

Exhibit No. PRB-0012R

## Platte River Power Authority (PRPA)

### Transmission Formula Rate Implementation Protocols

#### A. Annual Update

1. The Platte River Power Authority ("PRPA") transmission formula rate template ("Template") and these Transmission Formula Rate implementation protocols ("Protocols") together make up PRPA's filed rate ("Formula Rate") for transmission service in Zone 101 of the Southwest Power Pool, Inc. ("SPP") footprint. PRPA must follow the Formula Rate to calculate its Annual Transmission Revenue Requirements ("ATRR") and the rates for Network Integration Transmission Service ("NITS") and Point-to-Point ("PTP") Transmission Service in Zone 101.
2. The Formula Rate will apply to service on and after October 1 of each calendar year through September 30 of the following calendar year ("Rate Year"), subject to review, challenge, and refunds or surcharges with interest, to the extent provided in these Protocols.
3. On or before May 1 of each calendar year, PRPA will:
  - a. Recalculate the ATRR and the rates for zonal NITS and zonal PTP for the new Rate Year in accordance with the Formula Rate ("Annual Update");
  - b. Provide its Annual Update to SPP so that SPP may post it on its website; and
  - c. Post its Annual Update to OASIS.
  - d. If the date for posting the Annual Update falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting will be on the next business day. The date on which the Annual Update is posted will be that year's "Posting Date." Any delay in the Posting Date will result in an equivalent extension of time for the submission of information requests discussed in Section C of these Protocols.

SPP will publicly post the Annual Update on PRPA's behalf.

4. Concurrent with the Annual Update postings, PRPA will provide a notice of such posting via email distribution to all Interested Parties. "Interested Parties" will include:
  - a. Customers under the SPP Tariff; and
  - b. Any person or entity who communicates to PRPA an interest in participating in the Annual Update process.
5. The Annual Update will:
  - a. Include a workable populated Template with fully functional spreadsheets showing how PRPA calculated the Annual Update and any underlying workpapers in native format with links and formulas intact, including sufficiently detailed workpapers and supporting documentation;

- b. Be based on PRPA's independently audited books and records for the most recent calendar year January 1 through December 31;
- c. Provide enough information to enable Interested Parties to replicate the calculation of the formula results from the Formula Rate;
- d. With respect to any change in accounting that affects the inputs to the Formula Rate or the resulting charges billed under the Formula Rate, PRPA will identify:
  - 1. Any accounting changes, such as 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 direction; or the correction of errors and prior period adjustments that impact the ATRR.
  - 2. Any items included in the Formula Rate at an amount other than a historic cost basis.
  - 3. The individual impact of any changes in item d.1 or d.2 above on charges billed under the Formula Rate.
- e. PRPA will not seek to modify the Formula Rate in the Annual Update.

## **B. Review of Annual Update**

Within 20, but not less than 10 business days after the posting of PRPA's Annual Update, PRPA will host a meeting for Interested Parties to discuss the Annual Update ("Annual Meeting"). PRPA will provide notice of this meeting concurrent with the posting of the Formula Rate Annual Update accessible on SPP's website and OASIS. The notice will include the date, time, and location of the Annual Meeting and will be provided via email distribution list of Interested Parties identified in Section A.4 above. The Annual Meeting will also be available by telephone and web access with all meeting materials provided electronically.

## **C. Information exchange**

- 1. Interested Parties may begin submitting information requests immediately following the Posting Date of the Annual Update and will have until 60 calendar days of the date of the posting to serve reasonable information requests on PRPA for information and work papers supporting the Annual Update. Such information requests will be limited to that what is necessary to determine:
  - a. The extent or effect of an accounting change;
  - b. Whether the Annual Update fails to include data properly recorded in accordance with the Protocols and the accuracy and consistency of data;
  - c. The proper application of the Formula Rate and procedures in these Protocols;
  - d. The prudence of actual costs and expenditures, including information on procurement methods and cost control methodologies;
  - e. The effect of any change to the underlying Uniform System of Accounts or Formula Rate Template;

- f. The identification of any reorganization or merger transaction and an explanation of the effect of the transaction on inputs to the Formula Rate; or
- g. Any other information that may reasonably have a substantive effect on the calculation of the charges pursuant to the Formula Rate.

The information and document requests will not seek other information or otherwise challenge whether the Formula Rate is just and reasonable.

- 2. PRPA will make a good faith effort to respond to information requests pertaining to the Annual Update within seven business days.
- 3. PRPA will post on OASIS and request that SPP post on SPP's website all information requests from Interested Parties and PRPA's responses to such requests. If responses to information requests contain information deemed by PRPA to be confidential, the confidential information will not be publicly posted but will be made available to requesting parties under a confidentiality agreement between the requesting party and PRPA.

#### **D. Informal Challenge procedures**

- 1. Interested Parties will have until July 18 (or the first Business Day after July 18 if July 18 falls on a weekend or holiday) to notify PRPA in writing (which may be electronically) of any informal challenges ("Informal Challenge"). The Informal Challenge must specify the inputs, supporting explanations, allocations, calculations, or other information to which the Interested Party objects and provide an appropriate explanation and documents to support its Informal Challenge. PRPA will make a good faith effort to respond to any Informal Challenge within 20 business days of notification of such Informal Challenge. PRPA, and, if appropriate, SPP, will appoint senior representatives to work with the Interested Party to resolve the Informal Challenge.
- 2. PRPA will post on OASIS and request that SPP post on SPP's website all Informal Challenges from Interested Parties and PRPA's responses to the Informal Challenges. If responses to information requests contain information deemed by PRPA to be confidential, the confidential information will not be publicly posted but will be made available to requesting parties under a confidentiality agreement between the requesting party and PRPA.
- 3. Any changes or adjustments to the Annual Update resulting from the information exchange and Informal Challenge procedures that are agreed to by PRPA and resolved before the Informational Filing will be reported in the Informational Filing made with FERC and will be reflected in the Annual Update for the following Rate Year.
- 4. The notification for the Informal Challenges should contain sufficient information to present the issue in question, as well as sufficient contact information.
  - a. Any written notification should be addressed to:  
  
Platte River Power Authority  
2000 E Horsetooth Rd  
Fort Collins, CO 80525
  - b. E-mail notifications can be made to: [ATRRComments@prpa.org](mailto:ATRRComments@prpa.org)

## E. Formal Challenges

1. Formal Challenges will be filed with FERC pursuant to these Protocols in the FERC Docket assigned to the Informational Filing, and must be served on both PRPA and SPP. Service can be accomplished by electronic mail in accordance with § 385.2010(f)(3), by express delivery or messenger to the individual listed as the contact person in PRPA's Informational Filing. For the avoidance of doubt, the right of the Commission or any party to pursue a complaint against SPP under Section 206 of the Federal Power Act, seeking to change or modify SPP's transmission Formula Rate or inputs, is not limited by these Protocols.
2. A Formal Challenge will:
  - a. Clearly identify the action or inaction which is alleged to violate the filed Formula Rate or Protocols;
  - b. Explain how the action or inaction violates the filed Formula Rate or Protocols;
  - c. Set forth the business, commercial, economic or other issues presented by the action or inaction and how the action or inaction relates to or affects the party filing the Formal Challenge, including:
    1. The extent or effect of an accounting change;
    2. Whether the Annual Update fails to include data properly recorded in accordance with the Protocols and the accuracy and consistency of data;
    3. The proper application of the Formula Rate and procedures in these Protocols;
    4. The prudence of actual costs and expenditures, including information on procurement methods and cost control methodologies;
    5. The effect of any change to the underlying Uniform System of Accounts or Formula Rate template; or
    6. Any other information that may reasonably have a substantive effect on the calculation of the charges pursuant to the Formula Rate.
  - d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge due to the action or inaction;
  - e. State whether the issues presented are pending in an existing proceeding in any forum in which the Interested Party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
  - f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that belief;
  - g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the Interested Party, including, but not limited to, contracts and affidavits; and
  - h. State whether the filing party used the Informal Challenge procedures described in these Protocols with regard to any issue.
  - i. A Formal Challenge does not need to be limited to the same subject or issue previously raised in an Informal Challenge.

**F. Modification of Formula Rate or Annual Update**

1. No party will seek to modify the Formula Rate and the Annual Update will not be subject to challenge to attempt to modify the Formula Rate.
2. No party will seek to change to the Formula Rate fixed inputs related to rate of return on equity ("ROE"), depreciation rates, capital structure, amortization periods, and any ROE incentives for SPP regional projects, which may not be made absent the appropriate filing with FERC under the Federal Power Act, Sections 205 or 206.
3. If PRPA makes a correction to a Mistake in its financial information during a Rate Year that would affect the Formula Rate for that Rate Year, that correction and any resulting refunds or surcharges will be reflected in the Annual Update for the next effective Rate Year, with interest computed as provided in the SPP Tariff. For purposes of these Protocols, "Mistake" means errors or omissions affecting the values used in the Formula Rate template, such as arithmetic or computational errors. Mistakes do not include matters involving exercise of judgement or substantive differences of opinion regarding the derivation of an input that is more properly the subject of the Annual Update process.
4. PRPA will incorporate any changes to the data inputs as the result of a FERC proceeding into the Formula Rate, along with the charges calculated using the Formula Rate in the Annual Update for the next effective Rate Year. PRPA will calculate any interest on any refund as provided in the SPP Tariff.

**G. Informational Filing**

1. By September 1 of each year, PRPA will submit to FERC an informational filing ("Informational Filing") of its Annual Update. The Informational Filing will be for administrative and informational purposes only and will not submit PRPA to the jurisdiction of FERC under the Federal Power Act.
2. This Informational Filing must include the information that is reasonably necessary to determine:
  - a. That input data under the Formula Rate are properly recorded in any underlying workpapers;
  - b. That PRPA properly applied the Formula Rate and these Protocols;
  - c. That the data are accurate and consistent with the Formula Rate of the ATRR and rates under review; and
  - d. The extent of accounting changes that affect Formula Rate inputs.
3. The Informational Filing must also describe all aspects of the Formula Rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge procedures.
4. Promptly after submitting the Informational Filing, PRPA will provide notice of the Informational Filing via the email distribution list to Interested Parties in Section A(4) and by posting the docket number assigned to the Informational Filing on OASIS, to be accessible on SPP's website.

#### **H. Joint SPP Transmission Owners' meeting**

If SPP Transmission Owners with transmission projects that affect PRPA Transmission Facilities and use a regional cost-sharing methodology coordinate to hold joint meetings, PRPA will participate in that process.