

Record Narrative Name:  
Tariff Record ID: 56  
Tariff Record Collation Value: 56000 Tariff Record Parent Identifier: 0  
Proposed Date: 2019-01-01  
Priority Order: 700  
Record Change Type: CHANGE  
Record Content Type: 1  
Associated Filing Identifier:

## **ATTACHMENT H**

### **Annual Transmission Revenue Requirement For Network Integration Transmission Service**

1. Rates and charges for Network Integration Transmission Service, pursuant to Section 34 of this OATT, shall be calculated annually using the Transmission Provider's ATRR, which is derived from the Formula Rate Template ("Template"), set forth in Attachment H-1. The resulting rate is posted on the Transmission Provider's OASIS. The rate determined pursuant to Attachment H-1 shall be implemented pursuant to the Formula Rate Protocols ("Protocols") set forth in Attachment H-2.
2. The Formula Rate in Attachment H-1 shall be effective until amended by the Transmission Provider or modified by the Commission.
3. Rates and charges under Schedule 7 and Schedule 8 of this OATT shall also be calculated annually using the Transmission Provider's ATRR, which is derived from the Formula Rate Template ("Template"), set forth in Attachment H-1. The resulting rate is posted on the Transmission Provider's OASIS. The revenues received by the Transmission Provider under Schedules 7 and 8 are treated as revenue credits to the calculation of the ATRR as set forth in Attachment H-1.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:  
Attachment H-1, Formula Rate Template, 0.0.0, A  
Record Narrative Name:  
Tariff Record ID: 63  
Tariff Record Collation Value: 56500 Tariff Record Parent Identifier: 56  
Proposed Date: 2019-01-01  
Priority Order: 500  
Record Change Type: NEW  
Record Content Type: 2  
Associated Filing Identifier:

This is a PDF section and we cannot render PDF in a RTF document.  
Record Content Description, Tariff Record Title, Record Version Number, Option Code:  
Attachment H-2, Formula Rate Protocols, 0.0.0, A  
Record Narrative Name:  
Tariff Record ID: 64  
Tariff Record Collation Value: 56510 Tariff Record Parent Identifier: 56  
Proposed Date: 2019-01-01  
Priority Order: 500  
Record Change Type: NEW  
Record Content Type: 1  
Associated Filing Identifier:

## **ATTACHMENT H-2**

## **Formula Rate Protocols**

### **Cheyenne Light, Fuel and Power Formula Rate Protocols**

#### **Section I. Applicability**

The formula rate template (“Template”) and these formula rate implementation protocols (“Protocols”) together comprise the filed rate (“Formula Rate”) of Cheyenne Light, Fuel and Power Company (“Cheyenne Light”) for transmission revenue requirement determinations under the Cheyenne Light Open Access Transmission Tariff (“Cheyenne Light OATT.”) The instructions specified in the Formula Rate shall be followed by Cheyenne Light to calculate annually its projected net revenue requirement. The projected net revenue requirement shall be determined for January 1 to December 31 of a given calendar year (the “Rate Year”). The Annual True-Up and projected net revenue requirement shall be subject to review, challenge, true-up and refunds or surcharges with interest to the extent and in the manner provided in these Protocols.

#### **Section II. Projected Net Revenue Requirement**

The projected net revenue requirement and resulting Network Integration Transmission Service and Point-to-Point Transmission Service rates derived therefrom shall be determined and updated annually through the Formula Rate located in Attachment H of the Cheyenne Light OATT and shall be applicable to services provided during the Rate Year.

1. On or before September 30 of each year, Cheyenne Light shall determine its projected net revenue requirement for the following Rate Year in accordance with the Cheyenne Light Formula Rate, and shall post its projected net revenue requirement on the Black Hills Energy website and Cheyenne Light Open Access Same-Time Information System (“Cheyenne Light OASIS”). Within ten (10) days of posting the projected net revenue requirement, Cheyenne Light shall provide notice to Interested Parties who have subscribed to its email exploder list, which subscription can be accomplished on the Black Hills Energy website. For purposes of these Protocols, the term “Interested Party” includes, but is not limited to, customers under the Cheyenne Light OATT, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.
2. If the date for posting the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission (“FERC”), then the posting shall be due on the next business day. The dates on which posting of the projected net revenue requirement occur shall be that year’s “Projected Rate Publication Date.” Any delay in the Projected Rate Publication Date will result in an equivalent extension of time for the submission of information and document requests discussed in Section VI of these Protocols.

3. Cheyenne Light shall hold an open meeting among Interested Parties between the Projected Rate Publication Date and October 30 each year (“Annual Projected Rate Meeting”). No less than seven (7) days before the Annual Projected Rate Meeting, Cheyenne Light shall provide notice on the Black Hills Energy website and Cheyenne Light OASIS of the time, date, and location of the Annual Projected Rate Meeting, and shall provide notice of such meeting via its email exploder list. The Annual Projected Rate Meeting shall: (i) permit Cheyenne Light to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarification from Cheyenne Light about the projected net revenue requirement. Cheyenne Light shall provide remote access to Annual Projected Rate Meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.
  
4. The projected net revenue requirement referenced in Section II., Paragraph 1 shall:
  - A. Include a workable data-populated Template and underlying workpapers in native format with all formulas and links intact;
  - B. Be based primarily on Cheyenne Light’s most recent FERC Form No. 1;
  - C. Provide the Formula Rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement that are not otherwise available in the FERC Form No. 1;
  - D. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement;
  - E. With respect to any change in accounting that affects inputs to the Formula Rate or the resulting charges billed under the Formula Rate (“Accounting Change:”)
    - a. Identify any Accounting Change, including:
      - i. the initial implementation of an accounting standard or policy;
      - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
      - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
      - iv. the implementation of new estimation methods or policies that change prior estimates; and
      - v. changes to income tax elections;
    - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
    - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and
    - d. Provide, for each item identified pursuant to Sections II.4.E.a - II.4.E.c of these Protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.
  - F. Formula Rate inputs for (i) rate of return on common equity, (ii) depreciation rates, and (iii) “Post-Employment Benefits Other than Pension” accruals,

pursuant to the Statement of Financial Accounting Standards No. 106, Employers' Accounting for Post-retirement Benefits Other than Pensions ("PBOP") charges, shall be stated values to be used in the Formula Rate until changed pursuant to an FPA filing approved or accepted by the Commission. Notwithstanding the foregoing limitations, Cheyenne Light may make a FPA section 205 filing to seek to change its depreciation rates or add new depreciation rates, and PBOP accruals, consistent with the Commission's prior precedent in this regard.

### **Section III. True-Up Amount and True-Up Adjustment**

1. Cheyenne Light will calculate the amount of under or over collection of its actual net revenue requirement during the preceding Rate Year after the FERC Form No. 1 data for that Rate Year has been filed with the Commission. ("True-Up Amount"). The exact method for determining the True-Up Amount is described in more detail in Section III.2. The sum of the True-Up Amount as determined below in Section III.2, and the interest on the True-Up Amount as determined in Section III.3, will be the "True-Up Adjustment."
2. The True-Up Amount is derived from two components and will be calculated in the following manner. The first component is the net revenue requirement variance. The projected net revenue requirement on the Projected Attachment H, page 1, line 7a for the Rate Year will be compared to the actual net revenue requirement for the same Rate Year (located at Actual Attachment H, page 1, line 7) calculated in accordance with Attachment H of the Cheyenne Light OATT. The second component is the demand variance that relates to the demand amount used in the divisor. The demand originally projected on the Projected Attachment H, page 1, line 8 for the Rate Year will be compared to the actual demand for the same Rate Year (located at Actual Attachment H, page 1, line 8) calculated in accordance with Attachment H of the Cheyenne Light OATT. The demand variance in kilowatts will be converted to a revenue amount in dollars by multiplying it by the billed rate (located on Worksheet TU, line 21). The sum of these two components: the revenue excess or shortfall determined from the actual net revenue requirement variance and the revenue excess or shortfall due to the demand variance shall constitute the True-Up Amount.
3. Interest on any over-recovery of the actual net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a. Interest on any under-recovery of the actual net revenue requirement shall be determined using the interest rate equal to: (i) Cheyenne Light's actual short-term debt costs capped at the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a; or (ii) if Cheyenne Light does not have short-term debt, then the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a will be determined using the average of the posted quarterly rates for the fourth quarter of the

previous year through the second quarter of the current year.

4. The True-Up Adjustment, as calculated on line 37 of Worksheet TU of the Template, shall be included in Cheyenne Light's subsequent projected net revenue requirement determination.

## **Section IV. Annual True-Up**

1. On or before June 1 of each year, Cheyenne Light shall post all of the information set forth in Section IV, Paragraph 3 (hereinafter "Annual True-Up") on the Black Hills Energy website and Cheyenne Light OASIS. The date on which posting of the Annual True-Up occurs shall be that year's "True-Up Publication Date." Within ten (10) days of the True-Up Publication Date, Cheyenne Light shall provide notice to Interested Parties of such posting via an email exploder list.
2. If the True-Up Publication Date falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC"), then the posting shall be due on the next business day. Any delay in the True-Up Publication Date will result in an equivalent extension of time for the submission of information and document requests discussed in Section VI of these Protocols.
3. The Annual True-Up shall:
  - A. Include a workable data-populated Template and underlying workpapers in native format with all formulas and links intact;
  - B. Be based primarily on Cheyenne Light's FERC Form No. 1 for the prior calendar year;
  - C. Provide the Formula Rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the True-Up Amount that are not otherwise available in FERC Form No. 1;
  - D. Provide sufficient information to enable Interested Parties to replicate the calculation of the True-Up Amount;
  - E. Identify any changes in the formula references (page and line numbers) to FERC Form No. 1;
  - F. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to FERC Form No. 1 and any adjustments not shown in FERC Form No. 1;
  - G. Provide underlying data for Formula Rate inputs that provide greater granularity than is required for FERC Form No. 1;
  - H. With respect to any Accounting Change:
    - a. Identify:
      - i. the initial implementation of an accounting standard or policy;
      - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
      - iii. correction of errors and prior period adjustments that impact the True-Up Amount calculation;

- iv. the implementation of new estimation methods or policies that change prior estimates; and
    - v. changes to income tax elections.
  - b. Identify items included in the True-Up Amount at an amount other than on a historic cost basis (e.g., fair value adjustments);
  - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the True-Up Amount;
  - d. Provide, for each item identified pursuant to Sections IV.3.H.a-IV.3.H.c of these Protocols, a narrative explanation of the individual impact of such changes on the True-Up Amount.
  - e. Shall include for the applicable Rate Year the following information related to affiliate cost allocation:
    - i. a detailed description of the methodologies used to allocate and directly assign costs between Cheyenne Light and its affiliates by service category or function, including any changes to such cost allocation methodologies from the prior year, and the reasons and justification for those changes; and
    - ii. the magnitude of such costs that have been allocated or directly assigned between Cheyenne Light and each affiliate by service category or function.
- 4. Cheyenne Light shall hold an open meeting among Interested Parties between the True-Up Publication Date and July 1 each year (“Annual True-Up Meeting”). No less than seven (7) days prior to such Annual True-Up Meeting, Cheyenne Light shall provide notice on the Black Hill Energy website and Cheyenne Light OASIS of the time, date, and location of the Annual True-Up Meeting, and shall provide notice of such meeting via an email exploder list.
- 5. The Annual True-Up meeting shall permit Cheyenne Light to explain and clarify its Annual True-Up and provide Interested Parties and opportunity to seek information and clarifications from Cheyenne Light about the Annual True-Up. Cheyenne Light shall provide remote access to Annual True-Up Meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.

## **Section V. Annual FERC Informational Filing**

- 1. By March 1 of each year, Cheyenne Light shall submit to FERC an informational filing (“Informational Filing”) including its Annual True-Up and projected net revenue requirement in connection with the postings performed in accordance with Sections II and IV of the Protocols during the prior year. 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 Cheyenne Light has properly applied the Template and these procedures;
  - C. The accuracy of data and the consistency with the Template of the transmission

- revenue requirement and rates under review;
- D. The extent of any Accounting Change that affects Formula Rate inputs; and
- E. The reasonableness of projected costs.

The Informational Filing shall include the Template and underlying workpapers in native format fully populated with formulas intact. The Informational Filing also must describe any corrections or adjustments made during that period, and must 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.

2. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation:
  - A. A detailed description of the methodologies used to allocate and directly assign costs between Cheyenne Light and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and
  - B. The magnitude of such costs that have been allocated or directly assigned between Cheyenne Light and each affiliate by service category or function.
3. Any challenges to the implementation of Cheyenne Light's Formula Rate under Attachment H of the Cheyenne Light OATT must be made through the Challenge Procedures described in Section VII of these Protocols or in a separate complaint proceeding, and not in response to the Informational Filing.
4. Within five (5) days of such Informational Filing, Cheyenne Light shall provide notice of the Informational Filing via an email exploder list and by posting the docket number assigned by the FERC to Cheyenne Light's Informational Filing on the Black Hills Energy website and Cheyenne Light OASIS.

## **Section VI. Information Exchange Procedures**

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures ("Information Exchange Procedures"):

1. Interested Parties shall have until August 1 following the True-Up Publication Date (unless such period is extended with the written consent of Cheyenne Light or by FERC order) to serve reasonable information and document requests on Cheyenne Light ("True-Up Information Exchange Period"). If August 1 falls on a weekend or holiday recognized by the FERC, the deadline for submitting all information and document requests for the True-Up Information Exchange Period shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:
  - A. The extent or effect of an Accounting Change;
  - B. Whether the Annual True-Up fails to include data properly recorded in accordance with these Protocols;
  - C. The proper application of the Template and/or Protocols;

- D. The accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual True-Up;
- E. The prudence of actual costs and expenditures, including utilized procurement methods and cost control methodologies;
- F. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; and/or
- G. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Template.

The information and document requests should be directed to ascertaining whether the Formula Rate inputs are appropriate, and should not otherwise be directed to ascertaining whether the FERC-approved Formula Rate is just and reasonable.

2. Interested Parties shall have until November 30 following the Projected Rate Publication Date (unless such period is extended with the written consent of Cheyenne Light or by FERC order) to serve reasonable information and document requests on Cheyenne Light (“Projected Rate Information Exchange Period”). If November 30 falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests for the Projected Rate Information Exchange Period shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:
  - A. The extent or effect of an Accounting Change;
  - B. Whether the projected net revenue requirement fails to include data properly recorded in accordance with these Protocols;
  - C. The proper application of the Template and/or Protocols;
  - D. The accuracy of data and consistency with the Formula Rate of the calculations shown in the projected net revenue requirement;
  - E. The prudence of projected costs and expenditures, including utilized procurement methods and cost control methodologies;
  - F. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; and/or
  - G. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Template.

The information and document requests should be directed to ascertaining whether the Formula Rate inputs are appropriate, and should not otherwise be directed to ascertaining whether the FERC-approved Formula Rate is just and reasonable.

3. Cheyenne Light shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such requests. Cheyenne Light shall respond to all information and document requests submitted during the True-Up Information Exchange Period by no later than September 1 following the True-Up Publication Date, unless the True-Up Information Exchange Period is extended by Cheyenne Light or FERC. Further, Cheyenne Light shall respond to all information and document requests submitted during the Projected Rate Information Exchange Period by no later than December 31 following the Projected Rate Publication Date,



unless the Projected Rate Information Exchange Period is extended by Cheyenne Light or FERC.

4. Cheyenne Light will post on the Black Hills Energy website and Cheyenne Light OASIS all information and document requests from Interested Parties and Cheyenne Light's response(s) to such requests; except, however, if responses to information and document requests include material deemed by Cheyenne Light to be privileged and/or confidential. In such instances, the information will not be publicly posted but treated as confidential information, and therefore, will be made available to requesting parties provided that a confidentiality agreement is executed by Cheyenne Light and the requesting Interested Party.
5. Cheyenne Light shall not claim that responses to information and document requests provided pursuant to these Protocols are subject to any settlement privilege, in any subsequent FERC proceeding addressing Cheyenne Light's Annual True-Up or projected net revenue requirement.

## **Section VII. Challenge Procedures**

1. Interested Parties shall have until September 15 following the True-Up Publication Date (unless such period is extended with the written consent of Cheyenne Light or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify Cheyenne Light in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up. The period of time from the True-Up Publication Date until September 15 shall be referred to as the "True-Up Review Period." If September 15 falls on a weekend or a holiday recognized by the FERC, the deadline for submitting all Informal Challenges regarding the Annual True-Up shall be extended to the next business day.
2. Interested Parties shall have until January 15 following the Projected Rate Publication Date (unless such period is extended with the written consent of Cheyenne Light or by FERC order) to review inputs, supporting explanations, allocations and calculations and to notify Cheyenne Light in writing, which may be made electronically, of any specific Informal Challenges to the projected net revenue requirement. The period of time from the Projected Rate Publication Date until January 15 shall be referred to as the "Projected Rate Review Period." If January 15 falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges regarding the projected net revenue requirement shall be extended to the next business day.
3. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge within the timelines provided in these Protocols regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement under the challenge procedures set forth in these Protocols, but shall not bar pursuit of such an issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent True-Up Adjustment or projected net revenue requirement. This Section

VII.3 in no way shall affect a party's rights under Federal Power Act (FPA) section 206.

4. An Interested Party submitting an Informal Challenge to Cheyenne Light must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. Cheyenne Light shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. Cheyenne Light shall appoint a senior representative to work with the Interested Party (or its representative) submitting the Informal Challenge toward a resolution of the dispute; and, where deemed necessary, may request the appointment of a FERC Administrative Law Judge that is mutually acceptable to the challenging party to facilitate discussions to attempt to resolve the dispute. If Cheyenne Light disagrees with such challenge, Cheyenne Light will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge of the Annual True-Up or projected net revenue requirement may be submitted after September 15 or January 15, respectively, following the True-Up Publication Date and Projected Rate Publication Date, unless September 15 or January 15 falls on a weekend or a holiday recognized by FERC, in which case the deadline for submitting all Informal Challenges shall be extended to the next business day. Cheyenne Light must respond to: (1) all Informal Challenges to the Annual True-Up by no later than October 15 following the True-Up Publication Date, unless the True-Up Review Period is extended by Cheyenne Light or FERC; and (2) all Informal Challenges to the projected net revenue requirement by February 15 following the Projected Rate Publication Date, unless the Projected Rate Review Period is extended by Cheyenne Light or FERC.
5. Informal Challenges shall be subject to the resolution procedures and limitations in this Section VII. Formal Challenges shall be filed pursuant to these Protocols and shall satisfy all of the following requirements:
  - A. Formal Challenge shall:
    - a. Clearly identify the action or inaction which is alleged to violate the Template or Protocols;
    - b. Explain how the action or inaction violates the Template or Protocols;
    - c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
      - i. The extent of effect of an Accounting Change;
      - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these Protocols;
      - iii. The proper application of the Template and procedures in these Protocols;
      - iv. The accuracy of data and consistency with the Template of the charges shown in the Annual True-Up or projected net revenue requirement;

- v. The prudence of actual or projected costs and expenditures;
  - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form 1; and
  - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Template.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
  - e. State whether the issues presented are pending in an existing FERC proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
  - f. State specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
  - g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
  - h. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, describe why.
- B. Service. Any party filing a Formal Challenge must serve a copy of the Formal Challenge on Cheyenne Light. Service to Cheyenne Light must be simultaneous with filing at the FERC. Simultaneous service can be accomplished by electronic mail in accordance with Section 385.2010(f)(3) of FERC's Rules of Practice and Procedure, facsimile, express delivery, or messenger. See 18 C.F.R. § 385.2010(f)(3). The party filing the Formal Challenge shall serve the individual listed as the contact person on Cheyenne Light's Informational Filing required under Section V of these Protocols.
6. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these Protocols; (3) the proper application of the Template and these Protocols; (4) the accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual True-Up and projected net revenue requirement; (5) the prudence of actual or projected costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; and (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate.
7. Cheyenne Light will post on the Black Hills Energy website and Cheyenne Light OASIS all Informal Challenges from Interested Parties and Cheyenne Light's response(s) to such Informal Challenges; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by Cheyenne Light to be privileged and/or confidential. In such instances, the information will not be publicly posted but treated as confidential information, and therefore, will be made available to

- requesting Interested Parties provided that a confidentiality agreement is executed by Cheyenne Light and the requesting party.
8. If Cheyenne Light determines that corrections or adjustments to the Annual True-Up or projected net revenue requirement are appropriate as a result of the Information Exchange or Informal Challenge procedure in these Protocols, those changes or adjustments will be reported in the Informational Filing required pursuant to Section V of the Protocols. Any such changes or adjustments made or agreed to by Cheyenne Light on or before December 1 will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by Cheyenne Light after December 1 will be reflected in the following year's Annual True-Up, as discussed in Section IV of these Protocols.
  9. An Interested Party shall have until April 1 following the True-Up Review Period and Projected Rate Review Period (unless such date is extended with the written consent of Cheyenne Light to continue efforts to resolve the Informal Challenge) to make a Formal Challenge with the FERC, which shall be served on Cheyenne Light on the dates specified in Section VII of these Protocols. A Formal Challenge shall be filed in the same docket as Cheyenne Light's Informational Filing, as discussed in Section V of these Protocols. Cheyenne Light shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge during the applicable True-Up Review Period or Projected Rate Review Period.
  10. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, Cheyenne Light shall bear the burden, consistent with FPA section 205, of proving that it has correctly applied the terms of the Template consistent with these Protocols, and that it followed the applicable requirements and procedures in Attachment H of the Cheyenne Light OATT and these Protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
  11. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of Cheyenne Light to file unilaterally, pursuant to FPA section 205 and the regulations thereunder, to change the Formula Rate or any of its inputs (including, but not limited to, the rate of return and/or transmission incentive rate treatments), or to replace the Template with a stated rate, or the right of any party to request such changes pursuant to FPA section 206 and the regulations thereunder.
  12. No party shall seek to modify the Formula Rate under the Challenge Procedures set forth in these Protocols, and the Annual True-Up and projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the Formula Rate. Any modifications to the Formula Rate will require, as applicable, an FPA section 205 or section 206 filing.
  13. Any Interested Party seeking changes to the application of the Formula Rate due to a

change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with Cheyenne Light, in accordance with this Section VII before pursuing a Formal Challenge.

### **Section VIII. Changes to Annual True-Up or Projected Net Revenue Requirement**

Except as provided in Section VII.8 of these Protocols, any changes to the data inputs, including but not limited to revisions to Cheyenne Light's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate in the projected net revenue requirement for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section III.3 of these Protocols.

### **Section IX. Joint Informational Meeting**

In the event that Cheyenne Light utilizes a regional cost sharing mechanism with other transmission owners for the recovery of transmission project costs under Cheyenne Light's Template contained in this Attachment H of the Cheyenne Light OATT, Cheyenne Light shall endeavor to coordinate with other transmission owners utilizing the same regional cost sharing mechanism to hold an annual joint informational meeting among those transmission owners and Interested Parties to enable all Interested Parties the opportunity to understand how those transmission owners are implementing their formula rates for recovering the costs of such projects. No less than seven (7) days prior to such joint informational meetings, Cheyenne Light shall provide notice on the Black Hills Energy website and Cheyenne Light OASIS of the time, date, and location of the joint informational meeting, and shall provide notice of such meeting via an email exploder list. Cheyenne Light shall provide remote access to joint informational meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.