



Colorado Springs Utilities

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November 27, 2017

Via email: SPP-Comments@wapa.gov

Attn: Rodney Bailey

Western Area Power Administration

150 East Social Hall Avenue, Suite 300

Salt Lake City, UT 84111

RE: Federal Register Notice Solicitation for Comments on the Western Area Power Administration LAP and CRSP Recommendation to Pursue Final Negotiations Regarding Membership in a Regional Transmission Organization

Dear Mr. Bailey:

On behalf of Colorado Springs Utilities, it is my pleasure to submit these comments.

Colorado Springs Utilities is a charter-created municipal enterprise of the City of Colorado Springs, Colorado. Colorado Springs Utilities provides utility services including electric, natural gas, water and wastewater. With respect to its electric service, Colorado Springs Utilities provides retail service to approximately 225,000 customers in metropolitan Colorado Springs. In addition to owning more than 1,000 MW in generating capacity delivered over our 232 miles of high voltage transmission lines, Colorado Springs Utilities purchases allocations from hydroelectric facilities owned by the Bureau of Reclamation and marketed by the Western Area Power Administration's Colorado River Storage Project and Loveland Area Projects.

Colorado Springs Utilities is both a customer of the Western Area Power Administration and a transmission-owner participant in the ongoing Mountain West Transmission Group effort. Colorado Springs Utilities therefore has a unique perspective on the Federal Register Notice.

As a general matter, Colorado Springs Utilities explores options it believes will provide value to its citizen-owners. Colorado Springs Utilities, similar to many of its neighboring utilities, anticipates continued evolution of the U.S. electric industry. It is likely the industry's future will involve expansion of the centralized market for energy and ancillary services so as to meet the increased need for wide-area situational awareness and control as well as access to geographically and operationally diverse generation resources. Thus, Colorado Springs Utilities sees membership in a Regional Transmission Organization as one possible outcome worth pursuing with its Board of Directors in fulfilling its objective of providing reliable service while keeping costs low.

Colorado Springs Utilities supports the pursuit by both the Colorado River Storage Project and the Loveland Area Projects of final negotiations with Southwest Power Pool. First, as a collective, the Mountain West Transmission Group appears to be able to obtain more favorable terms from Southwest Power Pool than if the participants had sought membership individually. Second, the involvement of the Colorado River Storage Project and the Loveland Area Projects



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are critical elements of Colorado Springs Utilities' participation, which criticality is reflected by our willingness to participate in the cost shift mitigation agreement ensuring that the Colorado River Storage Project's participation will not adversely affect the firm electric service load outside of the Mountain West footprint. Third, the use of cost mitigation among the Mountain West participants for a seven-year period lessens the risks to Colorado Springs Utilities as a firm electric service customer during this transitory period. Finally, Colorado Springs Utilities supports the current opportunity with Southwest Power Pool given its member-oriented governance model, its ability to maximize the value of DC-ties between the two footprints, and its existing treatment of federal entities through Federal Service Exemption provisions.

If you have any questions, please contact John Romero, Manager Acquisition, Engineering and Planning at 215 Nichols Boulevard, Colorado Springs CO 80907; by telephone at 719-668-4027; or by email at jromero@csu.org.

Thank you in advance for your consideration of these comments.

Sincerely

Eric Tharp by Tyler Allison

Eric Tharp
Chief Energy Services Officer

Tyler Allison