



RY2022 Annual True-up Meeting for GridLiance High Plains LLC (Transmission)

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

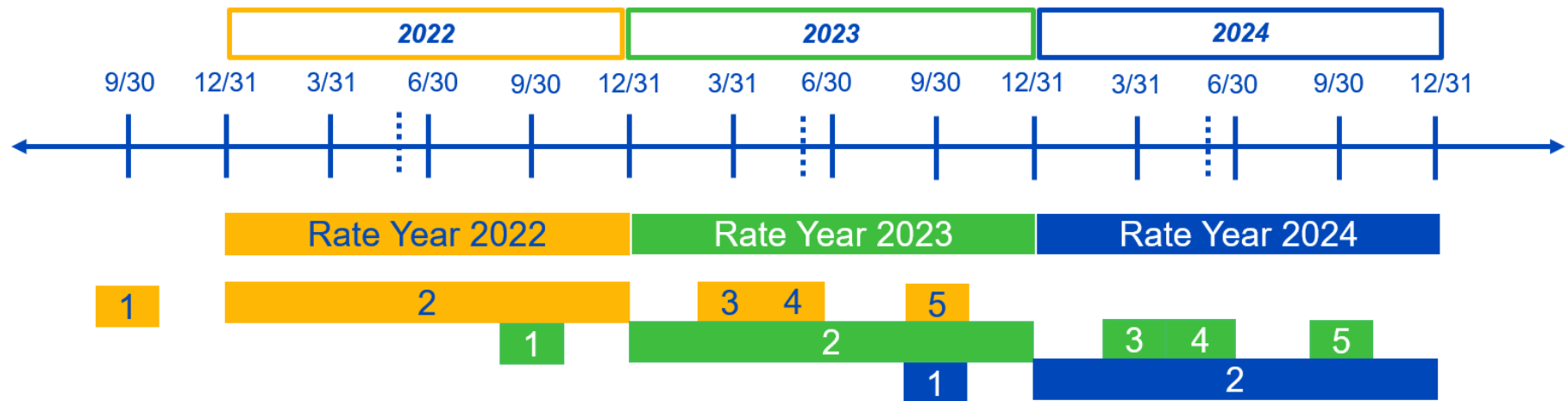
Formula Rate Matters

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

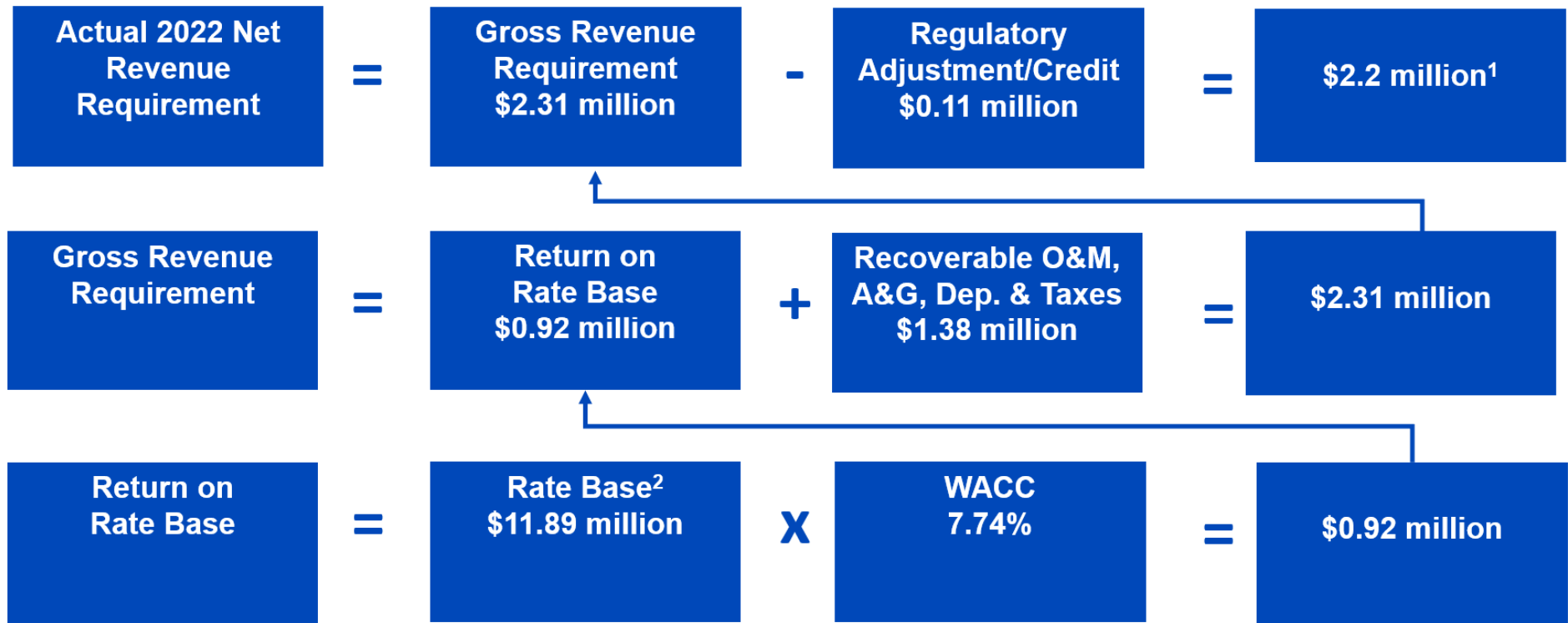
Continues going forward consistently for Rate Years 2023 and 2024

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 2024 Projection
- October 31 – Deadline for 2024 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 Actual 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 H Reference</u>	<u>Return on Rate Base</u>	<u>Actual ATRR</u>
Page 2, Line 37	Rate Base	\$ 11,890,305
Page 4, Line 23	Rate of Return	7.74%
Page 3, Line 46	Return on Rate Base	\$ 920,024
	Recoverable Operating Expenses	
Page 3, Line 14	O&M and A&G Expenses	\$ 811,685
Page 3, Line 20	Depreciation Expenses	\$ 306,602
Page 3, Line 30	Taxes Other Than Income Taxes	\$ 148,686
Page 3, Line 44	Income Taxes	\$ 118,179
	Total Recoverable Operating Expenses	\$ 1,385,152
	True-up Gross Revenue Requirement	
above	Return on Rate Base	\$ 920,024
above	Total Recoverable Operating Expenses	\$ 1,385,152
Page 3, Line 47	True-up Gross Revenue Requirement	\$ 2,305,176
	True-up Net Revenue Requirement	
above	Projected Gross Revenue Requirement	\$ 2,305,176
Page 1, Line 7	Revenue Credits	\$ (105,133)
Page 1, Line 9	True-up Adjustment	\$ -
Page 1, Line 10	True-up Net Revenue Requirement	\$ 2,200,043

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	23,262,974	4,937,149	18,325,825
January	2022	23,232,115	3,572,465	19,659,649
February	2022	23,304,190	3,613,466	19,690,724
March	2022	23,214,650	3,653,035	19,561,615
April	2022	23,228,921	3,693,683	19,535,237
May	2022	8,652,031	1,323,119	7,328,912
June	2022	8,609,660	1,201,787	7,407,873
July	2022	8,565,584	1,216,227	7,349,357
August	2022	8,585,065	1,227,630	7,357,435
September	2022	8,693,616	1,201,512	7,492,103
October	2022	8,756,664	1,258,024	7,498,640
November	2022	8,636,971	1,262,541	7,374,430
December	2022	8,636,968	1,100,670	7,536,298
13-Month Average		14,259,955	2,250,870	12,009,085

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%	10.30%	6.18%
Total		<u>100.00%</u>		<u>7.74%</u>