DISCOVERY REQUEST NO. PSCo3-25:

Regarding statements on page 15 of Ms. Sigalla's answer testimony addressing "stranded capacity". Is it Staff's position that when a Purchase Power Agreement between Public Service and a load serving entity such as Tri-State or Basin Electric expires (where Public Service is the purchaser), that the load serving entity's generating facility(s) that were serving that PPA become stranded assets? If so, please provide a detailed explanation of the rationale that supports this assertion.

STAFF RESPONSE PSCo 3-25:

No.

Sponsor: Fiona Sigalla Date: 06/29/2012

Updated PSCo Loads & Resources Balance Summer 2011- 2018

March 2012 Demand Forecast

	2011	2012	2013	2014	2015	2016	2017	2018
Installed Net Dependable Capacity	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376
Planned Retirements								
Arapahoe 3				-44	-44	-44	-44	-44
Arapahoe 4				**-109**	**-109**	**-109**	**-109**	**-109**
Cherokee 1		-107	-107	-107	-107	-107	-107	-107
Cherokee 2		-106	-106	-106	-106	-106	-106	-106
Cherokee 3						-152	-152	-152
Valmont 5								-184
Zuni 2					-65	-65	-65	-65
Planned Additions								
Cherokee 2X1 CC						569	569	569
Brush 1&3 assets purchased			**78**	**78**	**78**	**78**	**78**	**78**
Brush 4D assets purchased			**133**	**133**	**133**	**133**	**133**	**133**
Company Owned Subtotal	**5,376**	**5,163**	**5,373**	**5,220**	**5,155**	**5,572**	**5,573**	**5,388**
Firm Purchased Capacity								
Basin Electric Power Cooperative No.1	100	100	100	100	100			
Basin Electric Power Cooperative No.2	75	75	75	75	75			
Tri-State G&T No.2	100	100	100	100	100	100		
Tri-State G&T No.3	25	25	25	25	25			
Tri-State G&T No.5	100							
PacifiCorp (w/ reserves)	**161**	**150**	**150**	**150**	**150**	**150**	**150**	**150**
Wheeling Losses	(10)	(8)	(8)	(8)	(8)	(2)	0	0
Thermal Non-Facility Specific Subtotal	**551**	**442**	**442**	**442**	**442**	**248**	**150**	**150**
ManChief Power Company	258	258	258	258	258	258	258	258
SWG Valmont 7 & 8	78	78						
SWG Arapahoe 5, 6, 7	121	121		**119**	**119**	**119**	**119**	**119**
SWG Fountain Valley Midway	243	243						
Brush 1&3 PPA terminated	**78**	**78**	**0**	**0**	**0**	**0**		
Brush 4D PPA terminated	**133**	**133**	**0**	**0**	**0**	**0**	**0**	**0**
Tri-State Limon	0	0	68	68	68			
Tri-State Brighton (Knudsen)	0	0	136	136	136			
Cogentrix Plains End	221	221	221	221	221	221	221	221
Thermo Fort Lupton	129	129	129	129	129	129	129	129
Thermo Power (UNC)	65	65	65					
Invenergy Spindle CT	284	284	284	284	284	284	284	284
Small QFs	38.8	37.1	34.6	34.0	33 9	33.9	33.8	23.7
WM Landfill Gas	3.3	3 3	3.3	3.3	3 3	3.3	3.3	3 3
Thermal Facility Specific Subtotal	**1,652**	**1,650**	**1,199**	**1,252**	**1,252**	**1,048**	**1,048**	**1,038**
FPL Wind	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1
Cedar Creek Wind	37.6	37 6	37.6	37.6	37 6	37.6	37.6	37 6
Cedar Creek II Wind	31.3	31 3	31.3	31.3	31 3	31.3	31.3	31 3
Twin Buttes Wind	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
Colorado Green Wind	20.3	20 3	20.3	20.3	20 3	20.3	20.3	20 3
enXco Ridge Crest Wind	3.7	3.7	3.7	3.7	3.7	3.7		
Invenergy Spring Canyon Wind	7.5	7 5	7.5	7.5	7 5	7.5	7.5	7 5
Northern Colorado Wind I and II	21.8	21 8	21.8	21.8	21 8	21.8	21.8	21 8
Cedar Point Wind		31 5	31.5	31.5	31 5	31.5	31.5	31 5
Limon Wind			25.0	25.0	25 0	25.0	25.0	25 0
Limon II Wind (Approval Pending)			25.0	25.0	25 0	25.0	25.0	25 0
Ponnequin Wind	0.7	0.7						
Alstom NWTC	0.4	0.4	0.4	0.4	0.4			
Siemens NWTC	0.3	0 3	0.3	0.3	0 3			
NREL NWTC	0.5	0 5	0.5	0.5	0 5			
Wind Subtotal	**183**	**215**	**264**	**264**	**264**	**263**	**259**	**259**
SunE Alamosa1	3.8	3 8	3.8	3.8	3 8	3.8	3.8	3 8
Greater Sandhills I	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
San Luis Solar		16 6	16.6	16.6	16 6	16.6	16.6	16 6
Cogentrix of Alamosa		16 6	16.6	16.6	16 6	16.6	16.6	16 6
Amonix SolarTAC 1	0.3	0 3	0.3	0.3	0 3			
On-Site PV (36 MW-Yr discounted)	31.0	44 9	58.4	71.4	83.7	95.3	106.8	118 3
Solar Subtotal	**44**	**92**	**105**	**118**	**130**	**142**	**153**	**165**
SPS Diversity Exchange	**101**	**101**	**101**	**101**	**101**	**101**	**101**	**101**
PSCo Net Dependable Capacity	**7,907**	**7,662**	**7,485**	**7,398**	**7,345**	**7,374**	**7,284**	**7,102**
PSCo Load								
March 2012 Budget Forecast	**6,628**	**6,428**	**6,532**	**6,589**	**6,670**	**6,759**	**6,829**	**6,897**
Interruptible Load	252	260	268	273	274	275	276	275
Saver's Switch	159	174	193	209	222	233	244	254
Firm Sale PSCo-SPS 6/1/11 - 9/30/11	109							
Firm Obligation Load	**6,326**	**5,994**	**6,071**	**6,107**	**6,173**	**6,251**	**6,309**	**6,368**
Base Reserve Margin %	16 3%	16.3%	16.3%	16 3%	16.3%	16.3%	16 3%	16.3%
Reserve Margin Requirement (MW)	1,031	977	990	995	1,006	1,019	1,028	1,038
IREA & HCEA Backup	40	40	40	40	40	40	40	40
Actual Reserve Capacity	1,581	1,668	1,414	1,291	1,172	1,123	975	733
Resource Need MW (long)	**(510)**	**(651)**	**(384)**	**(256)**	**(126)**	**(65)**	**93**	**345**
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**

In The Matter Of The Application Of Public Service Company Of Colorado For Approval Of Its 2011 Electric Resource Plan	**)**	**First Set of Audit Requests of CPUC Staff Served on Public Service Company**
Docket No. 11A-869E	**)**	**November 10, 2011**

AUDIT REQUEST NO. CPUC1-30:

What is the rationale used for backfilling PPA bids with self-bid projects rather than using generic resources? Please explain how the use of self build projects provides a sufficient range of resources to provide a realistic scenario for planning purposes?

RESPONSE:

The rationale for backfilling PPA bids with the least-cost self-build proposals is discussed in Section 2.9 on pages 2-330 through 2-332. Since the annual cost of each portfolio eventually reverts back to the cost of the least-cost self-build portfolio (once each bid added in the RAP expires), the resulting PVRR differences among portfolios will be driven by differences between the price and performance of bids versus that of self-build options and not be the cost of the more speculative generic resources. This evaluation approach in essence establishes the Company's least-cost self-build portfolio as the "default" portfolio, thus recognizing the Company's responsibility to ensure adequate power supply to our customers. In addition, using the lowest cost self-build proposals to backfill portfolios should minimize concern that generic cost estimates are inappropriately influencing the build vs. buy comparison.

Please note that backfilling the PPA bids with the least cost self-build proposals is a modeling device used to provide a realistic least-cost comparison among PPA bids. It does not mean that the Company is actually proposing to build these back-filled units; nor are we seeking Commission approval of any of these back-filled self-build units.

Sponsor: Jim Hill **Response Date:** November 29, 2011