

Note to File 5.1

Date: December 22, 2005

The following copy is complete with signatures of participating parties. Any additional signature letters should be added to this copy.

Krys Strzelec
Administrative Secretary
Power System Planning
303-254-3454

JOINT TRANSMISSION ACCESS PRINCIPLES
and
ELECTRIC TRANSMISSION SERVICE POLICY STATEMENT

Colorado-Ute Electric Association filed bankruptcy proceedings in 1990 and a joint workout plan was submitted by Public Service Company of Colorado, Tri-State Generation and Transmission Assoc., Inc. and PacifiCorp to take over the assets and operation of Colorado-Ute. As a part of the approval process, the Colorado Public Utilities Commission had to approve the transfer of the Colorado-Ute assets to Public Service and Tri-State. The Colorado PUC indicated that they planned to address coordinated planning, transmission access, and state-wide economic dispatch during the asset transfer case. Therefore, as part of the required filing (and the associated filing by Public Service with the Federal Energy Regulatory Commission) Tri-State and Public Service developed an initial Electric Transmission Service Policy Statement.

The Colorado Association of Municipal Utilities (CAMU) had been very concerned about transmission access in the state of Colorado for many years and had been working with Public Service and Tri-State on some definitive guidelines for providing transmission access. CAMU felt that the Policy Statement was a good start, but that more specific guidelines were needed. Therefore, CAMU, Tri-State, and Public Service agreed to negotiate a set of Joint Transmission Access Principles to provide guidelines for how the utilities in Colorado would jointly plan and provide transmission service. The Principles were worked out in a series of intense negotiating sessions during October and November and the Policy Statement was modified so the two documents were consistent. The Principles and revised Policy Statement were substantially agreed to prior to the November 25-26, 1991 PUC hearings on the Colorado-Ute asset transfer case and were fully executed by Public Service, Tri-State, CAMU, the Platte River Power Authority, Arkansas River Power Authority, and the City of Colorado Springs by December 23, 1991.

The Policy Statement is a broad statement of how Public Service and Tri-State plan to provide transmission service to interested parties. The other parties endorse this Policy Statement through the Principles. The Principles outline a coordinated planning process, procedures for requesting service, provisions for sharing ownership in new facilities, and a methodology for calculating the rate for service. It is important to understand that no transmission service will be directly provided under the Policy and Principles, but these documents provide guidelines and a structure to provide transmission service on an equitable basis. After the final arrangements are completed for the settlement of the Colorado-Ute matter (expected to be completed during the second quarter of 1992) Tri-State will be the only REA Generation and Transmission entity in Colorado (serving 18 distribution cooperatives), Public Service is by far the largest investor owned utility in the state (West Plains Energy serves a small part of south central Colorado) and CAMU represents all of the 29 municipal systems as well as the three joint action agencies in the state. The Western Area Power Administration (WAPA) owns and operates a significant portion of the transmission system in Colorado and, although they were not involved with the initial negotiations because they were not a part of the PUC proceedings, they are aware of the Policy and Principles and are being encouraged to endorse and agree to abide by the documents. West Plains Energy, all of the members of CAMU, and the REA distribution cooperatives will also be encouraged to endorse and agree to abide by the Policy Statement and Principles.

The Policy Statement and Principles represent a big step forward in coordinated planning and equitable transmission access for the state of Colorado.

12/16/91

ELECTRIC TRANSMISSION SERVICE POLICY STATEMENT

Following are the conditions for transmission service provided by Public Service Company of Colorado (Public Service) and Tri-State Generation and Transmission Association (Tri-State) applicable to their bulk transmission systems. Public Service and Tri-State jointly are referred to as Both Parties. Both Parties anticipate acquiring various portions of the transmission assets previously owned by Colorado-Ute Electric Association. A portion of those facilities will be owned and operated jointly. This Transmission Service Policy Statement provides for requests by third parties, for use of these jointly-owned facilities as well as use of Both Parties' other transmission facilities, to be treated under similar terms and conditions.

Both Parties are cognizant of the regulatory trend to condition any approvals of electric utility mergers and acquisitions on transmission access as a means of mitigating monopoly power of transmission owners. Both Parties have always been willing to provide transmission service for third parties.

1. Coordinated Planning

Both Parties are strong advocates of the "single-system" planning concept. For the purposes hereunder "single-system" planning shall mean the planning necessary to most efficiently utilize the

existing transmission system and make the appropriate additions, upgrades and enhancements to the system as if they were owned by a single entity and includes evaluation of both technical and economic factors. Both Parties believe that major additions to the regional transmission system should be planned jointly and that all affected participants are entitled to an opportunity to invest or otherwise responsibly share in the benefits and the costs of system enhancements associated with new generation and transmission additions.

The Parties will work with and encourage all utilities, irrespective of size or ownership, to plan transmission additions and access on a "single-system basis" to minimize duplication of facilities and costs.

Both Parties have developed strong working relationships and effective joint-planning processes with the power supply organizations and electric utilities in Wyoming, Colorado, and Nebraska, including, among others, members of the Western Systems Coordinating Council, the Inland Power Pool and the Rocky Mountain Power Pool.

2. OFFER OF SERVICE

Both Parties will provide firm and non-firm transmission service over their bulk transmission systems, at voltages of 69KV and above to any requesting electric utility or any requesting non-utility electric power supplier for specified transmission service deliveries of wholesale power and energy to an electric utility.

For those utilities which are not interconnected with the Parties at voltages at 69KV and above, the Parties will utilize their best efforts to cause to be provided the transformation and/or other facilities necessary to form an interconnection and to effect the requested transmission service according to the procedures described in Article (3) hereof. Transmission service provided pursuant to this Statement shall be subject to (i) the engineering and reliability limitations of the bulk transmission system as determined using standard utility practices in the planning concept described in Article (1) above, (ii) the obligations of Both Parties to provide firm service, including future growth considerations, to their existing and new retail and existing wholesale native load customers and (iii) the obligations of one or Both Parties under previously executed contracts to provide firm transmission and firm bulk power services. If those limitations, determined in accordance with the procedures in Article (3) hereof, mean that either Public Service or Tri-State must add or upgrade facilities to perform the requested transmission service, facilities sufficient to meet the request as described below will be added or upgraded.

A utility, or its wholesale power supplier, receiving transmission service from one or Both Parties must meet the applicable Reliability Criteria for System Design, the Minimum Operating Reliability Criteria and adhere to the Operating Procedures set forth by the Western Systems Coordinating Council (WSCC) for deliveries in that Council area, or the Mid-Continent Area Power Pool (MAPP), for deliveries east of the western U.S.-central U.S.

synchronous electrical separation. These criteria may be met singularly or through a reserve pool such as the Inland Power Pool or the Colorado Power Pool, by installing load shedding equipment approved by the control area operator or through contractual arrangements approved by the control area operator.

3. PROCEDURES FOR REQUESTS REQUIRING ADDITIONAL FACILITIES

REVISED
FROM
12-13
VERSION

Within 60 days of receiving a written request from an electric utility or a non-utility electric power supplier for transmission service, one or Both Parties, depending on the nature of the request, will determine whether sufficient transmission capacity exists and will inform the requestor of that determination. To the extent that additions to the transmission facilities of one or Both Parties are necessary to provide firm transmission service, and are feasible to construct within the desired time frame of the requestor, one or Both Parties will inform the requestor of the time necessary to conduct appropriate study(ies) of the facility addition(s) required to provide the requested transmission service. One or Both Parties will plan jointly with affected utilities to determine the optimum solution based on the "single-system" planning concept.

The requestor must agree to reimburse one or Both Parties for the cost of this study except that, to the extent one or Both Parties plan to participate in the additional capacity to be provided by the requested facility addition, then it or they shall bear a proportionate cost of the study. The facility study will include a description of the new facilities required, an estimate of the

cost of the additions, the extent to which one or Both Parties desire to participate in the ownership or capacity rights of the facility, an estimate of the costs and charges which would be assigned to the requesting party, the contract term required to support the economic requirements of the new facilities, and an estimate of the time required to design and construct the new facilities and initiate the requested service.

After reviewing the facility study(ies), if the requestor wishes either or Both Parties to proceed with the design and construction of the additional facilities, the requestor must enter into a transmission service agreement with one or Both Parties. That agreement shall include the contractual arrangements necessary for the design, construction and operation of the additional facilities and shall obligate the requestor to pay for the appropriate costs, including the ongoing ownership costs, associated with such design and construction of the facilities and associated services provided. One or Both Parties will then use due diligence to complete the new facilities and initiate the requested service.

The requestor will provide such assistance, in good faith, as may be required to obtain all necessary permits, approvals and rights-of-way for such construction. If one or Both Parties are not able to obtain such permits, approvals and/or rights-of-way within 30 months (or as otherwise may be mutually agreed) of initiating proceedings therefor in good faith, one or Both Parties will have no further obligation to the requestor. The requestor's obligation to one or Both Parties shall be as provided for in the transmission

service agreement. If one or Both Parties and the requester are unable to agree upon a reasonable time to construct any new facilities determined by one or Both Parties to be necessary to provide the requested service, or if either party believes the other party has not acted in good faith or has failed to proceed with due diligence toward the construction of new facilities in this process, then either party may submit the dispute to arbitration in accordance with procedures to be filed with the Federal Energy Regulatory Commission (FERC) for Public Service and in accordance with the procedure attached to this Statement (Attachment A) for Tri-State.

4. RATES FOR SERVICE

The rates for firm and non-firm transmission services provided by Public Service shall be the applicable rates on file and in effect from time to time with the FERC. Where the transmission service provided requires Public Service to own or install new facilities or incur additional expenses attributable only to the particular service provided, a pro rata share of Public Service's investment in these new facilities and of the associated additional expenses will be specifically assigned to the transmission service customer based on that customer's requirements and such share shall be reflected in additional monthly charges to that customer, taking into account revenue requirement factors approved in the Company's latest FERC rate proceeding. The costs associated with any investment in facilities or expenses which are specifically assigned to a transmission service customer shall be segregated from other system costs and shall not be reflected in the base

transmission service rate which that customer shall be charged for use of the transmission system.

Tri-State will offer transmission services on a cost basis which considers all transmission-related costs, including appropriate overheads and return on capital, in the Tri-State system divided by all uses of the Tri-State system and the appropriate share of new construction or facility costs on a ratio of benefits received from required additions.

For transmission services provided in facilities owned jointly by Both Parties, a requestor of such services may contract with either Tri-State or Public Service for use of that owner's available rights in the facility at that owner's transmission service tariff. The requestor may divide the requested service between Both Parties using the applicable tariff for the desired use of each owner's rights.

5. USE OF OTHER TRANSMISSION SYSTEMS

If the requested transmission service involves transmission directly or indirectly on the facilities of another utility system, the requestor shall make arrangements for use of those facilities directly with that utility system, and neither of Both Parties shall be obliged to commence construction or transmission service until such arrangements have been made.

6. TERMS FOR CONTRACTED SERVICE

Both Parties will agree to contract to provide long-term, firm transmission service on a reserved capacity basis for terms of up to 20 years, as requested by the transmission service customer. The term for non-firm transmission service may be as short as one hour.

7. SERVICE AGREEMENTS

Public Service is obligated to provide transmission service under this Statement only to utilities and non-utility electric power suppliers that have signed a transmission service agreement with Public Service for the requested service. Such agreement shall be filed with the FERC and subject to that Commission's approval. The transmission service agreement shall contain a statement of service specifications including, without limitation, the amount of capacity reserved for transmission service; the type of service(s) provided; the term of such service; identification of point(s) of receipt, point(s) of delivery, and delivering or receiving parties; and the tariffs applicable to such service.

Tri-State is obligated to provide transmission service under this Statement only to utilities and non-utility electric power suppliers that have signed a transmission service agreement with Tri-State for the requested service. The transmission service agreement shall contain a statement of service specifications including, without limitation, the amount of capacity reserved for transmission service; the type of service(s) provided; the term of such service; identification of point(s) of receipt, point(s) of

delivery, and delivering or receiving parties; and the tariffs applicable to such service.

Attachment A

ARBITRATION

It is the intent of the Parties to in good faith resolve all disputes arising out of the performance of the terms and conditions of this policy statement.

If the Party(ies) and the entity requesting transmission service, as provided herein, are unable after good faith effort to resolve any dispute, either the Party(ies) or the requesting entity may request that the disputed matter be submitted to arbitration by giving written notice to the other Party(ies) or entity that arbitration is requested. Upon the giving and receipt of such notice, the parties shall within thirty (30) days meet for the purpose of soliciting arbitrators. Each side of the dispute shall designate an arbitrator, both of whom shall be familiar with and knowledgeable about the policies and criteria of the Western Systems Coordinating Council, or its successor organization. The arbitrators so selected shall meet within twenty (20) days following this selection and shall select one (1) additional arbitrator who shall be generally familiar with the policies and criteria of the Western Systems Coordinating Council or its successor organization. If the initially chosen arbitrators are unable to agree upon a third qualified arbitrator, the Parties shall request that a judge of the United States Court of Appeals for the Tenth Circuit designate a qualified arbitrator.

At the commencement of arbitration proceedings, each party to the arbitration shall submit its written statement of position and the requested remedy or action sought to be awarded. The decision of the arbitrator shall be limited to the adoption of one of the statements of position and requested remedy or action.

Unless otherwise agreed by both parties to the arbitration, the arbitration shall be governed by the rules and practice of the American Arbitration Association (or the rules and practice of a similar organization if the American Arbitration Association should not at that time exist) from time to time in force, except that if such rules and practice shall conflict with Colorado Annotated Statutes or any other provisions of Colorado law then in force which are specifically applicable to arbitration proceedings, such law shall govern.

The Parties may elect to submit to binding arbitration. If they do so, the findings and award of the arbitrator shall be final and binding upon the Parties to the extent permitted by applicable law. Any award may be filed with the clerk of any court having jurisdiction over the Party against whom the award is rendered, and, upon such filing, such award to the extent permitted by the laws of the jurisdiction in which said award was filed, shall be specifically enforceable or shall form the basis of a declaratory judgment or other relief.

The Parties may elect to submit to non-binding arbitration. If they do so, the findings and award of the arbitrators shall not be final or binding, but such findings and award shall be admissible in any subsequent litigation concerning the dispute.

JOINT TRANSMISSION ACCESS PRINCIPLES
December 16, 1991

Preface: The intent of the Parties to these Joint Transmission Access Principles (hereinafter referred to as "Principles") and the associated Electric Transmission Service Policy Statement (hereinafter referred to as "Policy Statement") dated December 16, 1991, which is hereby attached and made a part hereof, is to provide the most reliable, low cost, efficient service possible to all of the electric customers in Colorado on an equitable basis. These Principles are envisioned as an effort to augment the existing and substantial coordination efforts now taking place among regional utilities. It is also desirable that other regional utilities, such as the Western Area Power Administration, become Parties (as hereafter defined) to the Principles, or at a minimum, cooperate with the Parties in the spirit and intent behind these Principles. While the Principles focus on utilities, since these are the organizations now typically practicing the coordination effort described herein, other organizations who agree with these Principles may participate in the coordinated planning efforts. The Principles are written with an underlying assumption that transmission service will be offered to other parties on the same basis as service is offered to the Parties to these Principles.

Introduction: These Principles shall be used by Public Service Company of Colorado (Public Service), Tri-State Generation & Transmission (Tri-State), and the Colorado Association of Municipal Utilities (CAMU) and other Parties, to implement and interpret but are not intended to change the Policy Statement and shall be used as guidelines and commitments for the planning, development and operation of the transmission system. Service hereunder is available to any Party to the extent that capacity is available according to these Principles and in accordance with transmission service agreements among the Parties or among the Parties and others.

(A) Definitions

1. Party or Parties shall mean any signatory to these Principles who is either an electric utility or group of electric utilities that has the utility obligation to serve electric customers at wholesale or retail (including CAMU and any one or more members of CAMU) or any subsidiary, successor, or affiliated entity of the Party. Each Party shall strongly encourage their affiliated entities to endorse said Principles and Policy Statement. A Party may be a utility regulated by either federal or state regulatory authorities, a utility exempt from regulation by virtue of its status as a publicly-owned utility, a rural electric cooperative, a municipal electric system, or power authority.
2. Appropriate Regulatory Body means the federal or state agency that has regulatory jurisdiction over the transmission service rates of any Party.
3. Firm Transmission Service as used herein shall mean the use of a Party's transmission system for the purpose of transmitting firm electric power and energy. Firm Transmission Service will be continuously available subject to curtailment or unavoidable interruption due to events and circumstances beyond the control of the provider or as may be set forth in any applicable transmission service agreement.

4. Non-Firm Transmission Service as used herein shall mean the use of a Party's transmission system for the purpose of transmitting electric energy. Non-Firm Transmission Service available hereunder may vary and be limited from time to time depending on the Party's system loads and other operating conditions as determined by the providing Party and may, with appropriate notice, be interrupted at any time for any reason or as may be set forth in any applicable transmission service agreement.
 5. Native Load as used herein shall mean firm service including future growth considerations to existing and new retail and existing wholesale customers on whose behalf the utility, by statute, franchise, or contract, has undertaken the obligation to plan, construct, and operate its system to provide reliable service.
 6. Reserve Transmission Capacity as used herein shall mean that capacity above that required to serve Native Load (including future growth considerations) and existing firm transmission contracts as such capacity is determined through power flow, stability, and related studies, and subject to the requirements of the National Electrical Safety Code, the Western Systems Coordinating Council (WSCC) Minimum Operating Reliability Criteria, the WSCC Reliability Criteria for System Design, the WSCC Operating Procedures and WSCC Facilities Rating Guidelines as may be accepted by the WSCC membership.
 7. Embedded Costs shall mean original cost, plus improvements minus depreciation less retirements and including accounting adjustments ordered by the appropriate regulatory bodies.
 8. Short term shall mean any period from one hour to one year.
 9. Long term shall mean any period greater than one year, but no longer than 20 years, provided that the term may be for a longer period, if necessary when required for financing or when facilities are jointly owned or by mutual agreement.
 10. Approved by the control area operator shall mean that the affected control area operator endorses and/or approves in writing the concept being proposed but is not necessarily a party to the affected contract.
 11. Single-System Planning Concept shall mean the planning necessary to most efficiently utilize the existing transmission system and to make the appropriate additions, upgrades, and enhancements to the system on a best cost basis as if they were owned by a single entity and includes evaluation of both technical and economic factors.
- (B) Coordinated Planning
1. Planning Process: To promote effective utilization of existing and future transmission capacity and to more fully utilize the regional transmission system, the Parties agree to conduct coordinated transmission planning with an emphasis on reliability planning, the efficient use and operation of existing transmission systems, and the construction of enhancements to the transmission system to accommodate transmission service contracts. These studies are intended to supplement, not duplicate, existing coordinated planning efforts by the affected Parties. Such planning requirements necessitate the exchange of information about each Party's existing and future electric system plans to satisfy the Parties that the

operation and capability of that system are accurately understood. Such information about each Party's system includes, but is not necessarily limited to:

- (a) current and expected use of existing transmission facilities, including transfer capability;
- (b) the location of transmission limitations;
- (c) current plans for each Party's transmission system and resource additions and modifications; and
- (d) system data and assumptions used for modeling the Parties' existing and planned electrical system.

All information provided in the planning process and any assessments resulting therefrom are considered confidential commercial information and shall not be provided to any third party, without prior written approval of the affected Party(ies), or unless disclosure of the information is required by law. If a third party asserts a legal right to disclosure of confidential information, the Party against whom disclosure is sought shall notify in writing each affected Party as soon as reasonably possible following the request, so that such Party may assert any legal privilege or right which it has to protect the confidentiality of the information requested. In addition, the Party against whom disclosure is sought shall assert any available legal privilege or right to protect the confidentiality of the information. The Parties also recognize that in the operation of an integrated electric transmission system, parallel path flows will occur and may impact the overall operation of the system. Coordinated planning will address the effect of parallel path flows and will attempt to minimize its detrimental effect on the Party's system. Reliability criteria as established by the North American Electric Reliability Council (NERC), Mid-Continent Area Power Pool (MAPP) and WSCC shall continue to govern the reliable operation of the integrated electric transmission system.

To carry out the intent of these Principles, the Parties shall schedule meetings as necessary, but no less than annually, to maintain a continuing dialogue directed to the updating of information and the identification of issues impacting the coordinated planning process. This dialogue shall be directed to the continuation of the planning process including identification of additional issues and problems impacting the coordinated planning process set forth hereunder and, when appropriate, identify recommended alternatives and/or solutions. The Parties shall provide reasonable advance notification to each other of opportunities to fully participate in coordinated planning.

The available existing capabilities and limits of transmission capacity on selected paths and system components shall be determined in a manner consistent with the procedures and exchange of data described in the coordinated planning process set forth herein and shall be provided in a manner designed to allow the Parties an opportunity to assess the availability of Reserve Transmission Capacity.

2. Information Exchange: At the earliest practicable date, but no later than twelve months after acceptance of these Principles, each Party will provide to the Planning Team, as hereinafter defined, system data for all transmission facilities in which the Party has an ownership or contractual interest and to which it has access, including its electrical system characteristics for transmission facilities of greater than 69 kV, its transmission plans, modeling criteria, and a data base used in its internal and external transmission planning process, and any other information reasonably required to accomplish the purpose hereunder and to support the

coordinated planning effort. The Planning Team shall consist of a representative, or designated representative, from each of the Parties desiring to participate and will be responsible for coordinating the joint planning studies. In response to any Party conducting a study involving a request for transmission service or proposing a project at less than 69 kV, each affected Party shall provide project related electric system characteristics and data for the affected portion of its transmission facilities of less than 69 kV. Each Party will be responsible for conducting studies for their individual systems. All data required by this paragraph shall be in a WSCC compatible format. Each Party shall update the information at least annually through the planning process described hereunder.

3. Coordinated Study Costs: The effort and expense of the development of coordinated planning studies shall be shared on an equitable basis among those Parties participating in the studies and shall generally be as set forth below. Such expenses shall include computer use, staff time, and printing and binding costs.
- (a) costs associated with area and regional studies shall be shared equally by all Parties who elect to participate;
 - (b) costs associated with studies required to determine the availability of capacity for requested transmission service shall be paid by the requestor;
 - (c) costs associated with studies required to identify facility additions needed to provide requested service shall be paid by the requesting Party provided that other Parties planning to participate in the additional capacity to be provided shall bear a proportional cost of the study cost.

Arrangements for joint studies will be secured by written letter agreement or other appropriate instruments among the participating Parties prior to the beginning of joint studies.

(C) Offer of Service

1. Availability: Each Party will provide firm and non-firm transmission service over their bulk transmission system at 69kV and above, and provide delivery of wholesale power at those and lower voltages over facilities owned by that Party, to any requesting electric utility. For those utilities which are not interconnected with the Parties at voltages at 69kV and above, the Parties will utilize their best efforts to cause to be provided, the transformation and/or other facilities necessary to form an interconnection and to effect the requested transmission service according to the procedures described in Section D hereof. Each Party shall make available to any requesting Party transmission service to the extent the Party has Reserve Transmission Capacity and upon execution of a transmission service agreement. To the extent that a Party does not have sufficient Reserve Transmission Capacity to provide the requested service, transmission facilities will be constructed to provide the requested service in accordance with these Principles and associated Policy Statement.

2. Response to Requests for Service: Upon receiving a request for transmission service, the providing Party(ies), depending on the nature of the request, will determine whether adequate transmission system capacity will be available to provide the requested service initially and for the full term of the request and will inform the requestor of that determination. Such determination will be made within 60 days from the date of receipt of such request for firm transmission service, or within 30 days from the date of receipt of such request for non-firm

transmission service. Upon mutual agreement of the affected Parties, additional time may be allotted to reach such determination.

3. Interconnection: Any Party shall have the right to directly interconnect with any other Party, subject, however, to the requirement that the Party desiring to interconnect pay the full cost of the interconnection and provided that the interconnecting Party shall make arrangements for transmission service which may be required as a result of the interconnection. All reasonable safety and reliability standards shall be met by the interconnecting Party as required by the Party owning the facility to which the interconnection is made and such interconnection must be consistent with the Single-System Planning Concept. Such safety and reliability standards shall be no more stringent than those standards adopted by the owning Party when it constructs additional interconnections on its own system. The requesting Party is responsible for making any necessary arrangements with third parties associated with such interconnection.

4. Points of Delivery: Transmission service shall be provided on a point to point basis, provided that the point(s) can be a group of points as mutually determined by the purchasing Party and providing Party and as agreed to in a transmission service agreement. Such points of delivery and receipt may be point(s) of interconnection of the transmitting Party's system and the receiving Party's system (or their authorized agent(s)). The transmission service agreement shall address how requests for changes or additions of delivery points or for rescheduling of power among such points will be accommodated, and how the associated costs for such changes and reschedules will be determined. The Parties will accommodate such requests whenever possible provided such change will not impair the operation and reliability of the generation, transmission, or distribution system of any Party.

5. Owning Party Requests: In order to make new long term off-system firm sales of bulk power from capacity which a Party owns in whole or in part, or holds an entitlement to, the owning Party shall notify the other Parties of its intent to provide services for its own new bulk power sales pursuant to the planning process hereunder. The owning Party shall retain a right to use its own uncontracted transmission capacity and will initiate the planning process with the affected Party(ies) to determine the need for new transmission, if necessary.

6. Priority of Transmission Service: The classes of priority of transmission service over a given line or path shall be:

- (a) all firm service (including firm Native Load for both retail and wholesale, and firm resources and Firm Transmission Service contracts serving firm loads);
- (b) non-firm resources using Firm Transmission Service;
- (c) all non-firm resources using Non-Firm Transmission Services.

Firm Transmission Service shall take priority over all non-firm transactions, including those of the entity owning the transmission facility. Emergency service provided under power pool agreements shall have priority over all other interruptible deliveries.

7. Interruptions & Curtailments: Each Party will use best efforts to furnish Firm Transmission Service hereunder, but it does not guarantee uninterrupted

transmission of electricity and all Parties will share the risk of interruptions. Parties shall not be liable for any claim of damage attributed to any interruption or reduction of service due to:

- (a) uncontrollable forces except when such interruption is a result of the negligent, reckless, willful or wanton acts or omissions of the Party, its agents, or employees;
- (b) any event or occurrence which the Party could not reasonably have foreseen and made provisions against;
- (c) any operating decisions, which in the Party's judgment, are necessary to maintain reliable service and to protect the Party's generation and transmission facilities; or
- (d) normal maintenance, repairs, replacements, or installation of equipment, or the normal investigation and inspection of such equipment. To the maximum extent practicable, the providing Party will provide reasonable advance notice to the receiving Party of any scheduled interruption, reduction, or other impairment of scheduled transmission service.

All interruptions and curtailments of firm service serving firm load shall be made on a pro rata basis. These Principles recognize that priority of transmission use on a given line or path is intended to deal with specific transmission constraints. By mutual agreement, a control area operator may, in order to maintain system integrity, utilize curtailment provisions which may vary from these Principles and prices for transmission service may reflect this variation. In the event of an interruption or curtailment, the provider of Firm Transmission Service shall undertake on a best efforts basis to supply said service through an alternate path, if such path is available, at no additional cost to the receiving Party during the period of interruptions or curtailment or as otherwise mutually agreed by the affected Parties. If a guaranteed redundant transmission path is required, the Party requiring such redundant transmission path shall contract and pay the appropriate costs for such service or path. The Party or Parties shall endeavor to restore service as soon as practicable after an interruption. Each Party will also use due diligence and best efforts to furnish Non-Firm Transmission Service hereunder and to minimize interruptions to such Non-Firm Transmission Service.

8. Losses: The providing Party of transmission service shall be compensated for actual losses incurred or assessed by the control area operator in providing such service. The providing Party shall use its best efforts to assure that the operator of the control area calculates losses based on methodologies no different from those used to calculate losses when the transmission system is being used to serve other Parties with like transmission services. The affected Parties may mutually agree to a greater or lesser assessment for losses on a case-by-case basis. The Party receiving the transmission services has the obligation to make arrangements for such losses in coordination with the appropriate control area operator(s).

9. Existing Contracts and Regulatory Review: The provisions hereunder do not replace or modify any existing contract, decision of regulatory agency, judgement, or other legally enforceable entitlement or right of a Party(ies). Although the Parties intend to comply with these Principles to the best of their ability, nothing contained herein shall be construed as affecting in any way the right of any Party to unilaterally make application to the Appropriate Regulatory Body for a change in rates, charges, classifications, or service, or any rule or regulation related thereto.

Service hereunder is conditioned upon the receipt of any necessary approvals for the service provided in compliance with all applicable laws and regulations. Nothing contained herein shall be construed as a waiver by any Party of its right to participate in any regulatory proceeding and to request relief in conformance with these Principles.

10. Reserve and Reliability Criteria: A utility, or its wholesale power supplier, receiving transmission service under these Principles must meet the applicable Reliability Criteria for System Design, the Minimum Operating Reliability Criteria and adhere to the Operating Procedures set forth by the WSCC for deliveries in that Council area, or the MAPP, for deliveries east of the western U.S.-central U.S. synchronous electrical separation. These criteria may be met singularly or through a reserve pool, such as the Inland Power Pool, the Colorado Power Pool, by installing load shedding equipment approved by the control area operator, or through contractual arrangements approved by the control area operator.

(D) Procedure for Requests Requiring Additional Facilities

1. Availability: To the extent that transmission facilities are not available to meet the requested service, the Parties agree to conduct the necessary studies and to construct new facilities that the studies may indicate, subject to the execution of the necessary agreements, the availability of financing, and obtaining such regulatory approvals as required.

2. No Presumption of Need: There shall be no presumption that a transmission customer requesting service creates a need for additional facilities. The determination of which Party(ies) creates the need for a new or upgraded facility shall be made on a case-by-case basis either by the owning Party or through the coordinated planning process. Disputes over this determination of need for additional facilities shall be submitted to arbitration.

3. Good Faith Negotiations: The Parties agree to negotiate, in good faith, appropriate agreements providing for ownership of or access to new transmission facilities or access to existing transmission facilities owned or controlled by the Parties hereto.

4. Ownership & Equity-Like Interest: Ownership interests in new facility additions shall be made available to any Party willing to jointly participate in the costs associated with constructing and maintaining those additions and adhering to WSCC/MAPP operating procedures. In certain cases where the additions involve the expansion of existing facilities, joint ownership may not be available. In these cases, equity-like interest (i.e., the contractual rights which provide equivalent or similar rights as legal title) in the transmission capacity resulting from the incremental additions shall be made available. Allocation of ownership or equity-like interests in expansion of existing transmission facilities shall be based on the investments made by the affected Parties including existing ownership rights, provided that, the costs associated with existing ownership rights shall be indexed to current costs by use of a mutually agreed to economic index such as the Handy-Whitman Index.

5. Right to Participate: All Parties who desire to participate in the joint design, construction, and ownership of the interconnected transmission system must have

the option to be included in agreements associated with such projects. Such rights shall be limited to one (1) written offer to participate. If such offer is declined, said Party shall have no further right to participate unless otherwise mutually agreed to by the participating Parties.

(E) Rates for Service

1. Embedded Costs: Except as approved by the Federal Energy Regulatory Commission (FERC) or other Appropriate Regulatory Body, the rates for Firm and Non-Firm Transmission Service provided by the Parties shall be based on Embedded Costs.

2. Cost of Service: Except as approved by the Appropriate Regulatory Body, the cost of service for Firm and Non-Firm Transmission Service shall be the total actual appropriate and reasonable transmission cost (i.e., costs of net plant in service, operations and maintenance (O&M), and associated administrative and general (A&G)) incurred in constructing, maintaining and operating the transmission network, including either a return commensurate with the cost of the invested capital in the case of Public Service or an allowance for a reasonable margin for a non-profit utility consistent with rates for other similar transmission service, and other related operating expenses incurred in normal network operation and shall be consistent with FERC accounting practices and Section 205 and 206 of the Federal Power Act. The methods of allocating O&M and A&G costs shall be applied in a non-discriminatory manner to all transmission service customers and assignment of these costs shall be consistent with the methods approved by the Appropriate Regulatory Body having jurisdiction over wholesale transactions or the applicable board of directors if wholesale transactions of the owner are not regulated and shall be consistent with cost of service methodology used for other similar transmission rates offered at a date subsequent to filing of the Policy Statement. The costs to be included in the cost of service for both Tri-State and Public Service for those transmission facilities acquired from Colorado-Ute in the Chapter 11 reorganization proceedings shall be in accordance with FERC methodology, provided that these Principles shall not be construed as making Tri-State subject to FERC jurisdiction. Except as approved by FERC or other Appropriate Regulatory Body, the pricing for non-firm transmission transactions shall reflect the lower quality of service and actual costs of the service provided and shall be provided in a timely manner upon request for Non-Firm Transmission Service.

3. Cost Differential for Voltage Class: There may be a price differential for services provided at 69 kV and above and from those provided at below 69 kV so long as such pricing reflects the quality of service and actual cost of the service provided.

4. Billing: Billing for transmission service shall be based on the reserved line or system capacity or load whichever is greater, and the total service provided at all delivery points as defined above. Changes or reschedules of deliveries will be permitted under the terms and provisions of Section C4 above. Duplication of demand billing (eg. load switches) during any billing period will be eliminated using standard billing techniques. Load or delivery switches among such delivery points shall only be permitted as agreed to in a transmission service agreement and advance notification of such switches shall be required to support elimination of duplicate demand billing.

5. Existing Contract Price: Any Party that has an existing contract for transmission service with Colorado-Ute shall pay no more than the rate set forth in the existing contract or as approved by FERC, in the case of Public Service, for continuing transmission service to the designated delivery points, under terms and conditions of such contract, and for the term of such contract; provided that, such contract is assumed by Public Service or Tri-State according to the resolution of the Colorado-Ute bankruptcy proceedings; and further provided that such contract is not replaced by a subsequent contract.

(F) Terms for Contracted Services

1. Short Term Sales: A Party shall provide firm short term transmission service if needed and available to provide emergency or maintenance outage service. This does not preclude short term interchanges as scheduled by the control area operator.

(G) Service Agreements

1. First-Come-First-Served Requests: New requests for service from Parties will be accommodated on a first come, first served basis to the extent service from existing facilities is available. Written requests made with the same post mark date will be considered simultaneous for purposes of such allocation. The date of initial service may be considered in evaluating requests and the Party who submitted the first offer will be given an opportunity to match subsequent offers.

2. Assignability: Firm transmission service agreements shall be assignable unless otherwise provided in a transmission service agreement. If the agreement is not assignable, the Parties will negotiate a new agreement using terms and conditions similar to the agreement being terminated.

3. Accounting: Each Party shall maintain proper books of account in accordance with the Uniform System of Accounts prescribed for public utilities and licensees by the FERC or the Rural Electrification Administration (REA). Such records and books of account shall be adequate to evidence compliance with the provisions hereunder in accordance with sound accounting principles. Such records shall present all costs and expenses utilized either directly or indirectly in computing any charges hereunder.

4. Audit: Upon thirty (30) days written notice, any Party may request of any other Party and the requested Party shall afford auditors reasonable access, during normal business hours, to the records and books of account which relate to the terms and conditions of a transmission service agreement. All expenses related to such audit shall be paid by the requesting Party.

(H) Arbitration Process

1. The arbitration process is generally set forth herein. Arbitration principles will be set forth in the transmission service agreement. The outline of the process is set forth below:

- (a) The Parties will attempt to resolve disputes in good faith;
- (b) Unresolved disputes will be resolved by arbitration;
- (c) Each side will select one arbitrator;
- (d) The arbitrators will select a third arbitrator;
- (e) Arbitrators must be familiar with WSCC criteria and policies;
- (f) Arbitration will be governed by the rules and practices of the

- (g) American Arbitration Association;
- (g) Applicable Colorado law will prevail in case of conflict with American Arbitration Association rules and practices;
- (h) Each Party shall submit a written statement of position and requested remedy or action;
- (i) Arbitrators are limited to the adoption of one statement of position, and requested remedy or action;
- (j) Decision of the arbitrator shall be final and binding upon the Parties, if the Parties agree to binding arbitration. If the Parties elect non-binding arbitration, the decision of the arbitrator shall not be final or binding, but the decision shall be admissible in any subsequent litigation concerning the dispute.

(I) Other Items

1. Amendments: These Principles may only be amended, changed, modified or altered, after such amendment, change, modification or alteration has been agreed to in writing and signed by all Parties hereto.

2. Term: These Principles shall become effective on the 23rd day of December 1991 and shall remain in effect until December 31, 2011, and thereafter unless terminated as to any Party by written notice given by such Party to the other Parties not less than five (5) years prior to said termination date specified in such notice.

3. Effectiveness: These Principles shall not bind any Party hereto until agreed to by Public Service, Tri-State, CAMU, the Arkansas River Power Authority, the City of Colorado Springs, and the Platte River Power Authority.

The undersigned do hereby endorse and agree to abide by these Principles and hereby become Parties to these Principles.

Public Service Company of Colorado

By: [Signature]
Title: Vice President
Date: 12-17-91

Attest: [Signature]
ASSISTANT SECRETARY

Tri-State Generation and Transmission Assoc., Inc.

By: [Signature]
Title: General Manager
Date: 12-17-91

Attest: [Signature]

Colorado Association of Municipal Utilities

By: [Signature]
Title: President
Date: 12/17/91

Attest: [Signature]

Arkansas River Power Authority

By: [Signature]
Title: General Manager
Date: 12-20-91

Attest: [Signature]

City of Colorado Springs

By: [Signature]
Title: Acting Director, Utilities
Date: 12-23-91

Attest: [Signature]

Platte River Power Authority

By: [Signature]
Title: General Manager
Date: 12/17/91

Attest: [Signature]

RESOLUTION

WHEREAS, TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., (Tri-State), and Public Service Company of Colorado have jointly filed with the Colorado Public Service Commission an Electric Transmission Service Policy ("Policy"); and

WHEREAS, Tri-State's Board of Directors has also endorsed in concept the Electric Transmission Service Policy at its October Board meeting; and

WHEREAS, Tri-State has also negotiated Joint Transmission Access Principles ("Principles") with Public Service, the Colorado Association of Municipal Utilities (CAMU), the Arkansas Valley Power Authority (ARPA), Platte River Power Authority (Platte River), and the City of Colorado Springs (Colorado Springs), which Principles implement and interpret the Policy; and

WHEREAS, such principles provide the benefits of sharing the costs of planning, construction, ownership, operation and maintenance of existing and new transmission facilities by means of cost-based transmission rates, thus helping to hold the cost of owning and operating such facilities at a lower cost than would otherwise be possible; and

WHEREAS, the Principles also require all parties to meet the Western System Coordinating Council and Mid-Continent Area Power Pool reserve and reliability criteria as a condition of receiving transmission service from Tri-State and others, thus providing reasonable protection against damage, as well as the sharing of ownership, operation and maintenance costs, for the considerable investment Tri-State has in generation and transmission facilities; and

WHEREAS, Tri-State has executed these Principles subject to ratification by the Board of Directors and to approval of the Rural Electrification Administration; and

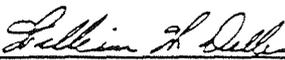
WHEREAS, it would serve Tri-State's interests to adopt and approve both the Electric Transmission Service Policy and the Joint Transmission Access Principles, and to ratify the General Manager's execution of these documents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., that the Electric Transmission Service Policy and the Joint Transmission Access Principles be, and hereby are, adopted and approved.

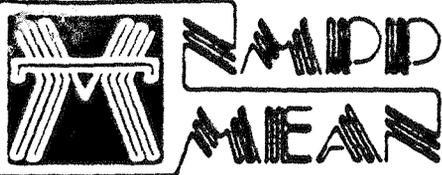
BE IT FURTHER RESOLVED that the prior actions taken by the General Manager in executing the Electric Transmission Service Policy and the Joint Transmission Access Principles be, and hereby are, approved and ratified.

CERTIFICATE

I hereby certify that I am Secretary of TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., and that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., at its regular meeting held December 2-3, 1991.


Secretary

(CORPORATE SEAL)



Att: 002
RECEIVED
PLATEAU POWER

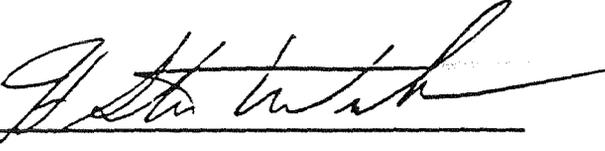
JAN 23 1992

January 20, 1992

Mr. John Allum, Executive Director
Colorado Assoc. of Municipal Utilities
2000 E. Horsetooth Road
Ft. Collins, CO 80525

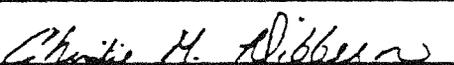
Dear Mr. Allum:

The Board of Directors of the Municipal Energy Agency of Nebraska (MEAN) has reviewed the Joint Transmission Access Principles ("Principles") and the Electric Transmission Service Policy Statement ("Policy") which have an effective date of December 23, 1991 and find them to be acceptable to the Board of Directors of MEAN. Therefore, the Board hereby endorses and agrees to abide by the above referenced Principles and Policy and hereby becomes a Party to the Principles.

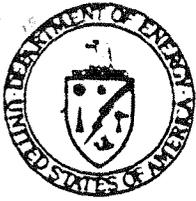
By: 

Title: Secretary/Treasurer

Date: January 20, 1992

Attest: 

f:\corp\chris\camuagr.let



Department of Energy
Western Area Power Administration
P.O. Box 3402
Golden, CO 80401

RECEIVED

JUN 03 1992

JUN 02 1992

PLATTE RIVER POWER

Mr. John R. Allum
Executive Director
Colorado Association of
Municipal Utilities
2000 East Horsetooth Road
Fort Collins, CO 80525-2942

Dear Mr. ^{John} Allum:

I support the spirit and intent of the Joint Transmission Access (JTA) Principles and the associated Policy Statement that have been developed by the Colorado Municipal Utilities Association and other regional utilities. The participants in the JTA Principles are to be commended for developing a workable, comprehensive approach to transmission access.

I believe that Western Area Power Administration can help to achieve the goals of the JTA Principles through participation as a cooperating organization, as envisioned in the preface of the JTA Principles, without becoming a signatory to the agreement.

As you are aware, several legislative initiatives are being considered by Congress, and a number of other regional transmission associations (RTA) have been or are being formed in our service area. We support the concept of regional transmission access, although we are concerned with the compatibility between State or regional agreements, particularly where our service areas overlap more than one RTA's area of responsibility. That is, multiple memberships by Western may cause inconsistent application of RTA principles. One method of avoiding the inconsistent application of transmission access principles may be the umbrella concept being developed by the Western Systems Coordinating Council.

We look forward to cooperating with the participants in order to achieve the most reliable, low cost, efficient service possible for our electric customers on an equitable basis.

Sincerely,

A handwritten signature in black ink that reads "Bill Clagett".

William H. Clagett
Administrator



WESTPLAINS ENERGY

11/15/92
11/15/92
11/15/92

January 29, 1993

Mr. Bill Martin, Vice President
Electric Engineering & Planning
Public Service Company of Colorado
5900 East 39th Avenue
Denver CO 80207

Dear Mr. Martin:

WestPlains Energy, a division of UtiliCorp United, Inc., (WPE) has reviewed the Joint Transmission Access Principles ("Principles") and the Electric Transmission Service Policy Statement ("Policy") which have an effective date of December 23, 1991, and find them to be acceptable. Therefore, WPE hereby endorses and agrees to abide by the above referenced Principles and Policy and hereby becomes a Party to the Principles.

By: Frank A. DeBecker

Title: Vice President, Power Supply & Engineering

Date: January 29, 1993

Attest: Robert D. Engler



UTAH ASSOCIATED
MUNICIPAL POWER
SYSTEMS
8700 SOUTH 300 WEST
SANDY, UTAH 84070-1419
(801) 566-3938
FAX (801) 561-2687

March 18, 1994

Mr. John Allum
Executive Director
Colorado Association of Municipal
Utilities
2000 East Horsetooth Road
Fort Collins, CO 80525

Dear Mr. Allum

The Board of Directors of Utah Associated Municipal Power Systems ("UAMPS") has reviewed the Joint Transmission Access Principles ("Principles") and the Electric Transmission Service Policy Statement ("Policy") which have an effective date of December 16, 1991 and find them to be acceptable. Therefore, the Board hereby endorses and agrees to abide by the above referenced Principles and Policy and hereby becomes a Party to the Principles.

By: *Cliff C. Michalski*
Title: *Chairman*
Date: *March 18 1994*
Attest: *Janette T. Anderson*
[Seal]



Department of Energy
Western Area Power Administration
Rocky Mountain Customer Service Region
P.O. Box 3700
Loveland, CO 80539-3003

97-RMR-927

Mr. William Slimak
Executive Director
Colorado Association of
Municipal Utilities
2000 East Horsetooth Road
Fort Collins, CO 80525-5721

Dear Mr. Slimak:

The Western Area Power Administration's Rocky Mountain Region (Western) has reviewed the Joint Transmission Principles (Principles) and the Electric Transmission Service Policy Statement (Policy) that have an effective date of December 16, 1991, and find them to be acceptable. Therefore, Western hereby endorses and agrees to abide by the above referenced Principles and Policy and hereby becomes a Party to the Principles.

By: *Michael S. Hacskaylo*
Michael S. Hacskaylo
General Counsel
Western Area Power Administration

FEB 7 1997

Date: _____

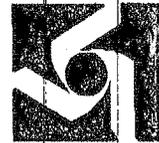
Attest: _____

x

MAR 24 1997

**BASIN ELECTRIC
POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58501-0564
PHONE: 701/223-0441
FAX: 701/224-5336



October 1, 1999

Mr. John Collins
Secretary, Colorado Coordinated Planning Group
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525-5721

Dear Mr. Collins:

The purpose of this letter is to announce Basin Electric Power Cooperative's action to join the Colorado Coordinated Planning Group. Attached is the Joint Transmission Access Principles and the Electric Transmission Service Policy Statement signature page.

Sincerely,

Ted Humann, Manager
Transmission Planning and Tariffs

Enclosure

cc: Mr. Robert Easton
WAPA Loveland Area Office
5555 East Crossroads Boulevard
P. O. Box 3700
Loveland, CO 80539

Mr. Dil Ramsey
Tri-State Generation and Transmission
Association, Inc.
P. O. Box 33695
1100 West 116th Avenue
Denver, CO 80233

Mr. Dave Lock
Colorado Association of Municipal Utilities
Box 41
Lyons, CO 80540

Mr. John Collins
October 1, 1999
Page 2

Mr. Carl Huslig
West Plains Energy
105 South Victoria Avenue
Pueblo, CO 81002

Mr. Bill Leung
Municipal Energy Agency of Nebraska
1111 O Street
P. O. Box 95124
Lincoln, NE 68509

Mr. Tom Green
New Century Energies
1123 West 3rd Avenue
Denver, CO 80223-1351

Mr. Jim Henderson
Arkansas River Power Authority
3409 South Main
P. O. Box 70
Lamar, CO 81052

Mr. S. C. Rao
Department of Utilities
City of Colorado Springs
30 South Nevada, Suite 602
P. O. Box 1103--MC 620
Colorado Springs, CO 80947

**BASIN ELECTRIC
POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58501-0664
PHONE: 701/223-0441
FAX: 701/224-5336



October 1, 1999

Mr. John Collins
Secretary, Colorado Coordinated Planning Group
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525-5721

Dear Mr. Collins:

Basin Electric Power Cooperative (Basin) has reviewed the Joint Transmission Access Principles (Principles) and the Electric Transmission Service Policy Statement (Policy) that have an effective date of December 16, 1991, and find them to be acceptable. Therefore, Basin hereby endorses and agrees to abide by the above referenced Principles and Policy and hereby becomes a Party to the Principles.

By: *Wayne Beckman*

Date: October 1, 1999

Attest: *Clare M. Olson*
ASSISTANT SECRETARY

NORTH AMERICAN POWER GROUP, LTD.

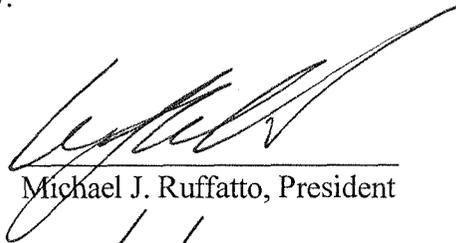
8480 East Orchard Road, Suite 4000 Greenwood Village, Colorado 80111
Telephone: (303) 796-8600 Facsimile: (303) 773-0461

Mr. Matt Stoltz, P.E.
Chairman
Colorado Coordinated Planning Group
1717 East Interstate Avenue
Bismarck, ND 58501

Dear Mr. Stoltz:

North American Power Group, Ltd. ("NAPG") has reviewed the Joint Transmission Principles ("Principles") and the Electric Transmission Service Policy Statement ("Policy") that have an effective date of December 16, 1991, and find them to be acceptable. Therefore, NAPG hereby endorses the above referenced Principles and Policy.

By:



Michael J. Ruffatto, President

Date:

5/15/00