

APPENDIX III

Transmission Revenue Requirement and TRBAA
Effective January 1, ~~2024~~2025

1. The Transmission Revenue Requirement shall be ~~\$15,002,684~~14,956,045, which is composed of a Base Transmission Revenue Requirement of ~~\$14,965,065~~14,918,426 and a TRBAA of \$37,619.
2. The Base Transmission Revenue Requirement consists of a Transmission Capital Cost Revenue Requirement associated with Citizens Sunrise Transmission's share of the Sunrise Powerlink Project of \$9,828,355, and a Transmission Operating Cost Revenue Requirement associated with Citizens Sunrise Transmission's share of the Sunrise Powerlink Project of ~~\$5,136,710~~5,090,071.
3. Except to the extent a change in law, rule, or regulation results in any new taxes, income taxes, property taxes, fees or other charges being levied by a governmental authority, the Transmission Capital Cost Revenue Requirement associated with Citizens Sunrise Transmission's share of the Sunrise Powerlink Project will remain fixed for the thirty year term of Citizens Sunrise Transmission's lease of Transfer Capability in the Sunrise Powerlink Project. To the extent a change in law, rule, or regulation results in any new taxes, income taxes, property taxes, fees or other charges being levied by a Governmental Authority, Citizens Sunrise Transmission's may seek approval for inclusion in its rates of an allowance to recover any such new taxes, income taxes, property taxes, fees or other charges.
4. The costs included in the Transmission Operating Cost Revenue Requirement associated with Citizens Sunrise Transmission's share of the Sunrise Powerlink Project are those directly attributable to Citizens Sunrise Transmission's Transfer Capability on the Project, as recorded in FERC accounts 560-573, and 920-935 under the FERC Uniform System of Accounts. The costs are in two parts; (1) those costs billed to Citizens Sunrise Transmission by SDG&E, the operator of the Project, and (2) those costs incurred directly by Citizens Sunrise Transmission in managing and administering its Transfer Capability. The Transmission Operating Cost Revenue Requirement is the sum of those two parts, and is established each year as described in paragraphs 5, 6, 7 and 8 below.
5. The costs billed to Citizens Sunrise Transmission by SDG&E are those billed pursuant to the Transfer Capability Lease. The costs included in this Transmission Operating Cost Revenue Requirement are those costs specified

under the provisions of Appendix X to the SDG&E Transmission Owner Tariff.

6. Pursuant to Appendix X, SDG&E will submit to FERC on or before October 31 of each year an informational filing showing the Citizens Border East Line Rate in effect for the period January 1 through December 31 of the subsequent year. Citizens Sunrise Transmission shall include in the Transmission Operating Cost Revenue Requirement effective January 1 each year the Citizens Border East Line Rate amount specified in the SDG&E informational filing each year. Appendix X to the SDG&E Transmission Owner Tariff states that in the event of a challenge to any of the costs reflected in rates derived in Appendix X, SDG&E shall bear the burden of demonstrating that such costs and expenditures included for recovery were prudently incurred, accurate and consistent with the formula. Therefore, Citizens Sunrise Transmission shall not bear the burden of demonstrating that such portion of its costs and expenditures included for recovery that were specified in Appendix X to the SDG&E Transmission Owner Tariff were prudently incurred, accurate and consistent with the formula. However, Citizens Sunrise Transmission will adjust its Transmission Operating Cost Revenue Requirement to reflect any required changes to the Citizens Border East Line Rate pursuant to a FERC Order and revised billing by SDG&E. The initial Citizens Border East Line Rate for the period through May 31, 2013 is \$2,627,000 as specified in the SDG&E filing in FERC Docket ER12-1417-000.
7. The costs incurred directly by Citizens Sunrise Transmission in managing and administering its Transfer Capability are those recorded by Citizens Sunrise Transmission in FERC accounts 561.4, 923, 924, 925, 928, and 930.2. Citizens Sunrise Transmission shall include in the Transmission Operating Cost Revenue Requirement effective January 1 each year the sum of the amounts recorded in the above FERC accounts for the second calendar year prior to the January 1 effective date, plus or minus a true-up adjustment equal to the difference between the total amount recorded in the above FERC accounts for the calendar year and the amount recovered through the Transmission Operating Cost Revenue Requirement for that calendar year. Interest will be calculated on the true-up adjustment in accordance with FERC Regulation 35.19(a) for the period January through December of the year immediately prior to the January 1 effective date, and such interest will be fully amortized over the twelve month period commencing January 1. The initial amount of costs incurred directly by Citizens Sunrise Transmission in managing and administering its Transfer Capability is estimated for the period through May 31, 2013 and shall be \$772,000 for the initial period through May 31, 2013.

8. Citizens Sunrise Transmission shall submit to FERC on or before October 31 of each year an Informational Filing showing Citizens Sunrise Transmission's Transmission Operating Cost Revenue Requirement to be in effect for the Period January 1 through December 31 of the subsequent year (the "Informational Filing"). The Informational Filing shall not subject the Formula set forth in this Appendix III to modification. The Informational Filing shall only be contestable with respect to the prudence of the Citizens Sunrise Transmission costs and expenditures included for recovery, the accuracy of the data and the consistency with the Formula of the changes in data shown in the Informational Filing. In the event of a challenge to any of the costs reflected in the Transmission Operating Cost Revenue Requirement derived under this Appendix III, Citizens Sunrise Transmission shall, except with respect to the SDG&E costs and expenditures as provided in Appendix X to the SDG&E Transmission Owner Tariff, bear the burden of demonstrating that such costs and expenditures included for recovery were prudently incurred, accurate and consistent with the Formula. Any revisions to the Transmission Revenue Requirement resulting from a FERC Order will be provided to the CAISO for its use in the calculation of the refunds due under the Transmission Access Charge methodology in accordance with the CAISO Tariff.

9. All of Citizens Sunrise Transmission's Entitlements placed under the CAISO's Operational Control are related to High Voltage Facilities as defined in the CAISO Tariff.

ATTACHMENT 1 TO APPENDIX III

Citizens Sunrise Transmission Formula Rate Protocols

These Formula Rate Protocols (“Protocols”) along with Appendix III comprise the filed rate of Citizens Sunrise Transmission for transmission revenue requirement determinations under Citizens Sunrise Transmission’s California Independent System Operator Corporation (“CAISO”) Transmission Owner Tariff (“TO Tariff”). Citizens Sunrise Transmission shall follow the instructions specified in Appendix III and this Attachment 1 to calculate annually its base transmission revenue requirement, as set forth at paragraph 2 of Appendix III (“Base Transmission Revenue Requirement”). The Base Transmission Revenue Requirement shall be determined for January 1 to December 31 of a given calendar year (the “Rate Year”). The Base Transmission Revenue Requirement, as set forth in Appendix III, consists of a Transmission Capital Cost Revenue Requirement and a Transmission Operating Cost Revenue Requirement. The Transmission Capital Cost Revenue Requirement is fixed as set forth in paragraph 3 of Appendix III, does not change annually, and is therefore not subject to these Protocols. The Transmission Revenue Balancing Account Adjustment (“TRBAA”) is calculated annually pursuant to the Transmission Owner tariff and the CAISO Tariff and is therefore not subject to these protocols. The Transmission Operating Cost Revenue Requirement is adjusted annually in accordance with paragraphs 4, 5, 6, 7, and 8 of Appendix III, and is therefore subject to the following Protocols. In the event of any conflict between the provisions of these Protocols and the provisions of Appendix III, the provisions of Appendix III shall govern.

Section 1. Timeline for Adjustment of Annual Transmission Operating Revenue Requirement

- a. Citizens Sunrise Transmission’s Annual Transmission Operating Revenue Requirement for rate period June 1, 2019 through May 31, 2020 was established through a filing made in Docket No. ER19-2000-000. That Annual Transmission Operating Revenue Requirement will remain in effect through December 31, 2020.

- b. Beginning with the 2022 rate year, Citizens Sunrise Transmission shall annually update its Transmission Operating Cost Revenue Requirement according to the timelines described below.¹

Event	Date ²
Post of draft Informational Filing	July 15
Informational Request Period	July 15 through October 15
Draft Informational Filing Meeting	On or before August 7
Annual Informational Filing	On or before October 31

Section 2. Procedures for Annual Update of Information Filing

- a. On or before July 15 of each year (Publication Date), Citizens Sunrise Transmission shall cause to be posted a draft of the Informational Filing described in Appendix III Part 8 of its Tariff. The draft Informational Filing shall be posted on the Citizens internet website in both a Portable Document Format and fully-functioning Excel format containing the populated spreadsheet for that year’s update, and Citizens Sunrise Transmission shall electronically serve links to the website upon the Exploder List.³ The draft filing must include

¹ These timelines included in these Protocols are intended to mirror the timelines contained in San Diego Gas & Electric Co.’s (“SDG&E”) Appendix X, which identifies the rate SDG&E will charge to Citizens Sunrise Transmission and is therefore a necessary component to Citizens Sunrise Transmission’s Transmission Operating Cost Revenue Requirement. Because SDG&E’s Appendix X rate is an input into Citizens Sunrise Transmission’s Appendix III rate, it is necessary to align Citizens Sunrise Transmission’s annual update process and SDG&E’s annual update process to ensure Interested Parties have the opportunity to fully review and consider the Appendix III rate as required by these Protocols.

² Dates would occur in the calendar year prior to the rate year at issue. For example, when establishing the rate to be in effect for the 2022 rate year, the draft Informational Filing would be posted on July 15, 2021, the informational request period would run from July 15, 2021 through October 15, 2021, the draft informational filing meeting would occur on or before August 7, 2021, and the Annual Informational Filing would be made on or before October 31, 2021.

³ As used in these Protocols, the term “Exploder List” shall mean: (i) the email list of CAISO Tariff Transmission Owners maintained by the CAISO; (ii) any state regulatory agency with rate jurisdiction over a public utility located within the CAISO footprint; (iii) any consumer advocate

information that is reasonably necessary to determine: (1) that Citizens Sunrise Transmission has properly applied the formula and the procedures in the Protocols; (2) the accuracy of data and the consistency with the formula, and (3) the extent of any accounting changes that affect the inputs.

- b. If the date for making the draft Informational Filing posting should fall on a weekend or a holiday recognized by the FERC, then the posting shall be due on the next business day.

- c. Within two days after the Publication Date, Citizens Sunrise Transmission will provide notice to Interested Parties⁴ of conference call meeting to: (i) permit Citizens Sunrise Transmission to explain and clarify its Informational Filing; and (ii) provide Interested Parties an opportunity to seek information and clarifications from Citizens Sunrise Transmission about the draft Informational Filing (“Draft Informational Filing Meeting”). The Draft Informational Filing Meeting will occur on or before August 7 of each year. Citizens Sunrise Transmission will post the details of the Draft Informational Filing Meeting on the Citizens website and will provide these details to the Exploder List.

- d. The Informational Filing for the Rate Year:
 - (i) Shall provide, via the worksheets, sufficiently detailed supporting documentation for data used in the calculations that are not stated in the FERC Form No. 1.

 - (ii) Shall provide Interested Parties information about Citizens Sunrise Transmission’s implementation of the formula in

agency authorized by state law to review and contest the rates for any such public utility, provided that such consumer advocate agency requests to be placed on the Exploder List and provides an e-mail address to Citizens Sunrise Transmission; and (iv) any other Interested Party that wishes to be placed on the Exploder List, provided that such Interested Party requests to be placed on the Exploder List and provides an e-mail address to Citizens Sunrise Transmission.

⁴ For purposes of these Protocols, the term “Interested Party” and “Interested Parties” includes, but is not limited to, customers under the CAISO Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.

sufficient detail and with sufficient explanation to demonstrate that each input into the formula is consistent with the requirements of the Appendix III and this Attachment 1.

- (iii) Shall be subject to review and challenge in accordance with the procedures set forth in these Protocols; provided, however, that with respect to the prudence of any costs and expenditures included for recovery in the Informational Filing, nothing in these Protocols is intended to modify the Commission's applicable precedent with respect to the burden of going forward or burden of proof under formula rates in such prudence challenges; and
- (iv) Shall not seek to modify the formula and shall not be subject to challenge by any Interested Party seeking to modify the formula (*i.e.*, any modifications to the formula will require, as applicable, an FPA Section 205 or Section 206 filing or initiation of a Section 206 investigation).

Section 3. True-up Adjustment

Citizens Sunrise Transmission will calculate the amount of under- or over-collection of its actual Annual Transmission Operating Cost Revenue Requirement for that calendar year pursuant to the formula contained in Paragraph 7 of Appendix III.

Section 4. Annual Review Procedures

Each Annual Update of the Informational Filing provided for in Appendix III shall be subject to the following review procedures ("Annual Review Procedures"):

- a. Interested Parties shall have until October 15 to review the calculations and to notify Citizens Sunrise Transmission in writing of any specific challenges, including but not limited to challenges related to accounting changes, to the Annual Update ("Preliminary Challenge"). Citizens Sunrise Transmission shall promptly cause to be posted all Preliminary Challenges at a publicly accessible location on Citizens internet website, and links to the website will be electronically served upon the Exploder List. Citizens Sunrise

Transmission shall respond in writing to a Preliminary Challenge within twenty (20) business days of receipt, and its response shall notify the challenging party of the extent to which Citizens Sunrise Transmission agrees or disagrees with the challenge. If Citizens Sunrise Transmission disagrees with the Preliminary Challenge, its response shall include supporting documentation. Citizens Sunrise Transmission shall promptly cause to be posted responses to all Preliminary Challenges at a publicly accessible location on Citizens internet website, and links to the website will be electronically served upon the Exploder List.

- b. Interested Parties may submit reasonable information and document requests upon Citizens Sunrise Transmission. Information and document requests that are received shall be posted at a publicly accessible location on Citizens' internet website, and links to the website will be electronically served upon the Exploder List. Citizens Sunrise Transmission shall use best efforts to respond to information and document requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. To the extent Citizens Sunrise Transmission and any Interested Person(s) are unable to resolve disputes related to information and document requests submitted in accordance with these Annual Review Procedures, Citizens Sunrise Transmission or any Interested Person may petition the FERC to appoint an Administrative Law Judge as a discovery master to resolve the discovery dispute(s) in accordance with these Protocols and consistent with the FERC's discovery rules.

- c. Information and document requests, Preliminary Challenges, and Formal Challenges, shall be limited to what is necessary to determine: (1) the extent, effect, or impact of an accounting change; (2) whether the Annual Update fails to include data properly recorded in accordance with the Protocols; (3) the proper application of the formula and procedures in the Protocols; (4) the accuracy of data and consistency with the formulas of the changes shown in the Annual Update; (5) the prudence of the actual costs and expenditures; (6) the effect of any change to the underlying USofA or applicable form; and (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to Appendix III and this Attachment 1.

- d. If a change made by Citizens Sunrise Transmission to its accounting policies, practices or procedures, or the application of the formula, is found by the FERC to be unjust, unreasonable, and/or unduly discriminatory or preferential, then the calculation of the charges to be assessed during the Rate Year then under review, and the charges to be assessed during any subsequent Rate Years, including any true-up adjustments, shall not include such change, but shall include any remedy that may be prescribed by FERC in the exercise of its discretion as of the effective date of such remedy, to ensure that the formula continues to operate in a manner that is just, reasonable, and not unduly discriminatory or preferential.

Section 5. Resolution of Challenges

- a. Interested Parties may file a Preliminary Challenge to the Annual Update, or a challenge with the FERC (“Formal Challenge”), which shall be served on Citizens Sunrise Transmission by electronic service on the date of such filing. Subject to any applicable confidentiality and Critical Energy Infrastructure Information restrictions, all information and correspondence produced by Citizens Sunrise Transmission pursuant to these Protocols may be included in any Formal Challenge or other FERC proceeding relating to the formula. Interested Parties may challenge, through a Formal Challenge, the justness and reasonableness of Citizens Sunrise Transmission’s implementation of the formula with respect to any issues permitted to be raised in a Preliminary Challenge, as outlined in Section 3, above. Formal challenges must be filed in the same docket as the informational filings made pursuant to these Protocols. Interested Parties shall have until thirty (30) calendar days after Citizens Sunrise Transmission submits the informational filing described in these Protocols to file a Formal Challenge with FERC (unless such date is extended with the written consent of both Citizens Sunrise Transmission and the complaining party to continue efforts to resolve a dispute).
- b. Failure to raise an issue in a Preliminary Challenge shall not bar an Interested Party from raising that issue in a Formal Challenge, provided the Interested Party submitted a Preliminary Challenge during the Review Period with respect to one or more other issues. Likewise, failure to make a Preliminary Challenge shall not bar an Interested Person from making a subsequent Preliminary Challenge

related to a subsequent Annual Update to the extent the issue affects the subsequent Annual Update.

- c. Any response by Citizens Sunrise Transmission to a Formal Challenge must be submitted to the FERC within thirty (30) calendar days of the date of the filing of the Formal Challenge, and shall be served on the filing party(ies) and the Exploder List by electronic service on the date of such filing.
- d. In any proceeding concerning a given year's Annual Update (including corrections) or Accounting Change(s), Citizens Sunrise Transmission shall bear the burden, consistent with section 205 of the FPA, of proving the justness and reasonableness of the rate resulting from its application of the formula by demonstrating: (i) that it has reasonably and accurately calculated the Annual Update by properly and reasonably applying the formula and the procedures in these Protocols; (ii) that it has reasonably adopted and applied any accounting changes; (iii) the costs to be recovered through Citizens Sunrise Transmission's formula have been accurately stated, properly recorded and accounted for pursuant to applicable FERC accounting practices and procedures and the USofA, unless otherwise approved by FERC; (iv) its projections have been reasonably made; and (v) its calculation methodologies are consistent with the Appendix III and this Attachment 1.
- e. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of Citizens Sunrise Transmission to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, an application seeking changes to the formula or to any of the stated value inputs requiring a Section 205 filing under these Protocols, or the right of any other party or the Commission to seek such changes pursuant to Section 206 of the FPA and the regulations thereunder. All parties reserve the right to contest such filing(s).

Section 6. Changes to Annual Updates

If Citizens Sunrise Transmission determines or concedes that corrections to the Annual Update are required including but not limited to those requiring corrections to its FERC Form No. 1, or input data used for a Rate Year that

would have affected the Annual Update for that Rate Year, Citizens Sunrise Transmission shall promptly notify the Exploder List, file a correction to the Annual Update with the FERC as an amended informational filing, and cause such information to be posted at a publicly accessible location on Citizens internet website. Such corrections shall be subject to review at the time they are made and shall be reflected in the next Annual Update, with interest. A corrected posting shall reset the deadlines under Section 2 and 4 of the Protocols for Interested Party review and the revised dates shall run from the posting date(s) for each of the corrections. The scope of review shall be limited to the aspects of the rate affected by the corrections. Interest on any over- or under-recovery due to corrections shall be calculated in accordance with FERC Regulation 35.19a. There is no time limit with respect to Citizens Sunrise Transmission's obligation or right to correct an error in the implementation of the formula. Nothing in this section is intended to limit FERC's discretion to direct a correction to an Annual Update, or the rights of Interested Parties to seek a correction to the formula pursuant to Section 206 of the FPA.