

March 2010

Lamar Sub-Region Interconnection Studies Delay

After a careful assessment of all generator Interconnection Requests in the Lamar area, PSCo Transmission has concluded that the interests of all stakeholders, including projects in the PSCo Interconnection Queue with Interconnection Requests at Lamar, are better served by holding off any further work on LGIP interconnection studies pending the outcome of the CCPG SB-100 Lamar-Front Range transmission planning studies ("Planning Studies"). This decision is geared towards ensuring that the interconnection customers are provided meaningful Feasibility Study And System Impact Study results and the Network Upgrades identified therein are consistent with planned (not provisional) transmission reinforcement projects in the Lamar area.

As such PSCo Transmission will hold all interconnection studies for generator Interconnection Requests in the Lamar area in abeyance through the end of 2010 for the reasons cited below.

1. Since the available capacity for Network delivery is 0 MW for generation interconnecting to existing PSCo facilities in the Lamar area, it is a foregone conclusion that no generator can interconnect and provide Network delivery before at least some transmission reinforcement (i.e. new transmission line) is built and placed in service. At this time, although several proposed/provisional transmission lines are under consideration, none have attained the maturity level to qualify as a PSCo planned transmission project (ready for CPCN filing with the PUC.)
2. It is anticipated that a comprehensive transmission reinforcement plan for the Lamar area will be recommended by the end of 2010. Potential transmission Network Upgrades will be identified with stakeholder input through the Planning Studies.
3. Until these technical studies are complete, any Network Upgrades identified in the Feasibility Study for a Lamar area interconnection request will remain, at best, a placeholder solution subject to change and re-study based on the transmission reinforcement plans recommended by the CCPG study group.
- 4 Efficiency gains in the study process are realized by starting or resuming the interconnection studies in 2011 based on the estimated timing of any planned transmission upgrades, and there should be no adverse impact on any Interconnection Customer's requested in-service date.

PSCo expects that the LGIP interconnection studies for Interconnection Requests in the Lamar area will be completed within 3-6 months after the Planning Studies have concluded. Based on the February 19, 2010, CCPG 2010 Studies Kickoff Meeting, the target completion date for Lamar-Front Range planning studies is December, 2010. All stakeholders are welcome to provide input to and monitor the progress of these planning studies by participating in scheduled CCPG meetings.