

## **Transmission Planning Process Agreement**

This letter agreement is entered into this 22<sup>nd</sup> day of February, 2008, between and among Public Service Company of Colorado ("Public Service" or the "Company") and Interwest Energy Alliance ("Interwest"), Leslie Glustrom, Western Resource Advocates ("WRA"), the Colorado Office of Consumer Counsel ("OCC"), Tri-State Generation and Transmission Association, Inc. ("TriState"), and Trans-Elect Development Company, LLC, and Wyoming Infrastructure Authority ("Trans-Elect/WIA"), each of which are parties to Docket No. 07A-421E, that is currently pending before the Commission. Docket No. 07A-421E involves the Company's application, filed under Senate Bill 07-100, for authority to construct the Pawnee-Smoky Hill 345 kV Transmission Line Project and for specific findings of reasonableness of the projected EMF and audible noise levels expected from operation of the Project. This agreement is conditioned upon each of these parties supporting the Stipulation and Settlement Agreement ("Stipulation") filed in Docket No. 07A-421E on February 22, 2008.

In consideration for such Parties support of the Stipulation, Public Service agrees as follows:

The Parties agree that the Designation of Energy Resource Zones and Transmission Planning Report that the Company submitted to the Commission on October 31, 2007 in accordance with SB07-100 (Colo. Rev. Stat., § 40-2-126(2)) identifies transmission constraints that will hinder delivery of electricity to Colorado consumers, the development of new electric generation facilities to

serve Colorado consumers, or both, from all four identified Energy Resource Zones. The Pawnee-Smoky Hill Project that is the subject of Docket No. 07A-421E will allow for the injection of an additional 500 MW of generation capacity from Zone 1 at Pawnee Substation, but will be insufficient to accommodate generation resources in excess of 500 MW or generation resources to be injected in Zone 1 at points other than Pawnee Substation. Accordingly, the Parties agree that the Company should continue its work to further study and develop appropriate applications for CPCNs for transmission projects necessary to deliver electric power consistent with the timing of the development of beneficial energy resources located in or near Zones 1, 2, 3 and 4 in accordance with the following schedule:

- 1) March 4, 2008 – Initial meeting of Transmission Study Group
  - a. Discuss Generation Development Areas (GDA) identified in the SB07-091 report issued by the Governor’s Energy Office in December 2007
  - b. Discuss 2015 benchmark case
  - c. Establish schedule for monthly meetings
  - d. Post agenda and minutes on the Company’s web site for SB07-100
  - e. Identify additional invitees, including, but not limited to, proponents of community wind projects, agencies within potentially affected local governments charged with responsibility for land use regulation and agencies and other organizations interested in wildlife issues
- 2) April through July 2008 - Transmission Study Groups will meet


The Company shall add to its distribution list, used for purposes of providing notice of meetings of the transmission study group and updating members regarding the study group’s progress, appropriate land use officials within potentially affected local government jurisdictions as well as any interested wildlife or land-use preservation groups or identified proponents of community-based wind projects. Transmission study group meetings shall remain open to all interested stakeholders.

During 2008, the Company agrees to study potential additional transmission requirements from Zones 1, 2, 3 and 4. A transmission study group comprised of Company representatives, other utilities and other interested stakeholders will be formed that will work to determine the focus of these studies. The Parties recognize that the Company's transmission planning personnel resources are limited. The Company agrees to consider adding consulting resources to assist it in fulfilling the workplan outlined below. The Parties agree that the principal focus of the studies to be conducted during 2008 shall be to accommodate potential new renewable energy resources expected to come on line through 2015, recognizing that such resources may be located in any one of the four Energy Resource Zones designated in the Company's October 31, 2007 Transmission Planning Report.

- 3) November 1, 2008 - Issue transmission study reports for transmission projects that will alleviate transmission constraints from Zones 1, 2, 3 and 4.
- 4) November 2008 – January 2009 – The Company agrees to perform detailed studies, necessary to support appropriate CPCNs for Zones 3 and 4, and Zones 1 and 2, if it appears reasonably likely that additional transmission will be required to accommodate new generation expected to come on line before 2015 located in those areas.
- 5) March 1, 2009 – Public Service shall file applications for CPCNs to construct transmission necessary to accommodate potential new generation resources located in Zones 1, 2, 3 and 4 reasonably likely to come on line by 2015.
- 6) October 31, 2009 – Public Service agrees to file transmission plans as part of its SB07-100 transmission planning report for transmission required to accommodate potential new generation resources to be located in all identified Energy Resource Zones through 2018.
- 7) In developing its transmission plans for both the 2015 benchmark case and for the 2018 transmission planning report, the Company agrees to consult with the Colorado Division of Wildlife and the U.S. Fish and Wildlife Service regarding the potential impact of its transmission plan on listed wildlife species as well as species and habitats of concern and to identify any concerns raised by those agencies in the transmission plan. This consultation shall occur within a reasonable time after specific corridors have been identified as reasonably likely routes for planned new transmission projects.


Public Service agrees to file this Transmission Planning Process Agreement with the Commission as an informational filing in Docket No. 07A-447E prior to April 14, 2008, the first scheduled status conference.

**PUBLIC SERVICE COMPANY OF  
COLORADO**

By:   
Roy Palmer  
Managing Director, Government and  
Regulatory Affairs  
Xcel Energy Services Inc.  
1225 17<sup>th</sup> Street, Suite 1000  
Denver, Colorado 80202

Authorized Agent for Public Service  
Company of Colorado

**APPROVED AS TO FORM:**

By:   
Ann E Hopfenbeck, #15460  
Ducker, Montgomery, Aronstein &  
Bess, P.C.  
C/o Xcel Energy Services, Inc.  
1225 17<sup>th</sup> Street, 9<sup>th</sup> Floor  
Denver, CO 80202  
Phone: (303) 294-2059  
Fax: 303-294-2899

Attorney for Public Service  
Company of Colorado

**COLORADO OFFICE OF CONSUMER  
COUNSEL**

By: \_\_\_\_\_  
Frank Shafer  
Financial Analyst  
1560 Broadway, Suite 200  
Denver, CO 80202  
Telephone: (303) 894-2123

Approved as to Form:

John W. Suthers  
Attorney General

By: \_\_\_\_\_  
Stephen Southwick, #30389  
First Assistant Attorney General  
Office of the Attorney General  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80203  
Telephone: (303) 866-5869

Attorney for the Colorado Office of  
Consumer Counsel  
Telephone: 303-894-2047

**INTERWEST ENERGY ALLIANCE**

By: \_\_\_\_\_  
Ronald L. Lehr #6051  
4950 Sanford Circle West  
Englewood, CO 80113  
303 504 0940

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By: \_\_\_\_\_  
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Denver, CO 80202  
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Consumer Counsel  
Telephone: 303-894-2047

**INTERWEST ENERGY ALLIANCE**

By: Ronald L. Lehr  
Ronald L. Lehr #6051  
4950 Sanford Circle West  
Englewood, CO 80113  
303 504 0940

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Roy Palmer  
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Xcel Energy Services Inc.  
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Denver, Colorado 80202

Authorized Agent for Public Service  
Company of Colorado

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1225 17<sup>th</sup> Street, 9<sup>th</sup> Floor  
Denver, CO 80202  
Phone: (303) 294-2059  
Fax: 303-294-2899

Attorney for Public Service  
Company of Colorado

**COLORADO OFFICE OF CONSUMER  
COUNSEL**

By: Frank C. Shafer  
Frank Shafer  
Financial Analyst  
1560 Broadway, Suite 200  
Denver, CO 80202  
Telephone: (303) 894-2123

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Attorney General

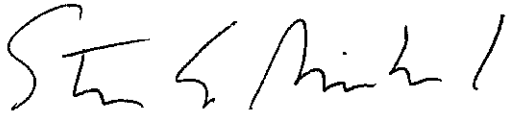
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First Assistant Attorney General  
Office of the Attorney General  
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Ronald L. Lehr #6051  
4950 Sanford Circle West  
Englewood, CO 80113  
303 504 0940

**WESTERN RESOURCES ADVOCATES**



By: \_\_\_\_\_

Steven S. Michel  
Attorney  
2025 Senda de Anres  
Santa Fe, NM 87501  
Phone & Fax: (505) 995-9951

**TRI-STATE GENERATION AND  
TRANSMISSION ASSOCIATION, INC.**

By: \_\_\_\_\_

Kent Singer  
Attorney #15234  
1801 Broadway, Suite 1100  
Denver, CO 80202  
Phone: (303) 292-0110

**TRANS-ELECT DEVELOPMENT  
COMPANY, LLC AND WYOMING  
INFRASTRUCTURE AUTHORITY**

By: \_\_\_\_\_

Jeffery G. Pearson  
Attorney #5874  
1570 Emerson Street  
Denver, CO 80218  
Phone: (303) 832-5138  
Fax: (303) 837-1557

**LESLIE GLUSTROM**

By: \_\_\_\_\_

Leslie Glustrom  
4492 Burr Place  
Boulder, CO 80303  
Phone: (303) 245-8637

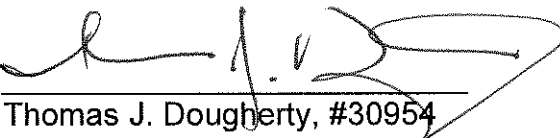
**WESTERN RESOURCES ADVOCATES**

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By: \_\_\_\_\_  
Steven S. Michel  
Attorney  
2025 Senda de Anres  
Santa Fe, NM 87501  
Phone & Fax: (505) 995-9951

By: \_\_\_\_\_  
Leslie Glustrom  
4492 Burr Place  
Boulder, CO 80303  
Phone: (303) 245-8637

**TRI-STATE GENERATION AND  
TRANSMISSION ASSOCIATION, INC.**

By:   
Thomas J. Dougherty, #30954  
Rothgerber Johnson & Lyons LLP  
1200 17<sup>th</sup> Street, Suite 3000  
Denver, CO 80202  
Phone: (303) 628-9524

**TRANS-ELECT DEVELOPMENT  
COMPANY, LLC AND WYOMING  
INFRASTRUCTURE AUTHORITY**

By: \_\_\_\_\_  
Jeffery G. Pearson, #5874  
Jeffrey G. Pearson, LLC  
1570 Emerson Street  
Denver, CO 80218  
Phone: (303) 832-5138  
Fax: (303) 837-1557

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By: *Leslie Glustrom*

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4492 Burr Place  
Boulder, CO 80303  
Phone: (303) 245-8637