

**Request for Economic Studies
December 28, 2010**

At the CCPG meeting on December 14, 2010, there was an invitation for any stakeholder to submit suggestions for transmission related economic studies. I have a suggestion for two economic studies. The nature of both of these requests is based on the question of whether any transmission upgrades (not necessarily needed for reliability) would reduce the costs of serving load in Colorado.

I am submitting simultaneously a request for economic studies to be performed by Public Service Company of Colorado, Tri-State Generation and Transmission Association, Inc., and Black Hills Corporation.

Economic study #1: Are there generating units in Colorado run out of economic dispatch order because of local transmission reliability issues? Will this situation arise in any year of the ten year planning horizon?

If the answer is yes, what is the magnitude of the economic penalty for operating these units out of economic order, and what is the nature and cost of the transmission upgrades necessary to relieve the reliability issues?

Economic study #2: Given the transmission constraints within Colorado and limited available transmission capacity connecting Colorado to neighboring states, is Colorado foregoing the opportunity to access (either firm or non-firm) more economical generation in neighboring states? If the answer is yes, what is the economic penalty for not having access to more economical generation, and what is the nature and cost of the transmission upgrades necessary to improve the transmission capacity?

Note: If operation experience and/or experience gained during the Electric Resource Planning process can provide the answers to the two above requested economic studies, an answer based on that experience would satisfy this request. In this type of response, please make sure the answers are clearly stated. It is the opinion of Commission Staff that the underlying issues of the economic studies request need to be clearly answered and perhaps put to rest.

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