

Exhibit No. _____
Issues: Managerial, Financial, and Technical Capabilities
Witness: J. Brett Hooton
Type: Direct Testimony
Sponsoring Party: GridLiance High Plains LLC
Case No. EM-2020-_____
Date Testimony Prepared: October 20, 2020

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

CASE NO. EM-2021-_____

DIRECT TESTIMONY

OF

J. BRETT HOOTON

ON BEHALF OF

**GRIDLIANCE HIGH PLAINS LLC,
GRIDLIANCE GP, LLC, AND
GRIDLIANCE HOLDCO, LP**

OCTOBER 20, 2020

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS?**

3 A. My name is J. Brett Hooton. I am the President of GridLiance High Plains LLC
4 (GridLiance HP), a wholly-owned transmission-only utility (Transco) subsidiary of
5 GridLiance Holdco, LP (GridLiance Holdco). My business address is 201 E. John
6 Carpenter Freeway, Suite 900, Irving, Texas 75062.

7 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

8 A. I am testifying on behalf of GridLiance HP, one of the Joint Applicants in this proceeding.

9 **Q. PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES, PROFESSIONAL AND**
10 **EDUCATIONAL BACKGROUND.**

11 A. As President of GridLiance HP, I oversee the company's regional business activities in the
12 Southwest Power Pool, Inc. (SPP) footprint, including establishing new partnerships with
13 municipal electric utilities, electric cooperatives, and joint action agencies, and developing
14 transmission solutions to meet the needs of our partners.

15 I joined GridLiance HP after spending almost eight years at SPP, where I worked in
16 a variety of coordination and planning positions, including working as a senior interregional
17 coordinator, where I was responsible for the development, renegotiation, and execution of
18 Joint Operating Agreements and other Seams Agreements between SPP and its neighbors.

19 In addition to my work at SPP, I was appointed by the Governor of Arkansas to chair
20 Arkansas' Open Data and Transparency Task Force and by the Speaker of the Arkansas
21 House of Representatives to serve on the Arkansas Data and Transparency Panel, where I

1 was elected as Vice-Chair. I also served on the Saline County Election Commission for
2 five and a half years, the last three and a half as Chairman.

3 I received my Bachelor of Science in Economics and Bachelor of Arts in Political
4 Science from Arkansas Tech University.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY TO THE FEDERAL**
6 **ENERGY REGULATORY COMMISSION (FERC) OR ANY OTHER UTILITY**
7 **REGULATORY COMMISSION?**

8 A. Yes. I have previously submitted testimony to FERC, the Kansas Corporation Commission,
9 and the Oklahoma Corporation Commission. I have not submitted testimony to the
10 Missouri Public Service Commission (Commission).

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. My testimony covers the following:

- 13 • I provide an overview of GridLiance HP, including identifying the transmission facilities
14 GridLiance HP owns, operates, and maintains in Missouri.
- 15 • I explain the benefits of the Proposed Transaction
 - 16 a. I supplement the Direct Testimony of NextEra Energy Transmission, LLC
17 (NEET) witnesses Eric Gleason (Managerial, Financial, Technical) and LaMargo
18 Sweezer-Fischer (Technical) that managerial, financial, and technical experience
19 and expertise of NEET and its affiliates is a good fit and will be beneficial to
20 GridLiance HP and to Missouri.

1 b. I confirm that GridLiance HP, through its management team now in place, will
2 continue to operate and maintain the Missouri assets and its system as a whole,
3 and that we will honor existing agreements.

4 c. I explain how GridLiance HP's mission of working with municipalities and
5 cooperatives to implement mutually agreeable transmission solutions will
6 continue after the Proposed Transaction is closed.

7 d. I confirm that GridLiance HP's commitment to the State of Missouri has not
8 changed; if the Proposed Transaction is approved GridLiance HP and the state
9 will benefit from GridLiance HP being an indirect subsidiary of NEET.

10 e. I supplement NEET witness Mr. Gleason's testimony that the Proposed
11 Transaction will not be detrimental to the public interest.

12 **II. OVERVIEW OF GRIDLIANCE HP**

13 **Q. PLEASE PROVIDE AN OVERVIEW OF GRIDLIANCE HP.**

14 A. GridLiance HP is a Transco formed to partner with municipal electric utilities, electric
15 cooperatives, and joint action agencies in the SPP region to solve transmission issues,
16 optimize its partners' systems, and help manage costs on these systems to the benefit of its
17 partners and the broader transmission grid.

18 **Q. PLEASE DESCRIBE GRIDLIANCE HP'S CORPORATE STRUCTURE AND ITS**
19 **CURRENT BUSINESS OPERATIONS.**

20 A. GridLiance HP is a limited liability company organized and existing under the laws of the
21 State of Delaware and a wholly-owned direct subsidiary of GridLiance Eastern Holdings

1 LLC (GridLiance Eastern Holdings). GridLiance Eastern Holdings is, in turn, a
2 wholly-owned subsidiary of GridLiance Heartland Holdings LLC (GridLiance Heartland
3 Holdings), which is, in turn, wholly-owned by GridLiance Holdco, LP (GridLiance Holdco),
4 a Delaware limited partnership collectively, (the GridLiance Entities). GridLiance HP's
5 principal office is located at 201 East John Carpenter Freeway, Suite 900, Irving, Texas
6 75062, GridLiance HP is authorized to do business in the State of Missouri as a foreign-
7 chartered limited liability company as evidenced by Exhibit D attached to the Joint
8 Application.

9 Except for a small number of management units, GridLiance Holdco's shares are
10 primarily owned by Blackstone Power and Natural Resources, LP (Blackstone Power), an
11 affiliate of the Blackstone Group L.P. (Blackstone). Blackstone is one of the world's
12 leading investment firms with an extensive track record of successful private equity
13 investments. Blackstone was founded in 1985 and has been publicly listed on the New York
14 Stock Exchange since 2007. As of March 2020, Blackstone manages approximately \$538
15 billion in assets. Blackstone is an active investor in virtually every sector of the energy
16 industry, having committed approximately \$16 billion of equity across a broad range of
17 geographies and throughout the energy value chain: upstream, midstream, downstream, and
18 power. As a portfolio company of Blackstone, GridLiance Holdco has ample access to
19 capital to acquire, plan, or compete for and complete transmission investments in the RTO
20 regions through its subsidiary Transcos, including GridLiance HP.

1 **Q. PLEASE DESCRIBE THE TRANSMISSION FACILITIES THAT GRIDLIANCE**
2 **HP CURRENTLY OWNS IN MISSOURI.**

3 A. GridLiance HP currently owns certain transmission facilities in Christian and Greene
4 Counties, Missouri (the Southwest Missouri Assets). The Southwest Missouri Assets
5 consist of 11 miles of 69 kilovolt (kV) transmission facilities and all real property,
6 equipment, and other associated facilities in Christian and Greene Counties. GridLiance
7 HP does not own any electric distribution facilities in the State of Missouri and does not
8 provide retail electric service to the public in Missouri.

9 The Southwest Missouri Assets were originally built, owned, and operated by the
10 City of Nixa, Missouri (City of Nixa). GridLiance HP acquired the Southwest Missouri
11 Assets from the City of Nixa in March 2018, pursuant to an Order Granting Certificate of
12 Convenience and Necessity issued by this Commission on July 20, 2016 in File No. EA-
13 2016-0036¹ as well as orders issued by the FERC authorizing GridLiance HP's acquisition
14 and transfer of functional control of the Southwest Missouri Assets to the Southwest Power
15 Pool, Inc. (SPP).² The Southwest Missouri Assets are currently under the functional control
16 of SPP, are utilized to provide transmission service to customers in SPP transmission pricing
17 Zone 10, and are operated pursuant to the SPP Open Access Transmission Tariff (SPP
18 Tariff). Under the SPP tariff, GridLiance HP is rate-regulated by the FERC; GridLiance HP

¹ *In the Matter of Application of South Central MCN LLC for Approval of Transfer of Assets and a Certificate of Convenience and Necessity*, Order Granting Certificate of Convenience and Necessity, File No. EA-2016-0036, issued July 20, 2016.

² *South Central MCN LLC*, 162 FERC, ¶ 61, 214 (Mar. 15, 2018); *Southwest Power Pool, Inc.*, 162 FERC ¶ 61, 215 (Mar. 15, 2018)

1 is not rate-regulated by the Commission and has no Missouri retail ratepayers.

2 On August 17, 2018, SPP issued GridLiance HP a Notification to Construct (NTC)
3 to rebuild a portion of the line from the Nixa Downtown to the Nixa Espy substations. On
4 December 18, 2018, the Commission granted GridLiance HP a certificate to construct the
5 project in File No. EA-2019-0112. The upgrade was completed in November 2019.

6 **III. BENEFITS OF THE PROPOSED TRANSACTION**

7 **Q. WILL THE PROPOSED TRANSACTION BENEFIT GRIDLIANCE HP AND**
8 **MISSOURI?**

9 A. Yes. As the Direct Testimony of NEET witnesses Mr. Gleason and Ms. Sweezer-Fischer
10 explain, NEET has substantial managerial, financial, and technical experience. While the
11 resources of Blackstone, one of the world's leading investors in energy infrastructure,
12 provided solid financial backing, NEET brings financial strength, coupled with greater
13 expertise in management and technical aspects of electric utilities, and, in particular,
14 transmission utility businesses. The NEET acquisition benefits not just GridLiance HP, but
15 also our current and future public power partners. GridLiance HP's management team will
16 remain in place and continue its business model, but with substantial additional resources
17 available to it.

18 **Q. HOW ARE GRIDLIANCE HP'S SOUTHWEST MISSOURI ASSETS OPERATED**
19 **AND MAINTAINED?**

20 A. The day-to-day O&M work on the transmission facilities is governed by a Master Services
21 Agreement (MSA), which GridLiance HP and the City of Nixa entered into on March 31,
22 2018. The MSA is broad in scope and allows GridLiance HP and the City of Nixa to

1 execute Task Orders for specific O&M services related to the Southwest Missouri Assets.
2 Additionally, GridLiance HP entered into a Maintenance Agreement with BBC Electrical
3 Services, Inc. (BBC Electrical Maintenance Agreement), in order to allow GridLiance HP
4 to procure O&M services related to the Southwest Missouri Assets that are beyond the scope
5 of the tasks contemplated by the MSA.

6 **Q. WILL GRIDLIANCE HP CONTINUE TO OPERATE AND MAINTAIN THE**
7 **MISSOURI ASSETS AND HONOR ITS EXISTING AGREEMENTS?**

8 A. Yes. This is not an asset purchase, but rather an acquisition of the equity of GridLiance
9 HP's ultimate parent holding company. There is no plan to change our operations and
10 maintenance practices. We will not only honor existing agreements but continue our efforts
11 to expand partnerships through further co-development or joint planning agreements. The
12 City of Nixa will continue to own and operate its local distribution system. GridLiance HP
13 will continue to contract with the City of Nixa for operations and maintenance services for
14 the Missouri Assets.

15 **Q. WILL GRIDLIANCE HP'S MISSION CHANGE?**

16 A. No. In fact, NEET has made it clear that the value it sees in acquiring GridLiance is our
17 success in our niche – partnering with smaller public power and cooperative utilities. As
18 noted above, we currently are seeking FERC approval to expand our local planning process
19 to include even more small utilities with transmission needs that will lead to additional co-
20 development and joint planning utility partnerships. This effort is emblematic of our
21 commitment to working with smaller entities to address their transmission needs for the
22 benefit of the broader grid.

1 **Q. GRIDLIANCE MADE A NUMBER OF COMMITMENTS TO MISSOURI IN THE**
2 **ORDER APPROVING ITS MISSOURI CERTIFICATE. ARE ANY OF THOSE**
3 **COMMITMENTS SUBJECT TO CHANGE?**

4 A. No. GridLiance HP's commitment to the Commission and the State of Missouri is not
5 changed. We believe the evidence provided in this Application demonstrates conclusively
6 that the Proposed Transaction will enhance GridLiance HP's ability to meet its
7 commitments, thereby improving the benefits to be enjoyed by Missouri customers and
8 stakeholders.

9 **Q. MR. GLEASON TESTIFIES THAT THE PROPOSED TRANSACTION WILL**
10 **PROMOTE THE PUBLIC INTEREST. DO YOU AGREE?**

11 A. Yes, the Proposed Transaction promotes the public interest given the managerial, financial,
12 and technical experience and expertise that NEET and its affiliates can provide to GridLiance
13 HP. Indeed, NEET and the GridLiance Entities share a common mission of providing
14 competitive transmission solutions through North America. GridLiance HP has shown the
15 value it can bring to the City of Nixa, and by combining GridLiance HP's expertise with the
16 managerial, financial, and technical capabilities of NEET, the two companies together will
17 enhance the others' ability to offer transmission solutions to customers in Missouri, which
18 promotes the public interest.

19 **VI. CONCLUSION**

20 **Q. IN YOUR OPINION, WILL THE PROPOSED TRANSACTION BE**
21 **DETRIMENTAL TO THE PUBLIC INTEREST FOR THE STATE OF MISSOURI?**

1 A. No. For the reasons previously stated, I believe that the Proposed Transaction will not be
2 detrimental to the public interest.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Joint Application of)
GridLiance GP, LLC,)
GridLiance Holdco, L.P. and)
GridLiance High Plains LLC, NextEra Energy)
Transmission Investment, LLC and NextEra)
Energy Transmission, LLC for approval of the) Case No.
Acquisition of GridLiance High Plains LLC by)
NextEra Energy Transmission Investment, LLC)

AFFIDAVIT OF J. Brett Hooton

STATE OF TEXAS)
) ss
COUNTY OF DALLAS)

J. Brett Hooton, being first duly sworn upon his/her oath, states:

1. My name is J. Brett Hooton. I am the President of GridLiance High Plains LLC.
2. Attached hereto and made a part hereto for all purposes is my Direct Testimony on behalf of Joint Applicants, having been prepared in written form for introduction into evidence in this proceeding.
3. I have knowledge of the matter set forth herein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


J. Brett Hooton

Subscribed and sworn before me this 16th day of October, 2020.



