

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO  
DOCKET No. 07A-421E**

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**IN THE MATTER OF THE APPLICATION OF  
PUBLIC SERVICE COMPANY OF COLORADO FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY FOR THE  
PAWNEE-SMOKY HILL 345KV TRANSMISSION PROJECT**

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***Motion of Interwest Energy Alliance***

The Interwest Energy Alliance moves the Commission for an order enforcing terms of the settlement agreement, specifically addressing the timeliness of provision of transmission by Public Service Company. In support of its motion, Interwest states as follows:

On or about February 22, 2008, Interwest joined with other parties in the Pawnee-Smoky Hill CPCN docket in a settlement agreement called the "Transmission Planning Process Agreement." In that agreement, the following provision was included:

- 5) March 1, 2009 - Public Service shall file applications for CPCNs to construct transmission necessary to accommodate potential new generation resources located in Zones 1, 2, 3 and 4 reasonably likely to come on line by 2015.

March 1, 2009 has come and gone, with no Public Service applications for CPCNs as agreed in the settlement having been filed at the Commission. Recently, in the Commission's workshop on transmission rules, we learned that the company might file a CPCN application with Tri-State for a new transmission

facility from the San Luis Valley to Calumet in April, 2009, but that additional applications for CPCNs were not planned to be filed until October 31, 2009.

Interwest requests by this motion that the Commission order Public Service Company to file the CPCNs promised in the settlement agreement immediately. In addition, Interwest requests that the Commission set for hearing the reasons for the delay in filing these applications, including requiring the testimony, under oath, of all Xcel Energy officials who have represented themselves to the Commission as responsible for control of the budgets and personnel assignments for transmission work in Colorado.

Interwest seeks the opportunity to cross examine these officials under oath to determine why adequate resources for planning transmission in Colorado are not being provided, and particularly why such resources are apparently available for transmission planning purposes in Minnesota.

Interwest notes that on April 16, 2009, the Minnesota Commission approved the CapX 2020 Group 1 facilities.<sup>1</sup> The contrasts between Xcel's treatment of

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<sup>1</sup> According to an email communication from Beth Sohlt, Executive Director of Wind on the Wires, the Minnesota Commission granted Certificates of Need for three 345 kV transmission lines – about 600 miles of new transmission. The 3 lines include the Fargo, ND to Benton County line (NW Minnesota), Brooking, SD to Hampton Corners line (SW Minnesota/Buffalo Ridge area) and Twin Cities to LaCrosse line (SE Minnesota).

Highlights of the decision include:

1. All three lines will be constructed with larger poles/structures that are double-circuit ready. The first circuit will be strung immediately, including some double-circuiting that was already planned on the Brookings-Hampton Corners line. The second circuit will be

transmission in Minnesota and Colorado could not be more clear, or highlight more clearly the failure of Xcel's commitments to transmission planning in Colorado.

In Minnesota, Xcel has led regional transmission planning that is coordinated with adjoining utilities and states. In Colorado, Xcel has problems coordinating with Tri-State that lead to presentation to the Commission of two uncoordinated plans. In Colorado, Xcel's plans for transmission that crosses state lines amount to conceptual planning for High Plains Express, and grudging accommodation of

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strung once the utilities grow into the need for the second circuit. A certificate of need proceeding will be necessary to get approval to string the second circuit.

Wind on the Wires ("WOW") expert witness Larry Schedin testified that the Applicants should study the "upsizing" of the transmission lines from single to double circuit and through his testimony (and others) provided the MPUC with the record to make that decision. The double-circuiting allows for the best use of land but provides additional capability for the future. Rob Gramlich, WOW's policy expert witness, helped persuade the MPUC to think not only about immediate transmission needs, but also about building infrastructure for the longer-term future that would break the "glass ceiling" of lack of transmission for wind power.

2. MPUC attached conditions to the Brookings-Hampton Corners line that the new capacity on the transmission line be used for renewable energy. The generation outlet study shows that at least 700 MW of outlet capacity is created by the new transmission line. WOW legal witness Chris Ellison provided the MPUC with the record upon which to condition the Brookings-Hampton Corners Certificate of Need to carry renewables. WOW had asked the Commission to condition all three transmission lines, but it decided only to condition the Brookings line since it was clearly for generation outlet – primarily wind power.

The conditions require the Applicants (utilities) to sign Power Purchase Agreements or commit to utility-owned renewable generation projects within the timeframe of the Minnesota Renewable Energy Standard (RES) milestones, coordinated with the proposed in-service date of each segment of this transmission line (current proposed in-service date for the Brookings line is 2012). The Applicants have to submit firm transmission service requests to the Midwest ISO for the total amount of new capacity enabled by this line for renewable generation. The Applicants have to make a compliance filing within 30 days detailing the allocation of the new transmission capacity among the Applicants and they have to designate the new renewables as Network Resources pursuant to the Midwest ISO tariff.

plans for the Wyoming Colorado Intertie. In Minnesota, adjacent states and plans to import and export wind energy are completed and are starting to achieve regulatory approvals.

In Minnesota, Xcel plans for capital expenditures for 2020. In Colorado, Xcel's transmission planners have, until recently, refused to look beyond ten years.<sup>2</sup> In Minnesota, a broad-scale transmission planning effort includes multiple stakeholders, outreach to the public and public officials, a website ([www.capx2020.com](http://www.capx2020.com)) that emphasizes reliability issues and details how a phase-in of transmission projects across time will achieve long-term goals. In Colorado, Xcel's misses its committed CPCN filing dates without even providing any colorable excuse. In Colorado, lack of transmission and operational issues provide a rationale to limit the scope, timing, and locations of build out for new renewable energy projects. Xcel's existing transmission plans are limited to building its own transmission backbone to a few favored areas, raising concerns that transmission is being used to reinforce Xcel's preferences for projects it can own or buy in certain parts of Colorado to the exclusion of competitive projects in other parts of the state that might offer beneficial energy generation resources for its customers.

The Commission should encourage settlement among parties, where agreements can limit or help define the issues that the Commission must resolve,

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<sup>2</sup> In December, 2008, Xcel transmission planners finally agreed to plan for periods longer than ten years, but Interwest is aware of no Xcel SB07-100 transmission plans that actually contemplate periods of longer than ten years.

and where such settlements can also advance the public interest. But there has to be some sanction for promising that which is not delivered, or there will be no incentive to settle in the future. So the commission should fashion appropriate sanctions where settlements reached among parties that are otherwise in the public interest are ignored by the regulated utility.<sup>3</sup>

Further delay in planning transmission to Colorado's renewable generation development areas<sup>4</sup> will cause Xcel's Colorado consumers to continue to pay more for natural gas-fired generation than is necessary, since new wind projects will continue to be delayed, or placed in less than optimal locations, due to lack of transmission.<sup>5</sup>

Respectfully submitted, May 4, 2009



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<sup>3</sup> For example, if consumers are paying extra money for natural gas that could have been avoided if Xcel's management had provided more timely transmission for wind that could have replaced higher cost gas, then the commission should look to disallowing the higher gas costs in a rate case.

<sup>4</sup> See the State of Colorado's identified renewable energy Generation Development Areas at: <http://www.colorado.gov/energy/utilities/SB91-taskforce.asp>.

<sup>5</sup> See: "Wind on the Public Service Company of Colorado System: Cost Comparison to Natural Gas," August 2006, prepared by Jane E. Pater, Entrepreneurial Solutions ([www.entresolutions.com](http://www.entresolutions.com)) with consultation by Ron Binz, Public Policy Consulting ([www.rbinz.com](http://www.rbinz.com)) for Interwest Energy Alliance ([www.interwest.org](http://www.interwest.org)) at [www.interwest.org/backcast.htm](http://www.interwest.org/backcast.htm).

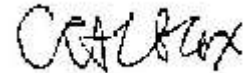
## CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of May, 2009, a copy of the Interwest Energy Alliance motion in Docket No. 07A-421E was filed electronically with the PUC, and the original and seven copies of are being sent by U.S. Postal Service to:

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