

September 9, 2004

ROCKY MOUNTAIN REGION PHYSICAL AND COMPUTER SEPARATION

Restricted Physical Access

Western's Rocky Mountain Region (RMR) has contracted with the Colorado River Storage Project Energy Management and Marketing Office (EMMO) located in Montrose, Colorado, to perform all "Marketing, sales or brokering" functions on behalf of the Loveland Area Projects (LAP). These activities include, but are not limited to energy and resource scheduling, OASIS reservation activities, energy purchases, sales, and real time merchant activities. No activities of this nature are performed at RMR's Power Marketing and Operations Complex (PMOC) in Loveland, Colorado.

RMR's Power System Operations (J4000) and Power Marketing (J6000) are located within the PMOC. Power System Operations consists of Transmission Switching and AGC Reliability (J4100), Transmission Planning and Operation Engineering (J4200), SCADA (J4300), and Transmission Scheduling & Security (J4800). Power Marketing, whose primary role is to make arrangements for the delivery of long-term Federal power to firm power and project use customers, consists of Contracts (J6100) and Rates (J6200). These two divisions provide shared services to support Power System Operations, Power Marketing and the EMMO.

The PMOC has an upper level (main floor) and lower level. Most of the Power System Operations administrative and support staff as well as Transmission Planning & Operation Engineering personnel are located in the northwest wing of the upper level. Power Marketing's Contracts and Rates personnel are located in the west wing of the upper level. There is a physical separation between northwest and west wings of the upper level that segregates Power System Operations and Power Marketing personnel.

Real Time System Operators (J4100 and J4800) are located within the Control Center (dispatch area) on the lower level of the PMOC. SCADA support personnel are also located on the lower level. The entire lower level of the PMOC is locked and has restricted card-key access only. The Control Center area is further isolated by a second locked card-key access-only system which is accessible only by dispatchers, operations management, operations engineers, SCADA support, information services, communications, and security/safety staff. The SCADA and computer area is also isolated by a second locked card-key access which is only accessible by SCADA personnel and Information Technology personnel. None of the Power Marketing/EMMO staff has access to the dispatch area or SCADA and computer area.

Information Systems, SCADA and OASIS

Security required for separation of functions is as follows: The SCADA system is physically secured from use by other than reliability personnel. In addition, software security is by password access. The OASIS database maintenance is provided by the operator of the wesTTrans OASIS of which RMR is a member. The vendor contracted to maintain the wesTTrans OASIS is Open Access Technology, Inc. (OATI). The OASIS is physically located at OATI's corporate site in Minneapolis, Minnesota.

EMMO marketers and Transmission Security and Scheduling (TSS) dispatchers access the wesTTrans OASIS through a standard industry browser interface utilizing an X.500 Security Certificate and a username/password. Merchant and TSS access rights are determined based on their role, either transmission customer or transmission providers. Merchants, along with RMR power marketing and energy services staff, will not have access to data associated with any corporate entity except for the entity which they represent.

RMR has assigned a security officer to manage and distribute the X.500 Security Certificates. The security officer is responsible for assigning access rights to each individual transmission customer and provider. No access is provided unless the user has an approved X.500 Security Certificate.

The TSS system utilizes a client/server interface in which the user interface resides on the client workstations at RMR. The client accesses the server via the user interface where system access security is accomplished. All information regarding outages, transmission usage or availability is posted to the wesTTrans OASIS by the TSS dispatchers for public access by all transmission customers. The EMMO does not have access to any proprietary information that is not posted to the OASIS. No pricing information is contained within the RMR TSS system.