



NTTG Project Sponsor Qualification Evaluation Summary

Sponsor: TransCanyon, LLC

Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
1	Project Sponsor description	1. Name and address – Y and Y 2. Years in business – 5 3. Operating environment (nature of business) – Independent Transmission Developer	Assess whether the required data was submitted. Data submission satisfied.
2	Project summary	1. Voltage – 500 kV HVAC 2. Single or double circuit - Single 3. AC or DC - AC 4. Estimated cost - \$667M 5. Approximate construction period – construction period from 2021 through proposed in-service in the fourth quarter of 2026 6. Project location – 213-mile project to be constructed between central Utah and east-central Nevada 7. Points of interconnection with the transmission grid. <ul style="list-style-type: none"> Proposed Clover 500kV substation: (NTTG: PAC) in central Utah Robinson Summit 500kV substation: (WestConnect: NV Energy) in east-central Nevada <p>Note: Links the GW South Project (PAC) with the Desert SW by utilizing the existing One Nevada Line (NV Energy/Great Basin) and the currently under construction Harry Allen – Eldorado (CAISO)</p>	Assess whether the required data was submitted. Data submission satisfied.
3	Project Name	1. Project Name – Cross-Tie Transmission Line (Cross-Tie)	Assess whether the required data was submitted. Data submission satisfied.



NTTG Project Sponsor Qualification Evaluation Summary

Sponsor: TransCanyon, LLC

Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
4	Project Sponsor demonstration of technical expertise to develop, construct and own the proposed project	<ol style="list-style-type: none"> 1. Management's experience in developing, constructing (or managing construction), and owning a project of similar size and scope. TransCanyon has parent organizations: Berkshire Hathaway Energy (BHE), and Pinnacle West Capital Corporation (PNW), and has utility affiliates PacifiCorp and Arizona Public Service (APS). 2. Clear discussion of Project Sponsor's depth and breadth of technical expertise, including Project Sponsor's internal expertise or external expertise, or both, to develop, construct, and own the proposed project. See #1, this represents sufficient experience. 3. Name, location, and description of a project of similar scale that demonstrates Project Sponsor's technical expertise to develop, construct, and own the proposed project. The project sponsor used the example of Sigurd – Red Butte 160-mile 345 kV line as an example of a recently completed project. 	<p>Assess whether the submission provides experience, including managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.</p> <p>Project Sponsor adequately demonstrates they have technical experience to develop, construct, and own the proposed project.</p>
5	Project Sponsor financial expertise to develop,	Creditworthiness review requires the following information, if available:	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.



NTTG Project Sponsor Qualification Evaluation Summary
Sponsor: TransCanyon, LLC
Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
	construct, and own the proposed project	<ol style="list-style-type: none"> 1. Most recent annual report. – Yes, Berkshire Hathaway and Pinnacle West 2. Most recent quarterly report. – Yes, Berkshire Hathaway Energy Co. and PNW Q2 2019 3. Last two most recent audited year-end financial statements. – Yes, included in BHE and PNW annual reports for 2017 and 2018 4. Rating agency reports. – Standard & Poor’s RatingsDirect report for BHE dated April 15, 2019 and Moody’s Credit Opinion for BHE Company dated August 5, 2019 5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable). – None 6. Other information supporting Project Sponsor’s financial expertise. TransCanyon draws on the financial strength of its parent companies, BHE and PNW. As of 12/31/18, BHE has total assets of \$96.1 billion and book equity of \$30.7 billion. PNW has total assets of \$18.2 billion and book equity of \$10.7 billion. BHE’s most recent credit rating: A3/A (Moody’s/S&P) and PNW of A3/A- (Moody’s/S&P). TransCanyon’s Project Experience and Record of the Sponsor Qualification application demonstrate that TransCanyon, with its affiliates, 	Project Sponsor submitted the qualification data and satisfied the qualitative criteria, supporting their credit worthiness.



NTTG Project Sponsor Qualification Evaluation Summary
Sponsor: TransCanyon, LLC
Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
		<p>has extensive experience and financial proficiency developing, constructing and commissioning 1,050 line miles of high-voltage transmission since 2009.</p> <p>In addition to the qualification data above, demonstrate that the Project Sponsor, or the sponsor's parent company has either an investment grade rating, or, meets the following test:</p> <p>A. Has a minimum tangible net worth of \$1,000,000 or total asset of \$10,000,000. – Yes</p>	
6	Proposed project financing plan	<ol style="list-style-type: none"> Describe how the project will be financed. Project funding evaluated on a project-by-project basis and is impacted by project specifics and then-current market conditions. Generally, BHE and PNW finance development activities prior to receipt of permits through equity contributions to TransCanyon. So would construction activities, including either non-recourse construction debt or balance sheet financing at the parent level. During the operating period, TransCanyon would obtain non-recourse LT debt or extend the construction-related financing arrangement. List investors and percentage ownership of each. See #1. Proposed sources of debt and equity capital and the percentages of each. – Construction debt: Commercial banks or other lenders, Long Term 	<p>Assess whether the submission provides the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.</p> <p>The Project Sponsor adequately demonstrated they have the financial expertise for financing of the proposed project.</p>



NTTG Project Sponsor Qualification Evaluation Summary
Sponsor: TransCanyon, LLC
Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
		<p>debt: bank markets, private debt or public debt markets, or combo. Percentages depend on market conditions and TransCanyon's capital structure at the time.</p>	
7	Project Sponsor ability to maintain and operate proposed project	<p>Clear description of Project Sponsor, its parent organization, or the third-party contractor(s) the Project Sponsor plans to retain to operate and/or maintain the proposed project. To the extent the Project Sponsor plans to rely on a third-party contractor(s) that is not yet under contract, the Project Sponsor must also indicate when it plans to enter into a definitive agreement with its contractor(s). Must provide (1) actual examples of at least five years of operation and maintenance experience for a similar size project; or (2) provide similar information for Project Sponsor's consultant or outsourced entity.</p> <p>TransCanyon has contracted with APS to provide operations and maintenance support for projects in the western interconnection.</p> <p>TransCanyon does not provide examples of operations and maintenance experience, although APS, as the contracted entity obviously has such experience.</p>	<p>Assess whether the qualification data was submitted and satisfied the required qualitative criteria.</p> <p>Project Sponsor has demonstrated they can maintain and operate the proposed project.</p>
8.	Primary Project Contact	<p>1. Name – Jason R. Smith 2. Title – President 3. Phone – 602-250-2668</p>	<p>Assess whether the required data was submitted.</p> <p>Data submission satisfied.</p>



NTTG Project Sponsor Qualification Evaluation Summary

Sponsor: TransCanyon, LLC

Project: Cross-Tie Transmission Line (Cross-Tie)

Table 1. Sponsor Qualification Data - Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
		4. Email – Jason.Smith@transcanyon.com	
9.	Signature	Signature of authorized representative - Provided	Assess whether the document was signed.