

March 16, 2026

VIA ELECTRONIC FILING

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

**Re: Informational Filing of GridLiance High Plains LLC
Docket No. ER25-____-000**

Dear Secretary Reese:

Pursuant to Section VI of GridLiance High Plains LLC’s (“GridLiance HP”) formula rate protocols (“Protocols”), GridLiance HP submits this transmittal letter and supporting materials (“Informational Filing”) reflecting GridLiance HP’s projected net transmission revenue requirement (“Annual Projection”) for Rate Year (“RY”) 2026, effective January 1, 2026, which includes its Annual True-Up Adjustment (“True-Up”) for RY2024. GridLiance HP’s net revenue requirement is for its transmission facilities that are included in the Southwest Power Pool, Inc. (“SPP”) Open Access Transmission Tariff (“SPP Tariff”). As set forth in the Protocols, this Informational Filing is provided to the Federal Energy Regulatory Commission (“Commission” or “FERC”) for informational purposes only and does not require any Commission action.

I. BACKGROUND

A. GridLiance HP’s Formula Rate

GridLiance HP was formed specifically to develop, own, and operate transmission facilities within the SPP region. GridLiance HP and its sister transmission companies operating in other regional transmission organizations are subsidiaries of GridLiance Holdco, LLC (“GridLiance”). GridLiance is a wholly-owned, indirect subsidiary of NextEra Energy Transmission, LLC (“NEET”). NEET is a wholly-owned, indirect subsidiary of NextEra Energy, Inc., a Florida corporation that is publicly traded on the New York Stock Exchange.

On September 1, 2015, in Docket No. ER15-2594, GridLiance HP filed with the Commission a formula rate template and implementation protocols (“Transmission Rate”) to recover the costs of transmission facilities GridLiance HP would own in SPP.¹ On October 29, 2015, the Commission conditionally accepted GridLiance HP’s Transmission Rate, subject to a further compliance filing, and also accepted GridLiance HP’s proposed base return on equity (“ROE”) for filing, suspending it for a nominal period, to be effective November 2, 2015, subject to refund, and established hearing and settlement judge procedures (“October 2015 Order”).² The Commission held that the

¹ South Central MCN LLC, Application for Acceptance of Transmission Formula Rate Formula and Approval of Transmission Rate Incentives, Docket No. ER15-2594-000 (Sep. 1, 2015).

² *South Central MCN LLC*, 153 FERC ¶ 61,099 (2015).

Transmission Rate would become effective once “filed with the Commission to become part of SPP’s [Tariff].”³

Since its acceptance of GridLiance HP’s initial formula rate filing, the Commission has accepted revisions to GridLiance HP’s Transmission Rate to (1) implement the ROE agreed to in an uncontested settlement approved by the Commission in the October 2015 Order;⁴ (2) implement a revised affiliate cost allocation methodology in compliance with the Commission’s directive in the October 2015 Order;⁵ (3) revise GridLiance HP’s methodology for calculating Accumulated Deferred Income Tax (ADIT) balances in its annual revenue requirement projections in compliance with guidance from the Internal Revenue Service (IRS) and the Commission;⁶ (4) correct a technical error that would have resulted in GridLiance HP utilizing a hypothetical cost of debt rate, even after it acquired actual debt;⁷ (5) revise GridLiance HP’s methodology for calculating ADIT balances in its annual revenue requirement true-ups in compliance with guidance from the IRS and the Commission;⁸ and (6) reflect in its formula rate templates and protocols GridLiance HP’s name change from its previous name, South Central MCN LLC.⁹

On January 29, 2019, in Docket No. EL19-29-000, the Commission instituted a proceeding under Section 206 of the Federal Power Act (FPA) to determine whether the inclusion of an income tax allowance in GridLiance HP’s formula rate templates is just and reasonable, given that GridLiance HP is owned by a limited partnership and recovers a return on equity that was calculated using a discounted cash flow methodology.¹⁰ The Commission predicated the FPA Section 206 proceeding on the case of *United Airlines, Inc. v. FERC*, 827 F.3d 122 (D.C. Cir. 2016) and FERC’s Revised Policy Statement on Treatment of Income Taxes, issued on March 15, 2018.¹¹ On December 19, 2019, in Docket No. ER19-2488, the Commission issued an order approving an uncontested settlement agreement that resolved the income tax allowance issue and directed GridLiance HP to revise its Formula Rate to effectuate certain conditions contained in the settlement agreement. On February 20, 2020 and April 29, 2020, GridLiance HP submitted compliance filings in Docket No. ER20-1046 to comply with its commitments in the settlement, which were accepted by the Commission, effective January 1, 2020, and July 1, 2020, respectively.¹²

On February 4, 2019, in Docket Nos. ER15-2594, ER17-953, and EL18-16, the Commission issued an order in which it granted GridLiance HP’s request for rehearing and reversed a previous directive that would have required GridLiance HP to calculate the weighted marginal income tax rate of each category of its owners and fix that input in GridLiance HP’s formula rate templates.¹³ The Commission also accepted, subject to condition and further compliance filings,

³ *Id.* at P 1

⁴ *South Central MCN LLC*, Docket No. ER16-505-002 (Dec. 29, 2017) (delegated letter order).

⁵ *South Central MCN LLC*, 161 FERC ¶ 61,053 (2017) (Oct. 19, 2017 Order).

⁶ *South Central MCN LLC*, Docket Nos. ER18-572-000 and ER18-572-001 (May 24, 2018) (delegated letter order).

⁷ *Id.*

⁸ *GridLiance High Plains LLC*, Docket Nos. ER18-1961-000 and ER18-1961-001 (Sep. 21, 2018) (delegated letter order).

⁹ *Id.*

¹⁰ *GridLiance Heartland LLC et al.*, 166 FERC ¶ 61,067, at PP 66-76 (2019).

¹¹ *Id.* See also *Inquiry Regarding the Commission’s Policy for Recovery of Income Taxes*, Revised Policy Statement, 162 FERC ¶ 61,227 (2018).

¹² *GridLiance High Plains LLC*, Docket Nos. ER20-1046-000 and ER20-1046-001 (Oct. 13, 2021) (delegated letter order).

¹³ *South Central MCN LLC*, 166 FERC ¶ 61,092 (2019).

GridLiance HP's proposal to delete a section of its formula rate protocols that was the subject of the FPA Section 206 proceeding in Docket No. EL18-16-000 and terminated the Section 206 proceeding.¹⁴ On April 5 2019, GridLiance HP submitted a compliance filing to comply with several directives from the Commission's February 4, 2019 order. On January 19, 2021, GridLiance HP submitted a supplemental compliance filing to address certain items raised in informal conversations with Commission staff. The compliance filings were accepted by the Commission, effective April 1, 2016 and April 1, 2018, for Docket Nos. ER17-953 and ER15-2594, respectively.¹⁵

In November 2019, FERC issued a final rule on addressing the effects of the Tax Cuts and Jobs Act on accumulated deferred income taxes (ADIT). Order No. 864 required utilities with formula transmission rates to (1) include a mechanism by which excess ADIT is deducted from rate base and (2) incorporate a mechanism to adjust income tax allowance to reflect amortized excess ADIT and (3) add a new permanent worksheet that will annually track information related to excess ADIT in their formula rate, effective January 2020. On June 12, 2020, in Docket No. ER20-2039, GHP submitted a compliance filing to revise its transmission formula rate template to comply with the directives in Order No. 864. On December 21, 2022, GridLiance HP submitted a supplemental compliance filing, which was accepted by the Commission, effective January 27, 2020.¹⁶

B. GridLiance HP's SPP Transmission Facilities

GridLiance HP currently owns approximately 444 miles of transmission lines and related facilities in the Oklahoma Panhandle region (Oklahoma Panhandle Assets) and a 65% interest in approximately 30 miles of transmission lines and related facilities in Kansas (Kansas Assets).

GridLiance HP acquired certain of the Oklahoma Panhandle Assets (the TCEC Assets) from Tri-County Electric Cooperative, Inc. (TCEC) on April 1, 2016, pursuant to the Commission's authorization in Docket No. EC15-206-000.¹⁷ Upon acquiring the TCEC Assets, GridLiance HP commenced providing wholesale distribution service to TCEC under a Wholesale Distribution formula rate template and implementation protocols, Wholesale Distribution Service Agreement, and Wholesale Distribution Operating Agreement that the Commission accepted, subject to condition, in Docket No. ER16-505-000.¹⁸ In response to TCEC's concerns about system reliability, GridLiance HP constructed certain facility upgrades and extensions, which resulted in a portion of the Oklahoma Panhandle Assets (Networked Oklahoma Panhandle Assets) meeting the definition of "Transmission" Under Attachment AI of the SPP Tariff. SPP determined that the Networked Oklahoma Panhandle Assets met the definition and should be placed in Zone 11 using SPP's Board-approved Zonal Placement Process.¹⁹ On August 30, 2018, SPP submitted revisions to the SPP Tariff to add the Networked Oklahoma Panhandle Assets in Docket No. ER18-2358.²⁰ On October 31, 2018, the Commission accepted SPP's filing, subject to refund, with

¹⁴ *Id.*

¹⁵ *GridLiance High Plains LLC*, 175 FERC ¶ 61,070 (2021).

¹⁶ *GridLiance High Plains LLC*, Docket Nos. ER20-2039-000 and ER20-2039-001 (Feb. 3, 2023) (delegated letter order).

¹⁷ *South Central MCN LLC*, 154 FERC ¶ 61,174 (2016).

¹⁸ *South Central MCN LLC*, 154 FERC ¶ 61,090 (2016).

¹⁹ Southwest Power Pool, Inc., Submission of Tariff Revisions to Add Additional Facilities for GridLiance High Plains, Docket No. ER18-2358-000 (Aug. 30, 2018).

²⁰ *Id.*

an effective date of November 1, 2018 and established hearing and settlement judge procedures.²¹ As of November 1, 2018, GridLiance HP transferred functional control to SPP, which used the Networked Oklahoma Panhandle Assets to provide transmission service to customers in Zone 11 under the SPP Tariff, and GridLiance HP submitted its annual information filings reflecting its ATRR for the 2019, 2020, and 2021 rate years, including the costs associated with the Networked Oklahoma Panhandle Assets. On September 22, 2022 the Commission issued Opinion No. 579 determining that SPP and GridLiance HP had not demonstrated that the proposed tariff revisions to incorporate the Networked Oklahoma Panhandle Assets and associated ATRR into Zone 11 are just and reasonable.²² GridLiance HP filed a request for rehearing or, in the alternative, clarification of FERC's order on October 24, 2022. On January 19, 2023, the Commission issued Opinion No. 579-A addressing arguments raised on rehearing and granting GridLiance HP's alternative request for clarification of Opinion 579.²³ The Commission clarified that the Networked Oklahoma Panhandle Assets may continue to be classified as distribution facilities and GridLiance HP's wholesale distribution rate²⁴ remains the rate on file with the Commission for recovery of the cost of service provided by the Networked Oklahoma Panhandle Assets as distribution facilities, effective November 1, 2018, and going forward.²⁵ To the extent GridLiance HP classified the Networked Oklahoma Panhandle Assets as transmission rather than distribution, the Commission directed GridLiance HP to submit its proposed accounting entries for Commission approval for the reclassification of the plant assets from transmission to distribution and to resubmit its FERC Form No. 1s for the impacted rate years.²⁶ Pursuant to Opinion No. 579-A, the proposed reclassification entries were approved on April 18, 2023, and the restated 2018-2021 and 2022 FERC Form 1s, reflecting the reclassification, were filed on June 16, 2023.

GridLiance HP acquired the Kansas Assets from the City of Winfield, Kansas, on August 31, 2020 and transferred the Kansas Assets to SPP's functional control on September 1, 2020, pursuant to the Commission's acceptance of SPP's revisions to the SPP Tariff in Docket No. ER20-2195. The transaction did not exceed \$10 million and was not subject to the Commission's rules under FPA Section 203.

²¹ *Southwest Power Pool, Inc.*, 165 FERC ¶ 61,066 (2018). The parties are currently in settlement judge proceedings on this docket.

²² *Sw. Power Pool, Inc.*, 180 FERC ¶ 61,192, (2022).

²³ *Sw. Power Pool, Inc.*, 182 FERC ¶ 61,014, (2023) ("Opinion No. 579-A").

²⁴ GridLiance High Plains LLC/FERC Wholesale Distribution Tariff, Wholesale Distribution, Formula Rate Template (6.0.0); GridLiance High Plains LLC/FERC Wholesale Distribution Tariff, Wholesale Distribution, Service Agreement (0.0.0).

²⁵ *See Opinion No. 579-A*, at P. 30-1.

²⁶ *See Id.* at P. 32.

II. INFORMATIONAL FILING

Section VI.A of the GridLiance HP Protocols provides that, by March 15 of each year, GridLiance HP “shall submit to FERC an Informational Filing of their projected net revenue requirement for the Rate Year, including their Annual True-Up and True-Up Adjustment.” Accordingly, attached herewith are populated formula rate templates, in Microsoft Excel format, calculating GridLiance HP’s actual net revenue requirement for the Rate Year 2024, and its projected net revenue requirement for the Rate Year 2026, including the True-Up Adjustment, for its transmission facilities that are included in the SPP Tariff. This includes refunds to wholesale customers, with interest, consistent with the Letter Order issued on August 21, 2024, approving an Audit Report prepared by the Division of Audits and Accounting within the Commission’s Office of Enforcement and the Refund Report of NextEra Energy Transmission, LLC filed on December 20, 2024, in Docket No. PA23-2-000.

These same populated templates were posted to the GridLiance HP website along with the date and time of the open meetings among Interested Parties. The open meetings were held on July 23 and October 20, 2025. No Informal Challenges were submitted prior to the close of the Review Period, as defined in Section IV of the Protocols.

In addition, Section VI.A of the Protocols requires the Informational Filing to include information related to affiliate cost allocation. GridLiance HP described its affiliate cost allocation methodology in a compliance filing GridLiance HP submitted to the Commission on February 9, 2017 in Docket Nos. ER15-2594-0003, ER16-505-000, and ER17-953,000.²⁷ As described in that filing, GridLiance HP allocates affiliate costs by directly assigning direct costs incurred by it or its centralized service company, GridLiance Management, LLC (“ManageCo”), to GridLiance HP and its affiliate Transcos on whose behalf the direct costs were incurred, and allocates indirect costs incurred by ManageCo to GridLiance HP and its affiliate Transcos in proportion to their internal and external direct costs.²⁸ The Commission accepted GridLiance HP’s proposed cost allocation methodology on October 19, 2017.²⁹ GridLiance HP’s RY2026 Annual Projection does not include a specific breakout of costs between affiliates. Instead, using the cost allocation methodology described above, GridLiance HP projected in its budgeting for RY2026 the direct costs to be incurred by each affiliate, including GridLiance HP, and then, according to the cost allocation methodology, allocated projected indirect costs by the ratio of direct costs. In addition, GridLiance HP has attached as Exhibit C to this filing a description of the methodologies used to allocate costs between GridLiance HP and its non-GridLiance HoldCo affiliates.

III. SERVICE

As required by Section VI of GridLiance HP’s Protocols and to ensure that all Interested Parties receive proper notice of this Informational Filing, GridLiance HP will request that SPP post this filing on its website within five (5) days of this submission. A copy of this filing is being provided to all Interested Parties and GridLiance HP’s exploder list, and GridLiance HP will post this filing and its docket number on GridLiance HP’s website.

²⁷ South Central MCN LLC, Docket Nos. ER15-2594-003, ER16-505-000, ER17-953-000 (Unconsolidated) (Feb. 9, 2017).

²⁸ *Id.* at 3-4.

²⁹ October 19, 2017 Order at PP 50-51.

IV. CONTENTS OF FILING

In addition to this transmittal letter, this filing includes:

- Exhibit A: populated Microsoft Excel formula rate template reflecting GridLiance HP's 2026 projected net revenue requirement for its transmission facilities that are included in the SPP Tariff, effective January 1, 2026
- Exhibit B: populated Microsoft Excel formula rate template reflecting GridLiance HP's Annual True-Up of its actual net revenue requirement for the 2024 rate year for its transmission facilities that are included in the SPP Tariff
- Exhibit C: information about affiliate cost allocation

V. CONCLUSION

For the reasons discussed herein, GridLiance HP respectfully requests that the Commission accept this filing for informational purposes, consistent with Section VI of the GridLiance HP Protocols.

Respectfully submitted,

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