

Formula Rate Index
DesertLink, LLC
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Formula Rate Template

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Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

Projected ATRR For the 12 months ended
12/31/2021

Line No.	(1)	(2)	(3)	(4)	(5)
		Source			Allocated Amount
1	GROSS REVENUE REQUIREMENT, without incentives	(Page 3, Line 49)			\$ 22,885,782
	REVENUE CREDITS	(Note A)	Total	Allocator (W)	
2	Account No. 454	(Page 4, Line 20)	-	TP 1.0000	\$ -
3	Account No. 456.1	(Page 4, Line 21)	-	TP 1.0000	\$ -
4	Revenues from Grandfathered Interzonal Transactions	(Note B)	-	TP 1.0000	\$ -
5	Revenues from service provided by the ISO at a discount		-	TP 1.0000	\$ -
6	TOTAL REVENUE CREDITS	(Sum of Lines 2 through 5)	-		\$ -
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	-	DA 1.0000	\$ -
9	NET ANNUAL TRANSMISSION REVENUE REQUIREMEN (Line 1 less Line 6 plus Lines 7 and 8)				<u>\$ 22,885,782</u>

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/2021

Line No.	(1) RATE BASE: (Note R)	(2) Source	(3) Company Total	(4) Allocator (W)	(5) Transmission
	GROSS PLANT IN SERVICE	Note C			(Col 3 times Col 4)
1	Production	205.46.g for end of year, records for other months	-	N/A	-
2	Transmission	Attachment 4, Line 14, Col. (b)	152,457,747	TP	152,457,747
3	Distribution	207.75.g for end of year, records for other months	-	N/A	-
4	General & Intangible	Attachment 4, Line 14, Col. (c)	48,506,646	WS	48,506,646
5	TOTAL GROSS PLANT	(Sum of Lines 1 through 4)	200,964,393	GP=	200,964,393
6	ACCUMULATED DEPRECIATION	Note C			
7	Production	219.20-24.c for end of year, records for other months	-	N/A	-
8	Transmission	Attachment 4, Line 14, Col. (h)	2,525,838	TP	2,525,838
9	Distribution	219.26.c for end of year, records for other months	-	N/A	-
10	General & Intangible	Attachment 4, Line 14, Col. (i)	825,601	WS	825,601
11	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 10)	3,351,438		3,351,438
12	NET PLANT IN SERVICE				
13	Production	(Line 1 - Line 7)	-		-
14	Transmission	(Line 2 - Line 8)	149,931,909		149,931,909
15	Distribution	(Line 3 - Line 9)	-		-
16	General & Intangible	(Line 4 - Line 10)	47,681,045		47,681,045
17	TOTAL NET PLANT	(Sum of Lines 13 through 16)	197,612,954	NP=	197,612,954
18	ADJUSTMENTS TO RATE BASE				
19	Account No. 281 (enter negative)	Attachment 4, Line 28, Col. (d) (Note D)	-	N/A	-
20	Account No. 282 (enter negative)	Attachment 4, Line 28, Col. (e) (Note D)	(4,044,930)	NP	(4,044,930)
21	Account No. 283 (enter negative)	Attachment 4, Line 28, Col. (f) (Note D)	(9,988)	NP	(9,988)
22	Account No. 190	Attachment 4, Line 28, Col. (g) (Note D)	50,310	NP	50,310
22a	Deficient or (Excess) Accumulated Deferred Income Taxes	Attachment 13, Line 7 (Note X)	-	NP	-
23	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Note D)	-	NP	-
24	Unfunded Reserves (enter negative)	Attachment 4, Line 43, Col. (h)	-	DA	-
25	CWIP	Attachment 4, Line 14, Col. (d)	-	DA	-
26	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note E)	-	DA	-
27	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note F)	-	DA	-
28	TOTAL ADJUSTMENTS	(Sum of Lines 19 through 27)	(4,004,607)		(4,004,607)
29	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note G)	-	TP	-
30	WORKING CAPITAL	Note H			
31	Cash Working Capital	1/8*(Page 3, Line 17 minus Page 3, Line 14)	208,844		208,844
32	Materials & Supplies	Attachment 4, Line 14, Col. (f)	1,221,766	TP	1,221,766
33	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)	241,231	GP	241,231
34	TOTAL WORKING CAPITAL	(Sum of Lines 31 through 33)	1,671,842		1,671,842
35	RATE BASE	(Sum of Lines 17, 28, 29, and 34)	195,280,188		195,280,188
	Formula Rate - Non-Levelized				

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/2021

Line No.	(1)	(2) Source	(3) Company Total	(4) Allocator (W)	(5) Transmission (Col 3 times Col 4)
1	O&M				
1	Transmission	321.112.b	850,361	TP 1.0000	850,361
2	Less Account 566 (Misc Trans Expense)	321.97.b	61,723	TP 1.0000	61,723
3	Less Account 565	321.96.b	-	TP 1.0000	-
4	A&G	323.197.b	820,393	WS 1.0000	820,393
5	Less FERC Annual Fees	351.h (Note I)	-	WS 1.0000	-
6	Less EPRI Dues	Note J	-	WS 1.0000	-
7	Less Reg. Commission Expense Account 928	Note J	4,000	WS 1.0000	4,000
8	Less: Non-safety Advertising account 930.1	Note J	-	WS 1.0000	-
9					
10	Plus Transmission Related Reg. Comm. Exp.	Note K	4,000	TP 1.0000	4,000
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	61,723	TP 1.0000	61,723
16	Total Account 566	(Sum of Lines 14 through 15) Ties to 321.97b	61,723		61,723
17	TOTAL O&M	(Sum of Lines 1, 4, 10, 12, and 16 less Sum of Lines 2, 3, and 5 through 8)	1,670,754		1,670,754
18	DEPRECIATION EXPENSE	Note C			
19	Transmission	336.7.b&d	2,921,638	TP 1.0000	2,921,638
20	General & Intangible	336.10.b&d, 336.1.b&d	946,396	WS 1.0000	946,396
21	Amortization of Abandoned Plant	Note F	-	DA 1.0000	-
22	TOTAL DEPRECIATION	(Sum of Lines 19 through 21)	3,868,034		3,868,034
23	TAXES OTHER THAN INCOME TAXES (Note M)				
24	LABOR RELATED				
25	Payroll	263.i	26,519	WS 1.0000	26,519
26	Highway and vehicle	263.i	-	WS 1.0000	-
27	PLANT RELATED				
28	Property	263.i	1,345,697	GP 1.0000	1,345,697
29	Gross Receipts	263.i	24,480	N/A 1.0000	24,480
30	Other	263.i	-	GP 1.0000	-
31	Payments in lieu of taxes	263.i	-	GP 1.0000	-
32	TOTAL OTHER TAXES	(Sum of Lines 25 through 31)	1,396,696		1,396,696
33	INCOME TAXES (Note N)	Note N			
34	$T=1 - \{(1 - \text{SIT}) * (1 - \text{FIT})\} / (1 - \text{SIT} * \text{FIT} * p)$		27.98%		
35	$\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$	WCLTD = Page 4, Line 15, R = Page 4, Line 18	30.63%		
36	FIT & SIT & P				
37					
38	$1 / (1 - T) =$ (from line 35)	$1 / (1 - T)$, T from Line 35	1.3886		
39	Amortized Investment Tax Credit	266.8f (enter negative) (Note D)	-		
40	Deficient or (Excess) Deferred Income Taxes	Attachment 13, Line 13 (Note X)	-		
41	Tax Effect of Permanent Differences	Note O	67,706		
42	Income Tax Calculation	(Line 35 times Line 48)	3,718,146	N/A	3,718,146
43	ITC adjustment	(Line 38 times Line 39)	-	NP 1.0000	-
44	Deficient or (Excess) Deferred Income Tax Adjustment	Attachment 13, Line 13 (Note X)	-	NP 1.0000	-
45	Permanent Differences Tax Adjustment	(Line 38 times Line 41)	94,014	NP 1.0000	94,014
46	Total Income Taxes	(Sum of Lines 42 through 45)	3,812,160		3,812,160
47	RETURN				
48	Rate Base times Return	(Page 2, Line 35 times Page 4, Line 18)	12,138,137	N/A -	12,138,137
49	GROSS REVENUE REQUIREMENT	(Sum of Lines 17, 22, 32, 46, and 48)	22,885,782		22,885,782

For the 12 months ended
12/31/2021

Line No.	(1)	(2)	(3)	(4)	(5)
SUPPORTING CALCULATIONS AND NOTES					
TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total Transmission plant	(Page 2, Line 2, Col. 3)			152,457,747
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)			152,457,747
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)		TP =	1.00
6	WAGES & SALARY ALLOCATOR (W&S)				
		Form 1 Reference	\$	TP	Allocation
7	Production	354.20.b	-	-	-
8	Transmission	354.21.b	-	1.00	-
9	Distribution	354.23.b	-	-	-
10	Other	354.24,25,26.b	-	-	-
					W&S Allocator (\$ / Allocation)
11	Total (W&S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)	-	-	= 1.00000 = WS
12	RETURN (R)				
13					
14			\$	%	Cost
15	Long Term Debt	Attachment 5, Line 8 (Notes Q & R)	104,000,000	50.00%	2.63%
16	Preferred Stock (112.3.c)	Attachment 5, Line 9 (Notes Q & R)	-	0.00%	0.00%
17	Common Stock	Attachment 5, Line 10 (Notes Q, R, and T)	104,000,000	50.00%	9.80%
18	Total	(Sum of Lines 15 through 17)	208,000,000		6.22% = R
19	REVENUE CREDITS				
					\$
20	ACCOUNT 454 (RENT FROM ELECTRICPROPERTY)	Attachment 12, Line 8, Col. C (Note U)			-
21	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	Attachment 12, Line 18, Col. C (Note A)			-

Rate Formula Template
Utilizing FERC Form 1 Data
DesertLink, LLC

For the 12 months ended
12/31/2021

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 Accumulated deferred income tax amounts associated with asset or liability accounts excluded from rate base (such as ADIT related to asset retirement obligations and certain tax-related regulatory assets or liabilities) do not affect rate base. 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
 - 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,
 - 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 = | 21.0% | (Weighted Average Federal Income Tax Rate (Attachment 7, line 4, col. (i))) |
| | SIT = | 8.84% | (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 trued-up every year using the method on Attachment 9 for multi-year construction projects. Once non-construction debt is obtained, the actual interest rate and fees on the debt in place at the end of the year such non-construction debt is obtained will become the cost of debt. In the first full year after non-construction debt is obtained, the cost of debt will be the actual cost of debt determined using the method on Attachment 5.
 - 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
 - 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).
 - X Upon enactment of changes in tax law, ADIT balances are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred income tax assets and liabilities. Excess or deficient ADIT attributable to timing differences between the amounts of expenses or revenues recognized for income tax purposes and amounts of expenses or revenues recognized for ratemaking purposes as well as subsequent recoverable or refundable amortization of such amounts will be based upon Company records and be calculated and recorded in accordance with ASC 740 and any applicable normalization requirements of the taxing jurisdiction. The Deficient or (Excess) Deferred Income Tax Adjustment (page 3, line 44) is computed by multiplying each component of Deficient or (Excess) Deferred Income Taxes (page 3, line 40) by the applicable tax gross-up factor. For each re-measurement of ADIT, the amounts entered as the Deficient or (Excess) Accumulated Deferred Income Taxes component of ADJUSTMENTS TO RATE BASE (page 2, line 22a) or as the Deficient or (Excess) Deferred Income Tax Adjustment component of INCOME TAXES (page 3, line 44) will be supported by Attachment 13 (Deficient or Excess Accumulated Deferred Income Taxes) providing the balance for each taxing jurisdiction at the beginning and end of the year, amortization for the year, calculation of the gross-up to the revenue requirement level and any other information required to support compliance with any applicable normalization requirements.

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)	152,457,747	
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)	149,931,909	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Appendix III, p 3, line 17, col 5	1,670,754	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1, col 3)	1.10%	1.10%
	GENERAL AND INTANGIBLE (G&I) DEPRECIATION EXPENSE			
5	Total G&I Depreciation Expense	Appendix III, p 3, line 20, col 5 (Note C)	946,396	
6	Annual Allocation Factor for G&I Depreciation Expense	(line 5 divided by line 1, col 3)	0.62%	0.62%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Appendix III, p 3, line 32, col 5	1,396,696	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1, col 3)	0.92%	0.92%
9	Less Revenue Credits	Appendix III, p 1, line 6 col 5	-	
10	Annual Allocation Factor for Revenue Credits	(line 9 divided by line 1, col 3)	0.00%	0.00%
11	Annual Allocation Factor for Expense	Sum of lines 4, 6, 8, and 10		2.63%
	INCOME TAXES			
12	Total Income Taxes	Appendix III, p 3, line 46, col 5	3,812,160	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2, col 3)	2.54%	2.54%
	RETURN			
14	Return on Rate Base	Appendix III, p 3, line 48, col 5	12,138,137	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2, col 3)	8.10%	8.10%
16	Annual Allocation Factor for Return	Sum of lines 13 and 15		10.64%

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. 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	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	Annual Return Charge
				(Note D)	(Page 1, line 11)	(Col. 3 * Col. 4)	(Note E)	(Page 1, line 16)	(Col. 6 * Col. 7)
1a	Harry Allen to Eldorado	Schedule 3	DSLK	152,457,747	2.63%	4,013,847	\$ 149,931,909	10.64%	15,950,297
1b				-	2.63%	-	\$ -	10.64%	-
2	Total Schedule 12			152,457,747		4,013,847	\$ 149,931,909		15,950,297
3a				-	2.63%	-	\$ -	10.64%	-
3b				-	2.63%	-	\$ -	10.64%	-
4	Total Zonal			-		-	\$ -		-
5				-	2.63%	-	\$ -	10.64%	-
6	Annual Totals			152,457,747		4,013,847	\$ 149,931,909		15,950,297

Attachment 1
 Project Revenue Requirement Worksheet
 DesertLink, LLC

Line No.	(9) Project Depreciation/Amortization Expense	(10) Annual Revenue Requirement	(11) Incentive Return in Basis Points	(12) Incentive Return	(12a) Ceiling Rate	(13) Competitive Concession	(14) Total Annual Revenue Requirement	(15) True-Up Adjustment	(16) Net Revenue Requirement
	(Note F)	(Sum Col. 5, 8 & 9)	(Note G)	(Attachment 2, Line 28 Incentive Return * Col. 6 * Col. 11/100)	(Sum Col. 10 & 12)	(Note H)	(Sum Col. 10 & 12 Less Col. 13)	(Note I)	(Sum Col. 14 & 15)
1a	2,921,638	22,885,782	-	-	22,885,782	-	22,885,782	-	22,885,782
1b	-	-	-	-	-	-	-	-	-
2	2,921,638	22,885,782	-	-	22,885,782	-	22,885,782	-	22,885,782
3a	-	-	-	-	-	-	-	-	-
3b	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-
6	2,921,638	22,885,782	-	-	22,885,782	-	22,885,782	-	22,885,782

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	Appendix III, Page 2, Line 35, Col.5	195,280,188
2	100 Basis Point Incentive Return		
			\$
			Cost
			Weighted
		\$ %	
3	Long Term Debt (Notes Q & R from Appendix III)	104,000,000 50.00%	2.63% 1.32%
4	Preferred Stock (Notes Q & R from Appendix III)	- 0.00%	0.00% 0.00%
	Common Stock (Notes Q, R, & T from Appendix III)	104,000,000 50.00%	10.80% 5.40%
5			
6	Total (sum lines 3-5)	208,000,000	6.72%
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)		13,114,538
8	INCOME TAXES		
9	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	27.98%	
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	31.24%	
11	WCLTD	Line 3 1.32%	
12	FIT, SIT & p are as given in Appendix III footnote N.		
13	$1 / (1 - T)$	Line 9 1.3886	
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Appendix III, Page 3, Line 39 -	
15	Deficient or (Excess) Deferred Income Taxes	Appendix III, Page 3, Line 40 -	
16	Tax Effect of Permanent Differences (Note B)	Appendix III, Page 3, Line 41 67,706	
17	Income Tax Calculation	Line 7 times Line 10	4,097,549
18	ITC adjustment	Line 13 times Line 14 -	NP 1.00 -
19	Deficient or (Excess) Deferred Income Tax Adjustment	Appendix III, Page 3, Line 44 -	NP 1.00 -
20	Permanent Differences Tax Adjustment	Line 13 times Line 16 94,014	NP 1.00 94,014.43
21	Total Income Taxes	Sum of Lines 17 through 20 94,014	4,191,563
22	Return and Income Taxes with 100 basis point increase in ROE		17,306,101
23	Return	(Appendix III, page 3, line 48, col 5)	12,138,137
24	Income Tax	(Appendix III, page 3, line 46, col 5)	3,812,160
25	Return and Income Taxes without 100 basis point increase in ROE	Sum of Lines 23 and 24	15,950,297
26	Incremental Return and Income Taxes for 100 basis point increase in ROE	Line 22 less Line 25	1,355,804
27	Rate Base	Line 1	195,280,188
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base	Line 26 divided by Line 27	0.69%

Notes

- A The 100 basis point increase in ROE is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE and does not reflect what incentives the Commission may approve for a specific transmission project. The overall ROE inclusive of incentives is subject to the limitations noted in Appendix III, Note T. Any ROE actual incentive must be approved by the Commission.
- B The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Appendix III that are not the result of a timing difference.

Attachment 3
 Formula Rate True-Up
 DesertLink, LLC

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

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

Line	True-Up Year			Projected True-Up Year Revenue Requirement Calculation		True-Up Year Revenue Received ¹	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1	2019					-					
2	A		B	C	D	E	F	G	H	I	J
	Project Name	CAISO Identification	Project # Or Other Identifier	Net Revenue Requirement ²	% of Total Revenue Requirement	Allocation of Revenue Received (E, Line 2) x (D)	True-Up Net Revenue Requirement ³	Net Under/(Over) Collection (F)-(E)	True-Up Interest Income (Expense) ⁴ (D) x (H, line 10)	Prior Period Adjustment with Interest ⁵	Total True-Up (G) + (H) + (I)
3	Remaining Appendix III				0	0		-	\$ -		-
4a	Harry Allen to Eldorado	Schedule 3	DSLK	22,885,782	100.0%	-	22,885,782	22,885,782	\$ -	-	22,885,782
4b				-	0.0%	-	-	-	\$ -	-	-
5	Total Schedule 12			22,885,782		-	22,885,782	22,885,782	\$ -	-	22,885,782
6a				-	0	-	-	-	\$ -	-	-
6b				-	0.0%	-	-	-	\$ -	-	-
7	Total Zonal			-		-	-	-	\$ -	-	-
8				-	0	-	-	-	\$ -	-	-
9	Total Annual Revenue Requirements			22,885,782	100.0%	-	22,885,782	22,885,782	-	0	22,885,782
10						\$ -	Total Interest on True-Up - Attachment 6				

Prior Period Adjustment

	A	B
	Prior Period Adjustment (Note 5)	Adjustment Amount
11	Description of Adjustment	-
	Source	
	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)
	(Note A)	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 2020	152,457,747	48,506,646	-	-	921,766	360,281	1,065,019	352,403
2	January 2021	152,457,747	48,506,646	-	-	1,246,766	317,713	1,308,489	431,269
3	February 2021	152,457,747	48,506,646	-	-	1,246,766	275,144	1,551,958	510,135
4	March 2021	152,457,747	48,506,646	-	-	1,246,766	269,567	1,795,428	589,002
5	April 2021	152,457,747	48,506,646	-	-	1,246,766	226,914	2,038,898	667,868
6	May 2021	152,457,747	48,506,646	-	-	1,246,766	184,261	2,282,368	746,734
7	June 2021	152,457,747	48,506,646	-	-	1,246,766	284,409	2,525,838	825,601
8	July 2021	152,457,747	48,506,646	-	-	1,246,766	242,458	2,769,307	904,467
9	August 2021	152,457,747	48,506,646	-	-	1,246,766	200,507	3,012,777	983,333
10	September 2021	152,457,747	48,506,646	-	-	1,246,766	158,555	3,256,247	1,062,200
11	October 2021	152,457,747	48,506,646	-	-	1,246,766	116,604	3,499,717	1,141,066
12	November 2021	152,457,747	48,506,646	-	-	1,246,766	142,652	3,743,187	1,219,933
13	December 2021	152,457,747	48,506,646	-	-	1,246,766	356,942	3,986,656	1,298,799
14	Average of the 13 Monthly Balances	152,457,747	48,506,646	-	-	1,221,766	241,231	2,525,838	825,601

Adjustments to Rate Base

Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281	Account No. 282	Account No. 283	Account No. 190	Account No. 255
			Accumulated Deferred Income Taxes (Note E) (d)	Accumulated Deferred Income Taxes (Note E) (e)	Accumulated Deferred Income Taxes (Note E) (f)	Accumulated Deferred Income Taxes (Note E) (g)	Accumulated Deferred Investment Credit (Note I) (h)
(Note A)	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 2020	-	-	(4,044,930)	(9,988)	50,310	-
16	January 2021	-	-	-	-	-	-
17	February 2021	-	-	-	-	-	-
18	March 2021	-	-	-	-	-	-
19	April 2021	-	-	-	-	-	-
20	May 2021	-	-	-	-	-	-
21	June 2021	-	-	-	-	-	-
22	July 2021	-	-	-	-	-	-
23	August 2021	-	-	-	-	-	-
24	September 2021	-	-	-	-	-	-
25	October 2021	-	-	-	-	-	-
26	November 2021	-	-	-	-	-	-
27	December 2021	-	-	(4,044,930)	(9,988)	50,310	-
28	Average of the 13 Monthly Balances	-	-	-	(4,044,930)	(9,988)	50,310

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 2020	-	-	-
30	January 2021	-	-	-
31	February 2021	-	-	-
32	March 2021	-	-	-
33	April 2021	-	-	-
34	May 2021	-	-	-
35	June 2021	-	-	-
36	July 2021	-	-	-
37	August 2021	-	-	-
38	September 2021	-	-	-
39	October 2021	-	-	-
40	November 2021	-	-	-
41	December 2021	-	-	-
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)
		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
List of all reserves										
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.
- I 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.

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)	2,736,769			
2	Preferred Dividends (118.29c) (positive number)	-			
3	Proprietary Capital (Line 25 (c))	104,000,000			
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)	104,000,000			
		\$	%	Cost	Weighted
8	Long Term Debt	104,000,000	50.00%	2.632%	1.32% =WCLTD
9	Preferred Stock	-	0.00%	0.00%	0.00%
10	Common Stock	104,000,000	50.00%	9.80%	4.900%
11	Total (Sum of Lines 8 through 10)	208,000,000			6.22% =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)	104,000,000	-	104,460,744	-
13	January	104,000,000	-	105,258,244	-
14	February	104,000,000	-	106,055,744	-
15	March	104,000,000	-	106,853,244	-
16	April	104,000,000	-	103,862,058	-
17	May	104,000,000	-	104,659,558	-
18	June	104,000,000	-	105,457,058	-
19	July	104,000,000	-	102,466,058	-
20	August	104,000,000	-	103,263,558	-
21	September	104,000,000	-	104,061,058	-
22	October	104,000,000	-	101,070,058	-
23	November	104,000,000	-	101,867,558	-
24	December	104,000,000	-	102,665,058	-
25	13-Month Average	104,000,000	-	104,000,000	-

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

Line	2019		2019		Over (Under) Recovery
	Projected Revenue Requirement (Note A)		Actual Net Revenue Requirement (Note B)		
1	-	Less	\$ -	Equals	\$ -

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	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
2		0.000%				

An over or under collection will be recovered pro rata over year collected, held for one year and returned pro rata over next year

<u>Calculation of Interest</u>						<u>Monthly</u>	
3	January	2019	-	0.000%	12	-	-
4	February	2019	-	0.000%	11	-	-
5	March	2019	-	0.000%	10	-	-
6	April	2019	-	0.000%	9	-	-
7	May	2019	-	0.000%	8	-	-
8	June	2019	-	0.000%	7	-	-
9	July	2019	-	0.000%	6	-	-
10	August	2019	-	0.000%	5	-	-
11	September	2019	-	0.000%	4	-	-
12	October	2019	-	0.000%	3	-	-
13	November	2019	-	0.000%	2	-	-
14	December	2019	-	0.000%	1	-	-
15						-	-
16	January through December	2020	-	0.000%	12	-	-
						<u>Annual</u>	
						-	-
						<u>Monthly</u>	
17	January	2021	-	0.000%		-	-
18	February	2021	-	0.000%		-	-
19	March	2021	-	0.000%		-	-
20	April	2021	-	0.000%		-	-
21	May	2021	-	0.000%		-	-
22	June	2021	-	0.000%		-	-
23	July	2021	-	0.000%		-	-
24	August	2021	-	0.000%		-	-
25	September	2021	-	0.000%		-	-
26	October	2021	-	0.000%		-	-
27	November	2021	-	0.000%		-	-
28	December	2021	-	0.000%		-	-
29						-	-
30	Total Amount of True-Up Adjustment					\$	-
31	Less Over (Under) Recovery					\$	-
32	Total Interest					\$	-

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	0.00%
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	0.00%
19	Monthly Average Rate	0.00%

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	Mutual	Pensions, IRAs	UBTI	Non-Taxpaying	Weighted	
			Corporations	Funds	Keogh Plans	Entities	Entities		Average
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Weighted Marginal Federal Income Tax Rate	Note A	21.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2	Allocated Income Percentage	Note B	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3	Weighted Average	Line 1 x Line 2	21.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Weighted Average Federal Income Tax Rate	Sum of Line 3, Col. (c)-(h)							21.00%
5	Weighted Marginal State Income Tax Rate	Note C	8.84%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	Allocated Income Percentage	Note B	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7	Weighted Average	Line 5 x Line 6	8.84%	0.00%	0.00%	0.00%	0.00%	0.00%	
8	Weighted Average State Income Tax Rate	Sum of Line 7, Col. (c)-(h)							8.84%

- 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 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. One time up-front debt fees, including origination fees will be amortized and included in the cost of debt. Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

Line No.

		\$	
1	Long Term Interest and Fees (117, sum of 62.c through 67.c) -- Notes A and B	-	
2	Line of Credit Fees (68.c) -- Note C	-	
3	Total Interest and Fees	-	
13 Month Average Long-Term Debt - Notes A and D			
	Month During Rate Year	Long Term Debt	
	(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 cos the Long Term Debt balance on line 8.
- 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.

Attachment 10
Depreciation Rates
DesertLink, LLC

INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES

Line No. INTANGIBLE PLANT		Initial Annual Depreciation Rates (Notes A and 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
TRANSMISSION PLANT		
4	350.2 Land Rights	1.55%
5	352.0 Structures & Improvements	0.99%
6	353.0 Station Equipment	1.67%
7	354.0 Towers & Fixtures	1.48%
8	355.0 Poles & Fixtures	2.52%
9	356.0 Overhead Conductors & Devices	2.26%
10	357.0 Underground Conduit	1.61%
11	358.0 Underground Conduit & Devices	2.21%
12	359.0 Roads and Trails	1.74%
GENERAL PLANT		
13	391.0 Office Furniture & Equipment	5.00%
14	391.1 Computer Hardware	20.00%
15	392.0 Transportation Equipment	9.44%
16	393.0 Stores Equipment	5.00%
17	397.0 Communication Equipment	6.67%

Notes

- A Taken directly from DesertLink affiliate Nevada Power Company for property in same FERC accounts, other than Accounts 301.0 and 302.0.
- B These depreciation rates will not be changed absent a FERC order.
- C In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in lines 4-12 above, and the resultant weighted average depreciation rate will be used to amortize the CIAC. The CIAC depreciation rate for each facility will be determined at the time the plant is placed into service, and will not change without FERC approval.

Attachment 11
 Prior Period Adjustments
 DesertLink, LLC

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	(a)	(b)
			<u>Revenue Impact of Correction</u>	Calendar Year <u>2020</u> <u>Revenue Requirement</u>
1	Filing Name and Date			-
2	Original Revenue Requirement			-
3				
4	Description of Correction 1			-
5	Description of Correction 2			-
6				
7	Total Corrections	Line 4 + 5		-
8				
9	Corrected Revenue Requirement	Line 2 + 7		-
10				
11				
12	Total Corrections	Line 7		-
13				
14	Average Monthly FERC Refund Rate	Note A		0.00%
15	Number of Months of Interest	Note B		30
16	Interest on Correction	Line 12 x 14 x 15		-
17				
18	Total Annual Amount Due from / (to) Customers	Line 12 + 16		-

Notes

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

Attachment 12
Revenue Credit Detail
DesertLink, LLC

Line No.	(Note A)	Source	(a) Company Total	(b) Less: Non Transmission	(c) = (a) - (b) Transmission-related
1	Account 454 - Rent from Electric Property				
2	Joint pole attachments - telephone	Company books	-	-	-
3	Joint pole attachments - cable	Company books	-	-	-
4	Underground rentals	Company books	-	-	-
5	Transmission tower wireless rentals	Company books	-	-	-
6	Other rentals	Company books	-	-	-
7	Other rentals	Company books	-	-	-
8	Account 454 Revenue Credit	Form 1 300.19.b	-	-	-
9	Account 456.1 Other Operating Revenues				
10	CAISO NITS	Company books	-	-	-
11	CAISO Point to Point	Company books	-	-	-
12	Over/Under recovery deferral	Company books	-	-	-
13	Other Transmission Service Revenues	Company books	22,885,782	-	22,885,782
14	Other	Company books	-	-	-
15	Total Per Books	Form 1 330.n	22,885,782	-	22,885,782
16	Less: revenues received pursuant to this Formula Rate		22,885,782	-	22,885,782
17	Less: Over/Under recovery deferral		-	-	-
18	Account 456.1 Revenue Credit	(Line 15 - line 16 - line 17)	-	-	-
19	Total Revenue Credits	(Line 8 + line 18)	-	-	-

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

Attachment 13
Deficient or Excess Accumulated Deferred Income Taxes
DesertLink, LLC

Line No.

- 1 The primary purposes of this worksheet are to (1) reconcile the amounts of regulatory assets or liabilities comprising the rate base adjustment mechanism on Page 2, Line 22a (ADJUSTMENTS TO RATE BASE-Deficient or (Excess) Accumulated Deferred Income Taxes) as of the beginning and end of the current test period (summarized beginning at Line 2 below) and (2) to support the amount of excess deferred tax expense or benefit recognized due to enacted change(s) in tax rate(s) on Page 3, Line 40 (INCOME TAXES-Deficient or (Excess) Deferred Income Taxes) and the effect of such excess deferred tax expense or benefit on the revenue requirement as reflected in the income tax allowance adjustment mechanism on Page 3, Line 44 (INCOME TAXES-Deficient or (Excess) Deferred Income Tax Adjustment) during the test period (summarized beginning on Line 9 below). This worksheet supports the computation of the projected revenue requirement and, as appropriate, the actual revenue requirement used to compute the true-up adjustment.

This worksheet addresses tax law changes resulting in the decrease in federal income tax rate pursuant to the Tax Cuts and Jobs Act ("TCJA") (see Note 1a) and will be updated for subsequent tax law changes. Subsequent tax law changes will be described in Note 1b.

2 **Rate Base Adjustment Mechanism - Summary**

3 4 Account	5 6 Projected Revenue Requirement		7 Actual Revenue Requirement (True-up)	
	Amount		Amount	
182.3 (debit or <credit>)	-	From Line 24	-	From Line 42
254 (debit or <credit>)	-	From Line 30	-	From Line 48
7 Total Deficient or (Excess) ADIT	-	To Appendix III Page 2, Line 22a	-	To Appendix III Page 2, Line 22a

- 8 The amounts summarized above are computed beginning on line 16 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Projected section of the worksheet or on line 34 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Actual section of the worksheet.

9 **Income Tax Allowance Adjustment Mechanism - Summary**

10 11 12 13 14	Projected		Projected		Actual		Actual	
	Amortization of Deficient or <Excess> ADIT	Tax Gross-up Factor	Amortization with Tax Gross-up		Amortization of <Excess> ADIT	Tax Gross-up Factor	Amortization with Tax Gross-up	
Amortization - federal rate decrease (2017)	-	-	-		-	-	-	
Items related to subsequent tax law changes	-	-	-		-	-	-	
13 Total (Sum of Lines 11-12)	-		-		-		-	
		To Appendix III Page 3, Line 40		To Appendix III Page 3, Line 44		To Appendix III Page 3, Line 40		To Appendix III Page 3, Line 44

- 15 The amounts summarized above are computed beginning on line 52 in the Income Tax Allowance Adjustment Mechanism-Projected section of the worksheet or on line 68 in the Income Tax Allowance Adjustment Mechanism-Actual section of the worksheet.
-

16 **Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Projected**

17	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
18				Balance at	Re-	Annual	Other	Balance at End	Whether subject	
				Beginning of	measurement of	Amortization -	Adjustments -	of Year -	to normalization	
				Year -	ADIT -	Projected -	Projected -	Projected	rules	
				Projected	Projected	(Note 4)	(Note 5)	(d)+(e)+(f)+(g)	(Note 6)	Amortization period and method
	Description (+ = debit, < = credit)									
19				-	-	-	-	-	Protected	
20				-	-	-	-	-	Unprotected	
20				-	-	-	-	-	Protected	
21				-	-	-	-	-	Unprotected	
22				-	-	-	-	-		
23				-	-	-	-	-		
24				-	-	-	-	-		
25				-	-	-	-	-	Protected	
26				-	-	-	-	-	Unprotected	
26				-	-	-	-	-	Protected	
27				-	-	-	-	-	Unprotected	
28				-	-	-	-	-		
29				-	-	-	-	-		
30				-	-	-	-	-		
31				-	-	-	-	-		
32				-	-	-	-	-		
33	Analysis - This will be updated to support information above.									

34 **Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Actual**

35	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
36				Balance at Beginning of Year - Actual	Re-measurement of ADIT - Actual	Annual Amortization - Actual (Note 4)	Other Adjustments - Actual (Note 8)	Balance at End of Year - Actual (d)+(e)+(f)+(g)	Whether subject to normalization rules (Note 6)	Amortization period and method
	Description (+ = debit, < = credit)									
37				-	-	-	-	-	Protected	
38				-	-	-	-	-	Unprotected	
38				-	-	-	-	-	Protected	
39				-	-	-	-	-	Unprotected	
40				-	-	-	-	-		
41				-	-	-	-	-		
42				-	-	-	-	-		
43				-	-	-	-	-	Protected	
44				-	-	-	-	-	Unprotected	
44				-	-	-	-	-	Protected	
45				-	-	-	-	-	Unprotected	
46				-	-	-	-	-		
47				-	-	-	-	-		
48				-	-	-	-	-		
49				-	-	-	-	-		
50				-	-	-	-	-		
51	Analysis - This will be updated to support information above.									

52 **Income Tax Allowance Adjustment Mechanism - Projected**

53 The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated (computed beginning on line 54).

54 **Amortization of Excess or Deficient ADIT - Projected**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
					Projected Annual Amortization from Table Above Note 4	Debit or <Credit> to Account 410.1	Debit or <Credit> to Account 411.1	Debit or <Credit> to Account 410.2	Debit or <Credit> to Account 411.2	Debit or <Credit> to Account 190	Debit or <Credit> to Account 283
Description (+ = debit, < = credit)											
57 Federal rate decrease (2017) - affecting rate base - protected					-	-	-	-	-	-	-
58 Federal rate decrease (2017) - affecting rate base - unprotected					-	-	-	-	-	-	-
58 Federal rate decrease (2017) - not affecting rate base - protected					-	-	-	-	-	-	-
59 Federal rate decrease (2017) - not affecting rate base - unprotected					-	-	-	-	-	-	-
60 Items related to subsequent tax law changes					-	-	-	-	-	-	-
61 Total for account 182.3 (Sum of Lines 57-60)					-	-	-	-	-	-	-
62 Federal rate decrease (2017) - affecting rate base - protected					-	-	-	-	-	-	-
63 Federal rate decrease (2017) - affecting rate base - unprotected					-	-	-	-	-	-	-
63 Federal rate decrease (2017) - not affecting rate base - protected					-	-	-	-	-	-	-
64 Federal rate decrease (2017) - not affecting rate base - unprotected					-	-	-	-	-	-	-
65 Items related to subsequent tax law changes					-	-	-	-	-	-	-
66 Total for account 254 (Sum of Lines 62-65)					-	-	-	-	-	-	-
67 Total amortization and offsetting entries (Line 61 + Line 66)					-	-	-	-	-	-	-

68 **Income Tax Allowance Adjustment Mechanism - Actual**

69 The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated (computed beginning on line 70).

70 **Amortization of Excess or Deficient ADIT - Actual**

71	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(i)
72					Actual Annual Amortization from Table Above Note 4	Debit or <Credit> to Account 410.1	Debit or <Credit> to Account 411.1	Debit or <Credit> to Account 410.2	Debit or <Credit> to Account 411.2	Debit or <Credit> to Account 190	Debit or <Credit> to Account 283
	Description (+ = debit, < = credit)										
73	Federal rate decrease (2017) - affecting rate base - protected				-	-	-	-	-	-	-
74	Federal rate decrease (2017) - affecting rate base - unprotected				-	-	-	-	-	-	-
74	Federal rate decrease (2017) - not affecting rate base - protected				-	-	-	-	-	-	-
75	Federal rate decrease (2017) - not affecting rate base - unprotected				-	-	-	-	-	-	-
76	Items related to subsequent tax law changes				-	-	-	-	-	-	-
77	Total for account 182.3 (Sum of Lines 73-76)				-	-	-	-	-	-	-
78	Federal rate decrease (2017) - affecting rate base - protected				-	-	-	-	-	-	-
79	Federal rate decrease (2017) - affecting rate base - unprotected				-	-	-	-	-	-	-
79	Federal rate decrease (2017) - not affecting rate base - protected				-	-	-	-	-	-	-
80	Federal rate decrease (2017) - not affecting rate base - unprotected				-	-	-	-	-	-	-
81	Items related to subsequent tax law changes				-	-	-	-	-	-	-
82	Total for account 254 (Sum of Lines 78-81)				-	-	-	-	-	-	-
83	Total amortization and offsetting entries (Line 77 + Line 82)				-	-	-	-	-	-	-

84 **Summary of re-measurement of ADIT resulting from tax law changes**

85 The purposes of this portion of the worksheet are, for each change in tax law, to explain:

- how any ADIT accounts were re-measured,
- the excess or deficient ADIT contained therein, and
- the accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities).

Note 2 describes the accounting summarized below.

86 **Summary of re-measurement of ADIT resulting from the 2017 decrease in federal income tax rate (Note 1a)**

86 ADIT and tax-related regulatory assets and liabilities existing before the change in tax law - remeasurements and portions of each account reflected in rate base:

87	(a)	(b)	(c)	(d)	(e)	(f)	(g)
88	Account	Balance Prior to Change in Law	Portion of Balance Affecting Rate Base Prior to Change in Law	Balance Re-measured after Change in Law	Portion of Balance Affecting Rate Base Re-measured after Change in Law	Debit or <Credit> Entry to Total Pre-TCJA ADIT or Tax-related Regulatory Asset or Liability Balance	Debit or <Credit> Entry to Portion of Pre-TCJA ADIT or Regulatory Asset or Liability Affecting Rate Base
89	190	517,301	-	355,273	-	(162,028)	-
90	281 (enter negative)	-	-	-	-	-	-
91	282 (enter negative)	(237,871)	-	(163,366)	-	74,506	-
92	283 (enter negative)	(135,891)	-	(55,216)	-	80,674	-
93	182.3 (tax-related)	313,134	-	176,944	-	(136,190)	-
94	254 (tax-related) (enter negative)	-	-	-	-	-	-
95	Total (Sum of Lines 89-94)	456,674	-	313,635	-	(143,039)	-

96 Other accounts affected by remeasurements of ADIT and tax-related regulatory assets and liabilities existing before the change in tax law (Note 2):

97	(a)	(b)
98	Account	Debit or <Credit>
99	Account 410.1	-
100	Account 411.1	-
101	Account 410.2	162,028
102	Account 411.2	(18,990)
103	Account 182.3	-
103	Account 282 related to Account 182.3	-
104	Account 283 related to Account 182.3	-
105	Account 254	-
106	Account 190 related to Account 254	-
107	Total (Sum of Lines 99-106)	143,039

108 **Analysis of 2017 decrease in federal income tax rate** - DesertLink had not begun providing electric transmission service prior to the 2017 federal change in tax law and, thus, the resulting remeasurements of ADIT recorded in 2017 did not affect rate base or result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The decrease in tax rate reduced the regulatory asset in Account 182.3 and deferred tax liabilities in Accounts 282 and 283 related to accrued/capitalized AFUDC-equity. Accordingly, the decrease in tax rate will reduce the revenue requirement associated with depreciation of AFUDC-equity after the associated plant is placed in service.

109 **Notes**

110 **Note 1a** - The Tax Cuts and Jobs Act (Public Law No. 115-97) was enacted on December 22, 2017. The TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. DesertLink had not begun providing electric transmission service prior to this change in tax law and DesertLink has yet to recover federal income tax expense in rates. The construction period for DesertLink's depreciable plant began before this change in tax law. Thus, remeasurements of ADIT recorded through the end of 2017 by DesertLink did not result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The effects of the ADIT remeasurements as of December 31, 2017, the end of the year in which the change in tax rate was enacted, are described above. In addition, the effect of remeasurement of the tax-related regulatory asset existing prior to this change in tax rate is described above. The composite tax rates used for the remeasurement of ADIT balances as a result of the TCJA are:

	<u>Historical</u>	<u>New</u>
Federal income tax rate	35.00%	21.00%
State income tax rate	8.84%	8.84%
Federal benefit of deduction for state income tax	-3.09%	-1.86%
Composite federal/state income tax rate (Sum of Lines 112-114)	<u>40.75%</u>	<u>27.98%</u>
Composite federal/state tax gross-up factor (1 / (1 - Line 115))	<u>1.68765</u>	<u>1.38857</u>

117 **Note 1b** - Note 1 will be expanded, as necessary, to describe subsequent tax law changes.

118 **Note 2 - Explanation of how ADIT accounts are re-measured upon a change in income tax law**

Deferred tax assets and liabilities are adjusted (re-measured) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future revenue or reduction in future revenue. Re-measurements of deferred tax balance sheet accounts may also result in re-measurements of tax-related regulatory assets or liabilities that had been recorded prior to the change in tax law. If it is not probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, tax expense is recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes-Credit, Other Income or Deductions), as appropriate.

119 **Note 3** - This will be updated to support information above.

120 **Note 4** - The amortization of the excess and/or deficient ADIT recorded in Account 254 (Other Regulatory Liabilities) and/or Account 182.3 (Other Regulatory Assets) is recorded with offsetting entries to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) or Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income), as appropriate. In addition, the deferred tax asset related to Account 254 or the deferred tax liability related to Account 182.3 is adjusted, as appropriate. This activity is summarized in the table "Income Tax Allowance Mechanism - Projected" or the table "Income Tax Allowance Mechanism - Actual," as appropriate. The annual amortization in the tables above reflects tax gross-up and is stated at the revenue requirement level.

121 **Note 5** - This will be updated to support information above.

122 **Note 6** - The worksheet indicates whether each excess or deficient ADIT amount is protected (i.e., subject to normalization rules of a taxing jurisdiction) or unprotected (i.e., not subject to normalization rules of a taxing jurisdiction). Certain excess deferred taxes pertaining to the TCJA are subject to (protected by) the normalization requirements of TCJA Section 13001(d). None of the ADIT remeasurements by DesertLink are subject to such normalization requirements. To the extent that normalization requirements apply to ADIT remeasurements, additional computations (e.g., proration of excess deferred tax activity related to future test periods) may be necessary.

123 **Note 7** - This will be updated to support information above.

124 **Note 8** - This will be updated to support information above.

2021 Projected Appendix III

Accumulated Deferred Income Taxes and Regulatory Assets/Liabilities for Excess/Deficient ADIT - Proration Adjustments (Projected Revenue Requirement)

Line

No.			
1	Rate year =		2021
2	Test period days after rates become effective		365

Note 1 - The computations on this workpaper apply the proration rules of Treasury Regulation Sec. 1.167(l)-1(h)(6) to the annual activity of depreciation-related accumulated deferred income taxes that are subject to the normalization requirements. Activity related to the portions of the account balances not subject to the proration requirement is averaged instead of prorated.

Note 2 - Accumulated deferred income tax amounts reflected in rate base exclude ADIT related to assets and liabilities excluded from rate base, including amounts related to asset retirement obligations, other post-employment benefit obligations and tax-related regulatory assets and liabilities.

5	Account 281 - Accumulated Deferred Income Taxes - Accelerated /	Amount	
		debit / <credit>	
6	Beginning Balance	-	
7	Ending Balance	-	
8	Average Balance	-	Appendix III,pg. 2, line 19, col. 5
9	Account 282 - Accumulated Deferred Income Taxes	Amount	
		debit / <credit>	
10	Beginning Balance	(6,136,700)	
11	Less: Portion not related to transmission	-	
12	Less: Portion not reflected in rate base	(3,530,634)	
13	Subtotal: Portion reflected in rate base	(2,606,065)	
14	Less: Portion subject to proration	(1,658,453)	
15	Portion subject to averaging	(947,613)	
16	Ending Balance	(9,171,164)	
17	Less: Portion not related to transmission	-	
18	Less: Portion not reflected in rate base	(3,469,904)	
19	Subtotal: Portion reflected in rate base	(5,701,260)	
20	Less: Portion subject to proration (before proration)	(4,616,519)	
21	Portion subject to averaging (before averaging)	(1,084,741)	
22	Ending balance of portion subject to proration (prorated)	(3,028,753)	
23	Average balance of portion subject to averaging	(1,016,177)	
24	Amount reflected in rate base	(4,044,930)	Appendix III,pg. 2, line 20, col. 5

Note 3 - Accumulated deferred income tax activity in account 282 subject to the proration rules relates differences between depreciation methods and lives for public utility property and any other amounts subject to the Section 168 or other normalization requirements.

26	Account 282 - Accumulated Deferred Income Taxes							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Month	Year	Forecasted Monthly Activity debit / <credit>	Forecasted Month-end Balance debit / <credit>	Days until End of Test Period	Days in Test Period	Prorated Forecasted Monthly Activity debit / <credit>	Forecasted Prorated Month-end Balance debit / <credit>
27								
28	December 31,	2020	NA	(1,658,453)	NA	365	NA	(1,658,453)
29	January	2021	(246,505)	(1,904,958)	335	365	(226,245)	(1,884,697)
30	February	2021	(246,505)	(2,151,464)	307	365	(207,335)	(2,092,032)
31	March	2021	(246,505)	(2,397,969)	276	365	(186,399)	(2,278,431)
32	April	2021	(246,505)	(2,644,475)	246	365	(166,138)	(2,444,569)
33	May	2021	(246,505)	(2,890,980)	215	365	(145,202)	(2,589,771)
34	June	2021	(246,505)	(3,137,486)	185	365	(124,941)	(2,714,712)
35	July	2021	(246,505)	(3,383,991)	154	365	(104,005)	(2,818,717)
36	August	2021	(246,505)	(3,630,497)	123	365	(83,069)	(2,901,786)
37	September	2021	(246,505)	(3,877,002)	93	365	(62,808)	(2,964,594)
38	October	2021	(246,505)	(4,123,508)	62	365	(41,872)	(3,006,466)
39	November	2021	(246,505)	(4,370,013)	32	365	(21,611)	(3,028,078)
40	December	2021	(246,505)	(4,616,519)	1	365	(675)	(3,028,753)
41	Total		(2,958,066)					

42 Account 283 - Accumulated Deferred Income Taxes - Other		Amount debit / <credit>
43	Beginning Balance	(1,427,514)
44	Less: Portion not related to transmission	-
45	Less: Portion not reflected in rate base	(1,416,303)
46	Subtotal: Portion reflected in rate base	(11,211)
47	Less: Portion subject to proration	-
48	Portion subject to averaging	(11,211)
49	Ending Balance	(1,391,784)
50	Less: Portion not related to transmission	-
51	Less: Portion not reflected in rate base	(1,383,019)
52	Subtotal: Portion reflected in rate base	(8,765)
53	Less: Portion subject to proration (before proration)	-
54	Portion subject to averaging (before averaging)	(8,765)
55	Ending balance of portion subject to proration (prorated)	-
56	Average balance of portion subject to averaging	(9,988)
57	Amount reflected in rate base	(9,988)
58 Account 190 - Accumulated Deferred Income Taxes		Amount debit / <credit>
59	Beginning Balance	22,868
60	Less: Portion not related to transmission	-
61	Less: Portion not reflected in rate base	-
62	Subtotal: Portion reflected in rate base	22,868
63	Less: Portion subject to proration	-
64	Portion subject to averaging	22,868
65	Ending Balance	77,752
66	Less: Portion not related to transmission	-
67	Less: Portion not reflected in rate base	-
68	Subtotal: Portion reflected in rate base	77,752
69	Less: Portion subject to proration (before proration)	-
70	Portion subject to averaging (before averaging)	77,752
71	Ending balance of portion subject to proration (prorated)	-
72	Average balance of portion subject to averaging	50,310
73	Amount reflected in rate base	50,310

Appendix III, pg. 2, line 21, col. 5

Appendix III, pg. 2, line 22, col. 5

DesertLink, LLC
2021 Projected Appendix III
Listing of Permanent Book/Tax Differences

The book/tax differences reflected in recoverable income tax expense are differences between revenues and expenses reflected in the revenue requirement and revenue and deductions reflected in taxable income. As such, non-operating (below-the-line) expenses and income are not included (e.g., accrual of AFUDC-equity). Book depreciation of capitalized AFUDC-equity is reflected in ratemaking, but not for income tax purposes, and, thus, is a permanent book/tax difference in this context. Similarly, amortization of the regulatory asset for pre-commercial carrying charges accrued at an after-tax equity rate of return is permanent difference between recoverable expenses and tax deductions.

Permanent differences per tax return	Amount per Formula Rate Template
Depreciation of AFUDC-equity	217,020
Amortization of carrying charge-equity	24,928
Total permanent book/tax differences	241,948
Tax rate	27.98%
Tax effect of permanent book/tax differences	67,706 To Appendix III, page 3, line 41, col. 3
Tax gross-up factor	1.3885726
Permanent Differences Tax Adjustment	94,014

DesertLink, LLC
 2021 Projected Appendix III
 Weighted Average Federal and State Income Tax Rates

<u>Line</u>	<u>Description</u>	<u>Subchapter C Corporations</u>	<u>Weighted Average</u>
1	Weighted Marginal Federal Income Tax Rate (Note A)	21.00%	
2	Allocated Income Percentage	100.00%	
3	Weighted Average	21.00%	
4	Weighted Average Federal Income Tax Rate		21.00%
5	Weighted Marginal State Income Tax Rate (Note B)	8.84%	
6	Allocated Income Percentage	100.00%	
7	Weighted Average	8.84%	
8	Weighted Average State Income Tax Rate		8.84%

Notes

- A DesertLink, LLC is 100% indirectly owned by LSP Transmission Holdings, LLC which is taxed as a corporation.
- B California corporate income tax rate.