

# ENGLEMAN FALLON, PLLC

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August 2, 2019

## VIA E-TARIFF

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *DesertLink, LLC*, Docket No. ER19-\_\_\_\_\_ -000**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations,<sup>2</sup> DesertLink, LLC (“DesertLink”) submits this request for acceptance of amendments to DesertLink’s Formula Rate Protocols and Template. The amendments are minor in nature and are submitted to: (1) modify the posting and notification requirements related to DesertLink’s Annual Update proceeding to conform the Protocols with the practices of the California Independent System Operator Corporation and the Commission’s policies regarding limited-issue filings; (2) include a note in the Formula Rate Template clarifying how DesertLink will depreciate Contributions in Aid of Construction (“CIAC”) for transmission facilities; and (3) correct certain errors in DesertLink’s Formula Rate Template.

The revisions to DesertLink’s Template and Protocols are not intended to change the rates collected by DesertLink and are only intended to address minor and discreet issues identified as DesertLink began preparing for its first rate filing. Further, the modifications do not address issues that were the subject to the moratorium on rate revisions accepted as part of the Settlement Agreement in Docket No. ER17-135-000 et. seq. DesertLink asks that the Commission act on this filing by October 1, 2019.

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. pt. 35 (2018).

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## **I. BACKGROUND**

DesertLink is a transmission-only company whose initial business purpose is to develop, own, and operate transmission facilities, including the Harry Allen to Eldorado 500 kV Transmission Project (“the Project”). DesertLink is organized under the laws of the state of Delaware. DesertLink was selected as the Approved Project Sponsor for the Project through CAISO’s Order No. 1000 compliant Transmission Planning Process.<sup>3</sup> DesertLink’s annual transmission revenue requirement (“ATRR”) is determined in accordance with the Formula Rate included in Appendix III of DesertLink’s Transmission Owner Tariff (“DesertLink TO Tariff”), which was accepted by the Commission in Docket No. ER17-135-000.<sup>4</sup> DesertLink is in the process of developing the Project, which will be the first transmission asset owned by DesertLink. The Project is expected to be in service in the second quarter of 2020.

## **II. CONTENTS OF THE FILING**

In addition to this filing letter, which provides support for the approvals requested herein, this filing contains the following components:

- Attachment A: Clean Version of Appendix III of the DesertLink TO Tariff being filed in eTariff;
- Attachment B: Redlined Version of Appendix III of the DesertLink TO Tariff;
- Attachment C: Clean Version of Appendix IV of the DesertLink TO Tariff being filed in eTariff;
- Attachment D: Redlined Version of Appendix IV of the DesertLink TO Tariff; and
- Attachment E: Workable Microsoft Excel Version of the revised DesertLink Formula Rate Template.

## **III. DESERTLINK’S PROPOSED CHANGES TO ITS TRANSMISSION OWNER TARIFF ARE JUST AND REASONABLE**

DesertLink requests that the Commission accept for filing the amended Appendices III and IV of the DesertLink TO Tariff, attached as Attachments A and C, effective October 1, 2019. The proposed amendments to DesertLink’s TO Tariff are narrow and fall into three categories:

- (1) DesertLink proposes to (a) make minor revisions to its Formula Rate Protocols to clarify the allocation for responsibilities between CAISO and DesertLink; and (b) remove from its Formula Rate Protocols language limiting the scope of certain future Section 205 filings;

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<sup>3</sup> See Harry Allen-Eldorado 500 kV Transmission Line Project: Project Sponsor Selection Report (Jan. 11, 2016), *available at* <http://www.caiso.com/Documents/HarryAllentoEldoradoTransmissionLine-ProjectSponsorSelectionReport.pdf>.

<sup>4</sup> See *DesertLink, LLC*, 158 FERC ¶ 62,189 (2017)(accepting and suspending Formula Rate); *DesertLink, LLC*, 161 FERC ¶ 61,126 (2017)(setting Formula Rate for hearing); *DesertLink, LLC*, 165 FERC ¶ 61,075 (2018)(approving offer of settlement); *DesertLink, LLC*, Docket No. ER17-135-007, Letter Order (April 23, 2019)(accepting compliance filing).

- (2) DesertLink proposes to include a note in Attachment 10 of its Formula Rate Template clarifying how it depreciates Contributions in Aid of Construction for transmission facilities; and
- (3) DesertLink proposes to correct certain errors in DesertLink’s Formula Rate Template.

The proposed changes are described in more detail in the sections that follow.

**A. Amendments to Formula Rate Protocols to Modify the Posting and Notification Requirements Related to DesertLink’s Annual Update, and Remove a Provision Limiting the Scope of Future Section 205 Filings**

DesertLink proposes minor changes to its Formula Rate Protocols to specify that DesertLink manages annual posting and customer notification processes separately from CAISO. Accordingly, DesertLink proposes to make the following changes to its Protocols:

- DesertLink has removed references to the CAISO’s Open Access Same-Time Information System (“OASIS”) from its Formula Rate Protocols. Most information that is required to be publicly posted will now be posted only to the DesertLink’s internet website, and CAISO will post a link to DesertLink’s website on the CAISO website as it does for other Participating Transmission Owners;
- Two postings will now be made on DesertLink’s internet website instead of the CAISO’s internet website: (i) the posting of the time, date, and location for the “Annual Projection Meeting,” and (ii) the posting of the time, date, and location for the “Annual Update Meeting;” and
- References to the “Exploder List” managed by CAISO have been replaced with references to the “Service List” managed by DesertLink, such that any notices required by the Protocols will now be sent to DesertLink’s Service List.

The changes are shown in the red-lined tariff sheets attached hereto as Appendix B. The proposed changes should be accepted by the Commission as they do not affect the degree of notice and information provided to interested parties seeking to participate in DesertLink’s Annual Update, but only change the mechanisms for how this notice is provided.

In addition, DesertLink has removed from Section 5 of the Protocols language limiting the scope of certain future Section 205 filings.<sup>5</sup> This change is consistent with the Commission’s determinations in other cases that “provisions in formula rate protocols that attempt to define the scope of future section 205 filings are inappropriate.”<sup>6</sup>

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<sup>5</sup> DesertLink proposes to remove only part of Section 5. The remaining part was agreed to as part of the Settlement approved by the Commission in Docket No. ER17-135. DesertLink, Docket No. ER17-135, Offer of Settlement and Stipulation at 3.5 & Attachment D (filed on April 18, 2018).

<sup>6</sup> *NextEra Energy Transmission West*, 162 FERC ¶ 61,195, at P 15 (2018); *see also NextEra Energy Transmission Southwest, LLC*, 161 FERC ¶ 61,139, at P 56 (2017)(citing *ATX Southwest, LLC*, 152 FERC ¶ 61,193, at P 85 (2015)).

**B. Amendments to Formula Rate Template to Clarify the Manner in which DesertLink will Depreciate Contributions in Aid of Construction**

DesertLink proposes to add a note to Attachment 10 of its Formula Rate Template to clarify how it will depreciate any Contribution in Aid of Construction (“CIAC”) for a transmission facility. Specifically, the depreciation rate identified in Attachment 10 to DesertLink’s Template will be weighted based on the relative amount of underlying CIAC plant booked to the accounts shown in lines 1-17, and the resulting weighted average depreciation rate will be used to determine the life over which to amortize any CIAC. The combined amortization expense for all CIACs booked in these accounts will be the sum of each individual CIAC balance amortized over the life of each individual CIAC. Furthermore the proposed note confirms that the life of each facility subject to a CIAC in these accounts will be determined in this manner at the time the plant is placed into service and will not change over the life of the CIAC without FERC approval.

**C. Corrections to Errors in DesertLink’s Formula Rate Template**

Upon review of its Formula Rate Template, DesertLink identified certain errors that it proposes to correct as part of this filing.<sup>7</sup> The corrections include:

- Appendix III, Note N, adding missing formulas to cells F210 and F211 as referenced in the parentheses in those same rows;
- Attachment 1, Column 12, correcting minor error in the formulas;
- Attachment 2, Note A, clarifying that the 100 basis point increase in Rate of Return is used for informational purposes and does not reflect any incentive the Commission may approve for a specific transmission project in the future;
- Attachment 3, Column D, Line 8, correcting formula to reference cellE28 instead of E32;
- Attachment 3, Column E, Line 10, correcting formula to reference Attachment 6, cell H57 to properly reflect the “Total Interest” line from Attachment 6; and
- Attachment 5, Line 8 (cell H21), correcting formula to reference Attachment 5 Line 1 (Long Term Interest, cell F9) divided by Line 8 (Long-Term Debt, cell F21).

**IV. REQUESTED WAIVERS**

In the event any waivers are required in connection with this filing, DesertLink respectfully requests that the Commission grant such waivers.

**V. CORRESPONDENCE AND COMMUNICATIONS**

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<sup>7</sup> In addition, DesertLink has removed highlighting that indicated changes to the Formula Rate Template as part of previous compliance filings and therefore was no longer relevant.

DesertLink requests that the individuals identified above be placed on the Commission's official service list in this proceeding and be designated for service pursuant to Rule 2010.<sup>8</sup>

## VI. CONCLUSION

For the reasons set forth above, DesertLink requests that the Commission accept for filing the proposed amendments to the DesertLink TO Tariff filed herewith, effective October 1, 2019.

Respectfully submitted,

By: /s/ Michael R. Engleman

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<sup>8</sup> 18 C.F.R. § 385.203(b)(3); 18 C.F.R. 385.2010. To the extent necessary, DesertLink requests waiver of Rule 2010(k) so as to allow the individuals indicated above to be placed on the official service list.

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)
<b>SUPPORTING CALCULATIONS AND NOTES</b>					
<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>					
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!
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</b>					
	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
<b>RETURN (R)</b>					
			\$	%	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
<b>REVENUE CREDITS</b>					
					\$
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, 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	<b>Annual Allocation Factor for Expense</b>	<b>Sum of lines 4, 6, 8, and 10</b>		<b>#DIV/0!</b>
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	<b>Annual Allocation Factor for Return</b>	<b>Sum of lines 13 and 15</b>		<b>#DIV/0!</b>

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 <sup>1</sup>	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1				C	D	E	F	G	H	I	J
2	A	CAISO Identification	B Project # Or Other Identifier	Net Revenue Requirement <sup>2</sup>	% of Total Revenue Requirement	Allocation of Revenue Received (E, Line 2) x (D)	True-Up Net Revenue Requirement <sup>3</sup>	Net Under/(Over) Collection (F)-(E)	True-Up Interest Income (Expense) <sup>4</sup> (D) x (H, line 10)	Prior Period Adjustment with Interest <sup>5</sup>	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)	-

		\$	%	Cost	Weighted	
8	Long Term Debt	-	50.00%	#DIV/0!	#DIV/0!	=WCLTD
9	Preferred Stock	-	0.00%	0.00%	0.00%	
10	Common Stock	-	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
<b>An over or under collection will be recovered pro rata over year collected, held for one year and returned pro rata over next year</b>						
<u>Calculation of Interest</u>				<b>Monthly</b>		
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!
				#DIV/0!		#DIV/0!
January through December				<b>Annual</b>	#DIV/0!	#DIV/0!
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<b>Monthly</b>		
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!
				#DIV/0!		#DIV/0!
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	Month During Rate Year (a)	Total Loan Amount (\$000) (b)	Principal Drawn (\$000) (c)	Unutilized Loan Balance (\$000) (d)	Commitment Fee & Utilization Fee (\$000) (e)	Interest Expense (\$000) (f)	Effective Annual Interest Rate (%) (g)
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	<b>Total Cost of Debt - Sum of Lines 1 and 2</b>						#DIV/0!
<b>Interest Rate Information</b>							
4	Commitment Fee Rate (%)		0.00%				
5	Projected Average Drawn Rate for Rate Year (%) - Note A		0.00%				
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
<b>Origination Fees</b>							
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							
<b>Annual Fees</b>							
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

	Long Term Debt
Month During Rate Year (a)	(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)
<b>INTANGIBLE PLANT</b>			
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
<b>TRANSMISSION PLANT</b>			
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%
<b>GENERAL PLANT</b>			
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>(a)</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	<b>Account 454 - Rent from Electric Property</b>				
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	<b>Account 454 Revenue Credit</b>	Form 1 300.19.b	-	-	-
9	<b>Account 456.1 Other Operating Revenues</b>				
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	<b>Account 456.1 Revenue Credit</b>	(Line 15 - line 16 - line 17)	-	-	-
19	<b>Total Revenue Credits</b>	(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.

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)
<b>SUPPORTING CALCULATIONS AND NOTES</b>					
<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>					
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!
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</b>					
	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
<b>RETURN (R)</b>					
			\$	%	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
<b>REVENUE CREDITS</b>					
					\$
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, 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	<b>Annual Allocation Factor for Expense</b>	<b>Sum of lines 4, 6, 8, and 10</b>		<b>#DIV/0!</b>
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	<b>Annual Allocation Factor for Return</b>	<b>Sum of lines 13 and 15</b>		<b>#DIV/0!</b>

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 ~~Line 5 includes a~~ The 100 basis point increase in ROE that 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. ~~For example, if the Commission were to grant a 50 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 0.5 on Attachment 1 column 12.~~

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 <sup>1</sup>	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1				C	D	E	F	G	H	I	J
2	A	CAISO Identification	B Project # Or Other Identifier	Net Revenue Requirement <sup>2</sup>	% of Total Revenue Requirement	Allocation of Revenue Received (E, Line 2) x (D)	True-Up Net Revenue Requirement <sup>3</sup>	Net Under/(Over) Collection (F)-(E)	True-Up Interest Income (Expense) <sup>4</sup> (D) x (H, line 10)	Prior Period Adjustment with Interest <sup>5</sup>	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!
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!
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
11	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)	-

		\$	%	Cost	Weighted	
8	Long Term Debt	-	50.00%	#DIV/0!	#DIV/0!	=WCLTD
9	Preferred Stock	-	0.00%	0.00%	0.00%	
10	Common Stock	-	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
<b>An over or under collection will be recovered pro rata over year collected, held for one year and returned pro rata over next year</b>						
<u>Calculation of Interest</u>				<b>Monthly</b>		
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!
				#DIV/0!		#DIV/0!
January through December				<b>Annual</b>	#DIV/0!	#DIV/0!
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<b>Monthly</b>		
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!
				#DIV/0!		#DIV/0!
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	Month During Rate Year (a)	Total Loan Amount (\$000) (b)	Principal Drawn (\$000) (c)	Unutilized Loan Balance (\$000) (d)	Commitment Fee & Utilization Fee (\$000) (e)	Interest Expense (\$000) (f)	Effective Annual Interest Rate (%) (g)
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	<b>Total Cost of Debt - Sum of Lines 1 and 2</b>						#DIV/0!
<b>Interest Rate Information</b>							
4	Commitment Fee Rate (%)		0.00%				
5	Projected Average Drawn Rate for Rate Year (%) - Note A		0.00%				
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
<b>Origination Fees</b>							
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							
<b>Annual Fees</b>							
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

	Long Term Debt
Month During Rate Year (a)	(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)
<b>INTANGIBLE PLANT</b>			
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
<b>TRANSMISSION PLANT</b>			
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%
<b>GENERAL PLANT</b>			
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>(a)</u> <u>Revenue Impact of Correction</u>	<u>(b)</u> Calendar Year
				<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	<b>Account 454 - Rent from Electric Property</b>				
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	<b>Account 454 Revenue Credit</b>	Form 1 300.19.b	-	-	-
9	<b>Account 456.1 Other Operating Revenues</b>				
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	<b>Account 456.1 Revenue Credit</b>	(Line 15 - line 16 - line 17)	-	-	-
19	<b>Total Revenue Credits</b>	(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****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 Parties<sup>1</sup> 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.<sup>2</sup>
- 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

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<sup>1</sup> 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.

<sup>2</sup> 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 Year<sup>3</sup> 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

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<sup>3</sup> 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 Documents<sup>4</sup> 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,”

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<sup>4</sup> 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;<sup>5</sup>

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<sup>5</sup> 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		

## 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 DesertLinkCAISO’s internet website, and CAISO will post a link to DesertLink’s website on CAISO’s website-OASIS. DesertLink’s Such 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 Parties<sup>1</sup> 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, DesertLinkCAISO shall electronically serve each Annual Projection upon the ServiceExploder List.<sup>2</sup>
- 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

<sup>1</sup> 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 “ServiceExploder List” as defined under footnote 2 hereto; and (v) any party with standing under FPA Section 205 or Section 206.

<sup>2</sup> As used in these Protocols, the term “ServiceExploder 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 ServiceExploder List and provides an e-mail address to DesertLinkCAISO; (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 ServiceExploder List, provided that such Interested Party

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~~the CAISO internet website ~~and OASIS~~, and distributed to the ~~CAISO Explorer~~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~~CAISO’s internet website ~~and OASIS~~, and distributed to the ~~CAISO Explorer~~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 Year<sup>3</sup> will be compared to DesertLink's actual Net Revenue Requirement for the previous Rate Year. DesertLink shall calculate its actual Net Revenue Requirement in

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<sup>3</sup> 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.

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 formula rates; and (v) any aspects of the CAISO Governing Documents<sup>4</sup> 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.

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

- 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~~CAISO's internet website ~~and OASIS~~ and distributed to the ~~CAISO Exploder~~ 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," 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~~CAISO website ~~and OASIS~~, and distributed to the ~~CAISO Exploder~~ 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;<sup>5</sup>

- (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;

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<sup>5</sup> 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.

- 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~~CAISO's internet website ~~and OASIS~~ and a link to the website ~~and OASIS~~ will be distributed to the ~~CAISO Explorer 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~~CAISO's internet website ~~and OASIS~~, and a link to the website will be e-mailed to the ~~CAISO Explorer 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 ~~CAISO Exploder 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. ~~The sole~~

~~issue in any such limited Section 205 proceeding shall be whether such proposed change(s) is just and reasonable, and it shall not address other aspects of the Formula Rate.~~

**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~~CAISO's internet website ~~and OASIS~~ and such correction to be distributed to the ~~CAISO Explorer 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 ~~for posting~~ and to other parties through the ~~Service Explorer~~ List maintained by ~~DesertLink~~ CAISO.
- 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 [DesertLinkCAISO](#) website ~~and OASIS~~ and distributed to the [CAISO Explorer 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		