

Colorado Springs Utilities (CSU)

Posting of Capacity Benefit Margin (CBM) and Transmission Reliability Margin (TRM) Information on the OASIS

November 19, 2007

Capacity Benefit Margin (CBM) is that amount of transmission transfer capability reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements. Reservation of CBM by a load serving entity allows that entity to reduce its installed generation capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements.

CSU in general utilizes the WECC document entitled "Determination of Available Transfer Capability (ATC) within the Western Interconnection" dated June 2000, as the basis for determining Capacity Benefit Margin (CBM). CBM when utilized reduces the amount of ATC on the CSU transmission system. The calculation of ATC is performed by the Transmission Operation organization, which is a reliability function.

CSU at the current time is not utilizing CBM on any of its transmission paths when calculating ATC. However, CSU is reviewing the status of CBM to ensure adequate generation through the interconnected systems to meet generation reliability requirements for network customers.

Transmission Reliability Margin (TRM) is the amount of transmission needed to import generation in the case of loss of internal system generation. CSU has calculated and allocated TRM on three paths (Fuller to CSU Central System Monument CSU Central System and Midway to CSU Central System). These allocations are based directly on the CSU largest single hazard and the supporting Rocky Mountain Reserve Group (RMRG) members delivering over the paths.