



April 15, 2022

**By Electronic Filing**

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**INFORMATIONAL FILING**

**No Commission Action Required**

**Re: *DesertLink, LLC*, Docket No. ER22-\_\_\_\_-000**  
Informational Filing of the 2022 Projected Net Revenue Requirement and 2020 True-Up Adjustment

Dear Secretary Bose:

Pursuant to Section 7 of the DesertLink, LLC (“DesertLink”) Formula Rate Implementation Protocols (“Protocols”), DesertLink submits this letter and supporting materials (“Informational Filing”) that reflect 1) DesertLink’s projected net revenue requirement effective January 1, 2022 (“Projection”), and 2) its actual net revenue requirement and True-Up Adjustment (“True-Up”) calculated as part of DesertLink’s annual update (“Annual Update”) for calendar year 2020.<sup>1</sup> The Projection is based on projected cost data for calendar year 2022 and the True-Up is based on actual cost data during Calendar year 2020 reported in DesertLink’s 2020 FERC Form No. 1. The Projection was calculated in accordance with DesertLink’s approved formula rate template (“Formula Rate”) and Protocols<sup>2</sup> for transmission revenue requirement determinations to be collected under the California Independent System Operator Corporation’s (“CAISO”) Transmission Access Charge in accordance with the CAISO Transmission Tariff (“CAISO Tariff”).

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<sup>1</sup> Defined consistent with the definition used in the DesertLink Protocols.

<sup>2</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). On August 5, 2019, in Docket No. ER19-2531-000, DesertLink proposed minor amendments to its Formula Rate and Protocols. The amendments were accepted by delegated letter order on September 24, 2019. *DesertLink, LLC*, Docket No. ER19-2531-000 (Sept. 24, 2019)(unpublished delegated letter order accepting revisions). In addition, DesertLink’s revisions to comply with Order No. 864 have been accepted for filing. *DesertLink, LLC*, Docket No. ER20-1573-000, *et al.* (March 21, 2022)(unpublished delegated letter order).

On February 15, 2022, as amended on March 16, 2022, DesertLink filed a correction to its Formula Rate to enable DesertLink to recover gross receipt taxes as intended.<sup>2</sup> DesertLink requested that the revisions become effective April 18, 2022. The revision is currently pending before the Federal Energy Regulatory Commission (“FERC” or “Commission”) in Docket No. ER22-1050-000.

## I. BACKGROUND

DesertLink is a transmission-only company established to develop, own, and operate transmission facilities, including the Harry Allen to Eldorado 500 kV Transmission Project (“the Project”). 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 is determined in accordance with the Formula Rate included in Appendix III of DesertLink’s Transmission Owner Tariff (“DesertLink TO Tariff”). The Project was placed in service August 12, 2020.

## II. INFORMATIONAL FILING

Consistent with Section 7(b) of its Protocols, this Informational Filing includes information reasonably necessary to demonstrate: (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.

In addition, DesertLink is required to 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. The Informational Filing must also include affiliate cost allocation methodologies used to allocate costs during the applicable rate year, the magnitude of such costs, and service agreements executed between DesertLink and any of its affiliates for the applicable rate year.

DesertLink’s 2022 Projection was based on forward-looking data and reasonable assumptions related to its operations and DesertLink considered the affiliate cost allocation methodologies in the development of its Projection. For the Annual Update, actual costs allocated or directly assigned between DesertLink and each affiliate by service category or function for the 2020 rate year were provided in the Accounting Changes and Disclosures document as part of the Annual Update. In this Informational Filing, DesertLink is including its cost allocation manual, which details the affiliate cost allocation methodologies used to allocate or directly assign costs to, from, and amongst DesertLink and its affiliates. DesertLink is also including a copy of the management services agreement with LSP Electric Services, LLC, effective August 7, 2020.

Interested Parties had until January 1, 2022, to submit information requests to DesertLink and until March 1, 2022, to review the calculations and to notify DesertLink of any informal challenges to the Annual Update and Projection. DesertLink publicly posted responses to information requests received from one Interested Party. No aspects of the Formula Rate and its inputs are subject to an ongoing dispute under the informal or formal challenge procedures.

DesertLink is including the following as part of this filing:

Exhibit A: Populated Formula Rate calculating actual net revenue requirement for rate year 2020 (Annual Update), in Excel format. Workpapers are included to support input

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

values that are not available in DesertLink’s 2020 FERC Form No. 1.

- Exhibit B: Accounting Changes and Disclosures document, Explanation of Variances document, and Attachment A Cost Commitment Workpaper prepared for the Annual Update.
- Exhibit C: Populated Formula Rate calculating projected net revenue requirement for rate year 2022 (Projection), in Excel format. Workpapers are included to support the reasonableness of projected costs.
- Exhibit D: Accounting Changes and Disclosures document and Attachment A Cost Commitment Workpaper prepared for the Projection.
- Exhibit E: Cost Allocation Manual dated April 8, 2020
- Exhibit F: Management Services Agreement dated August 7, 2020

As part of the implementation of its Formula Rate, DesertLink’s Protocols specify annual activities and associated deadlines. The following table summarizes compliance with these requirements.

<b>Date Due</b>	<b>Activity</b>	<b>Date Completed</b>
July 1, 2021	Post Annual Update (True-Up) and supporting materials.	July 1, 2021
July 11, 2021	Notify Service List.	July 1, 2021
July 30, 2021 – August 13, 2021	Hold stakeholder meeting on Annual Update.	August 11, 2021
October 1, 2021	Post Projection and supporting materials.	October 1, 2021
October 11, 2021	Notify Service List.	October 1, 2021
October 29, 2021 – November 12, 2021	Hold stakeholder meeting on Projection.	October 22, 2021

### III. NOTICE TO STAKEHOLDERS

As stated in DesertLink’s Protocols, DesertLink will provide notification of the FERC Docket number for this Informational Filing directly to CAISO and to other parties through the Service List maintained by DesertLink.



#### IV. CONCLUSION

As demonstrated in this Informational Filing, DesertLink has followed its Formula Rate Protocols. DesertLink is not requesting Commission action as part of this filing. Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,

*/s/ D. Eric Arzola* \_\_\_\_\_

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