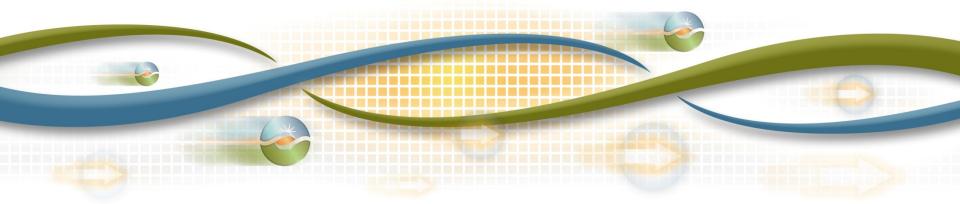


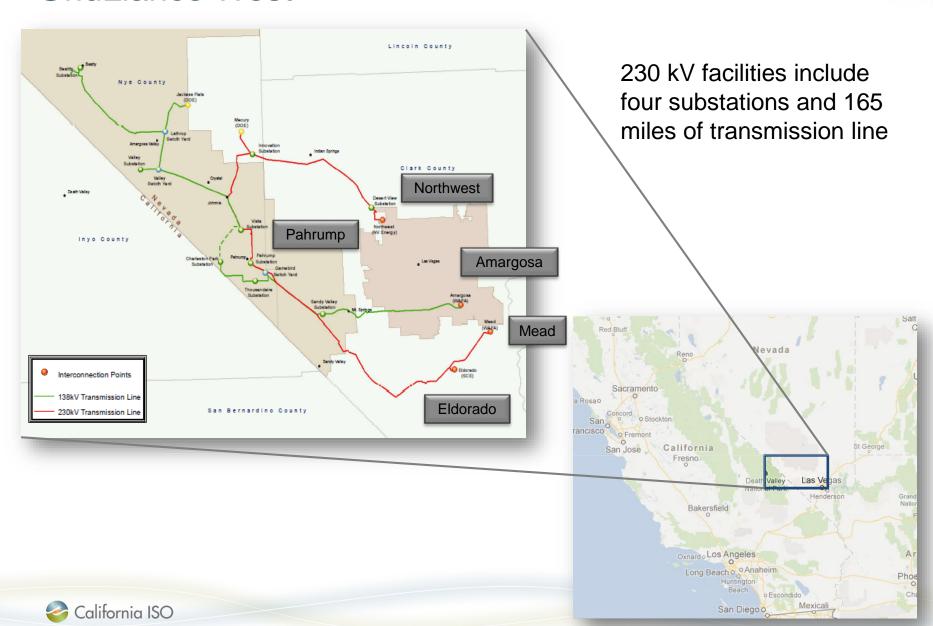
Decision on Participating Transmission Owner Application of GridLiance West Transco LLC

Daune Kirrene Sr. Contracts Negotiator

Board of Governors Meeting General Session December 14-15, 2016



GridLiance West



Participating transmission owner process

- Transmission owner submits application to the ISO
- ISO posts for public comment
 - Two comments were received regarding the acquisition premium

Board Approval

FERC Approvals

- Transmission Control Agreement
- Transmission Revenue Requirement
- Transmission Owner Tariff

Participating Transmission Owner



Management recommends approval of the GridLiance West application

- GridLiance met the application requirements
 - Transmission lines and associated facilities are currently under ISI operational control and part of the ISO controlled grid
 - No ISO breach of applicable reliability criteria and WECC requirements
 - No objections from the ISO
 - GridLiance West can perform obligations under the TCA
 - Applicable regulatory approvals will be obtained
- GridLiance will re-enforce the ISO's interconnection with GridLiance West and Valley Electric at the Eldorado substation.

