

Public Service Company of Colorado (PSCo)

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

October 24, 2002

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."

PSCo 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 PSCo transmission system. The calculation of ATC is performed by the Transmission Operation organization, which is a reliability function.

PSCo at the current time is not utilizing CBM on any of its transmission paths when calculating ATC. However, PSCo 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. PSCo has calculated and allocated TRM on two paths (TOT7 in the north to south direction and PSCo Central System to Midway, in both directions). These allocations are based directly on the PSCo largest single hazard and the supporting Rocky Mountain Reserve Group (RMRG) members delivering over the paths. In anticipation of a major system breakup effecting some or all of the RMRG members PSCo relies on, PSCo has also allocated all uncommitted TOT2A south to north capacity for TRM because that path is the only PSCo path from the desert southwest utilities (non RMRG utilities).