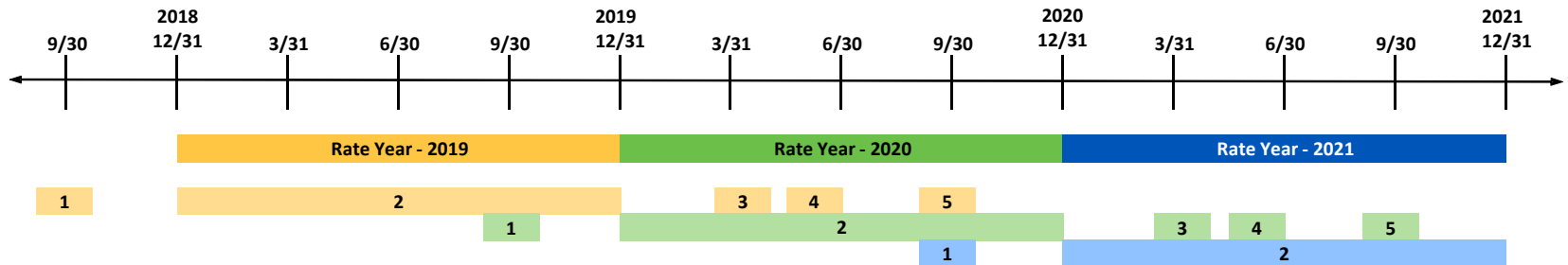
Recent Formula Rate Template Changes

- 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



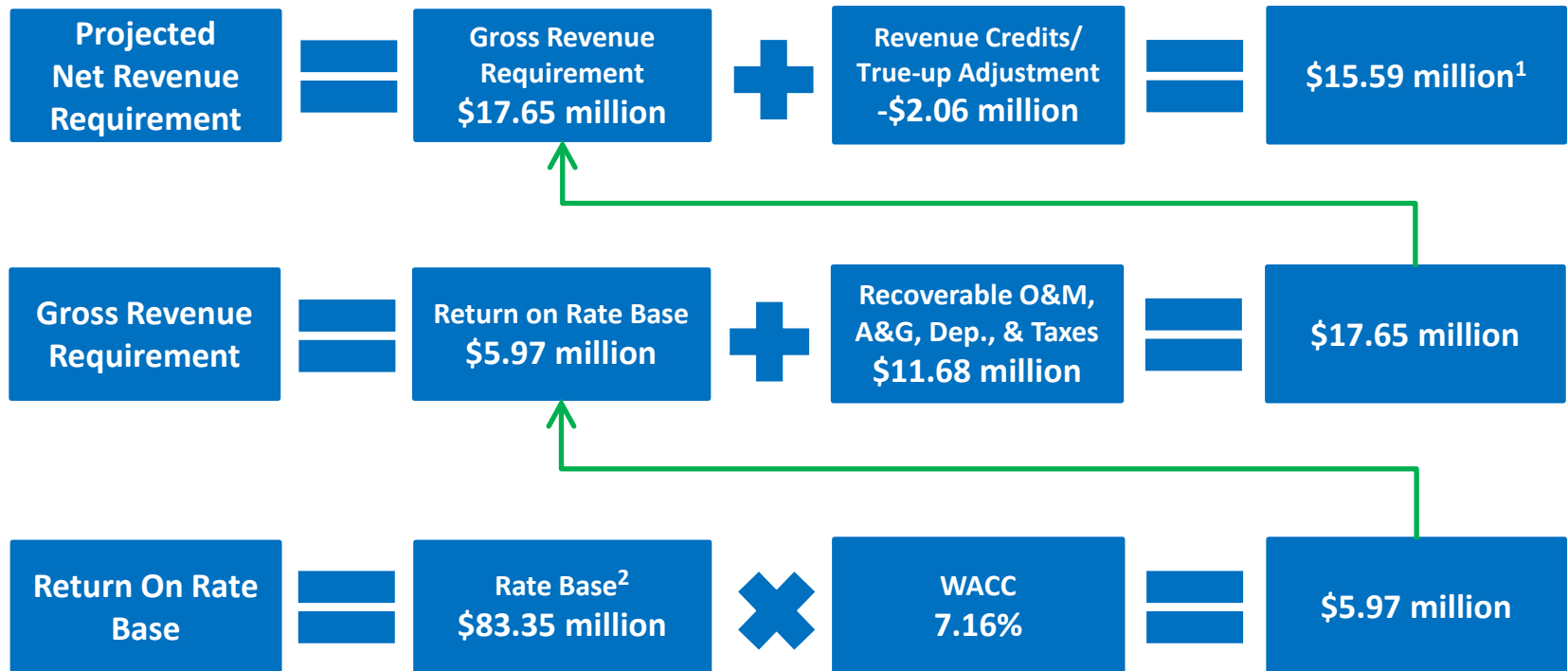
Selected 2020-21 milestones

- 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 30, 2020 – 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

GridLiance HP 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.

2021 Projected Revenue Requirement Summary



<u>Att. H Reference</u>	<u>Return on Rate Base</u>	
Page 2, Line 37	Rate Base ¹	\$83,354,503
Page 4, Line 23	Rate of Return	7.16%
Page 3, Line 44	Return on Rate Base	\$5,969,963
	Recoverable Operating Expenses	
Page 3, Line 14	O&M and A&G Expenses	\$7,755,276
Page 3, Line 20	Depreciation Expenses	\$2,033,427
Page 3, Line 30	Taxes Other Than Income Taxes	\$1,084,176
Page 3, Line 42	Income Taxes	\$806,989
Sum	Total Recoverable Operating Expenses	\$11,679,869
	Projected Gross Revenue Requirement	
above	Return on Rate Base	\$5,969,963
above	Total Recoverable Operating Expenses	\$11,679,869
Page 3, Line 45	Projected Gross Revenue Requirement	\$17,649,832
	Projected Net Revenue Requirement	
above	Projected Gross Revenue Requirement	\$17,649,832
Page 1, Line 7	Revenue Credits	-\$207,000
Page 1, Line 9	True-up Adjustment	-\$1,853,266
Page 3, Line 45	Projected Net Revenue Requirement	\$15,589,566

All values in dollars unless otherwise noted

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

Discussion



Direct inquiries to rates@gridliance.com

Appendices

Appendix A – Rate Base¹



Month	Year	Transmission Plant in Service	Transmission Accumulated Depreciation	Transmission Net Plant
December	2020	\$101,671,373	\$15,160,353	\$86,511,021
January	2021	\$101,671,373	\$15,329,805	\$86,341,568
February	2021	\$101,671,373	\$15,499,257	\$86,172,116
March	2021	\$101,671,373	\$15,668,710	\$86,002,664
April	2021	\$101,671,373	\$15,838,162	\$85,833,212
May	2021	\$101,671,373	\$16,007,614	\$85,663,759
June	2021	\$101,671,373	\$16,177,066	\$85,494,307
July	2021	\$101,671,373	\$16,346,519	\$85,324,855
August	2021	\$101,671,373	\$16,515,971	\$85,155,402
September	2021	\$101,671,373	\$16,685,423	\$84,985,950
October	2021	\$101,671,373	\$16,854,876	\$84,816,498
November	2021	\$101,671,373	\$17,024,328	\$84,647,046
December	2021	\$101,671,373	\$17,193,780	\$84,477,593
13-month average		101,671,373	\$16,177,066	\$85,494,307

All values in dollars unless otherwise noted

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

Appendix B – WACC



Att. H Reference	Description	Total	Percent	Cost	Weighted
Page 4, Lines 20	Long Term Debt	\$54,414,846	40.00%	2.46%	0.98%
Page 4, Lines 21	Preferred Stock	\$0	0.00%	0.00%	0.00%
Page 4, Lines 22	Common Stock	\$81,808,385	60.00%	10.30%	6.18%
Total		\$136,223,231			7.16%