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March 19, 2010

Commissioner James K. Tarpey  
Colorado Public Utilities Commission  
1560 Broadway, Suite 250  
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I am Thomas Green of Public Service Company of Colorado (“Public Service”) and presently, the chair of the Colorado Coordinated Planning Group (“CCPG”). I am writing this letter on behalf of the CCPG in response to the questions set forth in the Hearing Commissioner's Interim Order, Decision No. R10-0180-I in Docket No. 09M-616E dated February 26, 2010. Specifically, I address the following issues:

- a. Present and future role of the CCPG in Colorado transmission planning and development. Does CCPG contemplate involvement in economic planning, scenario planning, long range planning, and evaluation of public policy issues?
- b. How will decisions be made within CCPG, and how will these decisions be communicated to other stakeholders?
- c. Suggestions on how to improve communications between the CCPG utility members and all other stakeholders.

The CCPG wishes to thank the Commission for seeking its input on these questions at the outset of this proceeding. In the short amount of time that was available to respond to these questions, the transmission owning members of CPCG had their Transmission Planners (“TPs”) meet to address these questions and to

determine whether a consensus approach could be reached among them. TPs from the following entities participated in this effort: Basin Electric Power Cooperative (“BEPC”), Black Hills Corporation (“BHC”), Colorado Springs Utilities (“Colorado Springs”), Platte River Power Authority (“PRPA”), Public Service, Tri-State Generation and Transmission Association, Inc. (“Tri-State”), and the Western Area Power Administration (“Western”). Consensus was gained through several conference calls and through coordinated reviews of drafts of this response. The consensus was gathered from individual participants and might not represent views of their company.

I cannot represent, however, that the management of all of the above entities has signed off on these comments. Moreover, there are members of CCPG in addition to the TPs: the CCPG membership includes a variety of stakeholders, including the Commission representatives. Thus, the positions taken in this letter do not necessarily reflect what may be the ultimately adopted position of CCPG as a whole or even of any of the TP members who participated in the development of these comments.

## **I. BACKGROUND**

The CCPG was formed in 1991 following the bankruptcy filing of Colorado Ute Electric Association (“Colorado Ute”). The Commission had to approve the transfer of the Colorado Ute assets, which included transmission and generation facilities, to Public Service and Tri-State. Moreover, and since the Commission indicated that it planned to address coordinated planning, transmission access, and state-wide economic dispatch during the asset transfer case, Tri-State and Public Service developed the Electric Transmission Service Policy Statement and Joint Transmission Access Principles (“JTAP”), dated December 16,

1991. Among other things, the JTAP provided for joint transmission system planning. The JTAP is provided as Attachment A.

Originally, CCPG consisted exclusively of TPs from member utilities and organizations. The North American Electric Reliability Corporation ("NERC") defines a Transmission Planner as one who “develops plans for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the system”. For TPs, the terms reliability and adequacy entail the use of commercially available computer software to assess and develop transmission projects (plan the transmission system) so that it can meet performance standards and criteria set forth by NERC and the Western Electricity Coordinating Council. <sup>1</sup> In recent years, the CCPG membership has expanded beyond what was originally a group of utility TPs. The group now includes a multitude of stakeholders with varying interests. However, the TPs have, to date, performed all of the traditional reliability studies in CCPG.

As stated in its recently approved charter, “the CCPG is a planning forum which operates to assure a high degree of reliability in joint planning, development, and operation of the high voltage transmission system in the Rocky Mountain Region of the Western Electricity Coordinating Council (WECC). The CCPG provides a technical forum to complete reliability assessments, develop joint business opportunities, and accomplish coordinated planning under the single-system planning concept.”

The CCPG consists of both a Transmission Provider Group and an Advisory Group. The membership of the Transmission Provider Group was meant to be consistent with how NERC defines “Transmission Service Provider”, meaning those members whose companies

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<sup>1</sup> Compliance is mandatory and noncompliance may result in significant monetary sanctions..

provide open access transmission services through an open access transmission tariff ("OATT") within the CCPG footprint. The members of the Transmission Provider Group include the TPs, but also include a variety of other disciplines within each company, including resource planners and siting agents. The Advisory Group consists of all other stakeholders that are not members of the Transmission Provider Group.

In the last few years, significant events have occurred at both the national level and at WECC to prompt changes in the structure and functions of the CCPG.

In March 2007, the Federal Energy Regulatory Commission ("FERC") issued its Order No. 890.<sup>2</sup> In Order No. 890, FERC required that each Transmission Service Provider's planning process satisfy the following nine principles: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation for new projects. Each Transmission Provider had to address these principles by adding language to their OATT.

Following the issuance of FERC Order No. 890, WECC determined that the Transmission Expansion Planning Policy Committee ("TEPPC") is the vehicle for providing a cohesive, regional approach to economic transmission planning. The TEPPC Planning Protocol was developed to describe how TEPPC enables existing organizations in the Western Interconnection to perform coordinated planning under a layered structure. The three main functions of TEPPC are:

- Overseeing economic database management.
- Providing policy direction and management of the economic planning process.

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<sup>2</sup> 1 Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 at PP 1483 and 1557-59 (2007), reh'g pending.

- Guiding the analyses and modeling for Western Interconnection economic transmission expansion planning.

These functions complement but do not replace the responsibilities of WECC members and stakeholders to develop and implement specific expansion projects. TEPPC's analyses and studies focus on plans with west-wide implications and include a high-level assessment of congestion and congestion costs. Given the geographic scale of the Western Interconnection, no single regional activity could address the needs of all participants. For this reason, Subregional Planning Groups were organized to address common issues within portions of the Western Interconnection. TEPPC provides coordination among the Subregional Planning Groups and provides west-wide studies and database services. The CCPG is recognized as a Subregional Planning Group under TEPPC.

Therefore, in order to help Transmission Providers meet FERC Order 890's goals and requirements for transmission planning, and to comply with the TEPPC Planning Protocol, the CCPG drafted a charter. The charter not only addresses FERC Order 890 and TEPPC, but continues to incorporate the substantive provisions of the JTAP. The CCPG Charter was approved by the CCPG at its December 9, 2009, and is provided as Attachment B.

It is important to note that the CCPG is a voluntary organization that exists for the benefit of its members and the value that they derive in achieving the goals of the group. It has no permanent staff and utilizes its members to complete required study work. Members proposing specific studies are responsible for performance, cost, and completion of the work. In general, members, at their own expense, study the geographic areas in which they have an interest. Study results are shared with all CCPG members. CCPG is supported by WestConnect and the WestConnect Planning Manager as defined by the WestConnect

Objectives and Procedures for Regional Planning for the WestConnect Planning Area. Since TPs have historically performed the work within CCPG, CCPG may not be the appropriate organization to undertake many of the items listed in the Transmission Planning Proposal, presented in Docket No. 09M-616E, or to assume an active leadership role to tackle wider energy policy concerns.

## **II. RESPONSE**

In Commission Decision No. R10-0180-I, CCPG was requested to submit comments on the topics discussed during February 25, 2010 workshop, and the draft Transmission Planning Proposal generally. The Hearing Commissioner requested the CCPG include the three questions noted previously.

The remainder of this letter will address these three questions.

### **A. Present and future role of the CCPG in Colorado transmission planning and development.**

#### **Economic Planning Studies:**

For most TPs, the term “economic planning” implies performing economic transmission expansion studies utilizing production cost simulation software. Based on this understanding of economic planning, and according to its charter, “CCPG neither conducts nor has a role in conducting economic studies.” However, CCPG may guide stakeholders to appropriate venues where economic studies may be conducted. In WECC, the TEPPC has the role of performing economic planning, and most Subregional Planning Groups point to TEPPC as the responsible entity for performing economic congestion studies on a regional level.

FERC addressed Economic Planning Studies in Order 890, requiring Transmission Providers to specify how requests for economic studies would be processed and how many economic studies would be performed annually. Subsequently, many Transmission Providers have indicated in their FERC-approved Attachment K (R) filings that they would facilitate a limited number of requested economic studies. Many Transmission Providers indicate in their Attachment K (R) filings that they will forward any non-local economic study requests to TEPPC for consideration in TEPPC's economic study process. FERC has even acknowledged in an order accepting the SWAT Transmission Providers Attachment K compliance filing<sup>3</sup> that it is acceptable for SWAT to not participate in the economic study process or perform economic studies. These facts provide further basis as to why CCPG does not perform economic planning studies.

If the term “economic planning” is meant to describe something other than the CCPG TPs understanding of the definition as described above, then CCPG TPs would need additional information to determine what role it would have, if any, in performing those studies. Due to its existing reliability study responsibilities, it is unlikely that CCPG TPs would contemplate any further involvement in economic planning studies at this time.

**Scenario planning, long range planning, and evaluation of public policy issues:**

CCPG TPs assumed that scenario planning, long range planning, and evaluation of public policy issues are all related to evaluating “conceptual planning scenarios” which may not be a part of utilities’ current planning process, or are beyond the typical ten-year reliability planning horizon. NERC requires TPs to assess and plan their transmission systems for what are referred to as near-

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<sup>3</sup> FERC Cite 128 FERC 61,063

term and longer-term planning horizons. The near-term horizon includes years one through five, and the longer-term horizon includes years six through ten. WECC only prepares study models that reflect this ten-year horizon. However, given the increasing interest in transmission planning beyond ten years, CCPG recently announced a longer-range Conceptual Planning Work Group. The goal of the Conceptual Planning Work Group is to prepare a limited number of coordinated conceptual transmission plans to accommodate the conceptual planning scenarios beyond the traditional 10-year reliability studies. At a CCPG meeting on February 19, 2010, a draft scope was presented for comment and to begin the discussion on the product for a greater than ten-year conceptual vision for the transmission system within the CCPG footprint.

CCPG TPs have indicated a willingness to participate in the Conceptual Planning Work Group and provide technical expertise towards the development of conceptual transmission plans for no more than three conceptual planning scenarios on a biennial basis. Resource scenario development is an essential input to the conceptual planning process that addresses future public policy trends and, thereby, changes the future needs for transmission infrastructure. Because resource scenarios are driven by public policy issues, TPs believe the membership would benefit from having other stakeholders guide and develop the resource scenarios. TPs recommend that the resource scenario development be performed within the Conceptual Planning Work Group by stakeholders willing to contribute and take ownership of that process. As is the case with any work group, the success will depend on the level of participation from group members. That is

important to note here, since the planning may be facilitated by non TPs. Transmission Planners advocate that any resource scenario development and planning horizons be grounded in a methodology that the CCPG agrees is acceptable. The methodology should require scenarios to be founded on reasonable and tangible concepts, and that transmission plans have some measure of constructability. The Conceptual Planning Work Group will determine the methodology to be used, and the degree of complexity to which any studies might be performed, for the development of conceptual transmission plans. However it is expected that the conceptual transmission plans would not be developed from traditional detailed technical studies, but would be a more limited evaluation, based on technical expertise and fundamental engineering concepts. The TPs strongly recommend that the conceptual transmission plans be used as a tool to help guide future projects rather than being considered as a prescriptive master plan.

**B. How will decisions be made within CCPG, and how will these decisions be communicated to other stakeholders?**

CCPG believes that its charter describes the decision making process. The CCPG consists of an Oversight Committee, a Steering Committee, electrical geographic-based Subcommittees, and footprint-wide Work Groups and Task Forces.

The CCPG Oversight Committee is responsible for ensuring the accuracy and technical adequacy of CCPG study work, consistency among the various studies, proper focus on objectives, and adherence to Policy and Principles. The Oversight Committee is responsible for providing direction to make the work acceptable and will also help the Subcommittees

and Work Groups resolve issues. As mentioned previously, the Oversight Committee consists of a Transmission Provider Group and an Advisory Group.

The CCPG Steering Committee is responsible for managing CCPG, developing Oversight Committee agendas, providing coordination among CCPG study groups, and ensuring progress in the overall CCPG activities. The Steering Committee consists of the Oversight Committee Chair and Vice Chair and the Chairs of each of the Subcommittees and Work Groups. The chair of the Oversight Committee Chair is also the chair of the Steering Committee.

In general, each planning and study effort undertaken within the CCPG committee structure is self-defined by those who participate in the process. Study plans and final reports require approval by the sponsoring subcommittee, work group, or task force and the Oversight Committee.

Decisions and actions by the Oversight Committee, Steering Committee, subcommittees, work groups, and task forces are reached, to the maximum extent possible, through consensus. To facilitate consensus building, CCPG members seek individual inputs, rely on data and expert advice, and encourage minority reporting where differences are not resolved. The decisions made, the actions taken, and the reasons why will be explained and recorded in CCPG meeting notes, which are publicly available. CCPG's success has been largely based on the use of an open vetting process, with ultimate decisions generally being reached on the basis of unanimous agreement.

CCPG's goal is to reach consensus on all approval items. If approval by consensus within the CCPG committee structure cannot be achieved, CCPG members attending the committee meeting conduct a formal vote. Any CCPG member not attending a meeting in

person may designate an alternate voting representative to vote on its behalf, provided that the primary voting member notifies the Chair in writing at least one day in advance of the meeting. A motion will pass by a simple majority of those voting.

For the Oversight Committee, the Transmission Provider Group and Advisory Group vote separately. If an Oversight Committee motion fails to obtain a simple majority of both the Transmission Provider Group and the Advisory Group, the vote of the Transmission Provider Group determines the outcome, with the vote of the Advisory Group recorded in the meeting notes of the Oversight Committee. The Advisory Group is provided the opportunity to submit an explanation for the difference in opinion from the Transmission Provider Group and this explanation is added to the meeting notes.

This voting structure, with the Transmission Provider Group determining the outcome of issue, was adopted based on the fact that TPs are obligated to provide load and transmission service and are obligated to meet FERC, NERC and WECC Standards and criteria. FERC specifically recognized in Order 890<sup>4</sup> that “the ultimate responsibility for planning remains with transmission providers.” Therefore, due to the regulatory risks and liabilities that are the sole responsibility of the serving Transmission Provider, a voting structure that gives the TPs the final say is appropriate. It should be noted that the decision making within CCPG has always been by consensus, and has historically been very successful.

**C. Suggestions on how to improve communications between the CCPG utility members and all other stakeholders.**

CCPG membership and meetings are open to all parties that have an interest in participating in a stakeholder process for development of the electric transmission

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<sup>4</sup> Order 890 ¶454

system. To become a member of CCPG, a party must simply notify the Chair of the Oversight Committee in writing.

Much of the relevant information, to the extent it exists, can be found on either the WECC or WestConnect websites. Other more utility specific data and reports can be found on individual companies' websites and OASIS. Lastly, utility specific NERC reliability assessments, which can be voluminous, are available upon request.

The CCPG members responding to this request are not aware of deficiencies in communication between utility members and other stakeholders. We believe that there has been more communication in the last two years than ever before. That being said, CCPG TPs are open to understanding what the communication issues are, and are willing to form a task force (short duration focused group) to seek feedback and ascertain how any communication issues can be improved. For example, the CCPG website is managed by WestConnect. Most Transmission Providers have a service agreement with WestConnect and one of the responsibilities is to maintain a website. If there are specific suggestions as to how the website can be improved, CCPG will forward those to the website manager at WestConnect.

### **III. GENERAL COMMENTS {WMD – SHOULD REMOVE THIS SECTION}**

Most of the utilities represented on CCPG filed comments in Docket No. 09M-616E with regard to the Transmission Planning Proposal. Many of these comments are similar among the utilities. The TPs within CCPG agree with the following comments:

1. The role and structure of CCPG has historically worked very well for the scope of work under the charter. In the last few years, CCPG has gone to great lengths to implement

most of the nine planning principals set forth in FERC Rule 890. The exceptions are Economic Planning Studies and Cost Allocation, which are addressed in other forums.

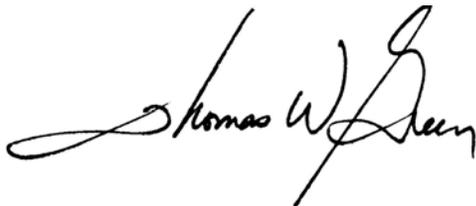
2. There is a very small minority of stakeholders that continue to criticize CCPG. Most stakeholders are satisfied with the performance and competence of the group.
3. CCPG is not the appropriate organization to implement many of the items listed in the Transmission Planning Proposal. This includes:
  - a. Operational studies. However, we have liaisons with the WECC Operational Transfer Capability Policy Committee and receive updates at each meeting regarding operating studies.
  - b. Short-circuit studies. CCPG maintains a coordinated short-circuit base case for the operating horizon that is used by the TPs primarily for system protection purposes, but also for assessing existing equipment fault duties. CCPG is exploring coordinated short-circuit base case options in the planning horizon that individual TPs could use for their short-circuit study requirements of future systems and interconnections. CCPG does not intend to conduct short-circuit studies.
4. CCPG TPs should not assume an active leadership role to tackle the wider energy policy concerns. Nor do we recommend attempting modifications to the role, structure, and scope of CCPG.
5. CCPG TPs do not advocate any micro-management of planning activities or prescribed additional work under the guise of reliability assessment.
6. The Commission should carefully scrutinize any attempts to place undue burdens on those entities under the Commission's jurisdiction.

7. CCPG should develop its own plan for dividing reliability studies into regions. CCPG has developed Subcommittees to address geographic regions within its footprint and the Commission should be loath to issue any rules that prescribe what those regions should be or the scopes of those studies.
8. CCPG TPs are not willing to maintain any logs of unacceptable reliability performance. Each TP is responsible for NERC compliance and maintains its own documentation.

#### **IV. CONCLUSION**

Again, the TP members of CCPG appreciate the opportunity to present these preliminary views in response to the questions in Decision No. R10-180-I.

Sincerely,



Thomas W. Green  
CCPG Chair

The following CCPG TPs participated in and generally agree with this response:

Basin Electric Power Cooperative: Matthew Stoltz  
Shawn Carlson

Black Hills Company: Eric Egge

Colorado Springs Utilities: Chuck Sisk  
Cliff Bertelot

Platte River Power Authority: John Collins

Public Service

Thomas Green  
Gerry Stellern  
Susan Henderson

Tri-State

Andy Leno  
Mark Stout  
Mark Graham

Western Area Power Administration: Robert Easton

Jared Griffiths

**CERTIFICATE OF SERVICE  
09M-616E**

I hereby certify that on this 19th day of March, 2010, the original and seven (7) copies of the foregoing **“PUBLIC SERVICE COMPANY OF COLORADO’S COMMENTS TO TRANSMISSION PLANNING PROPOSAL”** were hand delivered on:

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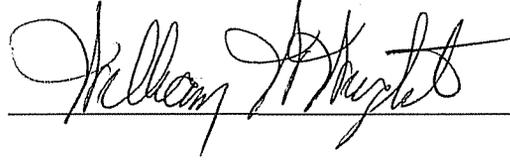
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