



RY2022 Annual True-up Meeting for GridLiance High Plains LLC (Wholesale Distribution Service)

August 2, 2023

Agenda

- **Introduction**
- **GridLiance High Plains LLC (GridLiance HP) Background**
- **Formula Rate Template True-up for Rate Year 2022**
- **Q&As**
- **Closing Remarks**

GridLiance HP Background

GridLiance HP is a 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.

GridLiance HP Background

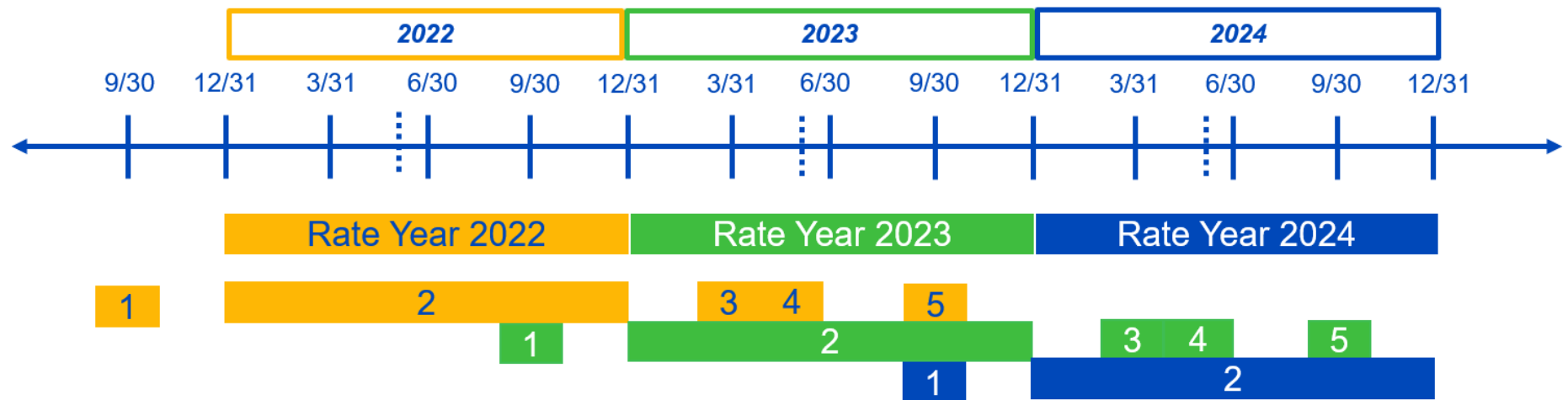
Formula Rate Matters

Notable recent or pending formula rate matters at FERC:

- **June 12, 2020 (ER20-2043) Compliance filing for Order No. 864 (ADIT remeasurement)**
 - **January 27, 2020 effective date requested**
 - **December 2022, submitted supplemental compliance filing; which were accepted by FERC.**
- **September 22, 2022 FERC rejected SPP's proposal to include GHP revenue requirement associated with the Oklahoma Panhandle facilities in the SPP Tariff for purposes of cost recovery.**
- **January 19, 2023 FERC issued an order clarifying that the wholesale distribution rate remains the rate on file for recovery of service provided by the GHP Oklahoma Panhandle facilities as distribution facilities effective November 1, 2018 going forward.**

GridLiance HP Formula Rate Timeline

Rate Year Process



For RY 2022:

- 1 Publish 2022 projected ATRR by October 1, 2021
- 2 Collect 2022 estimated/forecasted ATRR over the Rate Year 2022
- 3 Calculate true-up based on 2022 FERC Form No. 1 submitted in mid April 2023
- 4 Provide finalized true-up to stakeholders on or before June 1, 2023
- 5 Include actual recovery/return into 2024 projection

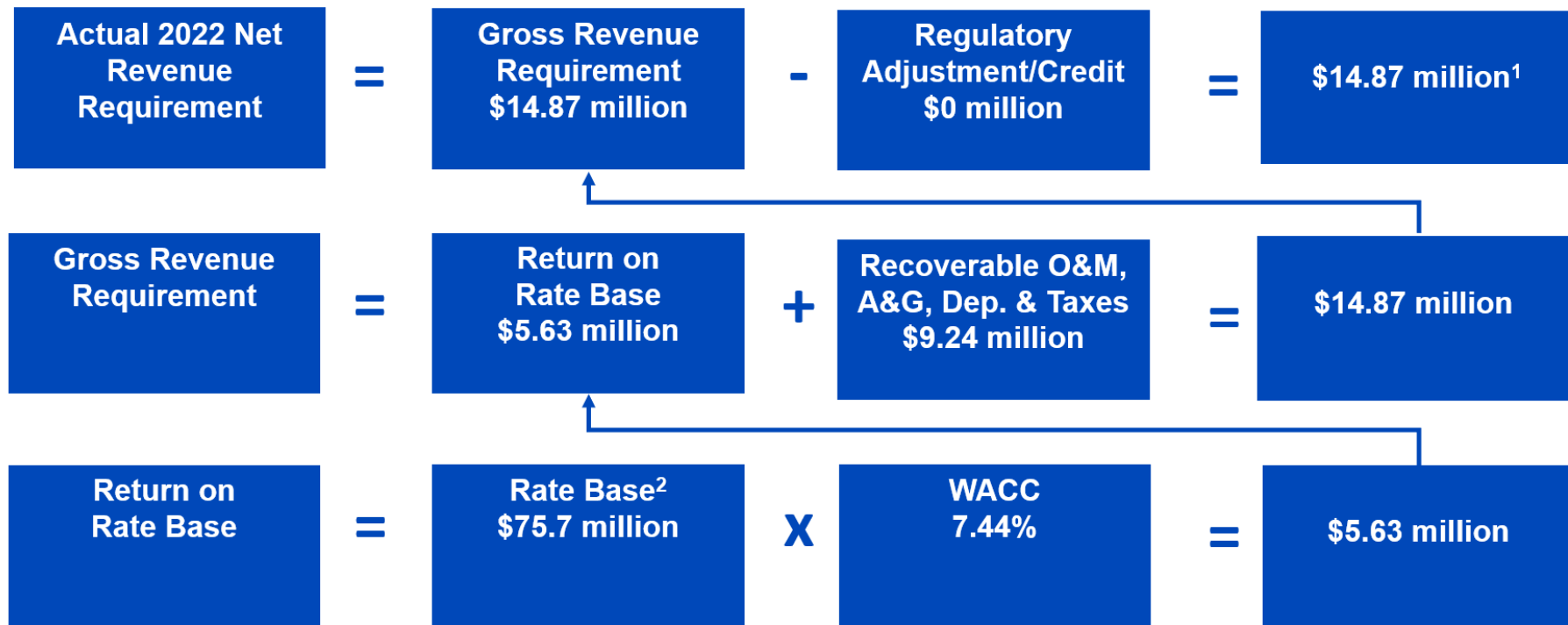
Continues going forward consistently for Rate Years 2023 and 2024

GridLiance HP Formula Rate Timeline (continued)

Selected 2023 Milestones/Deadlines

- June 1 – Publication of actual 2022 net revenue requirement and true-up adjustment (Publication Date)
- September 1 – Deadline for Annual True-Up Stakeholder Meeting
- October 1 – Deadline for Publication of 2023 Projection
- October 31 – Deadline for 2023 Annual Projected Rate Meeting
- December 1 – Scheduled end of Information Exchange Period
- January 1, 2024 – Rates incorporating 2024 Projection become effective
- January 31, 2024 – Last day for Interested Parties to notify GridLiance HP of an Informal Challenge

Formula Rate True-up for Rate Year 2022



1) Refer to next slide for details of the True-up 2022 Net Revenue Requirement calculation

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

Formula Rate True-up for Rate Year 2022 (continued)

<u>Attachment 11a Reference</u>	<u>Return on Rate Base</u>	<u>Actual ATRR</u>
Page 4, Line 37	Rate Base	\$ 75,701,048
Page 6, Line 17	Rate of Return	7.44%
Page 5, Line 36/39	Return on Rate Base	\$ 5,630,339
	<u>Recoverable Operating Expenses</u>	
Page 5, Line 8	O&M and A&G Expenses	\$ 5,570,615
Page 5, Line 13	Depreciation Expenses	\$ 2,007,990
Page 5, Line 23	Taxes Other Than Income Taxes	\$ 973,768
Page 5, Line 37	Income Taxes	\$ 684,489
	Total Recoverable Operating Expenses	\$ 9,236,862
	<u>True-up Gross Revenue Requirement</u>	
above	Return on Rate Base	\$ 5,630,339
above	Total Recoverable Operating Expenses	\$ 9,236,862
Page 5, Line 40	True-up Gross Revenue Requirement	\$ 14,867,201
	<u>True-up Net Revenue Requirement</u>	
above	True -up Gross Revenue Requirement	\$ 14,867,201
	Revenue Credits	\$ -
	True-up Adjustment	\$ -
Page 5, Line 40	True-up Net Revenue Requirement	\$ 14,867,201

Q&As



Direct inquiries to: rates@gridliance.com

Appendices

Appendix A – GridLiance HP Rate Base¹

Month	Year	Transmission Plant In Service (\$)	Transmission Accumulated Depreciation (\$)	Transmission Net Plant (\$)
December	2021	93,035,913	16,650,785	76,385,128
January	2022	93,640,544	18,243,880	75,396,664
February	2022	93,596,175	18,419,641	75,176,534
March	2022	93,641,543	18,598,983	75,042,560
April	2022	93,638,446	18,775,448	74,862,998
May	2022	93,674,040	17,830,421	75,843,619
June	2022	93,324,689	18,130,221	75,194,468
July	2022	93,266,693	18,297,599	74,969,094
August	2022	93,334,373	18,440,117	74,894,256
September	2022	92,850,621	18,062,883	74,787,738
October	2022	93,354,376	18,702,259	74,652,117
November	2022	93,361,416	18,878,032	74,483,384
December	2022	93,361,704	19,049,452	74,312,251
13-Month Average		93,390,810	18,313,825	75,076,985

¹ Table excludes other adjustments to rate base items such as ADIT, and working capital. Includes assets under the SPP functional control.

Appendix B – GridLiance HP WACC

Component	Source	%	Cost	Weighted
Long Term Debt	Attachment 5, Line 45	40.00%	3.89%	1.56%
Preferred Stock	Attachment 5, Line 46	0.00%	0.00%	0.00%
Common Stock	Attachment 5, Line 47	60.00%	9.80%	5.88%
Total		<u>100.00%</u>		<u>7.44%</u>