

DesertLink, LLC
Transmission Owner Tariff

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1. Preamble. The Participating TO's revenue requirements and applicable rates and charges for transmission access over the ISO Controlled Grid and the terms and conditions for transmission expansion and interconnection are set forth in this TO Tariff and the ISO Tariff. For purposes of this TO Tariff and the ISO Tariff, DesertLink, LLC ("DesertLink") is a Non-Load-Serving Participating TO and has no End-Use Customers.

1.1 Transmission Access for Participating TOs. Participating TOs are able to participate in the ISO and utilize the entire ISO Controlled Grid to serve their End-Use Customers. The applicable High Voltage Access Charges and Transition Charges shall be paid by Participating TOs to the ISO pursuant to the ISO Tariff. If a Participating TO utilizes the Low Voltage Transmission Facilities of another Participating TO, the Participating TO shall also pay the Low Voltage Access Charge of the other Participating TO.

1.2 Transmission Access for Wheeling Customers. Wheeling allows Scheduling Coordinators to deliver Energy through or out of the ISO Controlled Grid to serve a load located outside the transmission or Distribution System of a Participating TO. Wheeling Access Charges shall be paid by Scheduling Coordinators to the ISO pursuant to the ISO Tariff.

1.3 Transmission Access for End-Users. End-Users receive transmission service over the ISO Controlled Grid through the Participating TO to whose transmission or distribution facilities the End-User is directly connected. Charges to End-Users for access to the ISO Controlled Grid shall be paid to the applicable Participating TO to whose transmission or distribution facilities the End-User is directly connected.

2. Effective Date. This TO Tariff is effective on the date accepted by the FERC and shall continue to be effective, as amended from time to time, so long as DesertLink is a party to the Transmission Control Agreement.

2.1 Termination. This TO Tariff may be terminated by DesertLink upon such advance notice and with such authorization as FERC may require.

3. TO Definitions. Certain capitalized terms used in this TO Tariff shall have the meanings set out below unless otherwise stated or the context otherwise requires. Capitalized terms used in this TO Tariff and not defined below shall have the meanings set out in the ISO Tariff as it may be amended from time to time.

3.1 Access Charge. A charge paid by all UDCs, MSSs, and, in certain cases, Scheduling Coordinators delivering Energy to Gross Load, as set forth in Section 26.1 of the ISO Tariff. The Access Charge includes the High Voltage Access Charge and the Low Voltage Access Charge, as applicable.

3.2 AGC. Generation equipment that automatically responds to signals from the ISO's EMS control in real time to control the power output of electric generators within a

prescribed area in response to a change in system frequency, tie-line loading, or the relation of these to each other, so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits.

- 3.3 Ancillary Services.** Regulation, Spinning Reserve, Non-Spinning Reserve, Voltage Support and Black Start together with such other interconnected operation services as the ISO may develop in cooperation with Market Participants to support the transmission of Energy from generation resources to Loads while maintaining reliable operation of the ISO Controlled Grid in accordance with Good Utility Practice.
- 3.4 Applicable Reliability Criteria.** The Reliability Standards and reliability criteria established by NERC and WECC, and Local Reliability Criteria, as amended from time to time, including any requirement of the Nuclear Regulatory Commission.
- 3.5 Available Transfer Capacity.** The available capacity of a given transmission path, in MW after allocation of rights associated with Existing Contracts and Transmission Ownership Rights, to that path's Operating Transfer Capability established consistent with ISO and WECC transmission capacity rating guidelines, as further described in Appendix L to the ISO Tariff.
- 3.6 Base Transmission Revenue Requirement.** The Transmission Revenue Requirement which does not reflect amounts for the TRBAA.
- 3.7 Black Start.** The procedure by which a Generating Unit self-starts without an external source of electricity, thereby restoring power to the ISO Controlled Grid following system or local area blackouts.
- 3.8 Business Day.** Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.
- 3.9 Completed Application Date.** The date on which a party submits an Interconnection Application that satisfies the requirements of a Completed Interconnection Application.
- 3.10 Completed Interconnection Application.** An Interconnection Application that satisfies all of the information and other requirements of Section 10.3 of this TO Tariff and, if applicable, the information requirements as specified by the ISO and posted on the ISO Home Page.
- 3.11 Congestion.** A characteristic of the transmission system produced by a binding Constraint to the optimum economic dispatch to meet Demand such that the LMP, exclusive of Marginal Cost of Losses, at different Locations of the transmission system is not equal.
- 3.12 Congestion Management.** The alleviation of Congestion in accordance with applicable ISO Protocols and Good Utility Practice.

- 3.13 Converted Rights.** Those transmission service rights determined in accordance with Section 4.3.1.6 of the ISO Tariff.
- 3.14 CPUC.** The California Public Utilities Commission or its successor.
- 3.15 Demand.** The rates at which Energy is delivered to Load and Scheduling Points by Generation, transmission or distribution facilities. It is the product of voltage and the in-phase component of alternating current measured in units of watts or standard multiples therefore, e.g. 1000 W = 1 kW, 1000 kW= 1 MW, etc.
- 3.16 DesertLink, LLC (“DesertLink”).** The Delaware limited liability company that is the Participating TO under this TO Tariff.
- 3.17 Direct Assignment Facilities.** Facilities or portions of facilities that are owned by the Participating TO necessary to physically and electrically interconnect a particular party requesting interconnection under this TO Tariff to the ISO Controlled Grid at the point of interconnection. Direct Assignment Facilities shall be specified in the Interconnection Agreement that governs Interconnection service to such party and shall be subject to FERC approval.
- 3.18 Dispatch.** The operating control of an integrated electric system to: i) assign specific Generation Units and other sources of supply to effect the supply to meet the relevant area Demand taken as Load rises or falls; ii) control operations and maintenance of high voltage lines, substations, and equipment, including administration of safety procedures; iii) operate Interconnections; iv) manage Energy transactions with other interconnected Control Areas; and v) curtail Demand.
- 3.19 Distribution System.** The distribution assets of a TO, UDC, or MSS.
- 3.20 Eligible Customer.** (i) Any utility (including any Participating TO, Market Participant or power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by FPA Section 212(h)(2); and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmissions service by the Participating TO.
- 3.21 Encumbrance.** A legal restriction or covenant binding on the Participating TO that affects the operation of any transmission lines or associated facilities and which the ISO needs to take into account in exercising Operational Control over such transmission lines or associated facilities if the Participating TO is not to risk incurring significant liability. Encumbrances shall include Existing Contracts and may include: (1) other local restrictions or covenants meeting the definition of Encumbrance and arising under other arrangements entered into before the ISO Operations Date, if any; and (2) legal restrictions or covenants meeting the definition of Encumbrance and arising under a

contract or other arrangement entered into after the ISO Operations Date.

- 3.22 End-Use Customer or End-User.** A purchaser of electric power that purchases such power to satisfy a Load directly connected to the ISO Controlled Grid or to a Distribution System and who does not resell the power.
- 3.23 Energy.** The electrical energy produced, flowing, or supplied by Generation, transmission, or distribution facilities, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof. E.g. 1000 Wh = 1 kW, 1000 kWh = 1 MWh, etc.
- 3.24 Entitlement.** The right of a Participating TO obtained through contract or other means to use another entity's transmission facilities for the transmission of Energy.
- 3.25 Existing Contracts.** Those transmission service agreements or other contracts which grant transmission service rights in existence on the ISO Operations Date (including any contracts entered into pursuant to such contracts) as may be amended in accordance with their terms or by agreement between the parties thereto from time to time.
- 3.26 Existing Rights.** Those transmission service rights defined in Section 16.1 of the ISO Tariff.
- 3.27 Expedited Interconnection Agreement.** A contract between a party which has submitted a Request for Expedited Interconnection Procedures and the Participating TO under which the Participating TO agrees to process, on an expedited basis, the Completed Interconnection Application of such party and which sets forth the terms, conditions, and cost responsibilities for such Interconnection.
- 3.28 Facilities Study Agreement.** An agreement between a Participating TO and either a party requesting Interconnection to the ISO Controlled Grid, Market Participants, Project Sponsor, or identified principal beneficiaries pursuant to which the party requesting such Interconnection, Market Participant, Project Sponsor or identified principal beneficiaries agrees to reimburse the Participating TO for the cost of performing or reviewing a Facilities Study.
- 3.29 Facility or Facilities Study.** An engineering study conducted to determine required modifications to the Participating TO's transmission system, including the estimated cost and scheduled completion date for such modifications, that will be required to provide needed services.
- 3.30 FERC.** The Federal Energy Regulatory Commission, or its successor.
- 3.31 FPA.** The Federal Power Act, 16 U.S.C. § 791a *et seq.*, as it may be amended from time to time.

- 3.32 Generating Unit.** An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant, that, in either case, is: (a) located within the ISO Control Area; (b) connected to the ISO Controlled Grid, either directly or via interconnected transmission or distribution facilities; and (c) that is capable of producing and delivering net Energy (Energy in excess of a generation stations' internal power requirements).
- 3.33 Generation.** Energy delivered from a Generating Unit.
- 3.34 Good Utility Practice.** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition.
- 3.35 Gross Load.** For purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a Utility Distribution Company or MSS Operator located in a PTO Service Territory. Gross Load shall exclude (1) Load with respect to which the Wheeling Access Charge is payable, (2) Load that is exempt from the Access Charge pursuant to Section 4.1, Appendix I of the ISO Tariff, and the portion of the load of an individual retail customer of a Utility Distribution Company, Small Utility Distribution Company or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customer's site through over-the-fence arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from the Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an Outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed Transmission Revenue Requirements will be provided by each Participating TO to the ISO.
- 3.36 High Voltage Access Charge.** A component of the Access Charge determined by the ISO under Section 26.1 of the ISO Tariff.
- 3.37 High Voltage Transmission Facility.** A transmission facility under the Operational Control of the ISO that is owned by the Participating TO or to which the Participating TO has an Entitlement that may be associated with a Converted Right, which operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers.
- 3.38 High Voltage Transmission Revenue Requirement.** The portion of the Participating TO's TRR associated with and allocable to the Participating TO's High Voltage

Transmission Facilities and Rights associated with High Voltage Transmission Facilities.

- 3.39 High Voltage Utility-Specific Rate.** The Participating TO's High Voltage Transmission Revenue Requirement divided by the Participating TO's forecast of its Gross Load.
- 3.40 High Voltage Wheeling Access Charge.** The Wheeling Access Charge assessed by the ISO associated with the recovery of the Participating TO's High Voltage Transmission Revenue Requirement in accordance with Section 26.1 of the ISO Tariff.
- 3.41 Independent System Operator ("ISO").** The California Independent System Operator Corporation, a state chartered, nonprofit corporation that controls the transmission facilities of all Participating TOs and dispatches certain Generating Units and Loads.
- 3.42 ISO ADR Procedures.** The procedures for resolution of disputes or differences set out in Section 13 of the ISO Tariff, as amended from time to time.
- 3.43 ISO Controlled Grid.** The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's Operational Control.
- 3.44 ISO Protocols.** The rules, protocols, procedures and standards promulgated by the ISO (as amended from time to time) to be complied with by the ISO Scheduling Coordinators, Participating TOs and all other Market Participants in relation to the operation of the ISO Controlled Grid and the participation in the markets for Energy and Ancillary Services in accordance with the ISO Tariff.
- 3.45 ISO Tariff.** The California Independent System Operator Agreement and Tariff, dated November 1, 2013, as it may be modified from time to time.
- 3.46 Interconnection.** Transmission facilities, other than additions or replacements to existing facilities that: (i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally separate from the ISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; (ii) are identified as retail transmission lines pursuant to contract; or (iii) produce Generation at a single point on the ISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the ISO's Operational Control of the Participating TO's portion of the ISO Controlled Grid.
- 3.47 Interconnection Agreement.** A contract between a party requesting Interconnection and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.
- 3.48 Interconnection Application.** An application that requests Interconnection to the ISO Controlled Grid.
- 3.49 Interest.** Interest shall be calculated in accordance with the methodology specified for

interest on refunds in the regulations of FERC at 18 C.F.R. §35.19(a)(2)(iii)(2013). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt.

- 3.50 Load.** An end-use device of an End-Use Customer that consumes power. Load should not be confused with Demand, which is the measure of power that a Load receives or requires.
- 3.51 Local Publicly Owned Electric Utility.** A municipality or municipal corporation operating as a public utility furnishing electric service, a municipal district furnishing electric services, or a joint powers authority that includes one or more of these agencies and that owns Generation or transmission facilities, or furnishes electric services over its own or its members' electric Distribution System.
- 3.52 Local Regulatory Authority.** The state or local governmental authority responsible for the regulation or oversight of a utility.
- 3.53 Local Reliability Criteria.** Reliability criteria established by the ISO, unique to the transmission systems of each of the Participating TOs, as they may be updated from time to time.
- 3.54 Low Voltage Access Charge.** The Access Charge applicable under Section 26.1 of the ISO Tariff to recover the Low Voltage Transmission Revenue Requirement of the Participating TO.
- 3.55 Low Voltage Transmission Revenue Requirement.** The portion of the Participating TO's TRR associated with and allocable to the Participating TO's Low Voltage Transmission Facilities and Converted Rights associated with Low Voltage Transmission Facilities.
- 3.56 Low Voltage Wheeling Access Charge.** The Wheeling Access Charge associated with the recovery of the Participating TO's Low Voltage Transmission Revenue Requirement in accordance with Section 26.1 of the ISO Tariff.
- 3.57 Market Participant.** An entity, including a Scheduling Coordinator, who participates in the Energy marketplace through the buying, selling, transmission, or distribution of Energy or Ancillary Services into, out of, or through the ISO Controlled Grid.
- 3.58 Metered Subsystem ("MSS").** A geographically contiguous system, located within a single zone which has been operating as an electric utility for a number of years prior to the ISO Operations Date as a municipal utility, water district, irrigation district, state agency or federal power marketing authority subsumed within the ISO Balancing Authority Area and encompassed by ISO certified revenue quality meters at each interface point with the ISO Controlled Grid and ISO-certified revenue quality meters on all Generating Units or, if aggregated, each individual resource and Participating

Load internal to the system, which is operated in accordance with a MSS agreement described in Section 4.9.1 of the ISO Tariff.

- 3.59 NERC.** The North American Electric Reliability Corporation or its successor.
- 3.60 New Participating TO.** A Participating TO that is not an Original Participating TO.
- 3.61 Non-Load-Serving Participating TO.** A Participating TO that does not serve Load.
- 3.62 Non-Participating TO.** A TO that is not a party to the TCA or, for the purpose of Section 16.1 of the ISO Tariff, the holder of transmission service rights under an Existing Contract that is not a Participating TO.
- 3.63 Non-Spinning Reserve.** The portion of off-line generating capacity that is capable of being synchronized and ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.
- 3.64 Operational Control.** The rights of the ISO under the Transmission Control Agreement and the ISO Tariff to direct Participating TOs how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable nondiscriminatory transmission access and meeting Applicable Reliability Criteria.
- 3.65 Original Participating TO.** A Participating TO that was a Participating TO as of January 1, 2000. The Original Participating TOs are Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company.
- 3.66 Participating TO (“PTO”).** A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed, or expects to place, its transmission assets and/or Entitlements under the ISO’s Operational Control in accordance with the TCA. A PTO may be an Original Participating TO or a New Participating TO. For the purposes of this Tariff, the Participating TO is DesertLink.
- 3.67 Participation Agreement.** An agreement between a Participating TO and a Project Sponsor that specifies the terms and conditions under which the Participating TO will construct a transmission addition or upgrade on behalf of the Project Sponsor.
- 3.68 Physical Scheduling Plant.** A group of two or more related Generating Units each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: (i) multiple generating components are related by a common flow of fuel which cannot be interrupted without substantial loss of efficiency of the combined output of all components; (ii) the Energy production from one component necessarily causes Energy production from other components; (iii) the operational arrangement of related multiple generating

components determines the overall physical efficiency of the combined output of all components; (iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or (v) metered output is available only for the combined output of related multiple generation components and separate generating component metering is either impractical or economically inefficient.

- 3.69 Project.** DesertLink’s interest in the single-circuit 500 kV (AC) overhead transmission line connecting the existing Harry Allen Substation in Nevada to the existing Eldorado Substation in Nevada, including series compensation. For the avoidance of doubt, the Project does not include any required work within the fence line of each substation.
- 3.70 Project Proponent.** A Market Participant or group of Market Participants that (i) advocates a transmission addition or upgrade; (ii) is unwilling to pay the full cost of the proposed transmission addition or upgrade, and thus is not a Project Sponsor; and (iii) initiates proceedings under the ISO ADR Procedures to determine the need for the proposed transmission addition or upgrade.
- 3.71 Project Sponsor.** A Market Participant or group of Market Participants or a Participating TO that proposes the construction of a transmission addition or upgrade in accordance with Section 24 of the ISO Tariff.
- 3.72 Regional Transmission Group (“RTG”).** A voluntary organization approved by FERC and composed of transmission owners, transmission users, and other entities, organized to efficiently coordinate the planning, expansion, and use of transmission on a regional and inter-regional basis.
- 3.73 Regulation.** The service provided either by Generating Units certified by the ISO as equipped and capable of responding to the ISO’s direct digital control (AGC) signals, or by System Resources that have been certified by the ISO as capable of delivering such service to the ISO Balancing Authority Area, in an upward and downward direction to match, on a Real Time basis, Demand and resources, consistent with established NERC and WECC reliability standards, including any requirements of the Nuclear Regulatory Commission. Regulation is used to control the Power output of electric generators within a prescribed area in response to a change in system frequency, tie-line loading, or the relation of these to each other so as to maintain the target system frequency and/or the established interchange with other Balancing Authority Areas within the predetermined Regulation Limits. Regulation includes both the increase of output by a Generating unit or System Resource (Regulation Up) and the decrease in output by a Generating unit or System Resource (Regulation Down). Regulation Up and Regulation Down are distinct capacity products, with separately stated requirements and ASMPs in each Settlement Period.
- 3.74 Regulatory Authority.** The Federal Energy Regulatory Commission.
- 3.75 Reliability Criteria.** Pre-established criteria that are to be followed in order to

maintain desired performance of the ISO Controlled Grid under contingency or steady state conditions.

- 3.76 Reliability Upgrade.** The transmission facilities other than Direct Assignment Facilities beyond the first point of Interconnection necessary to interconnect a New Facility or wholesale Load safely and reliably to the ISO Controlled Grid which would not have been necessary but for the Interconnection of a New Facility or wholesale Load, including network upgrades necessary to remedy short circuit or stability problems resulting from the Interconnection of the new Facility or wholesale Load to the ISO Controlled Grid. Reliability Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact a New Facility's or wholesale Load's Interconnection may have on a path's WECC path rating. Reliability Upgrades shall be specified in the Interconnection Agreement that governs Interconnection service and shall be subject to FERC approval.
- 3.77 Requests for Expedited Interconnection Procedures.** A written request by which an applicant for Interconnection can request expedited processing of its Interconnection Application.
- 3.78 Scheduling Coordinator.** An entity certified by the ISO for the purpose of undertaking the functions specified in Section 4.5 of the ISO Tariff.
- 3.79 Scheduling Point.** A location at which the ISO Controlled Grid or a transmission facility owned by a Transmission Ownership Right holder is connected, by a group of transmission paths for which a physical, non-simultaneous transmission capacity rating has been established for Congestion Management, to transmission facilities that are outside the ISO's Operational Control.
- 3.80 Spinning Reserve.** The portion of unloaded synchronized generating capacity that is immediately responsive to system frequency and that is capable of being loaded in ten minutes, and that is capable of running for at least two hours.
- 3.81 System Impact Study.** An engineering study conducted to determine whether a request for Interconnection to the ISO Controlled Grid would require new transmission additions, upgrades, or other mitigation measures.
- 3.82 System Impact Study Agreement.** An agreement between a Participating TO and an entity that has requested Interconnection to the Participating TO's transmission system pursuant to which the entity requesting Interconnection agrees to reimburse the Participating TO for the cost of performing or reviewing a System Impact Study.
- 3.83 TO Tariff.** This Transmission Owner Tariff, as it may be amended or superseded.
- 3.84 [Reserved].**
- 3.85 [Reserved].**

- 3.86 Transmission Control Agreement (“TCA”).** The agreement between the ISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the ISO and each Participating TO will discharge its respective duties and responsibilities, as may be modified from time to time.
- 3.87 Transmission Owner (“TO”).** An entity owning transmission facilities or having firm contractual rights to use transmission facilities.
- 3.88 Transmission Revenue Balancing Account Adjustment (“TRBAA”).** A mechanism established by the Participating TO which will ensure that all Transmission Revenue Credits and other credits specified in Section 6 and 8 of Appendix F, Schedule 3 of the ISO Tariff, flow through to ISO Tariff and TO Tariff transmission customers.
- 3.89 Transmission Revenue Credit.** The proceeds received from the ISO (other than for the recovery of the Participating TO’s High Voltage and Low Voltage Transmission Revenue Requirement through the High Voltage and Low Voltage Transmission Access Charges) and charges imposed by the ISO that are received and paid by the Participating TO in its role as Participating TO, as defined in the ISO Tariff.
- 3.90 Transmission Revenue Requirement (“TRR”).** The total annual authorized revenue requirement associated with transmission facilities and Entitlements turned over to the Operational Control of the ISO by the Participating TO. The costs of any transmission facility turned over to the Operational Control of the ISO shall be fully included in the Participating TO’s TRR. The TRR includes the costs of transmission facilities and Entitlements and deducts Transmission Revenue Credits and is shown in Appendix I.
- 3.91 Transmission System Rights (“TSRs”).** TSRs represent DesertLink’s exclusive transmission entitlement on its share of the Project. DesertLink, as the holder of the TSRs, is entitled to all associated rights as are available under the ISO Tariff and Protocols. The use of this definition does not limit DesertLink from seeking any additional revenues or rights that are authorized by FERC due to a beneficial increase in the ISO controlled grid capacity resulting from the Project.
- 3.92 Uncontrollable Force.** Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant, as the case may be, which could not be avoided through the exercise of Good Utility Practice.
- 3.93 Utility Distribution Company (“UDC”).** An entity that owns a Distribution System for the delivery of Energy to and from the ISO Controlled Grid, and/or that provides regulated retail electric service to End-Users.
- 3.94 Voltage Support.** Services provided by Generating Units or other equipment such- as shunt capacitors, static var compensators, or synchronous condensers that are required to

maintain established grid voltage criteria. This service is required under normal or system emergency conditions.

- 3.95 Western Electricity Coordinating Council (“WECC”).** The Western Electricity Coordinating Council or its successor.
- 3.96 Wheeling Access Charge.** The charge assessed by the ISO that is paid by a Scheduling Coordinator for Wheeling in accordance with Section 26.1.4.1 of the ISO Tariff. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996. The Wheeling Access Charge consists of a High Voltage Wheeling Access Charge and, if applicable, a Low Voltage Wheeling Access Charge.
- 3.97 Wheeling Out.** Except for Existing Rights exercised under an Existing Contract in accordance with Section 16.1 of the ISO Tariff, the use of the ISO Controlled Grid for the transmission of Energy from a Generating Unit located within the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.
- 3.98 Wheeling Through.** Except for Existing Rights exercised under an Existing Contract in accordance with Section 16.1 of the ISO Tariff, the use of the ISO Controlled Grid for the transmission of Energy from a resource located outside the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.
- 3.99 Wheeling.** Wheeling Out or Wheeling Through.
- 3.100 Wholesale Customer.** A person wishing to purchase Energy and Ancillary Services at a Bulk Supply Point or a Scheduling Point for resale.
- 4. Eligibility.** Transmission service over a Participating TO’s system shall be provided only to Eligible Customers as defined by the ISO Tariff. Any dispute as to whether a customer is eligible for service under this TO Tariff shall be resolved by the FERC.
- 5. Access Charges and Transmission Rates.** The applicable Access Charges are provided in the ISO Tariff.
- 5.1 Low Voltage Access Charge.** The Low Voltage Access Charge shall be determined in accordance with the ISO Tariff. As DesertLink is a Non-Load- Serving Participant TO, the ISO shall charge for and collect the Low Voltage Access Charge on DesertLink’s behalf pursuant to Section 26.1 and Appendix F, Schedule 3, Section 13 of the ISO Tariff from the Participating TO to whose facilities DesertLink’s Low Voltage Transmission Facilities are directly connected. The rate for DesertLink’s Low Voltage Access Charge Shall be DesertLink’s Low Voltage Transmission Revenue Requirement divided by the forecasted Gross Load of the Participating TO that is the Low Voltage Access Charge customer. The Low Voltage Access Charge customer shall pay the ISO a Low Voltage Access Charge equal to the product of DesertLink’s Low Voltage Access

Charge rate and the actual Gross Load of the Participating TO that is the Low Voltage Access Charge Customer.

- 5.2 Wheeling Access Charge.** The Wheeling Access Charge shall be determined in accordance with the ISO Tariff. The Wheeling Access Charge assessed by the ISO consists of a High Voltage Wheeling Access Charge and, if applicable, a Low Voltage Wheeling Access Charge. The High Voltage Wheeling Access Charge is set forth in the ISO Tariff.
- 5.3 Transmission Revenue Requirement.** As set forth in the ISO Tariff, the Transmission Revenue Requirement for each Participating TO is used to develop the Access Charges set forth in the ISO Tariff and is used by the ISO to calculate the disbursement of Wheeling revenues among Participating TOs. Wheeling revenues are disbursed by the ISO to Participating TOs pursuant to Section 26.1.4.3 of the ISO Tariff. DesertLink’s TRR is set forth in Appendix I.
- 5.4 Transmission System Rights.** DesertLink owns the TSRs with respect to the Project consistent with its ownership percentage of the Project and owns the TSRs with respect to any subsequent project it develops.
- 5.5 Transmission Revenue Balancing Account Adjustment.** The Participating TO shall maintain a Transmission Revenue Balancing Account with an annual TRBAA that will ensure that all Transmission Revenue Credits and adjustments for any over-or under-recovery of its annual Transmission Revenue Requirement, if any, specified in Sections 6, 8 and 13 of Appendix F, Schedule 3 of the ISO Tariff, flow through to transmission customers. The TRBAA used to calculate the High Voltage Revenue Requirement shall include other adjustments specified in Appendix F, Schedule 3, Sections 6, 8 and 13 of the ISO Tariff.

The TRBAA shall be equal to:

$$\text{TRBAA} = \text{Cr} + \text{Cf} + \text{I}$$

Where:

Cr = The principal balance in the Transmission Revenue Balancing Account (“TRBA”) recorded in FERC Account No. 254 as of September 30 of the year prior to commencement of the January billing cycle. This balance represents the unamortized balance in the TRBA from the previous period and the difference in the amount of revenues or expenditures from Transmission Revenue Credits and any over- or under-recovery of its annual Transmission Revenue Requirement and the amount of such revenues or expenditures that has been refunded to or collected from customers through operation of the TRBAA;

Cf = The forecast of Transmission Revenue Credits, if any, for the following calendar year;

I = The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly; and

The DesertLink TRBAA, calculated in accordance with the ISO Tariff and approved by the FERC, is stated in Appendix I.

- 6. Ancillary Services - Applicability and Charges.** Ancillary Services are needed to maintain reliability within the ISO Controlled Grid. If any Ancillary Services are required, DesertLink will not provide such services directly to the transmission customer and the transmission customer will be required to meet any such requirement in accordance with the ISO Tariff.
- 7. Billing and Payment.**
 - 7.1** The ISO, in accordance with the ISO Tariff, shall pay the Participating TO, among other things, all applicable Access Charge revenues and Wheeling revenues in connection with the Project and any other transmission facility owned by the Participating TO and placed under the operational control of the ISO.
 - 7.2** Users of DesertLink's High and Low Voltage Transmission Facilities and Entitlements placed under the ISO's Operational Control shall pay to the ISO all applicable charges in accordance with the ISO Tariff.
- 8. Obligation to Interconnect or Construct Transmission Expansions and Facility Upgrades.** Unless DesertLink is the lead Participating TO with respect to an Interconnection, the provisions of Section 8 of this TO Tariff, and its subparts, shall have no application to the Project or any other High Voltage Transmission Facilities, Low Voltage Transmission Facilities, or Entitlements turned over to the ISO's operational control by DesertLink, and the corresponding provisions of the lead Participating TO's TO Tariff shall govern.
 - 8.1 Participating TO Obligation to Interconnect.** The Participating TO shall, at the request of a third party, interconnect its system to the wholesale generation or Load of such third party, or modify an existing wholesale Interconnection. Interconnections under this TO Tariff shall be available to entities eligible to request Interconnection consistent with the provisions of Section 210(a) of the FPA. The procedures for Interconnection of wholesale generation to the ISO Controlled Grid shall be governed by the ISO Tariff.
 - 8.1.1 Interconnection to Transmission System.** Interconnection must be consistent with Good Utility Practice, in conformance with all Applicable Reliability Criteria, all applicable statutes, regulations, and ISO reliability criteria for the ISO Controlled Grid. The Participating TO will not accommodate the

Interconnection if doing so would impair systems reliability, or would otherwise impair the ability of the Participating TO to honor its Encumbrances existing as of the time an entity submits its Interconnection Application. The Participating TO shall identify any such adverse effect on its Encumbrances in the System Impact Study performed pursuant to Section 10.7. To the extent the Participating TO determines that the Interconnection will have an adverse effect on Encumbrances, the party requesting Interconnection shall mitigate such adverse effect.

- 8.1.2 Costs Associated with Interconnection.** Each party requesting Interconnection shall pay the costs of planning, installing, owning, operating, and maintaining any Direct Assignment Facilities and, if applicable, any Reliability Upgrades required to provide the requested Interconnection. In addition, such party shall implement all existing operating procedures necessary to safely and reliability interconnect such party's generation or wholesale load to the facilities of the Participating TO and to ensure the ISO Controlled Grid's conformance with the ISO Grid Planning Criteria, and shall bear all costs of implementing such operating procedures. Any additional costs associated with accommodating the Interconnection shall be allocated in accordance with the cost responsibility methodology set forth in the ISO Tariff for transmission expansions or upgrades.
- 8.1.3 Interconnection Agreement.** Pursuant to Section 10.4, 10.7.1, or 10.9.1, a party requesting an Interconnection shall request in writing that the Participating TO tender to such part an Interconnection Agreement that will be filed with FERC, or the Local Regulatory Authority, in the case of a Local Publicly Owned Electric Utility. The Interconnection Agreement will include, without limitation, cost responsibilities and payment provisions for any engineering, equipment, and construction, ownership, operation and maintenance costs for any Direct Assignment Facilities, any Reliability Upgrades, any Delivery Upgrades, if applicable, and for any other mitigation measures. For an Interconnection request to remain a Completed Interconnection Application, the party requesting the Interconnection shall execute the Interconnection Agreement and return it to the Participating TO within thirty (30) Business Days of receipt. Alternatively, if an Eligible Customer requesting the Interconnection requests the Participating TO to file an unexecuted Interconnection Agreement and commits to abide by the terms, conditions, and cost assignments determined to be just and reasonable under the ISO ADR Procedures, including any determination by FERC or on appeal of a FERC determination in accordance with that process, the Participating TO shall promptly file an unexecuted Interconnection Agreement. Provided, however, that if the ISO ADR Procedures concerns whether the requesting entity is an Eligible Customer, the Participating TO shall not be obligated to file an unexecuted interconnection Agreement or commence construction of the Interconnection facilities or incur other costs under the Interconnection Agreement until a final order determining the just and reasonable rates, terms, and conditions for such Interconnection Agreement has been issued by the applicable court or regulatory

authority. The Interconnection Agreement will set forth a payment schedule that enables the Participating TO to recover its costs. If the applicant elects not to execute the Interconnection Agreement and does not request the Participating TO to file an unexecuted Interconnection Agreement, its Completed Interconnection Agreement shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by any System Impact Study Agreement or Facilities Study Agreement. To maintain its queue position, the applicant must timely comply with the Interconnection requirements of Section 5.76 of the ISO Tariff and Sections 8.1 and 10 of this TO Tariff. If the applicant fails to timely comply with such Interconnection requirements, such applicant shall pay the reasonable costs of revising the System Impact Studies for other applicants that have established a new queue position due to the applicant either withdrawing its Interconnection Application or because its queue position has been modified pursuant to the queuing provisions in Section 25 of the ISO Tariff.

8.1.4 Due Diligence to Construct. The Participating TO shall use due diligence to construct, within a reasonable time, any Direct Assignment Facilities and any Reliability Upgrades that it is obligated to construct pursuant to this TO Tariff and Section 24 of the ISO Tariff. The Participating TO's obligation to build will be subject to: (1) its ability, after making a good faith effort, to obtain any necessary approvals and property rights under applicable federal, state, and local laws; (2) the presence of a cost recovery mechanism with cost responsibility assigned to accordance with the ISO Tariff or applicable FERC precedent; and (3) a signed Interconnection Agreement or a signed Expedited Interconnection Agreement, or, by mutual agreement of the parties, FERC acceptance for filing of an unexecuted Interconnection Agreement.

8.1.5 Energization. The Participating TO shall not be obligated to energize, nor shall the applicant or wholesale load be entitled to have its interconnection to the ISO Controlled Grid energized, unless and until an Interconnection Agreement has been executed, or filed at FERC pursuant to Section 8.1.3, and become effective and such applicant or wholesale load has demonstrated to the ISO's reasonable satisfaction that it has complied with all of the requirements of the ISO Tariff and the requirements of this TO Tariff.

8.1.6 Coordination with ISO on Interconnection Requests. The Participating TO shall coordinate with the ISO, pursuant to the provisions of the TCA, in developing interconnection standards and guidelines for processing interconnection request under this TO Tariff.

8.2 Participating TO Obligation to Construct Transmission Expansions or Facility Upgrades. The Participating TO shall be obligated to: (1) perform System Impact or Facility Studies where the Project Sponsor or the ISO agrees to pay the study cost and specifies the project objectives to be achieved, and (2) build transmission additions and facility upgrades where the Participating TO is obligated to construct or expand

facilities in accordance with and subject to the limitations under Section 24 of the ISO Tariff' and this TO Tariff.

8.2.1 Obligation to Construct. A Participating TO shall not be obligated to construct or expand transmission facilities or system upgrades unless and until the conditions stated in Section 9.2.1 hereof have been satisfied.

8.3 Request for FERC Deference Regarding Need Determination. It is intended that FERC grant substantial deference to the factual determinations of the ISO, (including the ISO's ADR Procedures), the CPUC, WECC, or RTG coordinated planning processes as to the need for or construction of a facility, the need for full cost recovery, and the allocation of costs.

9. Expansion Process. Unless DesertLink is the lead Participating TO with respect to a required system expansion, the provisions of Section 9 of this TO Tariff, and its subparts, shall have no application to the Project or any other High Voltage Transmission Facilities, Low Voltage Transmission Facilities, or Entitlements turned over to the ISO's operational control by DesertLink and the corresponding provisions of the lead Participating TO's TO Tariff shall govern.

9.1 Determination of Facilities. A Participating TO shall perform a Facilities Study in accordance with the Section where (1) the Participating TO is obligated to construct or expand facilities in accordance with Section 24 of the ISO Tariff and this TO Tariff; (2) a Market Participant agrees to pay the costs of the Facilities Study and specifies the project objectives to be achieved in terms of increase capacity or reduce congestion; or (3) the Participating TO is required to perform a Facilities Study pursuant to the ISO Tariff.

9.1.1 Payment of Facilities Study's Cost.

9.1.1.1 Market Participant to Pay for Facilities Study. Where a Market Participant requests a Facilities Study and the need for the transmission addition or upgrade has not been established in accordance with the procedures established herein and the ISO Tariff, the Market Participant shall pay the cost of the Facilities Study.

9.1.1.2 Project Sponsor or Project Proponent to Pay for Facility Study. Where the facilities to be added or upgraded have been determined to be needed in accordance with the procedures established herein, the Project Sponsor, Project Proponent, or the ISO requesting the study shall pay in advance the reasonable cost of the Facilities Study. When the Participating TO is the Project Sponsor in accordance with the ISO Tariff, the costs of the Facilities Study shall be recovered through its Access Charges and transmission rates.

9.1.1.3 Principal Beneficiaries to Pay for Facilities Study. Where the facilities to be added or upgraded have been determined to be needed and the

principal beneficiaries have been identified by the ISO or ISO ADR Procedures in accordance with the ISO Tariff the Project Sponsor and the identified principal beneficiaries shall pay the reasonable cost of the Facilities Study, in such proportions as may be agreed, or, failing agreement, as determined in accordance with the ISO ADR Procedures.

9.1.2 Payment Procedure. Where a Facilities Study is being conducted pursuant to this TO Tariff, the Participating TO shall, within thirty days of the receipt of all reasonably required information, tender to the Market Participant, Project Sponsor, Project Proponent, ISO, or identified principal beneficiaries, as the case may be, a Facilities Study Agreement that defines the scope, content, assumptions, and terms of reference for such study, the estimated time required to complete it, and such other provisions as the parties may reasonably require and pursuant to which such Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiaries agree to reimburse the Participating TO the reasonable cost of performing the required Facilities Study. If the Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiaries, as the case may be, agree to the terms of the Facilities Study Agreement, they shall execute the Facilities Study Agreement and return it to the Participating TO within ten Business Days. Alternatively, if the Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiaries, as the case may be, request the Participating TO to proceed with the Facilities Study and commit to abide by the terms, conditions, and cost assignments ultimately determined under the ISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the Facilities Study, and the parties shall submit the disputed terms for resolution under the ISO's ADR Procedures.

9.1.3 Facilities Study Procedures. Upon receipt of an executed Facilities Study Agreement or alternative request to proceed as provided for in Section 9.1.2, a copy of which has been provided to the ISO by the party requesting the Facilities Study, the Participating TO will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Participating TO is unable to complete the Facilities Study in the allotted time period, the Participating TO shall notify the Market Participant and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. If additional time is required, the Participating TO will use best efforts to complete the study within 10 months, provided adequate information is provided by all the parties.

9.2 Obligation to Build.

9.2.1 Due Diligence to Construct. Subject to Section 9.3.3 of this TO Tariff, the Participating TO shall use due diligence to construct, within a reasonable time, additions or upgrades to its transmission system that it is obligated to construct

pursuant to the ISO Tariff and this TO Tariff. Alternatively, if a Market Participant requests the Participating TO to file an unexecuted Participation Agreement and commits to abide by the terms, conditions, and cost assignments determined to be just and reasonable under the ISO ADR Procedures, including any determination by FERC or on appeal of a FERC determination in accordance with that process, the Participating TO shall promptly file an unexecuted Participation Agreement. Provided, however, that if the ISO ADR Procedures concerns whether the requesting entity is an Eligible Customer, the Participating TO shall not be obligated to file an unexecuted Participation Agreement or alternatively, if a Market Participant requests the Participating TO to file an unexecuted Participation Agreement and commits to abide by the terms, conditions, and cost assignments determined to be just and reasonable under the ISO ADR Procedures, including any determination by FERC or on appeal of a FERC determination in accordance with that process, the Participating TO shall promptly file an unexecuted Participation Agreement. Provided, however, that if the ISO ADR Procedures concerns whether the requesting entity is an Eligible Customer, the Participating TO shall not be obligated to file an unexecuted Participation Agreement, commence construction of the additions or upgrades or incur other costs under the Participation Agreement until a final order determining the just and reasonable rates, terms, and conditions for such Participation Agreement has been issued by the applicable court or regulatory authority. The Participating TO's obligation to build will be subject to: 1) its ability, after making a good faith effort, to obtain the necessary approvals and property rights under applicable federal, state, and local laws; 2) the presence of a cost recovery mechanism with cost responsibility assigned in accordance with the ISO Tariff; and 3) a signed Participation Agreement. The Participating TO will not construct or expand its existing or planned transmission system, if doing so would impair system reliability as determined through systems analysis based on the Applicable Reliability Criteria.

9.2.2 Delay in Construction or Expansion. If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Participating TO shall promptly notify: (1) the Project Sponsor with regard to facilities determined to be needed; (2) the Parties to the Participation Agreement with regard to facilities determined to be needed pursuant to the ISO Tariff where principal beneficiaries were identified; and (3) the ISO. In such circumstances, the Participating TO shall, within thirty days of notifying such Project Sponsor, Parties to the Participation Agreement, and the ISO of such delays, convene a technical meeting with such Project Sponsor, Parties to the Participation Agreement, and the ISO to discuss the circumstances which have arisen and evaluate any options available. The Participating TO also shall make available to such Project Sponsor, Parties to the Participation Agreement, and the ISO, as the case may be, studies and work papers related to the cause and extent of the delay and the Participating TO's ability to complete the new facilities, including all information that is in the possession of the Participating

TO that is circumstances which have arisen and evaluate any options available. The Participating TO also shall make available to such Project Sponsor, Parties to the Participation Agreement, and the ISO, as the case may be, studies and work papers related to the cause and extent of the delay and the Participating TO's ability to complete the new facilities, including all information that is in the possession of the Participating TO that is reasonably needed to evaluate the alternatives.

9.2.2.1 Alternatives to the Original Facility Additions. If the review process of Section 9.2.2 determines that one or more alternatives exist to the originally planned construction project, the Participating TO shall present such alternatives for consideration to the Project Sponsor, Parties to the Participation Agreement, and the ISO, as the case may be. If upon review of any alternatives, such Project Sponsor, the ISO, or Parties to the Participation Agreement wish to evaluate or to proceed with one of the alternative additions or upgrades, such Project Sponsor, the ISO, or Parties to the Participation Agreement may request that the Participating TO prepare a revised Facility Study pursuant to Sections 9.1.1, 9.1.2, and 9.1.3 of this TO Tariff. In the event the Participating TO concludes that no reasonable alternative exists to the originally planned addition or upgrade and the Project Sponsor or Parties to the Participation Agreement or the ISO disagree, the dispute shall be resolved pursuant to the ISO ADR Procedure.

9.2.2.2 Refund Obligation for Unfinished Facility Additions. If the Participating TO and the Project Sponsor, the ISO, or Parties to the Participation Agreement, as the case may be, mutually agree that no other reasonable alternatives exist, the obligation to construct the requested additions or upgrades shall terminate and any deposit not yet applied toward the expended project costs shall be returned with interest pursuant to FERC Regulation 35.19(a)(2)(iii). However, the Project Sponsor and any identified principal beneficiaries, as the case may be, shall be responsible for all costs prudently incurred by the Participating TO through the time the construction was suspended.

9.3 Provisions Relating To Transmission Construction On the System Of Other TOs.

9.3.1 Responsibility for Third Party Additions. A Participating TO shall not be responsible for making arrangements for any engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Participating TO will undertake reasonable efforts through the coordinated planning process to assist in making such arrangements, including, without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

9.3.2 Coordination of Third-Party System Additions. Where transmission additions or upgrades being built pursuant to the ISO Tariff require additions or upgrades

on other systems, to the extent consistent with Section 9.3.3 of this TO Tariff, the Participating TO shall coordinate construction on its own system with the construction required by others. The Participating TO, after consultation with the ISO, the Project Sponsor, and Parties to the Participation Agreement, as the case may be, may defer construction if the new transmission facilities on another system cannot be completed in a timely manner. The Participating TO shall notify such Project Sponsor, Parties to the Participation Agreement, and the ISO, in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of the new facilities. Within forty Business Days of receiving written notification by the Participating TO of its intent to defer construction pursuant to this section, such Project Sponsor, Parties to the Participation Agreement, or the ISO may challenge the decision in accordance with the ISO ADR Procedure.

10. Interconnection Process. Unless DesertLink is the lead Participating TO with respect to a requested interconnection, the provisions of Section 10 of this TO Tariff, and its subparts, shall have no application to the Project or any other High Voltage Transmission Facilities, Low Voltage Transmission Facilities, or Entitlements turned over to the ISO's operational control by DesertLink and the corresponding provisions of the lead Participating TO's TO Tariff shall govern. All requests for interconnection with the Project or any other High Voltage Transmission Facilities, Low Voltage Transmission Facilities, or Entitlements turned over to the ISO's operational control by DesertLink shall be directed to the lead Participating TO, with notice of the request provided to DesertLink.

10.1 Applicability. All requests for Interconnection directly to the ISO Controlled Grid from parties eligible to request such Interconnection consistent with Section 210(a) of the FPA shall be processed pursuant to the provisions of this Section 10. All requests for Interconnection of wholesale generation directly to the ISO Controlled Grid shall be processed pursuant to the provisions of the ISO Tariff.

10.2 Applications. Except as provided in Section 10.2.1, a party requesting Interconnection shall submit a written Interconnection Application which provides the information required in Section 10.3 to the Participating TO and shall send a copy of the application to the ISO. The Participating TO shall timestamp the application to establish study priority.

10.3 Interconnection Application. An Interconnection Application shall provide all the information listed in 18 CFR § 2.20, including, but not limited to, the following: (i) the identity, address, telephone number, and facsimile number of the entity requesting Interconnection; (ii) the Interconnection point(s) to the ISO Controlled Grid contemplated by the applicant; (iii) the resultant (or new) maximum amount of Interconnection capacity contemplated by the applicant; (iv) the proposed date for energizing the Interconnection and the term of the Interconnection service, and (v) such other information as the Participating TO reasonably required to process the application. In addition to the information specified above, the following information may also be provided in order to properly evaluate system conditions: (vi) If the applicant is a wholesale load, the electrical location of the source of the power (if known) to be transmitted pursuant to

applicant's request for Interconnection. If the source of the power is not known, a system purchase will be assumed. If the location of the load is not known, a system sale will be assumed; and, in addition, if an applicant proposes to perform or cause a third party to perform any required System Impact Study or any required Facilities Study, it shall so indicate in its Interconnection Application. The results of any study or studies performed by an applicant must be approved by both the ISO and the Participating TO. Within ten (10) Business Days after receipt of an Interconnection Application, the Participating TO and the ISO if applicable shall determine whether the application is complete ("Completed Interconnection Agreement"). Whenever possible, the participating TO will attempt to remedy deficiencies in the Interconnection Application through informal communications with the applicant. If such efforts are unsuccessful, the Participating TO shall return the Interconnection Application to the applicant. The Participating TO will treat the information in the Interconnection Agreement, including the applicant's identity, as confidential at the request of the applicant except to the extent that disclosure of the information is required by this TO Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG or ISO transmission information sharing agreements. The Participating TO shall treat this information consistent with the standards of conduct contained in Part 37 of FERC's regulations.

10.3.1 Amendment to Completed Interconnection Application. An applicant shall only be limited to amending its Completed Interconnection Application once. Such amendment shall occur on or before ten (10) Business Days following the date the Participating TO tenders any Facilities Study Agreement. Specifically, an applicant may submit an amendment to its Completed Interconnection Application to reflect a revised configuration for its New Facility. The amended Completed Interconnection Application shall be treated in accordance with Section 25 of the ISO Tariff and Section 10.5 of this TO Tariff; the applicant's Completed Interconnection Application shall be deemed withdrawn; and the applicant shall maintain its existing queue position, if (a) the amended Completed Interconnection Application is received by the Participating TO within ten (10) Business Days of the Participating TO's tender of a Facilities Study Agreement; and (b) the applicant has not submitted a previous amendment to the Completed Interconnection Application. In the event an applicant amends its Completed Interconnection Application, it will be responsible for any additional study costs that result from that amendment, including costs associated with revisions to studies for other applicants holding later queue positions.

10.4 Review of Completed Interconnection Application. After receiving a Completed Interconnection Application, the Participating TO and the ISO, if applicable, will determine on a non-discriminatory basis whether a System Impact Study is required. Whenever the Participating TO, and the ISO, if applicable, determines that a System impact Study is not required and that neither Reliability Upgrades nor changes in existing operating procedures are required, the Participating TO shall notify the applicant within fifteen (15) Business Days of the Completed Application Date. If the Interconnection can be accommodated without any Direct Assignment Facilities, then within thirty (30) Business Days of such notice from the Participating TO, the applicant shall request the Participating TO to tender to the applicant an Interconnection

Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provide in Section 8.1.3. If the Participating TO determines upon review of the Completed Interconnection Application, that Direct Assignment Facilities are required, the Participating TO shall tender to the applicant a Facilities Study Agreement within twenty (20) Business Days of the Completed Application Date and continue the Interconnection process pursuant to Section 10.8.

10.5 Notice of Need for System Impact Study. If the Participating TO, and the ISO, if applicable, determines that a System Impact Study is necessary to accommodate the requested Interconnection, the Participating TO shall so inform the applicant as soon as practicable. In such cases, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be completed by the Participating TO, the estimated time required to complete it, and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of performing the required System Impact Study. A description of the Participating TO's transmission assessment practices for completing a System Impact Study shall be provided in the Participating TO's FERC Form 715. Alternatively, if the applicant will perform the System Impact Study, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete it; and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of reviewing the required System Impact Study. For an Interconnection request to remain a Completed Interconnection Application, the applicant shall execute the System Impact Study Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated cost of performing the System Impact Study or reviewing the applicant's System Impact Study. Alternatively, if the applicant request the Participating TO to proceed with the System Impact Study or review thereof and commits to abide by the terms, conditions, and cost assignments ultimately determined under the ISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the System Impact Study provided that such request is accompanied by payment of the reasonable estimated cost of the System Impact Study, and the parties shall submit the disputed terms for resolution under the ISO's ADR Procedures. If the applicant elects not to execute a System Impact Study Agreement, and does not request that the Participating TO proceed with the System Impact Study or review thereof, its application shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application.

10.6 Impact Study Cost Reimbursement and Agreement.

10.6.1 Cost Reimbursement. The System Impact Study Agreement shall clearly specify the charge, based on the Participating TO's estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the reasonable actual cost of the study. In performing the System Impact Study, the Participating TO shall rely, to the extent reasonably practicable, on existing transmission planning studies. The applicant will not be assessed a charge for such existing studies; however, the applicant will be responsible for the reasonable charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact on the applicant's request.

10.6.2 Multiple Parties. If multiple parties request Interconnection at the same location, the participating TO may conduct a single System Impact Study. The costs of that study shall be pro-rated among the parties requesting Interconnection.

10.7 System Impact Study Procedures. Upon receipt of an executed System Impact Study Agreement or initiation of the ISO ADR Procedures and receipt of payment for estimated study costs, the Participating TO will use due diligence to either (a) complete the required System Impact Study within a sixty (60) calendar day period or (b) complete its review of an applicant's System Impact Study within thirty (30) calendar days of its receipt of the completed study. The System Impact Study will identify whether any Direct Assignment Facilities or Reliability Upgrades are necessary to deliver a New Facility's full output over the ISO Controlled Grid, or any transmission additions or upgrades are necessary to serve a wholesale load. The System Impact Study will also identify any adverse impact on Encumbrances existing as of the applicant's Completed Application Date. In the event that the Participating TO is unable to complete the required System Impact Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the applicant and the ISO. The Participating TO shall notify the applicant and the ISO immediately upon completion of the System Impact Study.

10.7.1 Procedures Upon Completion of System Impact Study. Within fifteen (15) Business Days of completion of the System Impact Study or review and approval of an applicant's System Impact Study, the Participating TO shall notify the applicant whether the transmission system will be adequate to accommodate all of a request for Interconnection. If no costs are likely to be incurred for any Direct Assignment Facilities, any Reliability Upgrades, or implementing any operating procedures, then within thirty (30) Business Days of receipt of written approval of the applicant's System Impact Study from the Participating TO and the ISO the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 8.1.3. If costs are likely to be incurred to accommodate a

request for Interconnection, the Participating TO shall tender to the applicant a Facilities Study Agreement pursuant to Section 10.8.

10.8 Notice of Need for Facilities Study. If a System Impact Study indicates that additions or upgrades to the ISO Controlled Grid are needed to satisfy an applicant's request for interconnection, the Participating TO shall, within fifteen (15) Business Days of the date of the System Impact Study or the completion of review and approval of the applicant's System Impact Study by the Participating TO, tender to the applicant a Facilities Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be completed by the Participating TO; the estimated time required to complete the required study; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of performing the required Facilities Study. Alternatively, if the applicant will perform the Facilities Study, the Participating TO shall within fifteen (15) Business Days of the completion date of the System Impact Study or the completion of review and approval of the applicant's System Impact Study, tender a Facilities Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete the required review; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of reviewing the required Facilities study. For an Interconnection request to remain a Completed Interconnection Application, the applicant shall execute the Facility Studies Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated costs of performing the Facilities Study or reviewing the applicant's Facilities Study. Alternatively, if the applicant request the Participating TO to proceed with the Facilities Study to review thereof and commits to abide by terms, conditions, and cost assignments ultimately determined under the ISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the Facilities Study provided that such request is accompanied by payment for the reasonable estimated cost of the Facilities Study, and the parties shall submit the disputed terms for resolution under the ISO ADR Procedures. If the applicant elects not to execute a Facilities Study Agreement and does not request that the Participating TO proceed with the Facilities Study or review thereof, its application shall be deemed withdrawn and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by the System Impact Study Agreement.

10.9 Facilities Study Procedures. Upon receipt of an executed Facilities Study Agreement or initiation of the ISO ADR Procedures and receipt of payment for the estimated study costs, the Participating TO will use due diligence to either (a) complete the required Facilities Study within a sixty (60) calendar day period or (b) complete its review of an applicant's Facilities Study within thirty (30) calendar days of its receipt of the Completed Study. In the event that Participating TO is unable to complete the required Facilities Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of the reasons why

additional time is required to complete the required studies. A copy of the completed Facilities Study shall be made available to the applicant.

10.9.1 Execution of Interconnection Agreement. Within thirty (30) Business Days of receipt of the completed Facilities Study performed by the Participating TO or receipt of written approval of the applicant's Facilities Study from the Participating TO, the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 8.1.3.

10.10 Partial Interim Service. If the Participating TO determines that there will not be adequate transmission capability to satisfy the full amount requested in a Completed Interconnection Application, the Participating TO nonetheless shall be obligated to offer and provide the portion of the requested Interconnection that can be accommodated without any additional Direct Assignments Facilities or Reliability Upgrades. However, the Participating TO shall not be obligated to provide the incremental amount of requested Interconnection that requires such additional facilities or upgrades until such facilities or upgrades have been placed in service.

10.11 Expedited Interconnection Procedures. In lieu of the procedures set forth above, the applicant shall have the option to expedite the processing of its Completed Interconnection Application. In order to exercise this option, the applicant shall submit in writing a Request for Expedited Interconnection Procedures to the Participating TO within ten (10) Business Days after receiving a copy of the System Impact Study for the proposed Interconnection. Within ten (10) Business Days after receiving a Request for Expedited Procedures, the Participating TO shall tender an Expedited Interconnection Agreement that requires the applicant to compensate the Participating TO for all costs reasonably incurred pursuant to the terms of this To Tariff for processing the Completed Interconnection Application and providing the requested Interconnection. While the Participating TO agrees to provide the applicant with its best estimate of the costs of any needed Direct Assignment Facilities and, if applicable, Reliability Upgrades, and such other charges that may be incurred, unless otherwise agreed by the parties, such estimate shall not be binding and the applicant must agree in writing to compensate the Participating TO for all actual Interconnection costs reasonably incurred pursuant to the provisions of this TO Tariff. The applicant shall execute and return such Expedited Service Agreement within ten (10) Business Days of its receipt or the applicant's request for Interconnection will cease to be a Completed Interconnection Application and will be deemed terminated and withdrawn. In that event, the applicant shall reimburse the Participating TO for all costs reasonably incurred in processing the application not covered by the terms of the System Impact Study Agreement.

11. Uncontrollable Forces and Indemnification

11.1 Procedures to Follow If Uncontrollable Force Occurs. In the event of the occurrence of an Uncontrollable Force which prevents the Participating TO or a Market Participant

from performing any of its obligations under this TO Tariff, the affected entity shall (i) if it is the Participating TO, immediately give notice to the Market Participants in writing of the occurrence of such Uncontrollable Force and, if it is a Market Participant, immediately give notice to the Participating TO of the occurrence of such uncontrollable Force; (ii) not be entitled to suspend performance in any greater or longer duration than is required by the Uncontrollable Force, (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance hereunder, (iv) in the case of the Participating TO, keep the Market Participants apprised of such efforts and, in the case of the Market Participants, keep the Participating TO approved of mitigation efforts, in each case on a continual basis; and (v) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the entity affected thereby, and the requirement that a Participating TO or Market Participant must use its best efforts to remedy the cause of the Uncontrollable Force and mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes. No Market Participant or Participating TO will be considered in default as to any obligation under this TO Tariff if prevented from fulfilling the obligation due to the occurrence of an Uncontrollable Force.

11.2 Indemnification. A Market Participant shall at all times indemnify, defend, and save the Participating TO harmless from any and all damages, losses, claims, (including claims and actions relating to injury or to death of any person or damage to property), demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Participating TO's performance of its obligations under this TO Tariff on behalf of a Market Participant, except in cases of negligence or intentional wrongdoing by the Participating TO.

12. Regulatory Filings. Nothing contained herein shall be construed as affecting, in any way, the right of any electric utility (as defined by the Federal Power Act) Participating TO furnishing services in accordance with this TO Tariff, or any tariff and rate schedule which results from or incorporates this TO Tariff, unilaterally to make application to FERC as it deems necessary and appropriate to recover its Transmission Revenue Requirements, or for a change in its rates, including changes in rate methodology, or for a change in designation of transmission facilities to be placed under the ISO's control, in each case under Section 205 of the FPA and pursuant to the FERC's Rules and Regulations promulgated thereunder. Nothing contained herein shall be construed as affecting in any way the ability of any Eligible Customer receiving services in accordance with this TO Tariff to exercise its rights under the Federal Power Act and pursuant to the FERC's rules and regulations promulgated thereunder.

12.1 Open Access. For purposes of the Stranded Cost Recovery available under Order Nos. 888 and 888-A, this Tariff, combined with the ISO Tariff and wholesale distribution access tariff, if any, shall be considered an open access tariff under FERC Order Nos. 888 and 888-A.

13. Creditworthiness

13.1 UDCs, MSSs, and Scheduling Coordinators Using the Participating TO's Low Voltage Transmission Facilities. For the purpose of determining the ability of a UDC, MSS, and Scheduling Coordinator to meet its obligations related to service using the Participating TO's Low Voltage Transmission Facilities hereunder, where the Participating TO is collecting the Low Voltage Access Charge directly from each UDC, MSS and Scheduling Coordinator, the Participating TO may require reasonable credit review procedures for the UDC, MSS, or Scheduling Coordinator. This review shall be made in accordance with standard commercial practices. In addition, the Participating TO may require the UDC, MSS, or Scheduling Coordinator to provide and maintain in effect during the term of the service, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under this TO Tariff, or an alternative form of security proposed by the UDC, MSS, or Scheduling Coordinator and acceptable to the Participating TO, and consistent with commercial practices established by the Uniform Commercial Code, that protect the Participating TO against the risk of non-payment.

13.2 End-Users. Creditworthiness rules applicable to End-Users shall be pursuant to the then-current rules of the applicable Local Regulatory Authority.

14. Disputes. Except as limited below or as otherwise limited by law, the ISO ADR procedures shall apply to all disputes between parties which arise under this TO Tariff or under or in respect of the proposed terms and conditions of a Facilities Study Agreement, System Impact Study Agreement or Expedited Service Agreement. The ISO ADR Procedures set forth in Section 13 of the ISO Tariff shall not apply to disputes as to whether rates and charges set forth in this TO Tariff (other than charges for studies) are just and reasonable under the FPA.

15. [Reserved]

16. Miscellaneous.

16.1 Notices. Any notice, demand, or request in accordance with this TO Tariff, unless otherwise provided in this TO Tariff, shall be in writing and shall be deemed properly served, given, or made: (i) upon delivery if delivered in person, (ii) five days after deposit in the mail if sent by first class United States mail, postage prepaid, (iii) upon receipt of confirmation by return electronic facsimile if sent by facsimile, or (iv) upon Party at the address set forth in Appendix IV. Any Party may at any time, by notice to the other Parties, change the designation or address of the person specified in Appendix IV to receive notice on its behalf. Any notice of a routine character in connection with service under this TO Tariff or in connection with operation of facilities shall be given in such a manner as the Parties may determine from time to time, unless otherwise provided in this TO Tariff.

16.2 Waiver. Any waiver at any time by any Party of its rights with respect to any default under this TO Tariff, or with respect to any other matter arising in connection with this TO Tariff, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this TO Tariff. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or

be deemed a waiver.

16.3 Confidentiality.

16.3.1 Maintaining Confidentiality If Not for Public Disclosure. The Participating TO shall maintain the confidentiality of all of the documents, data, and information provided to it by any other Market Participant that such Market Participant may designate as confidential, provided, however, that the information will not be held confidential by the Participating TO if (1) the Participating TO or Market Participant is required to provide such information for public disclosure pursuant to this TO Tariff or applicable regulatory requirements, or (2) the information becomes available to the public on a non-confidential basis (other than from the Participating TO).

16.3.2 Disclosure of Confidential Information. Notwithstanding anything in this Section 16.3 to the contrary, if the Participating TO or any Market Participant is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 16.3, the Participating TO or Market Participant may disclose such information; provided, however, that as soon as such Participating TO or Market Participant learns of the disclosure requirement and prior to making such disclosure, such Participating TO or Market Participant shall notify the affected Participating TO or Market Participants of the requirement and the terms thereof. The affected Participating TO or Market Participants may, at their sole discretion and own costs, direct any challenge to or defense against the disclosure requirement and the disclosing Participating TO or Market Participant shall cooperate with such affected Participating TO or Market Participants to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. The disclosing Participating TO or Market Participant shall cooperate with the affected Participating TO or Market Participants to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

16.4 TO Tariff Supersedes Existing Tariffs. This TO Tariff, together with the ISO Tariff and wholesale distribution access tariff if any, supersedes any pre-existing open access transmission tariff of the Participating TO.

16.5 Titles. The captions and headings in this TO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this TO Tariff.

16.6 Severability. If any term, covenant, or condition of this TO Tariff or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest, by any court or government agency of competent

jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this TO Tariff and their application shall not be affected thereby but shall remain in force and effect. The Participating TO and Market Participants shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination, unless a court or governmental agency of competent jurisdiction holds that such provisions are not severable from all other provisions of this TO Tariff.

- 16.7 Preservation of Obligations.** Upon termination of this TO Tariff, all unsatisfied obligations of any entity shall be preserved until satisfied.
- 16.8 Governing Law.** This TO Tariff shall be interpreted, governed by, and construed under the laws of the State of California, without regard to the principles of conflict of laws thereof, or the laws of the United States, as applicable, as if executed and to be performed wholly within the State of California.
- 16.9 Appendices Incorporated.** The several appendices to this TO Tariff, as may be revised from time to time, are attached to this TO Tariff and are incorporated by reference as if fully set forth herein.
- 16.10 Conflict With ISO Tariff.** If a Market Participant identifies a conflict between the TO Tariff and the ISO Tariff, the Participating TO and the Market Participant shall make good-faith efforts to resolve the conflict. If the Participating TO and Market Participant are unable to informally resolve that conflict, the Participating TO and Market Participant may use the ISO ADR Procedures to resolve it as set forth in Section 14 of this Tariff.
- 16.11 Conflicting Operating Instructions.** In the event a Market Participant receives conflicting operating instructions from the ISO and one or more Participating TO(s), if human safety would not knowingly be neither jeopardized nor electric facilities subject to damage while the Market Participant seeks to reconcile the conflict with the appropriate ISO and Participating TO employees before acting, the Market Participant should attempt a reconciliation. Otherwise, the Market Participant shall adhere to ISO Tariff Section 4.2 and follow the ISO's instructions. In no event shall a Market Participant be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

APPENDIX I

Transmission Revenue Requirement and TRBAA

1. The DesertLink Base Transmission Revenue Requirement shall be determined pursuant to the formula rate in Appendix III of this TO Tariff.
2. The TRBAA is [_____] for the twelve month period effective January 1, 201[], as computed in accordance with Section 5.5 of this TO Tariff and the ISO Tariff.
3. The Transmission Revenue Requirement shall be equal to the sum of the Base Transmission Revenue Requirement and the TRBAA.
4. All of DesertLink's facilities and Entitlements placed under the ISO's Operational Control are related to High Voltage Facilities as defined in the ISO Tariff.
5. The TRBAA will be recalculated annually consistent with the ISO Tariff, approved by the FERC, and provided to the ISO.

APPENDIX II NOTICES

Designated Representative:

Alternative Representative:

APPENDIX III FORMULA RATE

For the 12 months ended
12/31/____

Formula Rate Index
DesertLink, LLC
Table of Contents

Formula Rate Template

Attachments:

Attachment No	Worksheet Name
1	Project Revenue Requirement Worksheet
2	Incentive Return
3	Formula Rate True-Up
4	Rate Base Worksheet
5	Return on Rate Base Worksheet
6	Interest on True-Up
6A	True-Up Interest Rate Calculator
7	Weighted Average Federal and State Income Tax Rates
8	Cost of Debt Prior to Issuing Non-Construction Financing
9	True-Up - Construction Financing Cost of Debt
10	Depreciation Rates
11	Prior Period Adjustments
12	Revenue Credit Detail

For the 12 months ended
12/31/____

Line No.	(1)	(2) <u>Source</u>	(3)	(4)	(5) <u>Allocated Amount</u>
1	GROSS REVENUE REQUIREMENT, without incentives	(Page 3, Line 49)			#DIV/0!
	REVENUE CREDITS	(Note A)	<u>Total</u>	<u>Allocator (W)</u>	
2	Account No. 454	(Page 4, Line 20)	-	TP #DIV/0!	#DIV/0!
3	Account No. 456.1	(Page 4, Line 21)	-	TP #DIV/0!	#DIV/0!
4	Revenues from Grandfathered Interzonal Transactions	(Note B)	-	TP #DIV/0!	#DIV/0!
5	Revenues from service provided by the ISO at a discount		-	TP #DIV/0!	#DIV/0!
6	TOTAL REVENUE CREDITS	(Sum of Lines 2 through 5)	-		#DIV/0!
7	Prior Period Adjustments	Attachment 11, Line 18, Col. B	-	DA 1.0000	-
8	True-up Adjustment with Interest	Attachment 3, Line 9, Col. J	#DIV/0!	DA 1.0000	#DIV/0!
9	NET ANNUAL TRANSMISSION REVENUE REQUIREMENT	(Line 1 less Line 6 plus Lines 7 and 8)			<u>#DIV/0!</u>

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/____

Line No.	(1) RATE BASE: (Note R)	(2) Source	(3) Company Total	(4) Allocator (W)	(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE	Note C			
1	Production	205.46.g for end of year, records for other months	-	N/A	-
2	Transmission	Attachment 4, Line 14, Col. (b)	-	TP	#DIV/0!
3	Distribution	207.75.g for end of year, records for other months	-	N/A	-
4	General & Intangible	Attachment 4, Line 14, Col. (c)	-	WS	#DIV/0!
5	TOTAL GROSS PLANT	(Sum of Lines 1 through 4)	-	GP=	#DIV/0!
	ACCUMULATED DEPRECIATION	Note C			
6	Production	219.20-24.c for end of year, records for other months	-	N/A	-
7	Transmission	Attachment 4, Line 14, Col. (h)	-	TP	#DIV/0!
8	Distribution	219.26.c for end of year, records for other months	-	N/A	-
9	General & Intangible	Attachment 4, Line 14, Col. (i)	-	WS	#DIV/0!
10	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 10)	-		#DIV/0!
	NET PLANT IN SERVICE				
11	Production	(Line 1 - Line 7)	-		-
12	Transmission	(Line 2 - Line 8)	-		#DIV/0!
13	Distribution	(Line 3 - Line 9)	-		-
14	General & Intangible	(Line 4 - Line 10)	-		#DIV/0!
15	TOTAL NET PLANT	(Sum of Lines 13 through 16)	-	NP=	#DIV/0!
	ADJUSTMENTS TO RATE BASE				
16	Account No. 281 (enter negative)	Attachment 4, Line 28, Col. (d) (Note D)	-	N/A	-
17	Account No. 282 (enter negative)	Attachment 4, Line 28, Col. (e) (Note D)	-	NP	#DIV/0!
18	Account No. 283 (enter negative)	Attachment 4, Line 28, Col. (f) (Note D)	-	NP	#DIV/0!
19	Account No. 190	Attachment 4, Line 28, Col. (g) (Note D)	-	NP	#DIV/0!
20	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Note D)	-	NP	#DIV/0!
21	Unfunded Reserves (enter negative)	Attachment 4, Line 43, Col. (h)	-	DA	1.0000
22	CWIP	Attachment 4, Line 14, Col. (d)	-	DA	1.0000
23	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note E)	-	DA	1.0000
24	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note F)	-	DA	1.0000
25	TOTAL ADJUSTMENTS	(Sum of Lines 19 through 27)	-		#DIV/0!
26	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note G)	-	TP	#DIV/0!
	WORKING CAPITAL	Note H			
27	Cash Working Capital	1/8*(Page 3, Line 17 minus Page 3, Line 14)	-		#DIV/0!
28	Materials & Supplies	Attachment 4, Line 14, Col. (f)	-	TP	#DIV/0!
29	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)	-	GP	#DIV/0!
30	TOTAL WORKING CAPITAL	(Sum of Lines 31 through 33)	-		#DIV/0!
31	RATE BASE	(Sum of Lines 17, 28, 29, and 34)	-		#DIV/0!
	Formula Rate - Non-Levelized				

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/

Line No.	(1)	(2) Source	(3) Company Total	(4) Allocator (W)	(5) Transmission (Col 3 times Col 4)
	O&M				
1	Transmission	321.112.b	-	TP #DIV/0!	#DIV/0!
2	Less Account 566 (Misc Trans Expense)	321.97.b	-	TP #DIV/0!	#DIV/0!
3	Less Account 565	321.96.b	-	TP #DIV/0!	#DIV/0!
4	A&G	323.197.b	-	WS #DIV/0!	#DIV/0!
5	Less FERC Annual Fees	351.h (Note I)	-	WS #DIV/0!	#DIV/0!
6	Less EPRI Dues	Note J	-	WS #DIV/0!	#DIV/0!
7	Less Reg. Commission Expense Account 928	Note J	-	WS #DIV/0!	#DIV/0!
8	Less: Non-safety Advertising account 930.1	Note J	-	WS #DIV/0!	#DIV/0!
9					
10	Plus Transmission Related Reg. Comm. Exp.	Note K	-	TP #DIV/0!	#DIV/0!
11					
12	Plus Transmission Lease Payments in Acct 565	Note V	-	DA 1.0000	-
13	Account 566				
14	Amortization of Regulatory Asset	Note E	-	DA 1.0000	-
15	Misc. Transmission Expense (less amort. of regulatory asset)	321.97.b less line 14	-	TP #DIV/0!	#DIV/0!
16	Total Account 566	(Sum of Lines 14 through 15) Ties to 321.97b	-		#DIV/0!
17	TOTAL O&M	(Sum of Lines 1, 4, 10, 12, and 16 less Sum of Lines 2, 3, and 5 through 8)	-		#DIV/0!
18	DEPRECIATION EXPENSE	Note C			
19	Transmission	336.7.b&d	-	TP #DIV/0!	#DIV/0!
20	General & Intangible	336.10.b&d, 336.1.b&d	-	WS #DIV/0!	#DIV/0!
21	Amortization of Abandoned Plant	Note F	-	DA 1.0000	-
22	TOTAL DEPRECIATION	(Sum of Lines 19 through 21)	-		#DIV/0!
23	TAXES OTHER THAN INCOME TAXES (Note M)				
24	LABOR RELATED				
25	Payroll	263.i	-	WS #DIV/0!	#DIV/0!
26	Highway and vehicle	263.i	-	WS #DIV/0!	#DIV/0!
27	PLANT RELATED				
28	Property	263.i	-	GP #DIV/0!	#DIV/0!
29	Gross Receipts	263.i	-	N/A -	-
30	Other	263.i	-	GP #DIV/0!	#DIV/0!
31	Payments in lieu of taxes	263.i	-	GP #DIV/0!	#DIV/0!
32	TOTAL OTHER TAXES	(Sum of Lines 25 through 31)	-		#DIV/0!
33	INCOME TAXES (Note N)	Note N			
34	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * P)\}$		0.00%		
35	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	WCLTD = Page 4, Line 15, R = Page 4, Line 18	#DIV/0!		
36	FIT & SIT & P				
37					
38	$1 / (1 - T) =$ (from line 35)	$1 / (1 - T)$, T from Line 35	1.0000		
39	Amortized Investment Tax Credit	266.8f (enter negative) (Note D)	-		
40	Excess Deferred Income Taxes	Company books and records	-		
41	Tax Effect of Permanent Differences	Note O	-		
42	Income Tax Calculation	(Line 35 times Line 48)	#DIV/0!	N/A -	#DIV/0!
43	ITC adjustment	(Line 38 times Line 39)	-	NP #DIV/0!	#DIV/0!
44	Excess Deferred Income Tax Adjustment	(Line 38 times Line 40)	-	NP #DIV/0!	#DIV/0!
45	Permanent Differences Tax Adjustment	(Line 38 times Line 41)	-	NP #DIV/0!	#DIV/0!
46	Total Income Taxes	(Sum of Lines 42 through 45)	#DIV/0!		#DIV/0!
47	RETURN				
48	Rate Base times Return	(Page 2, Line 35 times Page 4, Line 18)	#DIV/0!	N/A -	#DIV/0!
49	GROSS REVENUE REQUIREMENT	(Sum of Lines 17, 22, 32, 46, and 48)	#DIV/0!		#DIV/0!

For the 12 months ended
12/31/____

Line No.	(1)	(2)	(3)	(4)	(5)
SUPPORTING CALCULATIONS AND NOTES					
TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total Transmission plant	(Page 2, Line 2, Col. 3)			-
2	Less Transmission plant excluded from ISO rates	(Note P)			-
3	Less Transmission plant included in OATT Ancillary Service rates	(Note S)			-
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 and 3)			-
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)		TP =	#DIV/0!
WAGES & SALARY ALLOCATOR (W&S)					
	Form 1 Reference		\$	TP	Allocation
7	Production	354.20.b	-	-	-
8	Transmission	354.21.b	-	#DIV/0!	#DIV/0!
9	Distribution	354.23.b	-	-	-
10	Other	354.24,25,26.b	-	-	-
11	Total (W&S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)	-	#DIV/0!	= #DIV/0! = WS
RETURN (R)					
			\$	%	Cost
15	Long Term Debt	Attachment 5, Line 8 (Notes Q & R)	-	50.0%	#DIV/0!
16	Preferred Stock (112.3.c)	Attachment 5, Line 9 (Notes Q & R)	-	0.0%	0.00%
17	Common Stock	Attachment 5, Line 10 (Notes Q, R, and T)	-	50.0%	9.80%
18	Total	(Sum of Lines 15 through 17)	-		#DIV/0! = R
REVENUE CREDITS					
					\$
20	ACCOUNT 454 (RENT FROM ELECTRICPROPERTY)	Attachment 12, Line 8, Col. C (Note U)			-
21	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	Attachment 12, Line 18, Col. C (Note A)			-

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/____

General Note: References to pages in this formula rate template are indicated as: (Page #, Line #, Col. #)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

- Notes**
- A The revenues credited on page 1, lines 2-6, shall include only the amounts received by DesertLink for service rendered using facilities for which recovery is provided under this tariff. They do not include revenues associated with FERC annual charges, gross receipts taxes, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
 - B Company will not have any grandfathered agreements. Therefore, this line shall remain zero.
 - C Plant In Service, Accumulated Depreciation, and Depreciation Expenses shall exclude Asset Retirement Obligation amounts.
 - D Balances in Accounts 190, 281, 282 and 283 classified in the FERC Form 1 as Electric-related, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 will be reduced by prior flow throughs and excluded if the utility chooses to utilize amortization of tax credits against taxable income. Account 281 is not allocated to Transmission.
 - E Recovery of Regulatory Asset permitted only for pre-commercial and formation expenses as authorized by the Commission. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
 - F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of Abandoned Plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.
 - G Identified in FERC Form 1, or Company records if not so indicated on the FERC Form 1, as being transmission related.
 - H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 17, column 5 minus amortization of Regulatory Asset at page 3, line 14, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on page 111, line 57 in the Form 1.
 - I The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff. To the extent the charges are separately identified on the FERC Form 1, page 350, column 1, the line number will be added to the source in Column 2 for reference. Line item references can change from year to year. Items not specifically identified in the FERC Form 1, page 350 will be obtained from Company books and records.
 - J Page 3, Line 6 - Subtract all EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses in account 928 itemized at 351.h, and non-safety related advertising included in Account 930.1.
 - K Page 3, Line 8-Add back Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
 - M Includes only FICA, unemployment, highway, property, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere. Enter the line number on page 262-63 upon which each item is identified. To the extent individual types of taxes are separately identified on the FERC Form 1, page 262, column a, the line number will be added to the source in Column 2 for reference. Line item references can change from year to year. Items not specifically identified in the FERC Form 1, page 262-63 will be obtained from Company books and records.
 - N FIT is the weighted average Federal income tax rate and SIT is the weighted average State income tax rate, both from Attachment 7, and p is the "the percentage of federal income tax deductible for state income taxes". A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/(1-T)) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (1/(1-T)).

Inputs Required:	FIT =	0.0%	(Weighted Average Federal Income Tax Rate (Attachment 7, line 4, col. (i)))
	SIT =	0.0%	(Weighted Average State Income Tax Rate (Attachment 7, line 8, col. (i)))
	p =	0.0%	(Percent of federal income tax deductible for state purposes)
 - O The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Appendix III that are not the result of a timing difference. Tax Effect equals Permanent Differences multiplied by T.
 - P Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
 - Q The cost of debt will be determined based on the financing in place during each stage of project development. Before debt is obtained, a proxy interest rate which will be supported in the original Section 205 filing will be used. This rate is provided on Attachment 8 line 36. If construction debt (wherein principal is drawn down over time) is issued, the rate plus an amortization of fees projected to be incurred on the construction debt during the rate year will be the cost of debt. This construction debt rate (inclusive of fees) will be reset and true-up every year using the method on Attachment 9 for multi-year construction projects. Once non-construction debt is obtained, the actual interest rate and fees on the debt in place at the end of the year such non-construction debt is obtained will become the cost of debt. In the first full year after non-construction debt is obtained, the cost of debt will be the actual cost of debt determined using the method on Attachment 5.
- A hypothetical capital structure of 50% Equity and 50% debt will be used until the first transmission asset is placed in service, or until otherwise authorized by the Commission. After the facilities are placed in service, the lesser of a 50% equity hypothetical capital structure or the actual capital structure (with respect to equity) will be used.
- R Calculate rate base using 13 month average balance, except ADIT. The calculation of ADIT in the annual true-up calculation will use the beginning-of-year and end-of-year balances, and will be performed in accordance with IRS regulation Section 1.167(l)-1(h)(6). The calculation of ADIT in the annual projection will be performed in accordance with IRS Regulation Section 1.167(l)-1(h)(6).
 - S Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
 - T The rate of return on common equity ("ROE") will be supported in the original Section 205 filing and shall, at no time during the life of the Project, be higher than 9.8%, including adders. No change in ROE may be made absent a filing with FERC.
 - U Includes only income related to transmission facilities, such as pole attachments, rentals and special use from general ledger.
 - V Add back any lease expense of transmission assets used to provide service under this tariff included in account 565. Amount to be obtained from company books and records.
 - W DA = Direct Assignment; GP = Gross Plant Allocator (page 2, line 5); N/A = Not Applicable; NP = Net Plant Allocator (page 2, line 17); TP = Transmission Plant Allocator (page 4, line 5); WS = Wage and Salary Allocator (page 4, line 11).

Attachment 1
 Project Revenue Requirement Worksheet
 DesertLink, LLC

To be completed in conjunction with Appendix III.

Line No.	(1)	(2) <u>Appendix III, Page, Line, Col.</u>	(3) <u>Transmission</u>	(4) <u>Allocator</u>
1	Gross Transmission Plant plus CWIP	Appendix III, p 2, line 2, col 5 plus line 25, col 5 (Note A)	#DIV/0!	
2	Net Transmission Plant plus CWIP and Abandoned Plant	Appendix III, p 2, line 14, col 5 plus line 25 & 27, col 5 (Note B)	#DIV/0!	
O&M EXPENSE				
3	Total O&M Allocated to Transmission	Appendix III, p 3, line 17, col 5	#DIV/0!	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1, col 3)	#DIV/0!	#DIV/0!
GENERAL AND INTANGIBLE (G&I) DEPRECIATION EXPENSE				
5	Total G&I Depreciation Expense	Appendix III, p 3, line 20, col 5 (Note C)	#DIV/0!	
6	Annual Allocation Factor for G&I Depreciation Expense	(line 5 divided by line 1, col 3)	#DIV/0!	#DIV/0!
TAXES OTHER THAN INCOME TAXES				
7	Total Other Taxes	Appendix III, p 3, line 32, col 5	#DIV/0!	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1, col 3)	#DIV/0!	#DIV/0!
9	Less Revenue Credits	Appendix III, p 1, line 6 col 5	#DIV/0!	
10	Annual Allocation Factor for Revenue Credits	(line 9 divided by line 1, col 3)	#DIV/0!	#DIV/0!
11	Annual Allocation Factor for Expense	Sum of lines 4, 6, 8, and 10		#DIV/0!
INCOME TAXES				
12	Total Income Taxes	Appendix III, p 3, line 46, col 5	#DIV/0!	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2, col 3)	#DIV/0!	#DIV/0!
RETURN				
14	Return on Rate Base	Appendix III, p 3, line 48, col 5	#DIV/0!	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2, col 3)	#DIV/0!	#DIV/0!
16	Annual Allocation Factor for Return	Sum of lines 13 and 15		#DIV/0!

Attachment 1
 Project Revenue Requirement Worksheet
 DesertLink, LLC

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by CAISO. Other projects which comprise the remaining revenue requirement on Appendix III will not be entered on this schedule.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Line No.	Project Name	CAISO Category	Identifier	Project Gross Plant (Note D)	Annual Allocation Factor for Expense (Page 1, line 11)	Annual Expense Charge (Col. 3 * Col. 4)	Project Net Plant (Note E)	Annual Allocation Factor for Return (Page 1, line 16)	Annual Return Charge (Col. 6 * Col. 7)
1a	Project A		AAAA	-	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	#DIV/0!
1b	Project B		BBBB	-	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	#DIV/0!
2	Total Schedule 12			-		#DIV/0!	\$ -		#DIV/0!
3a	Project C		CCCC	-	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	#DIV/0!
3b	Project D		DDDD	-	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	#DIV/0!
4	Total Zonal			-		#DIV/0!	\$ -		#DIV/0!
5	Other			-	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	#DIV/0!
6	Annual Totals			-		#DIV/0!	-		#DIV/0!

Attachment 1
Project Revenue Requirement Worksheet
DesertLink, LLC

Line No.	(9) Project Depreciation/Amortization Expense (Note F)	(10) Annual Revenue Requirement (Sum Col. 5, 8 & 9)	(11) Incentive Return in Basis Points (Note G)	(12) Incentive Return (Attachment 2, Line 28 Incentive Return * Col. 6 * Col. 11/100)	(12a) Ceiling Rate (Sum Col. 10 & 12)	(13) Competitive Concession (Note H)	(14) Total Annual Revenue Requirement (Sum Col. 10 & 12 Less Col. 13)	(15) True-Up Adjustment (Note I)	(16) Net Revenue Requirement (Sum Col. 14 & 15)
1a	-	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
1b	-	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
2	-	#DIV/0!		#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
3a	-	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
3b	-	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
4	-	#DIV/0!		#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
5	-	#DIV/0!	-	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!
6	-	#DIV/0!		#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!

Notes

- A Gross Transmission Plant is that identified on page 2 line 2 of Appendix III inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order.
- B Net Plant is that identified on page 2 line 14 of Appendix III inclusive of any CWIP or unamortized Abandoned Plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C General and Intangible Depreciation and Amortization Expense includes all expenses (except depreciation and amortization of G&I Asset Retirement Obligations) not directly associated with a project, which is entered on page 3 , column 9.
- D Project Gross Plant is the total capital investment including CWIP for the project calculated from Company books and records in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- E Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation plus CWIP in rate base if applicable and Unamortized Abandoned Plant.
- F Project Depreciation Expense is the actual value booked for the project (excluding General and Intangible depreciation) at Appendix III, page 3, line 19, plus amortization of Abandoned Plant at Appendix III, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).
- H The Competitive Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate.
- I True-Up Adjustment is calculated on the Project True-up Schedule for the relevant true-up year.

Attachment 2
 Incentive Return
 DesertLink, LLC

Line	Rate Base							
1	Rate Base							#DIV/0!
2	100 Basis Point Incentive Return							
3	Long Term Debt	(Notes Q & R from Appendix III)						
4	Preferred Stock	(Notes Q & R from Appendix III)						
	Common Stock	(Notes Q, R, & T from Appendix III)						
5								
6	Total (sum lines 3-5)							
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)							#DIV/0!
8	INCOME TAXES							
9	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$							
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$							
11	WCLTD							
12	FIT, SIT & p are as given in Appendix III footnote N.							
13	$1 / (1 - T)$							
14	Amortized Investment Tax Credit (266.8f) (enter negative)							
15	Excess Deferred Income Taxes (enter negative)							
16	Tax Effect of Permanent Differences (Note B)							
17	Income Tax Calculation							
18	ITC adjustment							
19	Excess Deferred Income Tax Adjustment							
20	Permanent Differences Tax Adjustment							
21	Total Income Taxes							
22	Return and Income Taxes with 100 basis point increase in ROE							
23	Return							
24	Income Tax							
25	Return and Income Taxes without 100 basis point increase in ROE							
26	Incremental Return and Income Taxes for 100 basis point increase in ROE							
27	Rate Base							
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base							

Notes

A The 100 basis point increase in ROE is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE and does not reflect what incentives the Commission may approve for a specific transmission project. The overall ROE inclusive of incentives is subject to the limitations noted in Appendix III, Note T. Any ROE actual incentive must be approved by the Commission.

B The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Appendix III that are not the result of a timing difference.

Attachment 3
Formula Rate True-Up
DesertLink, LLC

This Attachment 3 is used to calculate the annual formula rate true-up. Any projects for which the RTO requires a true-up on an individual project basis, as shown on Attachment 1, will be computed separately. The remainder of the revenue requirement will also be trueed up. The utility will individually enter the projected true-up year revenue requirements in Column C. A percentage of total will be calculated in Column D. Actual revenue received during the true-up year is entered into Column E, line 2 and allocated using the Column D percentage. The utility will prepare this formula rate template with the actual inputs for the true-up year, with the resulting revenue requirement for each line being separately entered in Column F. In Col. G, Col. F is subtracted from Col. E to calculate the true-up adjustment. Interest on the true-up is computed in Column H. Any adjustments to prior period true-ups are entered in Col. I. Col. J computes the total true-up as the sum of Col. G, H and I.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

Line	True-Up Year			Projected True-Up Year Revenue Requirement Calculation		True-Up Year Revenue Received ¹	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1						-					
2	A	B	C	D	E	F	G	H	I	J	
	Project Name	CAISO Identification	Project # Or Other Identifier	Net Revenue Requirement ²	% of Total Revenue Requirement	Allocation of Revenue Received (E, Line 2) x (D)	True-Up Net Revenue Requirement ³	Net Under/(Over) Collection (F)-(E)	True-Up Interest Income (Expense) ⁴ (D) x (H, line 10)	Prior Period Adjustment with Interest ⁵	Total True-Up (H) + (I)
3	Remaining Appendix III			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
4a	Project A		AAAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
4b	Project B		BBBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
5	Total Schedule 12			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
6a	Project C		CCCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
6b	Project D		DDDD	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
7	Total Zonal			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
8	Other			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!
9	Total Annual Revenue Requirements			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0	#DIV/0!
10						#DIV/0!	Total Interest on True-Up - Attachment 6				

Prior Period Adjustment

A	B
Prior Period Adjustment (Note 5)	Adjustment Amount
Description of Adjustment	-
Attachment 11	

Notes

- 1) The revenue received is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E.
- 2) From the Attachment 1, lines 1a through 6, col. 16 from the template in which the true-up year revenue requirement was initially projected.
- 3) From True-Up revenue requirement template Attachment 1, lines 1a through 6, col. 14.
- 4) Interest due on the true up is calculated for the 24 month period from the start of the true-up year until the end of the year following the true-up year when the true up will be included in rates. Total True up Interest calculate on Attachment 6 and allocated to projects based on the percentage in Column D.
- 5) Corrections to true-ups for previous rate years including interest will be computed on Attachment 11 and entered on the appropriate line 3-8 above.

Attachment 4
Rate Base Worksheet
DesertLink, LLC

Line No	Month (a)	Gross Plant in Service		CWIP	LHFFU	Working Capital		Accumulated Depreciation	
		Transmission (b)	General & Intangible (c)	CWIP in Rate Base (d)	Held for Future Use (e)	Materials & Supplies (f)	Prepayments (g)	Transmission (h)	General & Intangible (i)
		207.58.g less 207.57.g for end of year, records for other months	205.5.g & 207.99.g less 207.98.g for end of year, records for other months	Note B - page 2, column C	214.47.d for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c less ARO for end of year, records for other months	219.28.c & 200.21.c less ARO for end of year, records for other months
1	December	Rate Year-1	-	-	-	-	-	-	-
2	January	Rate Year	-	-	-	-	-	-	-
3	February	Rate Year	-	-	-	-	-	-	-
4	March	Rate Year	-	-	-	-	-	-	-
5	April	Rate Year	-	-	-	-	-	-	-
6	May	Rate Year	-	-	-	-	-	-	-
7	June	Rate Year	-	-	-	-	-	-	-
8	July	Rate Year	-	-	-	-	-	-	-
9	August	Rate Year	-	-	-	-	-	-	-
10	September	Rate Year	-	-	-	-	-	-	-
11	October	Rate Year	-	-	-	-	-	-	-
12	November	Rate Year	-	-	-	-	-	-	-
13	December	Rate Year	-	-	-	-	-	-	-
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-	-

Adjustments to Rate Base

Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281 Accumulated Deferred Income Taxes (Note E) (d)	Account No. 282 Accumulated Deferred Income Taxes (Note E) (e)	Account No. 283 Accumulated Deferred Income Taxes (Note E) (f)	Account No. 190 Accumulated Deferred Income Taxes (Note E) (g)	Account No. 255 Accumulated Deferred Investment Credit (Note I) (h)
	Note C	Note D	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December	Rate Year-1	-	-	-	-	-
16	January	Rate Year	-	-	-	-	-
17	February	Rate Year	-	-	-	-	-
18	March	Rate Year	-	-	-	-	-
19	April	Rate Year	-	-	-	-	-
20	May	Rate Year	-	-	-	-	-
21	June	Rate Year	-	-	-	-	-
22	July	Rate Year	-	-	-	-	-
23	August	Rate Year	-	-	-	-	-
24	September	Rate Year	-	-	-	-	-
25	October	Rate Year	-	-	-	-	-
26	November	Rate Year	-	-	-	-	-
27	December	Rate Year	-	-	-	-	-
28	Average of the 13 Monthly Balances	-	-	-	-	-	-

Attachment 4
Rate Base Worksheet
DesertLink, LLC

Reconciliation of CWIP in Rate Base to FERC Form 1 - Note B

		Total CWIP (a)	Less: CWIP and AFUDC Excluded from Rate Base (b)	CWIP allowed in Rate Base (c) = (a) - (b)
	216.b for end of year, records for other months		Company records	
29	December	Rate Year-1	-	-
30	January	Rate Year	-	-
31	February	Rate Year	-	-
32	March	Rate Year	-	-
33	April	Rate Year	-	-
34	May	Rate Year	-	-
35	June	Rate Year	-	-
36	July	Rate Year	-	-
37	August	Rate Year	-	-
38	September	Rate Year	-	-
39	October	Rate Year	-	-
40	November	Rate Year	-	-
41	December	Rate Year	-	-
	Average of the 13 Monthly Balances			

Unfunded Reserves (Notes A and F and G)

	(a)	(b)	(b.i)	(b.ii)	(c)	(d)	(e)	(f)	(g)	(h)
List of all reserves	FERC balance sheet account where reserves are recorded	FERC income statement account where expenses are recorded			Amount	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter (0) if the accrual account is NOT included in the formula rate	Enter the percentage paid for by customers less the percent associated with an offsetting liability on the balance sheet (Note H)	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
42a	Reserve 1	-	-	-	-	-	-	-	-	-
42b	Reserve 2	-	-	-	-	-	-	-	-	-
43	Total	-	-	-	-	-	-	-	-	-

Notes:

- A Calculate using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances
- B Recovery of CWIP in rate base must be approved by FERC. Lines 29-41 of page 2 provide a reconciliation of the Company's total CWIP to the CWIP allowed in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will also describe the reconciliation prepared on this Attachment.
- C Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission.
- D Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- E ADIT is computed using the average of the beginning of the year and the end of the year balances. Electric ADIT only, Excludes ARO-related ADIT.
- F The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account (see Note H)). Each unfunded reserve will be included on lines 42 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by creating an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- G Not all unfunded reserves are created only from contributions from customers. Many are created by creating an offsetting liability in whole or in part. Column (f) ensures only the portion of the unfunded reserve contributed by the customer (and not created by an offsetting liability) is a reduction to rate base.
- H The inputs in Column (f) are the percentage of the unfunded reserve that was created by an offsetting liability. The percentage shown in Column (f) is then equal to the percentage that customers have contributed to the unfunded reserve.

Attachment 5
Return on Rate Base Worksheet
DesertLink, LLC

RETURN ON RATE BASE (R)

			\$
1	Long Term Interest (117, sum of 62.c through 67.c) (Note D)		-
2	Preferred Dividends (118.29c) (positive number)		-
3	Proprietary Capital (Line 25 (c))		-
4	Less Preferred Stock (Line 9)		-
5	Less Account 216.1 Undistributed Subsidiary Earnings (Line 25 (d))		-
6	Less Account 219 Accum. Other Comprehensive Income (Line 25 (e))		-
7	Common Stock (Sum of Lines 3 through 6)		-
			\$
8	Long Term Debt	Line 25 (a), Note A and Appendix III Note Q	-
9	Preferred Stock	Line 25 (b), Note B and Appendix III Note Q	-
10	Common Stock	Line 7, Note C and Appendix III Notes Q and T	-
11	Total (Sum of Lines 8 through 10)		-

			\$	%	Cost	Weighted	
8	Long Term Debt	Line 25 (a), Note A and Appendix III Note Q	-	50.00%	#DIV/0!	#DIV/0!	=WCLTD
9	Preferred Stock	Line 25 (b), Note B and Appendix III Note Q	-	0.00%	0.00%	0.00%	
10	Common Stock	Line 7, Note C and Appendix III Notes Q and T	-	50.00%	9.80%	4.90%	
11	Total	(Sum of Lines 8 through 10)	-			#DIV/0!	=R

	(a)	(b)	(c)	(d)	(e)
Monthly Balances for Capital Structure	Long Term Debt (Note A)	Preferred Stock (112.3.c)	Proprietary Capital (112.16.c)	Undistributed Sub Earnings 216.1 (112.12.c)	Accum Other Comp. Income 219 (112.15.c)
12	December (Prior Year)	-	-	-	-
13	January	-	-	-	-
14	February	-	-	-	-
15	March	-	-	-	-
16	April	-	-	-	-
17	May	-	-	-	-
18	June	-	-	-	-
19	July	-	-	-	-
20	August	-	-	-	-
21	September	-	-	-	-
22	October	-	-	-	-
23	November	-	-	-	-
24	December	-	-	-	-
25	13-Month Average	-	-	-	-

Notes

- A Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112, lines 18.c to 21.c, in the Form No. 1; the cost is calculated by dividing line 1 by the Long Term Debt balance on line 8.
- B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c in the Form No. 1
- C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on Form 1 page 112 line 16.c less lines 3.c , 12.c, and 15.c
- D Long-term interest will exclude any short-term interest included in FERC Account 430, Interest on Debt to Associated Companies

Attachment 6
 Interest on True-Up
 DesertLink, LLC

Rate Year		Rate Year		Over (Under) Recovery
Projected Revenue Requirement (Note A)		Actual Net Revenue Requirement (Note B)		
#DIV/0!	Less	#DIV/0!	Equals	#DIV/0!

Note A - Projected ATRR for the true-up year from Page 1, Line 1 of Projection Appendix III minus Line 6 of Projection Appendix III.
 Note B - Actual Net ATRR for the true-up year from Page 1, Line 9 of True-Up Appendix III.

Interest Rate on Amount of Refunds or Surcharges	Over (Under) Recovery Plus Interest	Monthly Interest Rate on Attachment 6a #DIV/0!	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
An over or under collection will be recovered pro rata over year collected, held for one year and returned pro rata over next year						
<u>Calculation of Interest</u>				Monthly		
January	Rate Year	#DIV/0!	#DIV/0!	12	#DIV/0!	#DIV/0!
February	Rate Year	#DIV/0!	#DIV/0!	11	#DIV/0!	#DIV/0!
March	Rate Year	#DIV/0!	#DIV/0!	10	#DIV/0!	#DIV/0!
April	Rate Year	#DIV/0!	#DIV/0!	9	#DIV/0!	#DIV/0!
May	Rate Year	#DIV/0!	#DIV/0!	8	#DIV/0!	#DIV/0!
June	Rate Year	#DIV/0!	#DIV/0!	7	#DIV/0!	#DIV/0!
July	Rate Year	#DIV/0!	#DIV/0!	6	#DIV/0!	#DIV/0!
August	Rate Year	#DIV/0!	#DIV/0!	5	#DIV/0!	#DIV/0!
September	Rate Year	#DIV/0!	#DIV/0!	4	#DIV/0!	#DIV/0!
October	Rate Year	#DIV/0!	#DIV/0!	3	#DIV/0!	#DIV/0!
November	Rate Year	#DIV/0!	#DIV/0!	2	#DIV/0!	#DIV/0!
December	Rate Year	#DIV/0!	#DIV/0!	1	#DIV/0!	#DIV/0!
				<u>#DIV/0!</u>		<u>#DIV/0!</u>
January through December	Rate Yr. + 1	#DIV/0!	#DIV/0!	12	#DIV/0!	#DIV/0!
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
February	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
March	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
April	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
May	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
June	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
July	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
August	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
September	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
October	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
November	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
December	Rate Yr. + 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
				<u>#DIV/0!</u>		<u>#DIV/0!</u>
Total Amount of True-Up Adjustment						#DIV/0!
Less Over (Under) Recovery						#DIV/0!
Total Interest						#DIV/0!

Attachment 6a
 True-Up Interest Rate Calculator
 DesertLink, LLC

This Attachment is used to compute the interest rate to be applied to each year's revenue requirement true-up.

Applicable FERC Interest Rate (Note A):		
1	Rate Year January	-
2	Rate Year February	-
3	Rate Year March	-
4	Rate Year April	-
5	Rate Year May	-
6	Rate Year June	-
7	Rate Year July	-
8	Rate Year August	-
9	Rate Year September	-
10	Rate Year October	-
11	Rate Year November	-
12	Rate Year December	-
13	Rate Year Plus 1 January	-
14	Rate Year Plus 1 February	-
15	Rate Year Plus 1 March	-
16	Rate Year Plus 1 April	-
17	Rate Year Plus 1 May	-
18	Average Rate	#DIV/0!
19	Monthly Average Rate	#DIV/0!

Note A - Lines 1-17 are the FERC interest rates under section 35.19a of the regulations for the period shown. Line 18 is the average of lines 1-17.

Attachment 7
 Weighted Average Federal and State Income Tax Rates
 DesertLink, LLC

Line	Description	Source	Subchapter C Corporations	Individuals	Mutual Funds	Pensions, IRAs Keogh Plans	UBTI Entities	Non-Taxpaying Entities	Weighted Average
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Weighted Marginal Federal Income Tax Rate	Note A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2	Allocated Income Percentage	Note B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3	Weighted Average	Line 1 x Line 2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Weighted Average Federal Income Tax Rate	Sum of Line 3, Col. (c)-(h)							0.00%
5	Weighted Marginal State Income Tax Rate	Note C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	Allocated Income Percentage	Note B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7	Weighted Average	Line 5 x Line 6	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
8	Weighted Average State Income Tax Rate	Sum of Line 7, Col. (c)-(h)							0.00%

- A For each Rate Year, DesertLink will develop a schedule calculating the weighted average federal income tax rate for each category of partners.
- B This percentage is developed based on the distributive income allocated to each category of partners rather than their respective ownership percentages.
- C For each Rate Year, DesertLink will develop a schedule calculating the weighted average state income tax rate for each category of partners.

Attachment 8
Cost of Debt Prior to Issuing Non-Construction Financing
DesertLink, LLC

This Attachment 8 is to be utilized to determine the cost of debt prior to issuing non-construction financing. Once non-construction financing is issued the cost of debt shall be determined using the methodology described in Note Q on Appendix III. If construction debt has not or will not be issued when construction starts, a proxy rate will be used for the cost of debt, which will be supported in the initial section 205 filing. The proxy rate will be entered on line 36 of this attachment. If construction financing has been obtained, the cost of debt prior the issuance of non-construction financing shall be based on the terms of the construction financing and determined below. Up-front fees including origination fees will be amortized and included in the cost of debt.

If construction financing is obtained, all rates, fees and monthly debt balances will be subject to true up pursuant to Attachment 9. Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

Line No							
1	Interest rate on Construction Debt for Rate Year - Line 19 (g)						#DIV/0!
2	Rate Year Debt Fee expense - Line 35 (e)						#DIV/0!
3	Total Cost of Debt - Sum of Lines 1 and 2						#DIV/0!
Interest Rate Information							
4	Commitment Fee Rate (%)						0.00%
5	Projected Average Drawn Rate for Rate Year (%) - Note A						0.00%
	Month During Rate Year	Total Loan Amount (\$000)	Principal Drawn (\$000)	Unutilized Loan Balance (\$000)	Commitment Fee & Utilization Fee (\$000)	Interest Expense (\$000)	Effective Annual Interest Rate (%)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6	December Prior Year	-	-	-	-	-	-
7	January	-	-	-	-	-	-
8	February	-	-	-	-	-	-
9	March	-	-	-	-	-	-
10	April	-	-	-	-	-	-
11	May	-	-	-	-	-	-
12	June	-	-	-	-	-	-
13	July	-	-	-	-	-	-
14	August	-	-	-	-	-	-
15	September	-	-	-	-	-	-
16	October	-	-	-	-	-	-
17	November	-	-	-	-	-	-
18	December	-	-	-	-	-	-
19	Average of the 13 Monthly Balances	-	-	-	-	-	#DIV/0!

Example Fee Calculation - All amounts represent actual rate year expenses.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Rate/Fees	Gross Fee Amount (\$000)	Year Fee Incurred	Fee Amortization Period (years)	Rate Year Amortized Fee Amount, col. b / col. d	Prior Years Accumulated Fee Amortization	Unamortized Balance - End of Rate Year
Origination Fees							
20	Underwriting Discount	0.00%	-	-	#DIV/0!	-	#DIV/0!
21	Arrangement Fee	0.00%	-	-	#DIV/0!	-	#DIV/0!
22	Upfront Fee	0.00%	-	-	#DIV/0!	-	#DIV/0!
23	Rating Agency Fee	0.00%	-	-	#DIV/0!	-	#DIV/0!
24	Legal Fees	0.00%	-	-	#DIV/0!	-	#DIV/0!
25	Other	0.00%	-	-	#DIV/0!	-	#DIV/0!
26	Total Issuance Expense / Origination Fees - Sum of Lines 20-25		-	-	#DIV/0!	-	#DIV/0!
27							
Annual Fees							
29	Annual Rating Agency Fee	0.00%	-	N/A	0	N/A	N/A
30	Annual Bank Agency Fee	0.00%	-	N/A	0	N/A	N/A
31	Utilization Fee	0.00%	-	N/A	0	N/A	N/A
32	Other Fees	0.00%	-	N/A	0	N/A	N/A
33	Total Fees		-	-	#DIV/0!	-	#DIV/0!
34	13 Month Average Debt balance - Line 19 (c)				-		
35	Rate Year cost of fees				#DIV/0!		
36	Proxy Debt rate. Used prior to issuance of construction financing and supported in initial section 205 filing.						3.2220%

Notes

A Projected rate will be Average LIBOR for rate year + spread. Spread will be supported in initial section 205 filing. LIBOR will be updated based on information in the Wall Street Journal as of the 15th day of the month prior to population of this template.

LIBOR	0.0000%
Spread	2.3500%
Total	2.3500%

Attachment 9
True-Up - Construction Financing Cost of Debt
DesertLink, LLC

This Attachment 9 is to be utilized only in the event construction financing has been obtained to compute the actual cost of debt to be included in the return on rate base calculation for the true-up each year prior to the issuance of non-construction financing. Once non-construction financing has been obtained the cost of debt shall be determined using the methodology described in Note Q on Appendix III.

One time up-front debt fees, including origination fees will be amortized and included in the cost of debt.

Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

Line No.

	\$
1 Long Term Interest and Fees (117, sum of 62.c through 67.c) -- Notes A and B	-
2 Line of Credit Fees (68.c) -- Note C	-
3 Total Interest and Fees	-

13 Month Average Long-Term Debt - Notes A and D

	Month During Rate Year (a)	Long Term Debt (d)
4 December Prior Year		-
5 January		-
6 February		-
7 March		-
8 April		-
9 May		-
10 June		-
11 July		-
12 August		-
13 September		-
14 October		-
15 November		-
16 December		-
17	Average of the 13 Monthly Balances	-
18 True-Up Cost of Debt (Line 3 / Line 17)		#DIV/0!

Notes

- A Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112, line 24, columns d and c, respectively, in the Form No. 1; the cost is calculated by dividing line 1 by the Long Term Debt
- B Long-term interest will exclude any short-term interest included in FERC Account 430, Interest on Debt to Associated Companies.
- C Line of credit fees will include only those related to long-term debt and not for short-term debt.
- D Long-term debt will exclude any short-term debt included in FERC Account 233, Notes Payable to Associated Companies.

For the twelve months ended 12/31/____

Attachment 10
 Depreciation Rates
 DesertLink, LLC

INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES

			Initial Annual Depreciation Rates (Notes A and B)
INTANGIBLE PLANT			
1	301.0	Organization	2.00%
2	302.0	Franchises and Consents	2.00%
3	303.0	Computer Software	7.68%
3a	303.1	Contributions in Aid of Construction	Note C
TRANSMISSION PLANT			
4	350.2	Land Rights	1.55%
5	352.0	Structures & Improvements	0.99%
6	353.0	Station Equipment	1.67%
7	354.0	Towers & Fixtures	1.48%
8	355.0	Poles & Fixtures	2.52%
9	356.0	Overhead Conductors & Devices	2.26%
10	357.0	Underground Conduit	1.61%
11	358.0	Underground Conduit & Devices	2.21%
12	359.0	Roads and Trails	1.74%
GENERAL PLANT			
13	391.0	Office Furniture & Equipment	5.00%
14	391.1	Computer Hardware	20.00%
15	392.0	Transportation Equipment	9.44%
16	393.0	Stores Equipment	5.00%
17	397.0	Communication Equipment	6.67%

Notes

A Taken directly from DesertLink affiliate Nevada Power Company for property in same FERC accounts, other than Accounts 301.0 and 302.0.

B These depreciation rates will not be changed absent a FERC order.

For the twelve months ended 12/31/ ____

Attachment 11
 Prior Period Adjustments
 DesertLink, LLC

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Revenue Impact of Correction</u>	<u>(b)</u>	
				<u>Calendar Year</u>	
				<u>Revenue Requirement</u>	
1	Filing Name and Date				-
2	Original Revenue Requirement				-
3					
4	Description of Correction 1				-
5	Description of Correction 2				-
6					
7	Total Corrections	Line 4 + 5			-
8					
9	Corrected Revenue Requirement	Line 2 + 7			-
10					
11					
12	Total Corrections	Line 7			-
13					
14	Average Monthly FERC Refund Rate	Note A		0.00%	
15	Number of Months of Interest	Note B		30	
16	Interest on Correction	Line 12 x 14 x 15			-
17					
18	Total Annual Amount Due from / (to) Customers	Line 12 + 16			-

Notes

- A The interest rate on corrections will be the average monthly FERC interest rate for the period from the beginning of the year being corrected through the most recent month available as of the time the correction is computed and included in an annual filing.
- B The number of months interest due on the correction will be the number of months from the beginning of the year being corrected through June of the year in which the correction will be reflected in rates. In this manner the interest computed will reflect all years prior to when the correction is reflected in rates plus interest on the average unrefunded balance of the correction during the year the correction is reflected in rates.

Attachment 12
Revenue Credit Detail
DesertLink, LLC

Line No.	(Note A)	Source	(a) Company Total	(b) Less: Non Transmission	(c) = (a) - (b) Transmission-related
1	Account 454 - Rent from Electric Property				
2	Joint pole attachments - telephone	Company books	-	-	-
3	Joint pole attachments - cable	Company books	-	-	-
4	Underground rentals	Company books	-	-	-
5	Transmission tower wireless rentals	Company books	-	-	-
6	Other rentals	Company books	-	-	-
7	Other rentals	Company books	-	-	-
8	Account 454 Revenue Credit	Form 1 300.19.b	-	-	-
9	Account 456.1 Other Operating Revenues				
10	CAISO NITS	Company books	-	-	-
11	CAISO Point to Point	Company books	-	-	-
12	Over/Under recovery deferral	Company books	-	-	-
13	Other Transmission Service Revenues	Company books	-	-	-
14	Other	Company books	-	-	-
15	Total Per Books	Form 1 330.n	-	-	-
16	Less: revenues received pursuant to this Formula Rate		-	-	-
17	Less: Over/Under recovery deferral		-	-	-
18	Account 456.1 Revenue Credit	(Line 15 - line 16 - line 17)	-	-	-
19	Total Revenue Credits	(Line 8 + line 18)	-	-	-

Note A All 454 and 456.1 revenues will be detailed from Company books and records or FERC Form 1, and additional rows added if necessary. Non-transmission-related amounts will be deducted to determine transmission-related amounts.

Appendix IV FORMULA RATE IMPLEMENTATION PROTOCOLS

APPENDIX IV

DESERTLINK, LLC FORMULA RATE IMPLEMENTATION PROTOCOLS

The formula rate template (“Template”) and these formula rate implementation protocols (“Protocols”) together comprise the filed rate (“Formula Rate”) of DesertLink, LLC (“DesertLink”) for transmission revenue requirement determinations under the California Independent System Operator Corporation’s (“CAISO”) Transmission Access Charge (“TAC”) determined in accordance with the CAISO Transmission Tariff (“CAISO Tariff”). DesertLink shall follow the instructions specified in the Formula Rate to calculate annually its net revenue requirement, as set forth at page 1, line 9 of the Template (“Net Revenue Requirement”). The Net Revenue Requirement shall be determined for January 1 to December 31 of a given calendar year (the “Rate Year”). The Formula Rate shall become effective for recovery of DesertLink’s Net Revenue Requirement upon the effective date for incorporation into the CAISO Tariff through an appropriate filing with the Federal Energy Regulatory Commission (“FERC” or “Commission”) under Section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d. Absent a separate filing under Section 205 of the FPA, the Formula Rate may not be used by any entity (including affiliates or subsidiaries of DesertLink) other than DesertLink.

Section 1. Annual Projection

- a. No later than October 1 preceding the first Rate Year that DesertLink expects to recover Net Revenue Requirements under the CAISO Tariff, and each subsequent Rate Year thereafter, DesertLink shall determine its projected Net Revenue Requirement for the upcoming Rate Year in accordance with DesertLink’s Formula Rate (“Annual Projection”). The Annual Projection shall include the True-up Adjustment described and defined in Section 2 below, if applicable.

- b. *Posting, Format, and Notice of Annual Projection.* No later than October 1 preceding the first Rate Year, and each subsequent Rate Year, DesertLink shall cause an electronic version of the Annual Projection to be posted in both a Portable Document Format (“PDF”) and fully-functioning Excel file at a publicly accessible location on DesertLink’s internet website, and CAISO will post a link to DesertLink’s website on CAISO’s website. DesertLink’s posting shall include all inputs in sufficient detail to identify the components of DesertLink’s projected Net Revenue Requirement, explanations of the bases for the projections and input data, and sufficient detail and explanation to enable Interested Parties¹ to replicate the calculation of the projected Net Revenue Requirement. If the date for making such posting of the Annual Projection should fall on a weekend or a holiday recognized by FERC, then the posting shall be made no later than the next business day. Within ten (10) days of such posting, DesertLink shall electronically serve each Annual Projection upon the Service List.²
- c. With its Annual Projection, DesertLink will provide a separate work paper (in the form generally reflected on Attachment A to these Protocols) identifying the cost

¹ As used in these Protocols, “Interested Parties” shall include but not be limited to: (i) any Eligible Customer under the CAISO Tariff; (ii) any regulatory agency with rate jurisdiction over a public utility located within the CAISO footprint; (iii) any state attorneys general; (iv) any consumer advocate authorized by state law to review and contest the rates for any public utility located within the CAISO footprint; (v) any party requesting to be listed on the “Service List” as defined under footnote 2 hereto; and (v) any party with standing under FPA Section 205 or Section 206.

² As used in these Protocols, the term “Service List” shall mean: (i) the email list of CAISO Tariff Transmission Customers maintained by the CAISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the CAISO footprint; (iii) any consumer advocate agency empowered by law to review and contest the rates for any such public utility, provided that such consumer advocate agency requests to be placed on the Service List and provides an e-mail address to DesertLink; (iv) parties included on the service list for FERC Docket No. ER17-135-000; (v) any person or entity admitted as a party in any Annual Update proceeding filed by DesertLink in accordance with these Protocols; and (v) any other Interested Party, as that term is defined in Section 1(b), that wishes to be included on the Service List, provided that such Interested Party requests to be placed on the Service List and provides an e-mail address to DesertLink.

containment commitments set forth in the Approved Project Sponsor Agreement by and between DesertLink and CAISO. In the work paper DesertLink shall annually confirm its compliance with the cost containment commitments and identify the appropriate entries in the Formula Rate Template identifying such compliance. In addition, DesertLink shall provide a work paper providing information regarding the manner in which the Weighted Average Federal and State Income Tax Rates are calculated as included in Attachment 7 of the Formula Rate Template.

- d. *Accounting Changes.* With respect to any Accounting Change (as that term is defined in Section 3.d.iii), DesertLink shall (i) identify any Accounting Changes, including the initial implementation of an accounting standard or policy, the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction, correction of errors and prior period adjustments that impact the projected Net Revenue Requirement calculation, the implementation of new estimation methods or policies that change prior estimates, and changes to income tax elections; (ii) identify items included in the projected Net Revenue Requirement at an amount other than on a historic cost basis (e.g., fair value adjustments); (iii) identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected Net Revenue Requirement; and (iv) provide, for each item identified pursuant to

Section 1.c.i – iii of these Protocols, a narrative explanation of the individual impact of such changes on the projected Net Revenue Requirement.

- e. *Annual Projection Meeting.* No less than twenty (20) business days and no more than thirty (30) business days after October 1, DesertLink shall hold a stakeholder meeting with Interested Parties in order for DesertLink to explain its Annual Projection and to provide Interested Parties an opportunity to seek information and clarifications regarding the Annual Update (“Annual Projection Meeting”). DesertLink shall cause to be posted on its internet website and distributed to the Service List, the time, date and location of the Annual Projection Meeting no fewer than seven (7) days prior to the Annual Projection Meeting, and DesertLink shall provide remote access to the Annual Projection Meeting to allow all Interested Parties the opportunity to remotely participate in such meetings.
- f. *Revisions to the Annual Projection.* To the extent DesertLink agrees to make changes in the Annual Projection for a given Rate Year, such revised Annual Projection shall be promptly posted at a publicly accessible location on DesertLink’s internet website, and distributed to the Service List. Changes posted prior to December 1 of the preceding Rate Year, or the next business day if December 1 is not a business day (or such later date as can be accommodated under CAISO’s billing practices), shall be reflected in the Annual Projection collected during the Rate Year; changes posted after that date will be reflected, as appropriate, in the True-up Adjustment for the Rate Year in the following year’s Annual Update.
- g. *Review and Challenge of the Annual Projection.* The Annual Projection, including the True-Up Adjustment, for each Rate Year shall be subject to review,

challenge, true-up and refunds or surcharges with interest at the applicable FERC rate pursuant to Sections 4, 5, and 6 of these Protocols.

Section 2. True-Up Adjustment and Actual Net Revenue Requirement

- a. DesertLink will calculate the amount of under- or over-collection of its actual Net Revenue Requirement during the preceding Rate Year (“True-Up Adjustment”) after the FERC Form No. 1 data for that Rate Year has been filed with the Commission. The True-Up Adjustment shall be the sum of the True-Up Adjustment Over/Under Recovery as determined in Section 2(b) and the Interest on the True-Up Adjustment Over/Under Recovery as determined in Section 2(c).
- b. *Calculation of the True-Up Adjustment.* To determine any over- or under-recovery (“True-Up Adjustment Over/Under Recovery”), DesertLink’s projected Net Revenue Requirement collected during the previous Rate Year³ will be compared to DesertLink’s actual Net Revenue Requirement for the previous Rate Year. DesertLink shall calculate its actual Net Revenue Requirement in accordance with DesertLink’s Formula Rate and based upon: (i) DesertLink’s FERC Form No. 1 for that same Rate Year; (ii) any FERC orders specifically applicable to DesertLink’s calculation of its annual revenue requirement; (iii) the books and records of DesertLink (which shall be maintained consistent with the FERC Uniform System of Accounts (“USofA”)); (iv) FERC accounting policies and practices applicable to the calculation of annual revenue requirements under

³ If the initial use of the Formula Rate covers only part of a calendar year, the initial projected Net Revenue Requirement will be divided by the number of months the Formula Rate is in effect to calculate the monthly projected cost of service to be collected each month of the first year. Similarly, the actual Net Revenue Requirement will be divided by the number of months the rate is in effect to calculate the actual cost of service to be collected each month of the first year. The first True-up Adjustment will compare the projected Net Revenue Requirement billed and the actual Net Revenue Requirement for that initial Rate Year.

formula rates; and (v) any aspects of the CAISO Governing Documents⁴ that apply to the calculation of annual revenue requirements under individual transmission owner formula rates.

- c. *Calculation of Interest.* Interest on any True-up Adjustment Over/Under Recovery of the actual Net Revenue Requirement shall be calculated in accordance with Attachment 6 of the Formula Rate.
- d. *Variance Analysis.* DesertLink will include a variance analysis of, at minimum, actual Net Revenue Requirement components of rate base, operating and maintenance expenses, depreciation expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected Net Revenue Requirement that was calculated for the prior Rate Year with an explanation of material changes.

Section 3. Annual Update

- a. No later than July 1 following each Rate Year, DesertLink shall calculate its actual Net Revenue Requirement and the True-Up Adjustment as described in Section 2 (“Annual Update”) for such Rate Year.
- b. *Posting and Notice of the Annual Update; Publication Date.* No later than July 1 following each Rate Year, DesertLink shall cause such Annual Update, together with such other information described in this Section 3, to be posted in both a PDF and fully-functioning Excel format at a publicly accessible location on its internet website and distributed to the Service List. The date on which the last of the events listed in this Section 3.b occurs shall be that year’s “Publication Date,”

⁴ Governing Documents include the CAISO Tariff, Business Practice Manuals, and other applicable contracts and agreements.

which shall occur within ten (10) days of DesertLink posting the Annual Update. If the date for making the Annual Update posting should fall on a weekend or a holiday recognized by the FERC, then the posting shall be due on the next business day.

- c. *Annual Update Meeting.* No less than twenty (20) business days and no more than thirty (30) business days after July 1, DesertLink shall hold a stakeholder meeting with Interested Parties in order for DesertLink to explain its Annual Update and to provide Interested Parties an opportunity to seek information and clarifications regarding the Annual Update (“Annual Update Meeting”). DesertLink shall cause to be posted on the its website and distributed to the Service List, the time, date and location for the Annual Update Meeting no fewer than seven (7) days prior to the Annual Update Meeting, and shall provide remote access to Annual Update Meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.
- d. The Annual Update for the Rate Year:
- (i) Shall provide, via the Formula Rate worksheets, sufficiently detailed supporting documentation for data (and all adjustments thereto or allocations thereof) used in the Formula Rate that are not stated in the FERC Form No. 1;⁵

⁵ It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of determining the actual Net Revenue Requirement for a given Rate Year will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form is discontinued, equivalent information as that provided in the discontinued form shall be utilized.

- (ii) Shall provide sufficient detail and sufficient explanation to enable Interested Parties to replicate the calculation of the Annual True-Up results from the FERC Form No. 1 and verify that each input to the Template is consistent with the requirements of the Formula Rate;
- (iii) Shall identify:
 - A. any change in accounting that affects inputs to the Template or the resulting charges billed under the Formula Rate (“Accounting Change”), including:
 - I. the initial implementation of an accounting standard or policy;
 - II. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - III. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
 - IV. the implementation of new estimation methods or policies that change prior estimates; and
 - V. changes to income tax elections;
 - B. any items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments); any reorganization or merger transaction during the previous year and an explanation of the effect of the accounting for such transaction(s) on inputs to the True-Up Adjustment;

- C. for each item identified pursuant to Sections 3.d.iii.A – C of these Protocols, the individual impact (in narrative format) of such changes on the True-Up Adjustment;
 - (iv) Shall not seek to modify the Formula Rate and shall not be subject to challenge by any Interested Party seeking to modify the Formula Rate (*i.e.*, any modifications to the Formula Rate will require, as applicable, an FPA Section 205 or Section 206 filing or initiation of a Section 206 investigation); and
 - (v) Shall include for the applicable Rate Year the following information related to affiliate cost allocation: (A) a detailed description of the methodologies used to allocate and directly assign costs between DesertLink and its affiliates by service category and function; and (B) the magnitude of such costs that have been allocated or directly assigned between DesertLink and each affiliate by service category or function.
- e. *Stated Value Inputs.* The following Formula Rate inputs shall be stated values to be used in the Formula Rate until changed pursuant to an FPA Section 205 or Section 206 proceeding: (i) rate of return on common equity (“ROE”); (ii) Post-Employment Benefits other than Pensions (“PBOP”) charges pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for Postretirement Benefits Other Than Pensions; and (iii) the depreciation and/or amortization rates as set forth in Attachment 10 to the Formula Rate template.
- f. *Review and Challenge of the Annual Update.* The Annual Update shall be subject to review, challenge, true-up and refunds or surcharges in accordance with the procedures set forth in Sections 4, 5, and 6 of these Protocols, including the

prudence of any costs and expenditures included for recovery in the Annual Update; provided, however, that nothing in these Protocols is intended to modify the Commission's applicable precedent with respect to the burden of going forward or burden of proof under formula rates in such prudence challenges.

g. Example – Timeline for 2022 Annual Update:

On or before October 1, 2021, DesertLink will determine the projected Net Revenue Requirement for the 2022 Rate Year. DesertLink will post the Annual Projection for the 2022 Rate Year in accordance with Section 1 above.

DesertLink will not determine a True-up Adjustment or post an Annual Update on July 1, 2022 if no costs have been recovered under the Formula Rate during 2021.

On or before October 1, 2022, DesertLink will post the Annual Projection for the 2023 Rate Year. On or before July 1, 2023, DesertLink will post its first Annual Update, consisting of the actual Net Revenue Requirement and True-Up Adjustment for the 2022 Rate Year determined pursuant to Section 2 above. Such True-Up Adjustment will be reflected in the Annual Projection of the Net Revenue Requirement for the 2024 Rate Year posted on or before October 1, 2023. The Annual Update posted July 1, 2023 will be subject to the customer review and challenge procedures described in Sections 4, 5, and 6 of these Protocols.

Section 4. Annual Review Procedures

The Annual Update and Annual Projection for each Rate Year shall be subject to the following review procedures (“Annual Review Procedures”):

a. Information Requests and Responses

- (i) *Deadlines.* Interested Parties shall have until January 1 following each annual Publication Date (provided that any delay in the Publication Date will result in an equivalent extension of time for submission of information requests) to serve reasonable information and document requests on DesertLink. DesertLink shall make a good faith effort to respond to information and document requests pertaining to the Annual Update and Annual Projection within fifteen (15) business days of receipt of such requests. DesertLink shall respond to all timely information and document requests by February 1 following each annual Publication Date; provided, however, that DesertLink may reasonably extend the deadline for its own responses in the event that it extends the deadline for submission of information and document requests. If the date for submitting or responding to information and document requests should fall on a weekend or a holiday recognized by the FERC, then the submissions or responses shall be due on the next business day.
- (ii) *Scope.* Information requests shall be limited to what is necessary to determine: (A) the extent, effect, or impact of an Accounting Change; (B) whether the True-Up Adjustment fails to include data properly recorded in accordance with the Protocols; (C) the proper application of the Template and procedures in the Protocols; (D) the accuracy of data and consistency with the Formula Rate of the charges shown in the Annual Update or Annual Projection; (E) the prudence of the actual costs and expenditures; (F) the effect of any change to the underlying USofA or applicable form;

and (G) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate.

- (iii) *Limitation on Scope.* Information requests shall not solicit information concerning costs or allocations where the costs or allocation methods have been determined to be appropriate by FERC in the context of prior DesertLink Annual Updates, except that such information requests shall be permitted if they (A) seek to determine if there has been a change in circumstances, (B) are in connection with corrections pursuant to Section 6 of these Protocols, or (C) relate to costs or allocations that have not previously been challenged and adjudicated by FERC.
- (iv) *Public Availability of Information Requests and Responses.* Information requests received by DesertLink and DesertLink's responses thereto will be posted at a publicly accessible location on its's internet website and a link to the website will be distributed to the Service List; provided, however, that if responses to information and document requests include material deemed by DesertLink to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by DesertLink and the requesting party.
- (v) *Privilege.* DesertLink shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent proceeding addressing DesertLink's Annual Update or Annual Projection.

(vi) *Disputes.* To the extent DesertLink and any Interested Person(s) are unable to resolve disputes related to information requests submitted in accordance with these Annual Review Procedures, DesertLink or the Interested Person(s) may petition the FERC to appoint an Administrative Law Judge as a discovery master to resolve the discovery dispute(s) in accordance with these Protocols and consistent with FERC's discovery rules.

b. Informal Challenges

(i) *Deadlines.* Interested Parties shall have the period of time from the Publication Date until March 1 ("Review Period") to review the calculations and to notify DesertLink in writing of any specific challenges to the Annual Update and Annual Projection ("Informal Challenge"), including challenges related to Accounting Changes; provided, however, that such Review Period may be extended with the written consent of DesertLink or by FERC order. If March 1 should fall on a weekend or a holiday recognized by the FERC, then Informal Challenges shall be due on the next business day. DesertLink shall make a good faith effort to respond to Informal Challenges within twenty (20) days of receipt of such challenge. DesertLink shall respond to all Informal Challenges no later than April 1; provided, however, that DesertLink may reasonably extend the deadline for its own responses in the event that it extends the Review Period. If April 1 should fall on a weekend or a holiday recognized by the FERC, then DesertLink's responses to Informal Challenges shall be due on the next business day.

- (ii) *Contents and Scope.* An Interested Party submitting an Informal Challenge to DesertLink must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. A party may raise in an Informal Challenge all issues that may be necessary to determine: (A) the extent, effect, or impact of an Accounting Change; (B) whether the True-Up Adjustment fails to include data properly recorded in accordance with the Protocols; (C) the proper application of the Template and procedures in the Protocols; (D) the accuracy of data and consistency with the Formula Rate of the charges shown in the Annual Update; (E) the prudence of the actual costs and expenditures; (F) the effect of any change to the underlying USofA or applicable form; and (G) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate.
- (iii) *Responses to Informal Challenges.* In its responses, DesertLink shall notify the challenging party of the extent to which DesertLink agrees or disagrees with the challenge. If DesertLink disagrees with the Informal Challenge, its response shall include supporting documentation.
- (iv) *Public Availability of Informal Challenges and Responses.* DesertLink shall promptly cause to be posted all Informal Challenges and DesertLink's responses to such Informal Challenges at a publicly accessible location on its's internet website and a link to the website will be e-mailed to the Service List; provided, however, that if Informal

Challenges or DesertLink's responses to such Informal Challenges include material deemed by DesertLink to be confidential information, such challenges and responses will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by DesertLink and the requesting party.

- (v) *Senior Representatives.* DesertLink, and where applicable, the transmission provider, shall appoint a senior representative to work with the Interested Person(s) that submitted the Informal Challenge (or its representative) toward a resolution of the challenge.

c. Accounting Changes

- (i) *Challenges Related to Accounting Changes.* Informal or Formal Challenges (as described in Sections 4 and 5) related to Accounting Changes shall be treated in the same manner under these Protocols as other challenges to the Annual Update or Annual Projection. Failure to make an Informal Challenge with respect to an Accounting Change in an Annual Update or Annual Projection shall not act as a bar with respect to a Formal Challenge with respect to that Annual Update, nor shall such failure bar a subsequent Informal Challenge related to a subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.
- (ii) *Remedies.* If a change made by DesertLink to its accounting policies, practices or procedures, or the application of the Formula Rate, is found by the FERC to be unjust, unreasonable, or unduly discriminatory or preferential, then the calculation of the charges to be assessed during the

Rate Year then under review, and the charges to be assessed during any subsequent Rate Years, including any True-up Adjustments, shall not include such change, but shall include any remedy that may be prescribed by FERC in the exercise of its discretion as of the effective date of such remedy, to ensure that the Formula Rate continues to operate in a manner that is just, reasonable, and not unduly discriminatory or preferential.

Section 5. Resolution of Challenges

- a. *Deadlines.* Any Interested Person(s) may file a challenge with the FERC (“Formal Challenge”) contesting some action or inaction by DesertLink with respect to the Annual Update or Annual Projection, and shall do so no later than May 15 following the end of the Review Period; provided, however, that such deadline may be extended with the written consent of DesertLink to continue efforts to resolve an issue or by FERC order. If May 15 should fall on a weekend or a holiday recognized by the FERC, then Formal Challenges shall be due on the next business day.
- b. *Contents of Formal Challenges.* Formal Challenges shall be filed pursuant to these protocols. All information and correspondence produced by DesertLink pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the Formula Rate, subject to any applicable confidentiality and Critical Energy Infrastructure Information restrictions. The Interested Person(s) filing such a Formal Challenge shall do all of the following:
 - (i) Clearly identify the action or inaction which is alleged to violate the Formula Rate (including the Template and/or these Protocols);

- (ii) Explain how the action or inaction violates the Formula Rate (including the Template and/or these Protocols);
- (iii) Set forth the business, commercial, economic, or other issues presented by the action or inaction as such relate to or affect the Interested Person(s) filing the Formal Challenge, including: (A) the extent or effect of an Accounting Change; (B) whether the True-Up Adjustment fails to include data properly recorded in accordance with the Protocols; (C) the proper application of the Template and procedures in the Protocols; (D) the accuracy of data and consistency with the Formula Rate of the charges shown in the Annual Update; (E) the prudence of the actual costs and expenditures; (F) the effect of any change to the underlying USofA or applicable form; and (G) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate;
- (iv) Make a good faith effort to quantify the financial impact or burden (if any) created for the Interested Person(s) filing the Formal Challenge as a result of the action or inaction;
- (v) State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the Interested Person(s) filing the Formal Challenge is a party, and, if so, provide an explanation as to why timely resolution cannot be achieved in that forum;
- (vi) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

- (vii) Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the Interested Person(s) filing the Formal Challenge, including, but not limited to, contracts and affidavits; and
 - (viii) State whether the Interested Person(s) filing the Formal Challenge utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.
- c. *Docketing and Service.* Interested Person(s) shall submit Formal Challenges with the Commission in the same docket as the informational filing described in Section 7 and shall serve Formal Challenges on DesertLink by electronic service on the date of such filing in accordance with Section 385.2010(f)(3) of the Commission's regulations.
- d. *Other Requirements.* Failure to raise an issue in an Informal Challenge shall not bar an Interested Person from raising that issue in a Formal Challenge, provided the Interested Person submitted an Informal Challenge during the Review Period with respect to one or more other issues.
- e. *Responses to Formal Challenges by DesertLink.* Any response by DesertLink to a Formal Challenge must be submitted to the FERC within thirty (30) calendar days of the date of the filing of the Formal Challenge, and shall be served on the Interested Person(s) filing the Formal Challenge and the Service List on the date of such filing. If such deadline should fall on a weekend or a holiday recognized by the FERC, then DesertLink's responses to Informal Challenges shall be due on the next business day.

- f. *Burden.* In any Formal Challenge proceeding concerning a given year's Annual Update (including corrections) or Accounting Change(s), DesertLink shall demonstrate the justness and reasonableness of the rate resulting from its application of the Formula Rate by demonstrating that it has reasonably and accurately calculated the Annual Update and/or reasonably adopted and applied the Accounting Change.
- g. *Reservation of Rights under FPA Sections 205 and 206.* Except as specifically provided in these Protocols and subject to the terms of that certain Offer of Settlement and Stipulation filed with FERC in Docket No. ER17-135-000 on or about April 16, 2018, nothing herein shall be deemed to limit in any way the right of DesertLink to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, an application seeking changes to the Formula Rate or to any of the stated value inputs requiring a Section 205 filing under these Protocols (including, but not limited to, ROE and depreciation rates), or the right of any Interested Parties or the Commission to seek such changes pursuant to Section 206 of the FPA and the regulations thereunder.
- h. *Limited Section 205 Filings.* Consistent with Paragraph 3.3 of that certain Offer of Settlement and Stipulation filed with FERC in Docket No. ER17-135-000 DesertLink will submit a limited Section 205 filing to update its depreciation rates and will make an update filing at least once every five years thereafter.

Section 6. Changes to Annual Updates

- a. If DesertLink determines or concedes under Sections 4 and/or 5 of these Protocols that corrections to the Annual Update are required (including but not limited to those requiring corrections to its FERC Form No. 1 or input data used for a Rate

Year that would have affected the Annual Update for that Rate Year), DesertLink shall promptly cause a correction to the Annual Update to be posted at a publicly accessible location on its's internet website and such correction to be distributed to the Service List.

- b. Such corrections shall be reflected in the next Annual Update, with interest. Interest on any over- or under-recovery due to corrections for preceding True-up Adjustments shall be calculated monthly on such over- or under-recovery from January 1 of the corrected Rate Year through December 31 of the Rate Year in which such over- or under-recovery is reflected ("Correction Period"). That is equivalent to two years interest applied to over- or under- collection. The applicable monthly interest rates for the Correction Period for an over-recovery or under-recovery shall be the annual interest rates for each month pursuant to 18 C.F.R. § 35.19a divided by twelve (12) for each month from the beginning of the Correction Period through December 31 of the Rate Year immediately preceding the Rate Year in which such over-recovery is reflected.
- c. Such corrections shall be subject to review at the time they are made, and the corrected posting shall be followed by a review period ("Correction Review Period"), during which the scope of review shall be limited to the aspects of the Annual Update affected by the corrections. DesertLink and any Interested Person(s) shall work together in good faith to set a reasonable duration for such

Correction Review Period and the deadlines for submission and/or responses to information and document requests, Informal Challenges, and Formal Challenges.

Section 7. Informational Filing

- a. *Deadline.* DesertLink shall submit to FERC an informational filing (“Informational Filing”), in a newly established FERC docket, of its projected Net Revenue Requirement for a Rate Year, including the True-Up Adjustment determined during the preceding Annual Update, by April 15 of the Rate Year; provided, however, that DesertLink may delay the deadline for filing the Informational Update to account for any previous delays in the Review Period or deadline for submitting or responding to Informal Challenges. If April 15 should fall on a weekend or a holiday recognized by the FERC, then the Informational Filing shall be due on the next business day. DesertLink will provide notification of the FERC Docket number for the Informational Filing directly to CAISO and to other parties through the Service List maintained by DesertLink.
- b. *Contents.* This Informational Filing must include the information that is reasonably necessary to determine: (i) that input data under the formula rate are properly recorded in any underlying workpapers; (ii) that DesertLink has properly applied the formula rate and these procedures; (iii) the accuracy of data and the consistency with the formula rate of the Net Revenue Requirement and rates under review; (iv) the extent of Accounting Changes that affect Formula Rate inputs; and (v) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the Annual Update or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge procedures. Finally,

the Informational Filing shall include for the applicable Rate Year the following information related to affiliate cost allocation: a detailed description of the methodologies used to allocate and directly assign costs between DesertLink and its affiliates by service category or function; the magnitude of such costs that have been allocated or directly assigned between DesertLink and each affiliate by service category or function; and a copy of any service agreement between DesertLink and any DesertLink affiliate that went into effect during the Rate Year.

- c. *Challenges.* Any challenges to the implementation of the Template must be made through the procedures described in Sections 4 and 5 of these protocols or in a separate complaint proceeding, and must not be made in response to the Informational Filing.

Section 8. Joint Informational Meeting

Transmission Owners with transmission projects that are subject to region-wide cost sharing shall endeavor to hold a joint informational meeting to enable all Interested Parties to understand how those Transmission Owners are implementing their formula rates for cost recovery of such projects (“Joint Informational Meeting”). Notice of the Joint Informational Meeting, including the time, date, and location, shall be posted on the DesertLink website and distributed to the Service List no less than seven (7) days prior to such meeting, and the Transmission Owners shall provide remote access to Joint Informational Meetings to allow all Interested Parties the opportunity to remotely participate in such meetings. DesertLink will participate in Joint Informational Meetings once it begins development of a project for which costs are to be regionally allocated.

Attachment A to the DesertLink, LLC Protocols

DesertLink Commitment Work Paper

This work paper will be used by DesertLink, LLC (“DesertLink”) to demonstrate compliance with the rate commitments made for the Harry Allen to Eldorado 500 kV Transmission Project (the “Project”) in the First Amended and Restated Approved Project Sponsor Agreement between DesertLink and the California Independent System Operator, Inc. dated January 11, 2017 (“APSA”).

1. Categorization of Form No. 1 Gross Plant and Unamortized Regulatory Asset

DesertLink will report its regulatory asset and transmission gross plant in service in FERC Form No. 1 page 232 line 44 column f and FERC Form No. 1 page 207 line 58 column g respectively which may include initial Project costs, Excluded Costs (as defined in the APSA), and other costs related to projects other than the Project.

Line No.		Notes	Amount
1	Unamortized Regulatory Asset – Project costs other than Excluded Costs	A, B	
2	Unamortized Regulatory Asset – Excluded Costs	A	
3	Unamortized Regulatory Asset – Other costs	C	
4	Total Unamortized Regulatory Asset (Line 1 + Line 2 + Line 3)	D	
5	Gross Plant In Service – Project costs other than Excluded Costs	A, B	
6	Gross Plant In Service – Excluded Costs	A	
7	Gross Plant In Service – Other costs	C	
8	Total Gross Plant in Service (Line 5 + Line 6 + Line 7)	E	
Notes:			
A	Project costs and Excluded Costs as defined in the APSA		
B	Values have been adjusted, if required, for compliance with Binding Cost Cap per Section 2 of this Attachment A (Lines 5a and 5b)		
C	Other costs are costs related to projects other than the Harry Allen to Eldorado 500 kV Transmission Project		
D	Total reported in FERC Form 1, 232.44.f		
E	Total reported in FERC Form 1, 207.58.g		

2. Binding Cost Cap

Article 10.1.1 and Appendix E to the APSA reflect DesertLink's commitment that it will not seek recovery or a return on any cost for the Project, as defined in the APSA, above the Binding Cost Cap of \$145.5 million (subject to adjustments, deviations and exclusions pursuant to the terms of the APSA regarding Excluded Costs). If the actual Project costs net of Excluded Costs exceed the Binding Cost Cap, DesertLink will adjust the amounts shown in Appendix III, Page 2 and Attachment 4 as demonstrated below:

Line No.		Notes	Amount
1	Actual Project costs other than Excluded Costs (Line 1a + Line 1b)		
1a	Unamortized Regulatory Asset – Project costs other than Excluded Costs	A	
1b	Gross Plant In Service – Project costs other than Excluded Costs	A	
2	Binding Cost Cap	B	\$145,500,000
3	Project costs in excess of Binding Cost Cap, if any (Line 1 - Line 2)	C	
4	Adjustment to Project costs to meet Binding Cost Cap if necessary (Line 4a + Line 4b)	D	
4a	Adjustment to Project costs in Unamortized Regulatory Asset to comply with Binding Cost Cap, if necessary	E	
4b	Adjustment to Project costs in Transmission Gross Plant in Service to comply with Binding Cost Cap, if necessary	F	
5	Project costs included in rates after adjustment (Line 5a + Line 5b)	G	
5a	Unamortized Regulatory Asset – Adjusted Project costs other than Excluded Costs (Line 1a + Line 4a)	H	
5b	Gross Plant In Service – Adjusted Project costs other than Excluded Costs (Line 1b + Line 4b)	I	

Notes:

A	Actual costs.
B	As defined in the APSA.
C	If Line 2 is greater than Line 1, enter zero.
D	The sum of Line 3 and Line 4 must be zero.
E	If Line 3 is zero, enter zero. Otherwise, if Line 1a is greater than or equal to Line 3, enter the negative of Line 3. If Line 1a is less than Line 3, enter the negative of Line 1a.
F	Complete Line 4a first. If Line 3 is greater than Line 4a, enter the negative of the difference between Line 3 and Line 4a. Otherwise, enter zero.

G	This amount shall not exceed the Binding Cost Cap
H	Input this result into Line 1 in Section 1 of this Attachment A
I	Input this result into Line 5 in Section 1 of this Attachment A

3. Return on Equity

Appendix E to the APSA memorializes DesertLink’s commitment to not seek or reflect in its rates a return on equity (“ROE”) in excess of 9.80% (inclusive of all ROE adders/incentives). Adherence to the ROE commitments are demonstrated at:

Appendix III, page 4, Line 17, Column (4) and Note T, and Attachment 5, Line 10.

4. Equity Percentage Cap

Appendix E to the APSA confirms DesertLink’s commitment to limit equity as a percentage of overall capital structure to be no more than fifty percent (50%) for the Project as a whole. If DesertLink’s actual equity percentage is above 50% then a capital structure consisting of 50% equity and 50% debt will be used for the purpose of rates.

Line No.		Debt	Equity (Common Stock)
1	Actual % of total capital		
2	% of total capital to be input into Appendix III, Attachment 5, Rows 21 and 23		