

# Grain Belt Express Clean Line

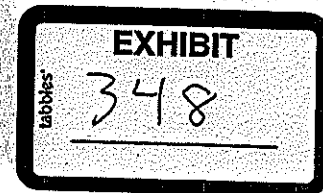
## Respondents Webinar

February 17, 2015

**CLEAN LINE**  
ENERGY PARTNERS

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# Precedent agreements will set forth the relationship between Bidders and Grain Belt Express

- Grain Belt Express will provide Selected Participants with a term sheet to begin negotiating a Precedent Agreement
- The term sheet will contain information based on the TSR submitted by the Selected Participant as well as:
  - Development stage activities
  - Level of financial commitment (modest initially but increasing with milestones)
  - Process to enter into the transmission service agreement (TSA)
- Once the term sheet is finalized, Grain Belt Express will provide Selected Participants with a draft Precedent Agreement and attached TSA
- Precedent Agreements may be negotiated with bidders remaining in the Participant Pool, subject to the availability of capacity

# Agenda

- I. Open Solicitation Process Update
- II. Grain Belt Express Clean Line
- III. Commercial Process
- IV. Rate Structure
- V. Q&A

# Bidders will submit TSR with a requested term and volume of service

Form will request that Bidders submit a Base Rate at or above the Minimum Base Rate for the KS-SULLIVAN service, which varies based on term of service.

Term of Service (years)	Minimum Base Rate for KS-SULLIVAN service (\$/kW-mo)
5	19.83
10	12.39
15	10.10
20	9.06
25	8.50
30	8.50

Form will request that Bidders submit a Proposed Rate for the KS-MO service for a term and volume of service

# Transmission service pricing remains subject to capital cost adjustments

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- The Minimum Base Rates are based on Grain Belt's current capital cost estimate of \$2.77 billion, which includes all required network upgrades
- Grain Belt's capital cost estimate will be updated as Grain Belt receives additional cost information from vendors
- Grain Belt Express will provide Precedent Agreement counterparties with reasonable documentation for cost changes
- Grain Belt Express is working with line constructors and HVDC vendors to narrow the range of cost uncertainty
- The rate will remain subject to adjustment until Grain Belt provides Precedent Agreement counterparties with a final cost estimate, expected to be in 2016

# Transmission service pricing remains subject to capital cost adjustments (cont.)

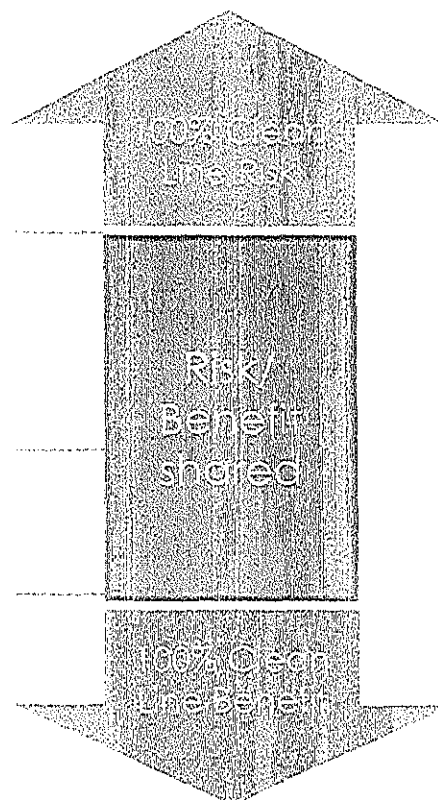
- For every \$10 million increase/decrease in capital costs from \$2.77 billion up to \$3.47 billion and down to \$2.36 billion, the Base Rate will increase/decrease by the factors shown on the next page.
- Changes in capital cost will be rounded to the nearest \$10 million.
- Clean Line takes 100% of the risk for capital costs going above \$3.47 billion or below \$2.36 billion.
- If a Bidder proposes a Base Rate higher than the Minimum Base Rate, the same adjustments will apply.

## Capital Cost

\$3.47 billion

\$2.77 billion

\$2.36 billion



# Transmission service pricing remains subject to capital cost adjustments (cont.)

An increase (decrease) in capital cost would increase (decrease) the Minimum Base Rate up to a limit as shown below (50% NPV sharing with Bidder)

Term of Service (years)	Upper limit to Minimum Base Rates for KS-SULLIVAN service (\$/kW-mo)	Minimum Base Rates for KS-SULLIVAN service (\$/kW-mo)	Lower limit to Minimum Base Rates for KS-SULLIVAN service (\$/kW-mo)
5	21.73	19.83	18.68
10	13.56	12.39	11.69
15	11.04	10.10	9.54
20	9.89	9.06	8.55
25	9.28	8.50	8.03
30	9.28	8.50	8.03