GRIDLIANCE

GridLiance High Plains LLC
2020 Annual Projected Rate Meeting

Wholesale Distribution

October 25, 2019

Agenda

- Introductions
- GridLiance High Plains LLC (GridLiance HP) company and formula rate background
- Rate year 2020 wholesale distribution net revenue requirement projection
- Questions/discussion

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GridLiance High Plains Background

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.

- October 29, 2015 – Formula Rate Template accepted by the FERC in Docket No. ER15-2594 and amended via FERC Orders issued on October 19, 2017; May 24, 2018; and September 21, 2018.
- July 2018 - GridLiance renames South Central MCN LLC to GridLiance High Plains LLC.
- As of this presentation, the following items related to GridLiance HP's Formula Rate Template are pending or have been recently resolved at FERC:
  - April 5, 2019 – GridLiance High Plains submits compliance filing related to protocols and income tax component of GridLiance HP's Formula Rate (Docket Nos. ER15-2594, ER17-953, EL18-16)
  - October 19, 2019 – FERC consolidated Docket No. ER19 -1357 (a formal challenge to GridLiance's 2019 Annual Update) with Docket No. ER18-2358 (a protest of the placement of certain upgraded Oklahoma facilities into SPP Zone 11) which had hearing and settlement judge procedures pending.

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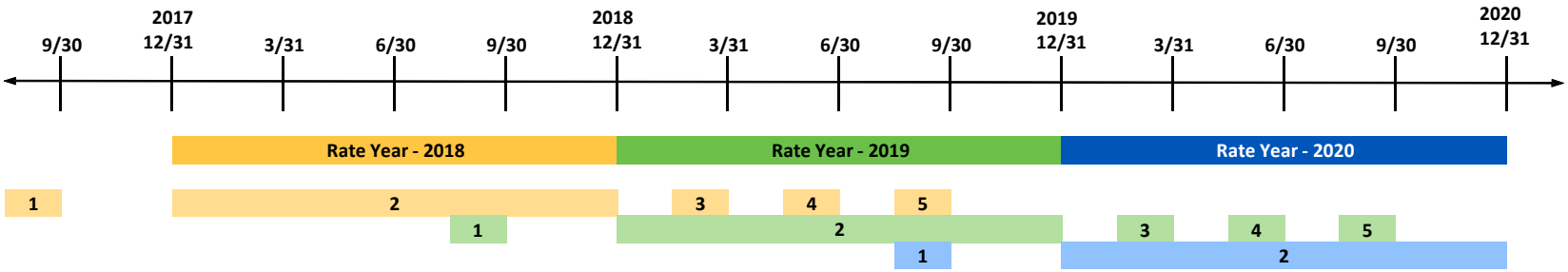
GridLiance High Plains Formula Rate Timeline



For Rate Year - 2018

1	Submit estimated/forecasted ATRR by October 1, 2017 (includes Rate Year - 2016 recovery/return of rate)
2	Collect 2018 estimated/forecasted ATRR and collect/pay 2016 true-up over the Rate Year - 2018
3	Perform true-up for Form 1 prior to April 18, 2019
4	Provide finalized true-up to stakeholders and post to GridLiance website on or before June 3, 2019
5	Include recovery/return of rate in Rate Year - 2020 estimated/forecasted ATRR

For Rate Year - 2019

1	Submit estimated/forecasted ATRR by October 1, 2018 (includes Rate Year - 2017 recovery/return of rate)
2	Collect 2019 estimated/forecasted ATRR and collect/pay 2017 true-up over the Rate Year - 2019
3	Perform true-up for Form 1 prior to April 20, 2020
4	Provide finalized true-up to stakeholders and post to GridLiance website on or before June 1, 2020
5	Include recovery/return of rate in Rate Year - 2021 estimated/forecasted ATRR

For Rate Year - 2020

1	Submit estimated/forecasted ATRR by October 1, 2019 (includes Rate Year - 2018 recovery/return of rate)
2	Collect the 2020 estimated/forecasted ATRR and collect/pay 2018 true-up over the Rate Year - 2020

Continues going forward consistent with Rate Years 2018 and 2019

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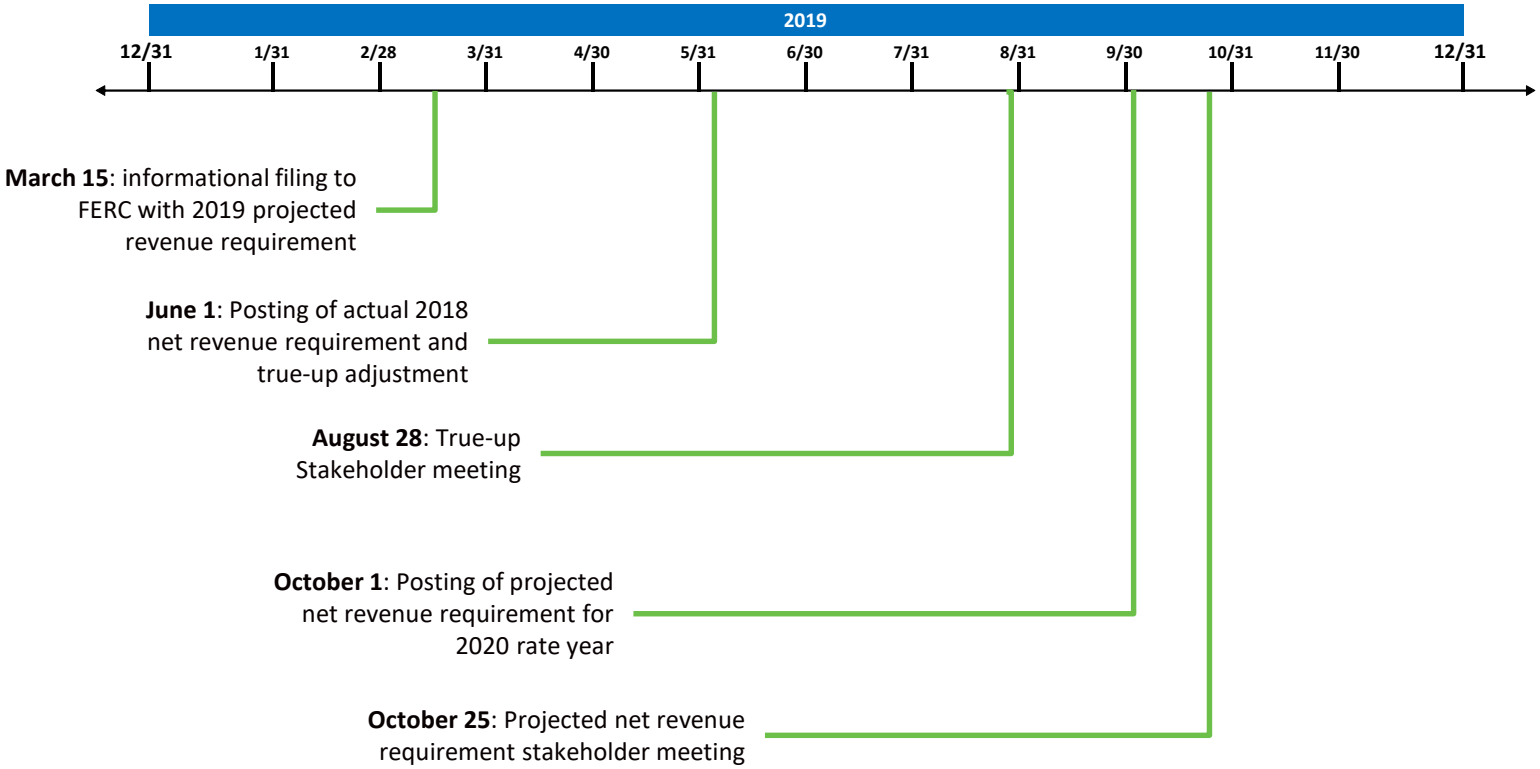
GridLiance High Plains Formula Rate Timeline

Selected 2019 milestones



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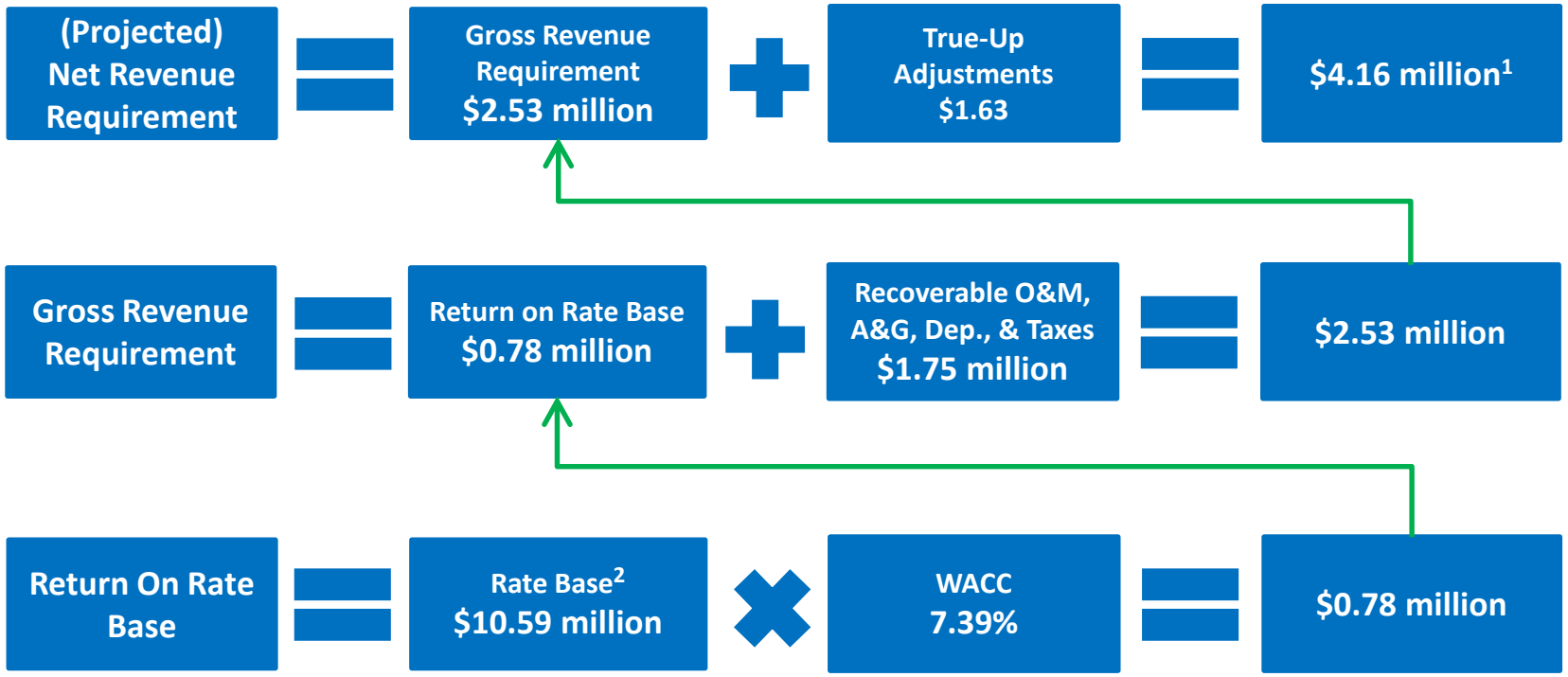
GridLiance High Plains Formula Rate Components

Projected Wholesale Distribution 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

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2020 Projected Revenue Requirement Summary

Wholesale Distribution

Att. 11A Reference	Return on Rate Base	
Page 4, Line 37	Rate Base[1]	$10,590,056
Page 6, Line 19	Rate of Return	7.39%
Page 5, Line 36	**Return on Rate Base**	$782,425
	Recoverable Operating Expenses	
Page 5, Line 8	O&M Expenses	$1,106,646
Page 5, Line 13	Depreciation Expenses	$266,989
Page 5, Line 23	Taxes Other Than Income Taxes	$252,861
Page 5, Line 34	Income Taxes	$122,648
Sum	**Total Recoverable Operating Expenses**	$1,749,145
	Projected Gross Revenue Requirement	
above	Return on Rate Base	$782,425
above	Total Recoverable Operating Expenses	$1,749,145
Page 3, Line 45	**Projected Gross Revenue Requirement**	$2,531,570
	Projected Net Revenue Requirement	
above	Projected Gross Revenue Requirement	$2,531,570
Att 12, Line 4	True-up adjustment or credits	$1,628,513
Sum	**Projected Net Revenue Requirement**	$4,160,082

[1]Rate Base is calculated as the 13-month average Net Plant, Property, and Equipment, adjusted for miscellaneous items, including deferred income taxes and working capital

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