



414 Nicollet Mall, 5<sup>th</sup> floor  
Minneapolis, MN 55401

December 7, 2007

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
Room 1A-East  
888 First Street, N.E.  
Washington, D. C. 20426

Re: Xcel Energy Operating Companies  
Order No. 890 Compliance Filing  
Docket No. OA07-\_\_\_\_\_-000

Dear Ms. Bose:

Pursuant to Section 206 of the Federal Power Act, 16 U.S.C. 824e (2000), and in compliance with the Federal Energy Regulatory Commission's ("Commission") Order No. 890,<sup>1</sup> and the Commission's *Order Extending Compliance Action Date and Establishing Technical Conferences*,<sup>2</sup> enclosed please find the proposed Attachment R - PSCo and Attachment R - SPS to the Xcel Energy Operating Companies Joint Open Access Transmission Tariff ("Joint OATT"), First Revised Volume No. 1,<sup>3</sup> containing the regional planning processes of Public Service Company of Colorado ("PSCo") and Southwestern Public Service Company ("SPS"). The revisions to the Joint OATT are set forth on the following tariff sheets:

Seventh Revised Sheet No. 9 – Table of Contents  
First Revised Sheet No. 469  
Original Sheet Nos. 470 to 493

This compliance filing is being submitted by Xcel Energy Services Inc. ("XES") on behalf of its operating company affiliates PSCo and SPS.<sup>4</sup> XES is the "service company" subsidiary for the Xcel Energy Inc. ("Xcel Energy") holding company system.

---

<sup>1</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 FR 12266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) ("Order No. 890" or "Final Rule"), *reh'g pending*.

<sup>2</sup> 120 FERC ¶ 61,103 (2007).

<sup>3</sup> The First Revised Joint OATT was originally accepted for filing in *Xcel Energy Operating Cos.*, Docket Nos. ER99-3916-002 and EC99-101-000 (unpublished delegated letter order issued Nov. 30, 2000).

<sup>4</sup> As described herein, the transmission planning process compliance tariff filing for Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, (jointly

## **I. BACKGROUND**

### **A. Description of the Xcel Energy Operating Companies**

#### **i. Southwestern Public Service Company**

SPS is a vertically integrated utility and, *inter alia*, owns and operates electric transmission facilities in the states of Texas, New Mexico, Oklahoma and Kansas. SPS owns and operates approximately 6,300 miles of transmission facilities 69 kV and above. SPS is a member of the Southwest Power Pool, Inc. ("SPP") Regional Transmission Organization ("RTO") in the Eastern Interconnection. SPP assumed functional control over SPS's transmission facilities upon its recognition by the Commission as an RTO as of October 2004,<sup>5</sup> and most wholesale transmission service access to the SPS transmission system is subject to the SPP regional Open Access Transmission Tariff ("SPP OATT"). Thus, SPP is the Transmission Provider for the SPS system under the Final Rule.

SPP performs an annual SPP Transmission Expansion Plan ("STEP") process that incorporates the transmission expansion needs of the entire SPP regional footprint, including the SPS transmission system. SPP is also the Regional Entity ("RE") for the SPP region pursuant to a delegation agreement with the North American Electric Reliability Corporation ("NERC") approved by the Commission, and thus responsible for enforcing NERC reliability standards related to, *inter alia*, transmission planning.

The SPS transmission system is essentially a peninsula in the far southwestern corner of the Eastern Interconnection, bounded by the non-synchronous Electric Reliability Council of Texas ("ERCOT") to the southeast and the non-synchronous transmission systems of utilities in the Western Interconnection to the West. SPS is directly interconnected with PSCo at 345 kV at the Kansas/Colorado border via the 345 kV "Tie Line" facilities constructed to comply with the Securities and Exchanges Commission and Commission orders approving the mergers that created New Century Energies, Inc. ("NCE") and its successor Xcel Energy.<sup>6</sup>

---

the "NSP Companies") will be provided by the compliance filing of the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") to be submitted contemporaneously with the instant filing.

<sup>5</sup> *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,110 (2004), *order on reh'g*, 110 FERC ¶ 61,137 (2005).

<sup>6</sup> *See New Century Energies, Inc.*, Holding Company Act Release No. 26748 (Aug. 1, 1997). *See also Northern States Power Company, et al.*, 90 FERC ¶ 61,020 (2000).

**ii. Public Service Company of Colorado**

PSCo is a vertically integrated utility and, *inter alia*, owns and operates electric transmission facilities in the state of Colorado. PSCo owns and operates approximately 4,000 miles of transmission facilities 115 kV and above. PSCo is located in the Western Interconnection and is a member of the Western Electricity Coordinating Council ("WECC"). The WECC does not presently offer transmission services under a regional OATT, and there is presently no functioning RTO for the PSCo system. As such, PSCo is the Transmission Provider for the PSCo transmission system. The WECC is the Regional Entity for the PSCo system, responsible for enforcement of NERC reliability standards related to, *inter alia*, transmission planning. Among the Xcel Energy Operating Companies, the instant compliance filing will most affect the transmission system of PSCo.

**iii. NSP Companies**

The NSP Companies are vertically integrated utilities and, *inter alia*, own and operate electric transmission facilities in the states of Minnesota, North Dakota, South Dakota, Wisconsin and Michigan. The NSP Companies own and operate approximately 7,100 miles of transmission facilities 13.8 kV and above.<sup>7</sup> The NSP Companies are transmission owning members of the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") RTO in the Eastern Interconnection pursuant to the MISO Transmission Owners Agreement ("TOA")<sup>8</sup>. The Midwest Reliability Organization ("MRO") is the Regional Entity for the NSP Companies system by delegation agreement from NERC, and responsible for enforcement of NERC reliability standards related to, *inter alia*, transmission planning.

Except for certain grandfathered transmission service agreements ("GFAs"), all transmission services over the NSP Companies' transmission system have been administered by the Midwest ISO pursuant to the Midwest ISO regional OATT since the start of Midwest ISO "Day 1"

---

<sup>7</sup> The NSPW and NSP generation and transmission system is planned and operated on an integrated basis pursuant to the "Restated Agreement to Coordinate Planning and Operations and Interchange Power and Energy between Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin) (the "Interchange Agreement"), a rate schedule accepted for filing by letter order dated March 20, 2001 in Docket No. ER01-1014-000, effective January 1, 2001. The 2007 updates to the Interchange Agreement were accepted for filing in Docket No. ER07-437-000, unpublished letter order dated February 16, 2007.

<sup>8</sup> Agreement of Transmission Facility Owners to Organize Midwest Independent System Operator, Inc. See *Midwest Independent Transmission System Operator, Inc., et al.*, 84 FERC ¶ 61,231 (1998), *Order on Reh'g*, 85 FERC ¶ 61,372 (1998), *Order Conditionally Accepting Compliance Filing As Modified*, 87 FERC ¶ 61,085 (1999). The Commission approved the transfer of functional control of NSP System facilities (100 kV and above) to the Midwest ISO in *Northern States Power Company et al.*, 91 FERC ¶ 61,157 (2000).

operations on February 1, 2002.<sup>9</sup> The Midwest ISO is thus the Transmission Provider for the NSP Companies' transmission system. As described herein, the Midwest ISO will submit a transmission planning compliance tariff (Attachment FF to the Midwest ISO tariff) on behalf of itself and most of its transmission-owning members, including the NSP Companies, on December 7, 2007.

## **B. Order No. 890**

In Order No. 890, the Commission amended its regulations and adopted reforms to the *pro forma* open access transmission tariff ("OATT") in order to (i) strengthen the *pro forma* open access transmission tariff to ensure that it achieves its original purpose of remedying undue discrimination, (ii) provide greater specificity to reduce opportunities for undue discrimination and facilitate the Commission's enforcement, and (iii) increase transparency in the rules applicable to planning and use of the transmission system.

To accomplish its objectives with respect to transmission planning, the Commission required the development of regional planning processes that limit the opportunities for undue discrimination and ensure that comparable transmission service is provided by all public utility transmission providers.<sup>10</sup> The Commission required that each public utility transmission provider submit, as part of a compliance filing, a proposal for a coordinated and regional planning process that complies with nine planning principles: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, congestion studies and cost allocation.

As an initial step to assist in the development of regional planning processes, the Commission directed its staff to convene technical conferences throughout the country to discuss regional implementation and other compliance issues. To facilitate these conferences, each transmission provider was directed to post on its OASIS or website a strawman proposal on or before May 29, 2007. PSCo and SPS posted their regional planning processes on the required date and considered the comments submitted in response by interested parties in the development of the Attachment R transmission planning tariffs submitted herein.

The Commission later required each transmission provider to post a draft of its proposed transmission planning tariff on OASIS by September 14, 2007, to allow comment by interested

---

<sup>9</sup> *Midwest Independent Transmission System Operator, Inc.* 97 FERC ¶ 61,136 (2001). Effective April 1, 2005, with the start of the Midwest ISO "Day 2" wholesale energy market, the Midwest ISO OATT was renamed the Open Access Transmission and Energy Markets Tariff ("TEMT").

<sup>10</sup> See Order No. 890 at P 435.

stakeholders.<sup>11</sup> As required, PSCo and SPS posted their draft tariff provisions at the PSCo OASIS and the SPS page of the SPP OASIS, respectively.<sup>12</sup>

Notably, no direct transmission service customers of PSCo or SPS -- including interconnected transmission providers, load serving entities, interconnected generators, generators with pending interconnection request, or state commissions -- provided stakeholder comments on the draft transmission planning tariffs. PSCo did receive written comments on its draft tariff from the American Wind Energy Association ("AWEA") on Wednesday, November 21, 2007, approximately nine weeks after the draft PSCo tariff was posted for comment, and approximately 10 business days prior to the compliance filing date. PSCo has attempted to respond to the AWEA recommendations in Attachment R - PSCo or in this transmittal letter. However, many of the AWEA recommendations would require concurrence by other utilities in the WECC, and cannot be implemented unilaterally by PSCo.

In addition, representatives of XES, PSCo and SPS attended the Commission's technical conferences applicable to the PSCo and SPS systems,<sup>13</sup> and have incorporated the feedback provided by the Commission Staff and other parties at those conferences, to the extent possible.

## **II. THE INSTANT COMPLIANCE FILING**

While the Commission has directed all transmission providers to develop regional planning processes, it explained that transmission owning members of Independent System Operators or Regional Transmission Organizations ("RTOs") must participate in the ISO or RTO regional planning processes for their local planning issues since planning on the regional level would be addressed by the ISO or RTO processes.<sup>14</sup> The Xcel Energy Operating Companies are located in both the Eastern Interconnection and the Western Interconnection, and SPS and the NSP Companies are in different RTOs. As a result, the Xcel Energy Operating Companies face different obligations in the scope of the planning processes they must develop due to their varying participation in Regional Transmission Organizations ("RTOs"):

---

<sup>11</sup> See *Order Extending Compliance Action Date and Establishing Technical Conferences*, 120 FERC ¶ 61,103 (2007).

<sup>12</sup> The September 14, 2007 PSCo draft transmission planning tariff posting is available at [http://www.oatioasis.com/PSCO/PSCODOCS/PSCo\\_Attachment\\_R\\_\(K\).pdf](http://www.oatioasis.com/PSCO/PSCODOCS/PSCo_Attachment_R_(K).pdf). The September 14, 2007 SPS tariff draft is available at <http://sppoasis.spp.org/documents/SPS/uploads/Attachment%20R%20draft.pdf>.

<sup>13</sup> The technical conference for the SPP region was held October 2, 2007 in Atlanta, Georgia. The technical conference for transmission providers in the Western Interconnection was held October 23, 2007 in Lakewood, CO. XES representatives also attended and participated in the technical conference for the Midwest ISO transmission planning process on October 15, 2007 in Boston, MA, on behalf of the NSP Companies.

<sup>14</sup> See Order No. 890 at P 440.

- As discussed previously, SPS is a transmission-owning member of the SPP RTO in the Eastern Interconnection, and most wholesale transmission service access to the SPS transmission system is subject to the SPP regional OATT. As the RTO for the SPP region, SPP performs coordinated and transparent regional planning in the SPP footprint through the annual SPP Transmission Expansion Plan ("STEP") process, which develops a ten year plan for transmission expansions needed for reliability or economic purposes. However, SPS retains planning responsibility for lower voltage (below 69 kV), radial and load serving transmission facilities. Accordingly, SPS is submitting a proposed tariff -- Attachment R - SPS to the Joint OATT -- describing the local planning process on the SPS system and coordination of the SPS process with the STEP regional process. As XES understands, SPP will be filing a description of its regional STEP process (Attachment O to the SPP OATT) on December 14, 2007.<sup>15</sup>
- PSCo is located in the Western Interconnection and is not a member of an RTO or ISO. As such, it has developed a description of its local, sub-regional and regional planning processes in which it participates for inclusion as Attachment R - PSCo to the Joint OATT. PSCo is a member of WestConnect, and proposed Attachment R - PSCo to the Joint OATT is similar to the transmission planning tariffs being submitted by other participants in WestConnect. Attachment R - PSCo also responds to the comments provided by Commission Staff at the technical conference regarding the transmission planning process among WestConnect participants, and, to the extent possible, to the stakeholder comments provided by AWEA.
- The NSP Companies are transmission-owning members of the Midwest ISO, a Commission-approved RTO in the Eastern Interconnection. As the RTO, the Midwest ISO performs coordinated and transparent regional planning in the Midwest ISO footprint through the annual Midwest ISO Transmission Expansion Plan ("MTEP") process, which develops a ten-year plan for transmission expansion projects needed for reliability or economic purposes. The NSP Companies perform comprehensive transmission planning on a local and sub-regional basis, particularly for lower voltage (below 100 kV) transmission facilities, to comply with state regulatory transmission planning requirements in Minnesota and Wisconsin. The Midwest ISO Order No. 890 compliance filing (revised Attachment FF to the Midwest ISO tariff) is being submitted contemporaneously with the instant filing and includes a description of local and sub-regional planning processes and the interaction between these planning processes and the MTEP regional process. Thus XES is not submitting a transmission planning compliance tariff applicable to the NSP Companies' system.

---

<sup>15</sup> See *Notice of Extension of Time*, Docket No. RM05-25-000, *et al.* (Nov. 20, 2007) (granting SPP a one week extension to submit Order No. 890 compliance filing).

XES submits that the enclosed Attachment R - SPS and Attachment R - PSCo provide all of the information required by the Commission in Order No. 890. XES thus respectfully requests that the Commission accept the revised Attachment R tariffs for filing, effective December 7, 2007. The planning processes of PSCo and SPS are discussed further below in the context of the Commission's nine planning principles set forth in the Final Rule.

## **A. The PSCo Regional Planning Process**

### **1. Coordination**

The Coordination Principle requires that transmission providers must meet with all of their transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis.<sup>16</sup> While the Commission declined to prescribe the requirements for coordination, it required transmission providers to craft a process that allows for a reasonable and meaningful opportunity to meet or otherwise interact meaningfully.<sup>17</sup> The PSCo planning process described in Attachment R - PSCo fully satisfies the Coordination Principle. Customers will be included at the early stages of the development of the transmission plan and given a timely and meaningful opportunity to participate. PSCo will conduct at least two open public planning meetings each year, with additional open meetings held if necessary to accomplish the objectives of the planning process. *See* Att. R, II.A.5. The purpose of the first open meeting will be to solicit stakeholder participation and comment on an initial draft of the regional plan and the second meeting will review the results of the plan and solicit participation for the following year's assessment. The procedures for posting notices of the meetings, study plans, results, and meeting documents are set forth in Section II.5.A. PSCo will maintain an email distribution list to ensure that all interested parties are notified of upcoming public planning meetings.

### **2. Openness**

To comply with the Openness Principle, transmission planning meetings must be open to all affected parties, including all transmission and interconnection customers and state authorities.<sup>18</sup> In addition, the Commission required that transmission providers, in consultation with affected parties, must develop mechanisms to manage confidentiality and CEII concerns.

The Attachment R - PSCo regional planning process fully satisfies the Openness Principle. Section II.A establishes that the PSCo planning process is open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, and other stakeholders. With respect to confidentiality concerns, PSCo will require that stakeholders obtain membership in or execute a non-disclosure agreement with WECC in order to obtain base

---

<sup>16</sup> *See* Order No. 890 at P 445.

<sup>17</sup> *See Id* at P 451, 453.

<sup>18</sup> *Id.* at P 460.

case data, *see* Attachment R – PSCo, Section II.A.1, due to the necessity of WECC inputs to the PSCo planning process and proprietary limitations on the dissemination of WECC information.<sup>19</sup> To obtain CEII information, stakeholders will be required to execute a non-disclosure agreement with PSCo or with the parties to a sub-regional process.<sup>20</sup>

### **3. Transparency**

The Transparency Principle requires that the transmission provider disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie the transmission system plans.<sup>21</sup> In addition, the transmission provider must reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied.<sup>22</sup> The Attachment R - PSCo regional planning process will ensure that the basic criteria, assumptions, and data that underlie the transmission system plans are available to all customers and other stakeholders. Section II.a.3 of Attachment R - PSCo describes the PSCo transmission planning cycle and the important milestones in the cycle. The Xcel Energy Interconnection Guidelines contain the planning criteria, guidelines, assumptions and data applicable to of the Xcel Energy Operating Companies, including PSCo.<sup>23</sup> To ensure that customers and other stakeholders may meaningfully communicate with PSCo on an ongoing basis regarding the criteria, assumptions, and data underlying the plan, PSCo will identify a point of contact on its OASIS to respond to customer and stakeholder questions or comments.

### **4. Information Exchange**

The Information Exchange Principle requires network customers to submit information on their projected loads and resources on a comparable basis (*e.g.*, planning horizon and format) as used by transmission providers in planning for their native load. In addition, point-to-point customers are required to submit any projections they have of a need for service over the planning horizon.

Section II.A.4. of Attachment R - PSCo establishes an obligation for network transmission customers and point-to-point transmission customers under a service agreement with a right of first refusal to provide data to be considered in the regional plan. These transmission customers

---

<sup>19</sup> A standard WECC confidentiality agreement for non-WECC members is publicly available on the WECC website.

<sup>20</sup> The Colorado Coordinated Planning Group (discussed herein) has used a non-disclosure agreement during recent planning cycles. PSCo will post a form of non-disclosure agreement on its OASIS prior to the first open planning meeting discussed in the Coordination section above.

<sup>21</sup> Order No. 890 at P 471.

<sup>22</sup> *Id.*

<sup>23</sup> The Xcel Energy Operating Companies Interconnection Guidelines are posted at the Transmission page of the xcelenergy.com at: [http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1\\_16699-14983-0\\_0\\_0-0,00.html](http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1_16699-14983-0_0_0-0,00.html).



will be required to submit, among other things, information concerning their load and resource projections, transmission needs, in-service dates and retirements for generation resources, and demand response resources. The submission of PSCo transmission customer information will be done on an annual basis, but customers will have an ongoing obligation to timely inform PSCo of material changes to the information. Information from customers will be used effectively and early in the planning process, as it will be received during the annual update of the plan, and in advance of open meetings to discuss the plan.

## **5. Comparability**

The Comparability Principle requires that the transmission provider develop a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in transmission system planning. In addition, customer demand resources should be considered on a comparable basis to the service provided by comparable generation resources where appropriate.

The Attachment R - PSCo regional planning process provides that PSCo's interests and those of its similarly-situated customers are treated on a comparable basis. As noted above, a preliminary step in the development of the regional plan is the annual evaluation of PSCo transmission customer information concerning their forecasted needs, thus ensuring that their needs are considered and reflected in PSCo's transmission plans. In addition, subject to the execution of applicable confidentiality arrangements, all stakeholders that participate in the planning process will have non-discriminatory access to planning meetings, data, and documents.

## **6. Dispute Resolution**

The Dispute Resolution Principle requires transmission providers to develop a dispute resolution process to manage procedural and substantive disputes that arise during the planning process.<sup>24</sup> The Commission explained that the purpose for including a Dispute Resolution process is to provide a means for parties to resolve all disputes related to the planning process before turning to the Commission.<sup>25</sup>

As required by Order No. 890, the PSCo regional planning process includes a dispute resolution process that can resolve both procedural and substantive issues prior to turning to the Commission. To address a dispute arising in the planning process, Attachment R - PSCo provides that the first step will be direct negotiation between senior representatives of the parties involved. For disputes that cannot be resolved in this manner, PSCo will use the existing

---

<sup>24</sup> See Order No. 890 at P 501.

<sup>25</sup> See *id.*

Commission-approved arbitration mechanism contained in Section 12 of the Joint OATT applicable to resolution of other disputed matters under the Joint OATT.

## **7. Regional Participation**

The Regional Participation Principle requires that each transmission provider coordinate with interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and (2) identify system enhancements that could relieve congestion or integrate new resources.<sup>26</sup> In Order No. 890, the Commission explained that the specific features of the regional planning effort should take account of and accommodate, where appropriate, existing institutions, as well as physical characteristics of the region and historical practices.<sup>27</sup> The Commission also declined to mandate the scope of the regions over which regional planning would be performed, but stated that the approach in the West, where there are various sub-regional processes in addition to a WECC regional planning process, could work.<sup>28</sup>

As set forth in Attachment R - PSCo, PSCo participates in the existing sub-regional processes in WestConnect as well as in the WECC regional planning process. Specifically, PSCo coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its active participation in the Colorado Coordinated Planning Group ("CCPG"), membership in WestConnect, membership in WECC, and participation in the WECC Transmission Expansion Planning Policy Committee ("TEPPC") and its Technical Advisory Subcommittee ("TAS").

The scope of the WestConnect sub-region is significant, encompassing the states of Colorado, Arizona, New Mexico, Nevada, and parts of California, Texas and Wyoming. Aside from CCPG, two other subregional planning groups operate within the WestConnect footprint: the Southwest Area Transmission ("SWAT") group and the Sierra Coordinated Planning Group ("Sierra"). WestConnect supports and manages the coordination of these subregional planning groups and their respective studies.

PSCo actively participates in the transmission planning process of CCPG, whose role is to promote subregional transmission planning in the Rocky Mountain region and to ensure that all of the transmission plans are coordinated.<sup>29</sup> In addition, PSCo is a signatory to the WestConnect

---

<sup>26</sup> See *id.* at P 523.

<sup>27</sup> See *id.* at P 524.

<sup>28</sup> See *id.* at P 527.

<sup>29</sup> Indeed, the Commission approved the PSCo transmission planning principles that became the basis for the formation of the CCPG as part of the resolution of the Colorado-UTE bankruptcy proceedings. *Pub. Serv. Co. of Colo.*, 58 FERC ¶ 61,322 (1992).

Subregional Transmission Planning Project, which establishes obligations among WestConnect participants to integrate their transmission plans into a single, ten-year regional transmission plan for the WestConnect footprint.

## **8. Economic Planning Studies**

The Economic Planning Study Principle requires transmission providers to prepare studies identifying “significant and recurring” congestion and to post such studies on their OASIS.<sup>30</sup> This principle is intended to ensure that customers may request economic planning studies that evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis.<sup>31</sup>

As outlined in Attachment R - PSCo, PSCo will satisfy the Economic Planning study through its participation in the WECC TEPPC. The TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level. The TEPPC economic planning database is publicly available to interested stakeholders for use in running economic congestion studies. Furthermore, the TEPPC uses an annual study cycle during which the TEPPC will develop and approve a study plan that includes studying transmission customer high priority economic study requests.

## **9. Cost Allocation for New Projects**

The Cost Allocation Principle requires that transmission providers address the allocation of costs of new facilities that do not fit under existing rate structures.<sup>32</sup> In Order No. 890, the Commission did not impose a particular allocation method for such projects, instead stating that it would permit transmission providers and stakeholders to determine their own specific criteria which best fit their own experience and regional needs.<sup>33</sup>

Attachment R - PSCo satisfies the Cost Allocation principle. PSCo is a signatory to the WestConnect Memorandum of Understanding, in which the parties have agreed, to the maximum extent possible, to use open season solicitation, multiparty transmission ownership and the potential co-existence of both physical and financial transmission rights for transmission projects. The WECC policies and procedures also adopt this approach and provide a mechanism to develop such projects in the stakeholder process and solicit interest in them from all interested parties.

---

<sup>30</sup> See Order No. 890 at P 529.

<sup>31</sup> See *id.* at P 544.

<sup>32</sup> See *Order No. 890 Transmission Planning Process Staff White Paper* at p. 17 (Aug. 2, 2007).

<sup>33</sup> See Order No. 890. at P 598.

## **B. The SPS Local Planning Process**

SPS will satisfy the nine planning principles in the first instance through full participation in the SPP regional STEP and its related sub-regional planning processes. Attachment R - SPS describes how SPS participates in the SPP planning process. Attachment R - SPS also describes how SPS's local planning procedures supplement and coordinate with the STEP process at the local SPS system level, as applicable, including the following:

- Consistent with the Coordination and Openness Principles, SPS will hold, at a minimum, one annual meeting where all interested parties may participate in local planning discussions. SPS additionally contacts specific transmission customers that will be affected by its plans for the transmission system (facilities 69 kV and higher).
- Consistent with the Transparency Principle, SPS posts on its page of the SPP OASIS its internal planning criteria and general study methodology.
- Consistent with the Dispute Resolution Principle, SPS will use the dispute resolution process for transmission customers taking service under the Joint OATT and disputing the results of an SPS planning process. In addition, the dispute resolution provisions of the SPP OATT are available to customers taking service under the SPP OATT.

## **III. COMPLIANCE WITH 18 C.F.R. PART 35 AND ORDER NO. 890**

As required by 18 C.F.R. Part 35 and Order No. 890:

(1) Pursuant to 18 C.F.R. § 35.12(a) and new 18 C.F.R. § 35.28(f)(1), this filing consists of: (a) this transmittal letter; (b) Attachment 1, which provides a copy of the revised and new pages to the Joint OATT reflecting all the revisions required by or consistent with the Final Rule; (c) Attachment 2, which shows the changes to the two existing pages of the Joint OATT marked in legislative format; (d) Attachment 3, which provides a copy of the AWEA written comments regarding the PSCo September 14, 2007 draft tariff posting; and (e) Attachment 4, which provides a list of State Commissions who will receive notice of the instant compliance filing.<sup>34</sup>

(2) As required by the Guidelines Notice, XES is submitting the instant filing in electronic format to facilitate posting on the Commission's e-library.

(3) A notice of this filing will also be sent by mail or email to: (i) all State Commissions with jurisdiction over the Xcel Energy Operating Companies and (ii) transmission service customers taking service under the Joint OATT, notifying them where they can download and print or request a copy of this compliance filing.

---

<sup>34</sup> Consistent with the Commission's Guidelines Notice, Xcel Energy has not included a draft Notice of Filing.

(4) Pursuant to 18 C.F.R. § 35.2(d), a copy of this filing is posted for public inspection at offices of Xcel Energy Services Inc., 414 Nicollet Mall - MP-8, Minneapolis, Minnesota 55401; the offices of PSCo at 550 15<sup>th</sup> Street, Denver, Colorado 80202; and the offices of SPS at 600 South Tyler, Amarillo, Texas 79101. A copy of the Attachment R - SPS and Attachment R - PSCo tariff sheets will also be posted electronically on the Transmission page of the Xcel Energy Inc. web site ([www.xcelenergy.com](http://www.xcelenergy.com)) and on the SPS page of the SPP OASIS and the PSCo page of the wesTTrans.net OASIS.

(5) 18 C.F.R. §§ 35.13(b)(6), 35.13(b)(7) and 35.13(c) are not applicable, as the filed changes merely implement the Final Rule. To the extent necessary, XES requests waiver of these rules to allow the proposed tariff pages to be placed into effect.

#### **IV. PROPOSED EFFECTIVE DATES; REQUEST FOR WAIVER**

XES respectfully requests the revisions to the Xcel Energy Operating Companies Joint OATT, First Revised Volume No. 1, be accepted for filing effective December 7, 2007, pursuant to Order No. 890, without suspension. XES respectfully requests waiver of any applicable filing or notice requirements under the Commission's Rules and Regulations as may be necessary to accept the proposed revisions to the Joint OATT effective on December 7, 2007.

#### **V. COMMUNICATIONS AND SERVICE**

XES requests that all Commission orders and correspondence as well as pleadings from other persons concerning this filing be served on each of the following:

David B. Grover  
Manager, Reg. Admin., Transmission  
Xcel Energy Services Inc.  
414 Nicollet Mall - 7th Floor  
Minneapolis, MN 55401  
Phone: (612) 330-2857  
Email: [David.B.Grover@xcelenergy.com](mailto:David.B.Grover@xcelenergy.com)

James P. Johnson  
Assistant General Counsel  
Xcel Energy Services Inc.  
414 Nicollet Mall - Fifth Floor  
Minneapolis, MN 55401  
Phone: (612) 215-4592  
Email: [James.P.Johnson@xcelenergy.com](mailto:James.P.Johnson@xcelenergy.com)

Kristine Schmidt  
Director, Federal Regulatory Affairs  
Xcel Energy Services Inc.  
414 Nicollet Mall  
Minneapolis, MN 55401  
Phone: (612) 337-2044  
Email: [Kristine.Schmidt@xcelenergy.com](mailto:Kristine.Schmidt@xcelenergy.com)

Stephen M. Spina  
Joseph W. Lowell  
Morgan Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004-2541  
Phone: (202) 739-5958  
Email: [sspina@morganlewis.com](mailto:sspina@morganlewis.com)

Ms. Kimberly Bose  
December 7, 2007  
Page 14 of 14

## **VI. CONCLUSION**

XES and the Xcel Energy Operating Companies sincerely appreciate the Commission's prompt attention to this matter. Please direct any questions regarding this compliance filing to Mr. David Grover at (612-330-2857) or Mr. Jim Johnson at (612-215-4592). Thank you.

Respectfully submitted,

*James P. Johnson*

James P. Johnson  
Assistant General Counsel  
Xcel Energy Services Inc.  
On behalf of the  
Xcel Energy Operating Companies

Attachment 1

Revised and New Tariff Pages

Service.....	104
ATTACHMENT A-3.....	107A
Form of Service Agreement For The Resale, Reassignment Or Transfer Of Long-Term Firm Point-To-Point Transmission Service .....	107A
ATTACHMENT B .....	108
Form of Service Agreement For Non-Firm Point-To-Point Transmission Service.....	108
ATTACHMENT C .....	110
Methodology To Assess Available Transfer Capability.....	110
ATTACHMENT D .....	111
Methodology for Completing a System Impact Study.....	111
ATTACHMENT E .....	113
Index of Point-To-Point Transmission Service Customers .....	113
ATTACHMENT F .....	120
Form of Service Agreement For Network Integration Transmission Service.....	120
ATTACHMENT G .....	124
Form of Network Operating Agreement .....	124
ATTACHMENT H .....	134
Annual Transmission Revenue Requirement For Network Integration Transmission Service....	134
ATTACHMENT I.....	135
Index of Network Integration Transmission Service Customers .....	135
ATTACHMENT J .....	136
Procedures for Addressing Parallel Flows .....	136
ATTACHMENT K .....	139
Form of System Impact Study Agreement.....	139
ATTACHMENT L.....	144
Form of Facilities Study Agreement.....	144
ATTACHMENT M.....	150
Methodology for Allocating Transmission Revenues Among Utility Operating Companies .....	150
ATTACHMENT N .....	151
Standard Large Generator Interconnection Procedures (LGIP) - Applicable to Generating Facilities that exceed 20 MWs .....	151
ATTACHMENT O .....	324
Public Service Company of Colorado Formulaic Rates.....	324
ATTACHMENT P .....	345
Standard Small Generator Interconnection Procedures (SGIP) - Applicable to Generating Facilities less than 20 MWs .....	345
ATTACHMENT Q.....	461
Creditworthiness Procedures.....	461
ATTACHMENT R - PSCo .....	469
Transmission Planning Process.....	469
ATTACHMENT R - SPS.....	489
Transmission Planning Process.....	489

Issued By: Douglas W. Jaeger, Vice President,  
 Transmission  
 Issued On: December 7, 2007

Effective: December 7, 2007



## **ATTACHMENT R - PSCo**

### **Transmission Planning Process of Public Service Company of Colorado**

#### **I. Overview of the PSCo Transmission Planning Process**

Public Service Company of Colorado ("PSCo" or the "Company") is a vertically integrated public utility engaged in the business of generating, transmitting and distributing electricity in the state of Colorado in the Western Interconnection. PSCo provides Point-to-Point ("PTP") and Network Integration Transmission Services ("NITS") under the Xcel Energy Operating Companies' Joint Open Access Transmission Tariff ("Joint OATT"). The native loads of PSCo are subject to the non-rate terms and conditions of the Joint OATT.

PSCo's transmission planning process is intended to facilitate the development of electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The transmission planning process conducted by PSCo includes a series of open planning meetings that allow anyone, including, but not limited to, NITS and PTP customers, interconnected transmission providers, state and local regulatory bodies and other stakeholders, input into and participation in all stages of development of the PSCo transmission plan.

In addition to its local transmission planning process, PSCo coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

active participation in the Colorado Coordinated Planning Group (“CCPG”), membership in WestConnect<sup>1</sup>, membership in the Western Electricity Coordinating Council (“WECC”), and participation in the WECC Transmission Expansion Planning Policy Committee (“TEPPC”) and its Technical Advisory Subcommittee (“TAS”).

Three subregional planning groups operate within the WestConnect footprint: CCPG, the Southwest Area Transmission (“SWAT”) group, and the Sierra Coordinated Planning Group (“Sierra”). WestConnect’s planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (“STP Agreement”), dated May 23, 2007. A copy of the STP Agreement is available at:

<http://www.westconnect.com/filestorage/050207RegionalPlanningProjectAgreementExecutionCopy.pdf>.

PSCo is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

## **II. PSCo Transmission (Reliability) Planning**

### **A. PSCo Planning Process**

PSCo will conduct reliability studies to ensure that all North American Electric Reliability Corporation (“NERC”), WECC, and local reliability standards are met for each year of the five year planning horizon, including all PSCo customers’ requirements for planned

---

<sup>1</sup> WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. As of the date of this filing, there are thirteen parties to the WestConnect MOU. The membership includes: Arizona Public Service Company, El Paso Electric Company, Imperial Irrigation District, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Sacramento Municipal Utility District, Salt River Project, Southwest Transmission Cooperative and Transmission Association, Transmission Agency of Northern California, Tri-State Generation and Transmission Association, Tucson Electric Power Company, and Western Area Power Administration.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

loads and resources. These reliability planning studies will be coordinated with the other subregional transmission providers through the CCPG. Participation in PSCo's planning process is open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, and other stakeholders.

### 1. Confidential or Proprietary Information

PSCo's transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information ("CEII") by the Federal Energy Regulatory Commission ("FERC"). A stakeholder must hold membership in, or execute a non-disclosure agreement with, WECC in order to obtain requested base case data from PSCo. A stakeholder may obtain transmission planning information classified as CEII from PSCo upon execution of a non-disclosure agreement with PSCo.

### 2. Overview

PSCo's transmission planning process consists of an assessment of the following needs:

- a) Provide adequate transmission to access sufficient resources in order to reliably and economically serve retail and wholesale loads.
- b) Support PSCo's local transmission and sub-transmission systems.
- c) Provide for interconnections for new generation resources and load service.
- d) Coordinate new interconnections with other transmission systems.
- e) Accommodate requests for long-term transmission access.

### 3. PSCo's Transmission Planning Cycle

- a) Calendar Year Planning Cycle PSCo conducts its transmission planning on a calendar year cycle for a five year planning horizon.
- b) Annually Updated Five Year Transmission Plan PSCo updates its five year transmission plan annually. The results are summarized in a filing to the Colorado Public Utilities Commission (CPUC) at the end of April each year.<sup>2</sup> PSCo will also provide a summary of the five year transmission plan at a stakeholder meeting in the 3<sup>rd</sup> quarter of the year.
- c) Ten Year Plan PSCo will participate with WestConnect and CCPG to develop ten year transmission plans.

---

<sup>2</sup> CPUC Rule 3206 filing.

4. Transmission Customer's Responsibility for Providing Data

- a) Use of Customer Data PSCo uses information provided by its transmission customers to, among other things, assess network load and resource projections, transmission needs, in-service dates and retirements for generation resources in PSCo's system, and to update regional models used to conduct planning studies.
- b) Submission of Data by Transmission Customers NITS customers are required pursuant to the Joint OATT, to submit their ten year projected network load and network resources to PSCo on an annual basis. NITS and PTP customers shall also be required to provide the additional data listed in sections 4 c and 4 d below on an annual basis.
- c) Transmission Customer Data to be Submitted To the maximum extent practical and consistent with protection of proprietary information, data submitted by NITS customers and PTP customers with service agreements subject to a right of first refusal ("ROFR") should provide the following information for the ten year planning horizon:
  - (i) Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
  - (ii) Demand response resources – existing and planned demand resources and their impacts on demand and peak demand.
  - (iii) NITS customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
  - (iv) PTP customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- d) Notification of Material Changes to Transmission Customer Data Each transmission customer is responsible for timely submittal of written notice to PSCo of material changes in any of the information previously provided to PSCo related to the transmission customer's load, resources, or other aspects of its facilities or operations which may, directly or indirectly, affect PSCo's ability to provide service.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## 5. Stakeholder Participation in PSCo Study Process

PSCo will conduct at least two open public planning meetings each year, in coordination with the process to develop its five year transmission plan, and with the CCPG meetings and study processes, that will allow and encourage customers, interconnected transmission providers, state and local regulatory bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the PSCo transmission plan.

- a) The first open meeting will be held in the first quarter of the year. During the meeting, PSCo will:
  - (i) review its current study plan with stakeholders;
  - (ii) provide an opportunity for stakeholder input on any aspect of PSCo's current study plan, including, but not limited to, methodology, study inputs and study results;
  - (iii) review any stakeholder proposals previously submitted to PSCo for study plan alternatives, and invite the submittal of additional stakeholder study plans for review and discussion;
  - (iv) provide a forum for PSCo to better understand the specific electric transmission interests of key stakeholders;
  - (v) provide updates on PSCo's planned projects; and
  - (vi) provide stakeholders an opportunity to participate in development of the scope of studies for the annual five year assessment.
- b) The second open meeting will be held in the third quarter of the year to:
  - (i) provide stakeholders with the results of the five year assessment; and
  - (ii) solicit comments for the following calendar year studies.
- c) Posting of Meeting Notices All meeting notices, including date, time, place and draft meeting agenda, will be posted on the PSCo OASIS and WestConnect website at [www.westconnect.com](http://www.westconnect.com) and circulated to PSCo's distribution list by email at least 30 days prior to the PSCo public planning meeting.
- d) Posting of Study Plans and Planning Results Study plans and planning results will be posted on the PSCo OASIS (<http://www.oatioasis.com/PSCO/>) and WestConnect website ([www.westconnect.com](http://www.westconnect.com)), and circulated by email to PSCo's distribution list at least two weeks prior to the PSCo public planning meeting.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

- e) Electronic Input and Comments Stakeholders and interested parties are also encouraged to provide input, comments, advice and questions on PSCo's transmission planning process at any time by sending e-mails to the contact noted on the PSCo OASIS.
- f) PSCo Distribution List All existing PSCo customers, NITS and PTP, may, upon request, be included on PSCo's distribution list and actively notified *via* e-mail of all upcoming PSCo public planning meetings. Any other stakeholder wanting to be included on PSCo's e-mail distribution list should submit its information to the PSCo Point of Contact as identified on the PSCo OASIS.
- g) Posting of Meeting Documents PSCo will post all meeting-related notes, documents and draft or final reports on its OASIS and WestConnect websites.
- h) Posting of Public Documents In order to permit all stakeholders access to the information posted on the PSCo OASIS and WestConnect websites, only public information will be shared, and public business conducted, in the PSCo open public planning meetings.

Additional open meetings will be held if necessary to accomplish the above objectives and the timing of the meetings may change, if needed to coordinate with CCPG meetings.

#### 6. Coordination of Transmission Study Cycle with CCPG

PSCo will coordinate the timing of its transmission planning study process with the development of the assumptions, database, and power flow cases performed within the CCPG planning group, which is open to participation by all interested parties.

#### 7. PSCo Study Criteria and Guidelines

Requesters should refer to the Xcel Energy Interconnection Guidelines for PSCo planning criteria, guidelines, assumptions and data. The Xcel Energy Interconnection Guidelines are posted at at:

[http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1\\_16699\\_38404-1428-0\\_0\\_0-0,00.html](http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1_16699_38404-1428-0_0_0-0,00.html).

#### 8. PSCo Point of Contact for Reliability Study Requests

PSCo will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying reliability planning studies.

## **B. Five Year Transmission System Plan**

Each year PSCo uses the planning process described in Section II.A above to update its Five Year Transmission System Plan. The PSCo Five Year Transmission System Plan identifies all of its new transmission facilities, 115 kV and above, and all facility replacements/ upgrades required over the next five years to reliably and economically serve its loads.

## **C. Ten Year Transmission System Plan**

PSCo will participate in CCPG and WestConnect ten-year planning studies to develop the subregional ten-year transmission plans.

# **III Economic Studies**

Economic planning studies are performed to identify significant and recurring congestion on the transmission system. Such studies may analyze any, or all, of the following: ( i) the location and magnitude of the congestion, ( ii) possible remedies for the elimination of the congestion, in whole or in part, ( iii) the associated costs of congestion, and ( iv) the costs associated with relieving congestion through system enhancements (or other means). PSCo will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. All economic planning studies performed, either by PSCo or TEPPC, will utilize the TEPPC public database.

## **A. Economic Planning Study Requests**

### **1. Requesting Economic Planning Studies**

Any PSCo transmission customer or other stakeholder ("Requester") may submit a study request for an economic planning study directly to PSCo or TEPPC. PSCo will coordinate the timing of its economic planning study cycle with the TEPPC process.

### **2. Process for Handling Economic Transmission Planning Study Requests by PSCo**

PSCo shall ensure that any economic planning study requests received by PSCo are properly handled under this Attachment R-PSCo by:

#### **a) TEPPC Master List**

Forwarding to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection and for consideration by TEPPC as a priority request. The TEPPC Master List can be found on the WECC web site ([www.wecc.biz](http://www.wecc.biz)).

b) Stakeholder Review of Economic Transmission Study Requests

Reviewing the request with input from stakeholders in a PSCo public transmission meeting to determine whether the study should be considered a local priority request and performed by PSCo or whether the study request encompasses a subregion or region, in which case PSCo will transfer the request to TEPPC for consideration as a priority request at TEPPC's stakeholder meeting.

c) Criteria Used for Local Priority Economic Transmission Planning Study Requests

Considering the following criteria to determine whether the economic transmission planning study request is a local priority request, based in part on the number and type of study requests received: (a) if the study request does not affect interconnected transmission systems, and (b) if the remedies are confined to a local area and can be resolved within the local area, *i.e.*, PSCo's transmission service territory.

d) Economic Transmission Planning Study Requests Determined to be a Local Priority

If PSCo determines that the study request is a local priority request, PSCo will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected transmission providers.

3. Process for Handling Economic Study Requests Received by TEPPC

TEPPC will review economic planning study requests received from either transmission providers or from Requesters directly. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. PSCo shall participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. For more detail regarding the TEPPC economic planning study process, see the TEPPC Transmission Planning Protocol at [www.wecc.biz](http://www.wecc.biz).

4. Low Priority Economic Study Requests

If PSCo and TEPPC determine, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may request PSCo's assistance in having a third party perform the economic planning analysis at the Requester's expense. The Requester will have use of the TEPPC economic study database and PSCo will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007



5. Clustering Local Priority Economic Planning Studies

PSCo may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that PSCo study its request together with other requests. PSCo will combine such studies as it deems appropriate.

6. Cost Responsibility for Economic Planning Studies

a) Priority Local Economic Planning Studies

Priority local economic planning studies will be performed or caused to be performed by PSCo at PSCo's expense.

b) Priority Regional Economic Planning Studies

Regional economic studies performed by TEPPC and funded by WECC.

c) Non-Priority Economic Study Requests

Economic studies not characterized as priority will be performed at the Requester's expense. At the Requester's request, PSCo may perform the study work or work with the transmission customer and its third party contractor.

7. Exchange of Data Unique to Economic Planning Studies

a) PSCo obtains all data used for its economic planning studies from the TEPPC database.

b) Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.

c) Requester's request for economic planning studies and responses to such requests shall be posted on the PSCo OASIS and the WestConnect website, [www.westconnect.com](http://www.westconnect.com), subject to confidentiality requirements.

8. PSCo Point of Contact for Study Requests

PSCo will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies.

#### **IV. Subregional and Regional Coordination**

Regional Planning and Coordination at the WestConnect-SWAT-CCPG-Sierra subregional level.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## **A. Overview**

PSCo is a party to the WestConnect STP Agreement. The WestConnect footprint includes the subregions covered by SWAT, CCPG and Sierra, their successor(s) or any other subregional transmission planning group that may form within the WestConnect footprint. PSCo actively participates in the CCPG transmission planning process to ensure that PSCo's transmission plans, together with data and assumptions, are included in and coordinated with any CCPG subregional transmission plans. The WestConnect planning manager works with the WestConnect subregional planning groups to coordinate the subregional transmission plans and produce the WestConnect Transmission Plan.

## **B. CCPG's Role in the Subregional Transmission Planning Process**

### **1. CCPG Role**

CCPG is tasked with bringing transmission planning information together and sharing updates on active projects. The CCPG subregional planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the CCPG footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system.

### **2. CCPG Participation**

The CCPG subregional transmission planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders.

### **3. Subregional Coordination through CCPG**

CCPG's role is to promote subregional transmission planning and development in the CCPG footprint and to ensure that all of the transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs.

### **4. Forum for Project Sponsors**

CCPG also provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation, including ownership from other interested parties.

5. CCPG's Subregional Open Planning Meetings

The CCPG subregional planning group transmission planning process for the high voltage and extra high voltage system in the CCPG footprint is open to all transmission customers and stakeholders wishing to participate.

6. Customer Assistance

PSCo will assist transmission customers and stakeholders interested in becoming involved in the subregional transmission planning process by directing them to appropriate contact persons and websites. All transmission customers and stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the CCPG planning meetings.

7. Meeting Agendas

The meeting agendas for CCPG, WestConnect, PSCo and any other planning meetings scheduled in conjunction with the CCPG meeting will be sufficiently detailed, posted and circulated in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.

**C. WestConnect Role in CCPG and the Subregional Transmission Planning Process**

1. WestConnect STP Agreement

Each WestConnect party is a signatory to the WestConnect STP Agreement, which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups, participate in the subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of the subregional transmission planning groups that may form within the WestConnect footprint.

2. WestConnect Objectives and Procedures for Regional Transmission Planning

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, PSCo, along with the other WestConnect STP Agreement participants, agrees to work through the subregional planning group processes, as applicable, to integrate its transmission plan with the other WestConnect participant transmission plans into one ten year regional transmission plan for the WestConnect footprint by:

- a) Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to CCPG to support the validity of PSCo's plan;
- b) Coordinating, developing and updating common base cases to be used for all study efforts within the subregional planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;
- c) Providing funding for the WestConnect STP Agreement planning management functions pursuant to the WestConnect STP Agreement;
- d) Retaining an independent facilitator to oversee the WestConnect STP Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;
- e) Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- f) Posting detailed notices on all subregional planning group meeting agendas on the WestConnect website.

3. Meetings

WestConnect hosts at least two open public stakeholder meetings for transmission planning per year.

**V. Coordination at the Western Interconnection Level**

PSCo will coordinate its plan on a west-wide regional basis through CCPG and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.

**A. Procedures for Regional Planning Project Review**

1. WECC Coordination of Reliability Planning

- a) WECC develops the Western Interconnection-wide databases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies.
- b) WECC also maintains a database for reporting the status of all planned projects throughout the Western Interconnection.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

- c) WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
- d) WECC's path rating process ensures that a new project will have no adverse effect on existing projects.

## 2. WECC-TEPPC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC-TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC TEPPC Transmission Planning Protocol is posted on the WECC website. PSCo participates in the region-wide planning processes, as appropriate, to ensure data and assumptions are coordinated.

## 3. Role of WECC TEPPC

WECC TEPPC provides two main functions in relation to the PSCo planning process:

- a) Development and maintenance of the west-wide economic planning study database.
  - (i) TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
  - (ii) TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's PROMOD planning model, it must comply with WECC confidentiality requirements.

### b) Performance of Economic Planning Studies

TEPPC has an annual study cycle during which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

## **VI. Dispute Resolution**

PSCo intends to work with stakeholders on an amicable basis to resolve disputes concerning both procedural and substantive issues. The first step shall be direct negotiation between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. For disputes that cannot be resolved through direct negotiation, PSCo will use the dispute resolution mechanism in Section 12 of the Joint OATT for transmission service customers disputing the results of a PSCo planning process or study.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## **VII. Cost Allocation**

In accordance with the WestConnect Objectives and Procedures for Regional Transmission Planning, approved by the WestConnect Steering Committee and effective August 24, 2006 (attached within Exhibit 1), the Parties to the WestConnect Memorandum of Understanding agreed:

[T]o the maximum extent practical, to use open season solicitation, multiparty transmission ownership, and the potential co-existence of both physical and financial transmission rights for transmission projects planned under the WestConnect processes.

This approach for development, construction, ownership and operation of bulk power facilities has been used successfully throughout the Western Interconnection for more than 30 years.

This approach, used to solicit interest and participation in development of new bulk power facilities in the Western Interconnection, is also incorporated in the WECC Policies and Procedures for Regional Planning Project Review, Project Rating Review, and Progress Reports. Those policies and procedures include mechanisms (i) for WECC members and others to report on planned projects and to work together to expand the interconnected system capacity according to member and stakeholder needs; and (ii) to inform others of the opportunity to participate in or review a project, and to solicit participation in a project in order to avoid duplicate projects and allow a new project to integrate others' needs by mutual agreement.

### **A. Process Used to Solicit Interest in a Proposed Project**

1. Solicitation of Interest. Project sponsor announces project and actively or verbally solicits interest in the project through informational meetings, information posted on the project sponsor's website, and industry press releases.
2. Project sponsor holds meetings with interested parties and meetings with public utility staffs from potentially affected states.
3. Project sponsor posts information *via* WECC's Planning Project Review reports.
4. Role of Project Sponsor.
  - a) To develop the initial project specifications, the initial cost estimates and potential transmission line routes.
  - b) To guide negotiations in assisting interested parties to determine cost responsibility for initial studies.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

- c) To guide the project through the applicable line siting processes.
- d) To develop final project specifications and costs.
- e) To obtain commitments from participants for final project cost shares and secure execution of construction and operating agreements.

It is possible that the cost allocation principles for economic projects may be different from the cost allocation methods used for reliability projects involving multiple owners. PSCo, together with other utilities in the WestConnect and the WECC, will seek input from stakeholders in proposing cost allocation methods on a case-by-case basis for any economic or reliability projects developed through the PSCo transmission planning process.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

Filed to comply with orders of the Federal Energy Regulatory Commission in Docket No. RM05-25-000, issued April 11, 2007, 119 FERC ¶ 61,037 (2007), and July 27, 2007, 120 FERC ¶ 61,103 (2007).

**SHEETS 484 THROUGH 488**  
**RESERVED FOR FUTURE USE**

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

Filed to comply with orders of the Federal Energy Regulatory Commission in Docket No. RM05-25-000, issued April 11, 2007, 119 FERC ¶ 61,037 (2007), and July 27, 2007, 120 FERC ¶ 61,103 (2007).



## **ATTACHMENT R – SPS**

### **Transmission Planning Process of Southwestern Public Service Company**

#### **Background**

Southwestern Public Service Company ("SPS") is a member of the Southwest Power Pool, Inc. ("SPP"), a FERC-approved RTO. Access to the SPS transmission system is available through the SPP Open Access Transmission Tariff ("SPP OATT"). SPS also provides certain "grandfathered" and other Network Integration Transmission Services ("NITS") under the Xcel Energy Operating Companies Joint Open Access Transmission Tariff ("Joint OATT"). The retail native loads of SPS are not directly served under any OATT, but are subject to the non-rate terms and conditions of the Joint OATT and/or the SPP OATT.

The SPP RTO has functional control over the high voltage (60kV and above) transmission systems of SPS under Attachment A1 of the SPP OATT. As an RTO, SPP performs coordinated and transparent regional planning for all transmission facilities in the multi-state SPP footprint through the annual SPP Transmission Expansion Plan ("STEP") process. Attachment O of the SPP OATT describes the STEP process. It is through this process that most transmission planning for the SPS system complies with FERC's nine Order No. 890 planning principles. SPP also functions as the Regional Entity ("RE") for the SPP region and is responsible for reliability oversight (including transmission planning reliability standards compliance) for the SPP region (including the SPS system) pursuant to a Delegation Agreement between SPP and the North American Electric Reliability Corporation ("NERC"). SPS is also a member of the SPP Reserve Sharing group.

In addition to the STEP regional planning process, SPS also conducts local planning to identify transmission improvements necessary to ensure the adequacy and reliability of the SPS system for the benefit of interconnected entities and transmission customers that utilize SPS system transmission facilities to receive transmission service. This local planning process is described in this Attachment R – SPS to the Joint OATT. However, this Attachment R – SPS should be reviewed in coordination with Attachment O to the SPP OATT, since the SPS local planning process is coordinated with and supplements the SPP regional planning process.

The SPS transmission planning region is limited to SPS's electrical system boundary. SPS's internal transmission planning process is responsive to direct transmission requests by wholesale NITS customers and native loads for new load interconnections.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## **Compliance with Nine Order No. 890 Principles**

### **1. Coordination**

SPS participates in SPP's coordinated regional and sub-regional planning processes. SPS communicates with SPP in response to specific requests and also with other utilities as requested on any joint planning issues.

SPS has a Network Operating Agreement ("NOA") with each of the NITS customers taking service from SPS under the Joint OATT. SPS holds periodic meetings with its wholesale transmission customers, whether they take service under the SPP OATT or the Joint OATT, to discuss pertinent system issues. Specific study coordination has been done either through SPP or directly by SPS as needed.

SPS shall hold, at a minimum, one meeting annually where NITS customers, merchant generation plant developers, and other interested parties can participate in local planning discussions. The timing of the meeting will allow for any stakeholder input to be incorporated into the SPP regional STEP process, as well as into the SPS planning process.

SPS's planned system upgrades are provided to the SPP in two ways. First, they are provided through the SPP Model Development process every fall. New projects, which are projects budgeted by SPS for construction, are added to the powerflow models. Second, project schedule information is provided according to SPP's process for project updates.

### **2. Openness**

SPS relies on the SPP and its open STEP planning processes to provide the vehicles for openness and communication on the 115 kV and above transmission systems. When SPS is doing specific planning on the lower voltage 69 kV system, SPS actively and directly communicates with any affected transmission owner, its transmission agent, or the requesting transmission customer, as needed.

Studies performed by SPS pursuant to transmission requests made under the Joint OATT are posted on the SPS OASIS page of the SPP OASIS. The site address is:  
(<http://sppoasis.spp.org/OASIS/Sps> <http://sppoasis.spp.org/OASIS/Sps>),

SPS contacts any specific transmission customers that will be affected by its plans for the 69 kV system. As discussed in the previous Coordination section, SPS shall at a minimum, hold an annual, sub-regional planning meeting to discuss upcoming or

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

developed plans. These meetings shall be open to interested NITS customers (whether service is provided under the Joint OATT or SPP OATT), generation plant developers and other interested parties. Notice of the coordination meetings will be posted on the SPS page of the SPP OASIS. In addition, all SPS transmission customers and affected state commissions will also be notified directly by email or other means. Any stakeholder that wants to be added to the notification list can make this request to the customer contact identified on the SPS OASIS.

### **3. Transparency**

SPS has posted a summary of its currently effective internal planning criteria and general study methodology at the SPS page on the SPP OASIS:

(<http://sppoasis.spp.org/documents/SPS/uploads/SPS%20Planning%20Criteria.pdf>)

The Xcel Energy Operating Companies' guidelines for Load Interconnections, Generation Interconnections, and Transmission-to-Transmission Interconnections are posted at:

([http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1\\_16699\\_38404-1428-10\\_15\\_15-0,00.html](http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1_16699_38404-1428-10_15_15-0,00.html))

Study documentation is attached to the studies when they are posted on OASIS.

SPS's transmission expansion plans are primarily related to load serving, 69 kV expansion, transmission service requests under the Joint OATT, and generation interconnection studies on radial transmission or distribution facilities. Any criteria, assumptions, or other underlying data is provided in the associated study report for that plan or study when it is released. However, requests for transmission service or a new load interconnection are sometimes confidential, and information related to the project cannot be shared with other entities until the project is in the construction phase.

### **4. Information Exchange**

Under the Joint OATT, SPS's NITS customers are required to provide annual updates to their network transmission service each year with a ten year forecast. SPS then provides summary data on SPS native load uses and Joint OATT NITS uses to SPP through the SPP Model Development activity. SPP OATT NITS and Point-to-Point (PTP) customers with loads on the SPS system provide their input directly to SPP and SPS may obtain that information if needed for its studies and model building.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## **5. Comparability**

There are wholesale NITS loads and generation dispersed throughout the SPS transmission system, and SPS plans for these loads and generation in a manner comparable to planning for its native loads. The studies performed by SPS under its OATT are based on the most recent SPP Aggregate Study models, without the new studied transmission service of the most recent SPP Aggregate Transmission Service Study. This captures the most recent firm transmission service sold by SPP, but not unconfirmed requests for transmission service, allowing SPS transmission service studies to closely track SPP's aggregate transmission service studies.

Load interconnection customers under SPP's transmission service tariff, wholesale NITS customers and SPS native load requirements are studied in a mostly sequential method. Wholesale customers place their transmission service requests through the SPS or SPP OASIS. Clustering of transmission service studies requests is used for some groups of study requests when clustering is beneficial and improves the efficiency of the planning process.

As SPS performs its network transmission service studies, it evaluates the impacts on the systems of neighboring transmission owners. If a significant effect is seen, consultation with SPP and the affected transmission owner(s) will be done to resolve the issue.

SPP planning procedures recognize that SPP and its members need to address transmission system requirements to meet state renewable portfolio standards, state resource adequacy requirements, and other similar regulatory programs that could include treatment of customer demand response resources.

SPS will establish a load and delivery point connection study queue for requests for installation of new load delivery points to provide comparable access to study processes and provide transparency. Confidentiality of the request will be maintained where possible, but the request will be on the study queue. The estimated date of completion of study will be provided if it can be reasonably determined.

## **6. Dispute Resolution**

Transmission service customers taking service under the SPP OATT or disputing the results of an SPP planning process can utilize the dispute resolution processes set forth in the SPP OATT. Dispute resolution is also addressed in the Joint OATT, section 12. SPS will use the dispute resolution mechanism in the Joint OATT for transmission service customers taking or requesting service under the Joint OATT or disputing the results of an SPS planning process or study.

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: December 7, 2007

Effective: December 7, 2007

## **7. Regional Participation**

SPS shares its modeling data through the SPP modeling processes. SPS provides review and comments on SPP studies, both regional and sub-regional. SPS shares its internally developed transmission plans through the SPP processes, specifically through the SPP STEP and model development processes.

## **8. Economic Planning Studies**

The SPP regional economic planning process is used to comply with the Economic Planning Study requirements of Order No. 890. The focus of SPS's planning is reliability planning and meeting the load serving needs of wholesale NITS customers and native loads. SPS has done specific special studies upon request by a NITS customer. Some of these studies may be deemed economic planning studies, and all such studies are posted on the SPS OASIS. SPS participates in SPP regional economic planning studies, pursuant to the Coordination principle set forth above.

## **9. Cost Allocation**

As part of SPP's role as an RTO, SPP has the responsibility to coordinate and develop regional transmission plans and cost allocation for new transmission facilities. SPS is a participant in the SPP development process.

The SPP OATT includes a Transmission Expansion Cost Allocation Plan process (Attachment J) for regional reliability projects, generation interconnection upgrades, and requested transmission service upgrades. SPS is subject to this process. This process was developed by the SPP Regional State Committee ("RSC") and the SPP Cost Allocation Working Group ("CAWG"). These committees include participants from various state regulatory agencies, transmission owners, and transmission users in SPP.

For new load serving interconnections, costs are assigned to the requesting entity pursuant to the Xcel Energy Transmission load interconnection cost allocation policy posted at the Xcel Energy Inc. corporate web site:

(<http://www.xcelenergy.com/docs/LoadInterconnectionCostAllocationPolicyfinal.pdf>)

Attachment 2

Revised Existing Tariff Pages in Red Line Format

Service.....	104
ATTACHMENT A-3.....	107A
Form of Service Agreement For The Resale, Reassignment Or Transfer Of Long-Term Firm Point-To-Point Transmission Service .....	107A
ATTACHMENT B.....	108
Form of Service Agreement For Non-Firm Point-To-Point Transmission Service .....	108
ATTACHMENT C.....	110
Methodology To Assess Available Transfer Capability .....	110
ATTACHMENT D.....	111
Methodology for Completing a System Impact Study .....	111
ATTACHMENT E.....	113
Index of Point-To-Point Transmission Service Customers.....	113
ATTACHMENT F.....	120
Form of Service Agreement For Network Integration Transmission Service .....	120
ATTACHMENT G.....	124
Form of Network Operating Agreement .....	124
ATTACHMENT H.....	134
Annual Transmission Revenue Requirement For Network Integration Transmission Service ...	134
ATTACHMENT I.....	135
Index of Network Integration Transmission Service Customers .....	135
ATTACHMENT J.....	136
Procedures for Addressing Parallel Flows .....	136
ATTACHMENT K.....	139
Form of System Impact Study Agreement .....	139
ATTACHMENT L.....	144
Form of Facilities Study Agreement .....	144
ATTACHMENT M.....	150
Methodology for Allocating Transmission Revenues Among Utility Operating Companies.....	150
ATTACHMENT N.....	151
Standard Large Generator Interconnection Procedures (LGIP) - Applicable to Generating Facilities that exceed 20 MWs.....	151
ATTACHMENT O.....	324
Public Service Company of Colorado Formulaic Rates .....	324
ATTACHMENT P.....	345
Standard Small Generator Interconnection Procedures (SGIP) - Applicable to Generating Facilities less than 20 MWs.....	345
ATTACHMENT Q.....	461
Creditworthiness Procedures .....	461
ATTACHMENT R - <u>PSCo</u> .....	469
Transmission Planning Process.....	469
<u>ATTACHMENT R - SPS .....</u>	<u>489</u>
<u>Transmission Planning Process.....</u>	<u>489</u>

Issued By: Douglas W. Jaeger, Vice President,  
 Transmission  
 Issued On: July 13, 2007December 7, 2007

Effective: July 13, 2007December 7, 2007

Filed to comply with orders of the Federal Energy Regulatory Commission in Docket No. RM05-25-000, issued April 11, 2007, 119 FERC ¶ 61,037 (2007), and July 27, 2007, 120 FERC ¶ 61,103 (2007).



## ATTACHMENT R - PSCo

### Transmission Planning Process of Public Service Company of Colorado RESERVED FOR FUTURE USE

#### I. Overview of the PSCo Transmission Planning Process

Public Service Company of Colorado ("PSCo" or the "Company") is a vertically integrated public utility engaged in the business of generating, transmitting and distributing electricity in the state of Colorado in the Western Interconnection. PSCo provides Point-to-Point ("PTP") and Network Integration Transmission Services ("NITS") under the Xcel Energy Operating Companies Joint Open Access Transmission Tariff ("Joint OATT"). The native loads of PSCo are subject to the non-rate terms and conditions of the Joint OATT.

PSCo's transmission planning process is intended to facilitate the development of electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The transmission planning process conducted by PSCo includes a series of open planning meetings that allow anyone, including, but not limited to, NITS and PTP customers, interconnected transmission providers, state and local regulatory bodies and other stakeholders, input into and participation in all stages of development of the PSCo transmission plan.

In addition to its local transmission planning process, PSCo coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its

Issued By: Douglas W. Jaeger, Vice President,  
Transmission  
Issued On: July 13, 2007December 7, 2007

Effective: July 13, 2007December 7, 2007

Filed to comply with orders of the Federal Energy Regulatory Commission in Docket No. RM05-25-000, issued April 11, 2007, 119 FERC ¶ 61,037 (2007), and July 27, 2007, 120 FERC ¶ 61,103 (2007).



Attachment 3

Copy of AWEA Letter



---

November 21, 2007

Transmission and Grid Operations  
Public Service Corporation of Colorado

Via email to dave.cenedella@xcelenergy.com

Subject: Public Service Company of Colorado's Attachment K Draft

---

The American Wind Energy Association (AWEA) and Interwest Energy Alliance (Interwest) appreciate the opportunity to provide the following feedback on Public Service Company of Colorado's (PSCo) draft transmission planning Attachment K of their OATT. AWEA is a national trade association representing over 1,100 entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers and their advocates. Interwest is a trade association that brings the nation's clean energy industry together with the West's advocacy community for consensus-based, collaborative approaches to building new markets and facilitating new transmission development throughout the West. AWEA and Interwest members include transmission and interconnection customers of PSCo and we have a strong interest in transmission expansion planning that will result in construction of new transmission capacity to facilitate future wind development.

AWEA and Interwest support the intent of the Federal Energy Regulatory Commission's Order 890 (the Order) which requires transmission providers to detail how their local, sub-regional, and regional transmission planning processes will meet the Order's nine requirements which focus on stakeholder involvement, transparency, regional coordination, economic planning and cost allocation. Below we provide some general comments on the principles that highlight our members' greatest concerns, as well as some specific suggestions for improvement of PSCo's Draft Attachment K.

### Coordination and Openness

We enthusiastically support the requirement for openness and inclusion of all stakeholders in transmission planning processes at all levels. . Renewable energy developers and organizations like AWEA and Interwest have not always been invited or allowed to participate in utility transmission planning processes. Yet we have a strong interest in transmission planning that results in new capacity that can support the development of new clean generation resources. We appreciate that PSCo has identified two open public meetings annually in their Attachment K to include input from developers and wind industry organizations in their transmission planning process.

While FERC's Order No. 890 Transmission Planning Process Staff White Paper dated August 2, 2007 (White Paper) indicates that, "All parties interested in the planning process should be allowed to participate, as relevant,"<sup>1</sup> we believe that it is the responsibility of the transmission providers (TPs) not only to allow participation but to foster it by providing a process that is simple, in terms of both meeting notification and participation. It will be challenging for many renewable energy developers and groups like AWEA and Interwest to participate in every transmission provider's local planning process because our staff is limited. Therefore, we would like to see opportunities to learn about local transmission plans and to provide input on them at sub-regional and/or regional planning forums in order to limit the number of meetings our staff must attend. To facilitate our participation we suggest that one sub-regional and/or regional entity

---

<sup>1</sup> "Order No. 890 Transmission Planning Process Staff White Paper", August 2, 2007, related to Docket Nos. Nos. RM05-17-000 and RM05-25-000, page 5.

provide meeting information, and one forum where we can learn about and provide input on all transmission planning activities in the region.

As a regional entity, the Western Electricity Coordinating Committee (WECC) Transmission Expansion Planning and Policy Committee (TEPPC) is appropriately positioned to fill this role. TEPPC provides a good stakeholder input process through diverse TEPPC membership and open participation in the Technical Advisory Subcommittee (TAS). However, TEPPC can go one step further by improving its stakeholder communication via a West-wide transmission planning web site which should be coordinated with each of the individual transmission providers and sub-regional planning entities, such that stakeholders can go to one place to find a calendar of upcoming meetings, and updates on all the transmission planning efforts across the West. PSCo offers to post meeting information on their OASIS that will provide interested parties a significant amount of information about their planning process. We request that PSCo pass on much of this information to TEPPC and encourage TEPPC to take on the role of coordinating and disseminating transmission planning information for the West. We also request that PSCo allow other interested parties to join email distribution lists, so that they may receive meeting notices electronically along with PSCo's network and point-to-point customers.

### Transparency

We support the requirement of publicizing information on transmission planning methodologies that will allow others to understand and replicate studies. Transparency of study methods and data should apply to economic planning studies also, so that wind energy transmission customers can critique the studies and offer alternatives.

While FERC's Order and White Paper did not specifically call out a requirement that transmission providers capture and publicize information about historic line/path usage, we believe this is a critical piece to transparency that will enable parties to understand areas of constraint and where there are opportunities for new products like conditional firm and redispatch that would meet their business needs. We request that PSCo work with WestConnect and its members to make arrangements to gather and publicize historic usage information in an appropriate way on the WestConnect website.

### Regional transmission planning

FERC's White Paper states, "The formal Attachment K filing obligation, however, does contemplate that each transmission provider will clearly identify the details of how its planning process will be coordinated with interested parties."<sup>2</sup> We believe that the details of coordination need to spell out how each utility will participate in regional and sub-regional transmission planning processes. As the White Paper indicated, this needs to include committees and meeting structures, responsibilities of the various parties and committees, and how decisions will be made. The Commission also determined in its Order that regional planning was needed because "greater coordination and openness in transmission planning is required, on both a local and regional level, to remedy undue discrimination. The coordination of planning on a regional basis will also increase efficiency through the coordination of transmission upgrades that have region-wide benefits, as opposed to pursuing transmission expansion on a piecemeal basis."<sup>3</sup> We agree completely with these above statements, and believe that it is incumbent upon each transmission provider to include clear details about its process for coordinating with other transmission providers through well laid out sub-regional and regional planning processes to establishing one regional transmission plan that most cost effectively meets the reliability and economic needs of all customers in the region. This regional plan should incorporate and jointly analyze all local and sub-regional plans together to ensure that all upgrades and additions work together and are not duplicative.

In addressing the role of sub-regional groups, the White Paper states, "Staff encourages entities participating in regional planning activities to consider use of sub-regional groups to facilitate the planning process. If used, the responsibilities of sub-regional groups should be identified, as well as the mechanisms those groups will use to coordinate among themselves and with regional entities." PSCo has indicated that WECC TEPPC is the regional planning forum they will use, which the WestConnect, Colorado Coordinated Planning Group (CCPG), and PSCo local planning efforts will feed into.

---

<sup>2</sup> White Paper, page 3.

<sup>3</sup> Order 890, "Preventing Undue Discrimination and Preference in Transmission Service", issued February 16, 2007, section 524.

TEPPC plans to coordinate with all the sub-regional planning groups and provide central database services so all planning in the West can be consistent.

AWEA and Interwest previously commented on the state of planning and coordination in its February 9, 2007 letter to the CCPG. (See: [http://www.interwest.org/documents/documents/2007-02-09\\_ccpg\\_ltr\\_9feb07.pdf](http://www.interwest.org/documents/documents/2007-02-09_ccpg_ltr_9feb07.pdf)) The concerns raised in this letter are the need for 1) greater public participation in Colorado long range transmission planning, 2) greater contributions from energy efficiency and renewable energy resources, 3) greater coordination between utility transmission plans, and 4) the inclusion of out of state resources and export opportunities.

It is noteworthy that Chairman Sisk of the CCPG responded to our critique of the CCPG's process and outcomes by noting his agreement with the concerns we had raised. We have not yet seen the improvements promised, and we request that PSCo work with CCPG to address the four areas of concern in this letter as they are what is required by state law and FERC's regulation at issue in these comments.

In addition, PSCo's Attachment R should summarize the CCPG member responsibilities, even if the bulk of the information resides in another document. Also, simply referencing the WestConnect Project Agreement does not provide customers and interested parties enough information to navigate the planning process. Additional detail throughout the sections on CCPG, WestConnect, and WECC TEPPC can help parties understand better at which point they need to engage in the transmission planning process.

### Economic Planning Studies

We support the FERC requirement that TPs run transmission studies that consider the economics of the existing transmission system and potential upgrades. The FERC Staff White Paper states: "Customers must be given the opportunity to obtain studies that evaluate potential upgrades...that could reduce congestion or integrate new resources and loads on an aggregated or regional basis."<sup>4</sup> Such studies are critical to making sure that congestion is not impeding customer access to low cost, and stable priced resources.

---

<sup>4</sup> White Paper, page 15.

Utilities in many states also need access to renewables to meet state and/or federal mandates. We have several comments and questions on PSCo's economic planning section.

The White Paper makes the recommendation of “an open forum for all stakeholders...e.g., to form a self-governing group to identify and prioritize economic study requests...and to consider adopting procedures to govern the clustering or batching of requests.”<sup>5</sup> AWEA and Interwest believe this is a very important aspect to an open and transparent transmission planning process. We request that PSCo provide clarity on how stakeholder input on economic studies will be considered, and if stakeholders will have a role in deciding which local economic studies are “high priority.” PSCo must also detail in its Attachment K how many “high priority” economic planning studies will be completed under cost of service each year or during each planning cycle.

WestConnect does not seem to consider economic planning studies at all. Does this mean that PSCo commits to economic studies only in its local planning process and through its participation in WECC TEPPC. We do not see any consideration of economic studies at the sub-regional level through CCPG or WestConnect; however, we believe this can be helpful, even if these groups do not actually run the studies. We suggest that PSCo work with others members of the CCPG and WestConnect to consider a sub-regional review of economic study requests, and a stakeholder discussion of which requests are of greatest interest. We also believe that this discussion should touch on the nature of the requests, and CCPG and WestConnect should consider sponsoring economic transmission studies if there are high priority requests that are really sub-regional in nature.

#### Cost Allocation and Cost Recovery

We encourage the formation of multi-state committees, as indicated in FERC's White Paper, to develop cost allocation methodologies for regional projects that consider cost recovery from multiple TPs when appropriate. In many cases, especially for location dependent renewable resources, regional transmission projects should receive rolled-in rate treatment. We believe this rate treatment is especially important for “lumpy”

---

<sup>5</sup> White Paper, page 16.

transmission additions or proactively planned facilities in which the upgrade is far larger than needed to connect the first generators. These types of transmission projects are being planned for under Texas' Competitive Renewable Energy Zone legislation, under Colorado's SB07-100, and the California's Renewable Energy Transmission Initiative and their Remote Resource Interconnection Policy. AWEA proposed measures to strengthen Colorado transmission planning, which were ultimately adopted by the Task Force on Reliable Electricity Infrastructure. This ultimately led to Colorado's SB07-100 and SB07-91, both new laws that strengthen the state's policy to ensure that transmission infrastructure provided by Xcel is adequate to bring cost effective generation resources to consumers. Under this legislation, utilities may apply for current cost recovery for transmission expenses, and Xcel has such an application pending at the Colorado PUC. It remains to be seen whether cost recovery can be granted as "prudent" for transmission investments and expenses that provide inadequate service to bring all currently cost effective wind projects to Xcel's consumers (See: [www.interwest.org/backcast.htm](http://www.interwest.org/backcast.htm)).

Large, regionally beneficial projects are identified separately from individual transmission interconnection requests and are needed to support several generators that could not individually afford upgrades. Rolled in rate recovery can help support the development of these lines, which in turn will allow utilities access to renewable resources to meet state renewable energy standards. We appreciate that PSCo is already obligated to identify such projects through its local planning process in Colorado. We encourage PSCo to work with WestConnect and its members to consider how WestConnect could add large transmission projects like this to its cost allocation proposal using rolled in rate treatment.

Order 890 calls for "transmission providers (to) address in their Attachment K the allocation of costs of new facilities that do not fit under existing rate structures. The Commission suggested that such new facilities might include regional projects involving several transmission owners or economic projects that are identified through the study process, rather than individual requests for service."<sup>6</sup> PSCo itself does not seem to indicate a cost allocation methodology. Is this because they believe that all projects identified through their local planning process will fit under their existing rate structures?

---

<sup>6</sup> White Paper, page 17.



It would be helpful for PSCo to add a short descriptive section about the rate treatment already included in their tariff and how that addresses FERC's intent.

At the regional level, projects are likely to be identified that may not fall within individual sub-regions and the cost allocation methodologies agreed to by members of sub-regional planning groups. Therefore, we suggest PSCo work with WECC TEPPC and other utilities in the West to come up with a cost allocation framework that can work for large regional projects that may cross sub-regional boundaries.

AWEA and Interwest value this opportunity to provide input to PSCo prior to their filing of their final Attachment K. We welcome any questions about the concerns identified here.

Sincerely,

Robert E. Gramlich  
and  
Natalie McIntire  
American Wind Energy Association  
1101 14<sup>th</sup> St., NW, 12<sup>th</sup> Floor  
Washington, DC 20005  
202-383-2521  
608-632-1942  
[rgramlich@awea.org](mailto:rgramlich@awea.org)  
[nmcintire@frontiernet.net](mailto:nmcintire@frontiernet.net)

Craig Cox  
Executive Director  
Interwest Energy Alliance  
P.O. Box 272  
Conifer, CO 80433  
303-679-9331  
[cox@interwest.org](mailto:cox@interwest.org)