



Final Capital Investment Program Plan 2005-2014

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1 INTRODUCTION

Western Area Power Administration (Western) is committed to maintaining and operating a reliable transmission system. The capital investment program plays an important role in Western's ability to provide cost effective, reliable power delivery to our customers.

The purpose of the Capital Investment Program Plan (Plan) is to present Western's Rocky Mountain Region capital investment plan, to provide a mechanism for customer collaboration, and to clearly describe challenges, goals, strategies, and measurements for the Plan.

The Plan contains general information on the creation and maintenance of the capital investment program, the current ten year plan, and goals, challenges, strategies and success indicators for the capital program.

The Plan will be revised annually in response to changes in funding levels, unforeseen problems with the transmission system, mandates or regulations, and new contractual obligations. When changes to the Plan are made to accommodate higher priority projects, existing projects are reduced in scope, delayed, or deleted. Each year this Plan will remain similar in format, with changes to individual projects and the overall plan identified.

The Plan is divided into the following six major program areas:

- Transmission Line Improvements and Replacements
- Substation Improvements and Replacements
- Communication System Improvements and Replacements
- Control, Protection and Metering Improvements and Replacements
- Mobile Equipment Replacements
- Programmatic Improvements and Replacement

2 PROGRAM OVERVIEW

The majority of the expenditures identified in this Plan are related to rebuilding Western's aging wood pole transmission lines and replacing the obsolete analog microwave communications system with new digital equipment. The data has been broken out by project as well as major accomplishments of the prior fiscal year and significant changes to the plan.

Due to several earmarks in the FY05 Energy and Water Development Appropriation Act, RMR did not receive \$5.5 million dollars of requested funding for the Construction and Rehabilitation (C&R) program in FY05.

2.1 Colorado River Storage Project (CRSP) Facilities

Accomplishments in FY04 for the CRSP system include the successful conversion of the Shiprock-Four Corners transmission line to 345-kV operation, and continuing progress to replace the analog microwave system with a new digital system.

Western will continue to develop the project for the replacement of the two Flaming Gorge Transformers with larger units to address frequent overloading.

A major expenditure over the next several years will continue to be the replacement of the old analog microwave system with new digital technology. Due to the budget cuts to the C&R program in FY05, much of the planned work this year will be deferred to FY06 and the project extended another year in the Plan. A large part of this work has already been completed on the backbone microwave system in partnership with other utilities. Most of the remaining work consists of installing digital communications links from the backbone system to individual substations.

One of the earmarks to FY05 Energy and Water Development Appropriation Act was for the full funding of the facilities Western will construct as part of the Animas-La Plata Project.

The other items identified in the plan are routine maintenance activities such as replacing obsolete, and worn-out substation equipment, supplies to repair and replace damage to transmission lines, and equipment for the crews to accomplish maintenance of the system. Some of these items were deferred due to budget cuts to the FY05 C&R program.

2.2 Loveland Area Projects Facilities (LAP)

Accomplishments in FY04 for the LAP system included an emergency project to reconductor 19 miles of the Casper-Glendo 115-kV line, new control buildings at Cheyenne and Julesburg Substations, reconductor of 9 miles of the Beaver Creek-Ft Morgan 115-kV line, replacement of 10 miles of structures on the Lovell-Thermopolis 115-kV line, completion of substation modifications at Basin, Heart Mountain and Lovell, and continuing progress to replace the analog microwave system with a new digital system.

As a result of the age and condition of the system, there are three major replacement projects planned for the LAP system. These projects all involve rebuilding lines (potentially to higher voltage to increase load serving and transfer capabilities) and the associated terminal facilities. Figure 1 is a map that identifies a number of projects including the major projects described below.

- **Miracle Mile - Ault:** The Cheyenne-Miracle Mile and Ault-Cheyenne 115-kV lines were constructed in the 1930's, utilize an obsolete hollow copper conductor, and at almost 65 years old, require replacement. Western proposes to replace these lines with a new 230-kV line from Miracle Mile to Ault; construct Snowy Range Substation, a new 115/230-kV sectionalizing substation in the Laramie area; and install a 30-Mvar capacitor bank at Cheyenne. Between Cheyenne and Ault, the existing 115-kV line will be replaced with a new 230-kV/115-kV double circuit line. These system improvements will increase the reliability in the Laramie area, increase the transfer capability across TOT3 by up to 75 MW, and increase the associated wheeling revenue from the system.

Due to budget cuts and constraints in FY05, Western obtained advanced customer funding for the 115-kV portion of Snowy Range Substation and deferred the 230-kV portion until 2008. Planned Activities in FY05 are the completion of the Environmental Assessment and the beginning of design and specification development. Also planned is the procurement of substation equipment for Snowy Range Substation.

- **Front-Range T-Line Improvements:** A second area of concern is the 115-kV loop from Beaver Creek to Weld, from there to Flatiron, through Longmont, and then back to Beaver Creek. New generation additions along the Front-Range corridor have resulted in overloading on sections of this line in the Beaver Creek area. In FY03, Western reconducted an 0.8 mile portion of the line to avoid a reduction in TOT3 capacity. In FY04, Western reconducted another 9 miles of the line, again to prevent a reduction in TOT3 capacity. In addition to the overloading, significant growth is occurring in this area and once developed, it will be extremely difficult to improve the lines. These line sections vary in age from 50-60 years old and will require increased maintenance and potentially significant replacement over the next 10-15 years. Several of the line sections have already been identified by Maintenance as candidates for rebuilding. Western proposes to rebuild the lines in a double circuit 230-kV configuration and operate one side at 115-kV, the other at 230-kV, and transition the 115-kV circuit over time to a 230-kV operation. This will provide for load growth while allowing existing load serving facilities that utilize 115-kV transformation to continue operation.

Due to budget constraints and cuts in FY05, Western obtained advanced customer funding for the rebuild of the Hoyt-Wiggins 115-kV line and also a portion of the Beaver Creek-Hoyt 115-kV rebuild. Western also deferred the planned construction of the 230-kV additions needed at Beaver Creek, Hoyt, Erie, Kiowa Creek and Weld until completion of all planned transmission line rebuilds. Planned Activities in FY05 include the completion of the

Environmental Assessment for Hoyt-Wiggins, Beaver Creek-Hoyt and Hoyt-Erie lines and the beginning of design and specification development. Also planned is the procurement of all materials for the Hoyt-Wiggins rebuild.

- **Platte Valley Voltage Conversion:** The line in this area was rebuilt from 34.5-kV construction to 69-kV construction in the early 1990s. Construction of Whiterock Substation and installation of shunt capacitor banks at Lyman and McGrew provides increased support and reduces the impacts of the conversion, but starting in the 2007 timeframe additional work will be required to convert the substations between Lingle and Gering to 69-kV operation to address voltage problems on the system.

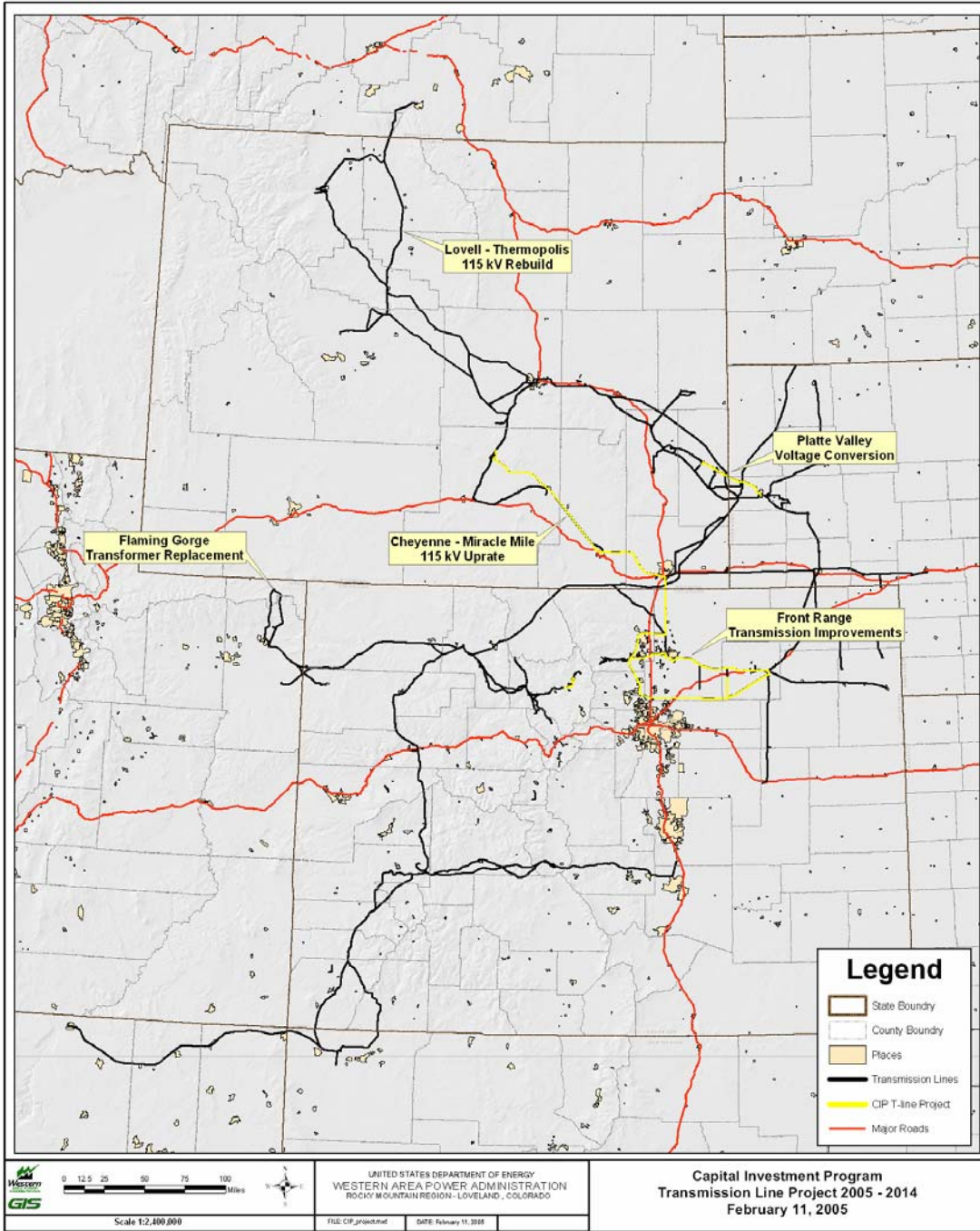
The planned rebuild of the Lovell-Thermopolis 115-kV line was cancelled due to budget cuts in FY05 with the remainder of the project deferred at least 10 years. Also delayed was the planned rebuild to the Gering-Gering Valley 34.5-kV line.

A new project to the Plan is the project of the Granby Pumping Plant-Windy Gap 69-kV line to a 138-kV double circuit. This will be a joint project with Tri-State Generation and Transmission and Northern Colorado Water Conservancy District. Long term transmission needs in the Granby area will be addressed by this project.

The replacement the old analog microwave system with new digital technology will continue. Due to the budget cuts to the C&R program in FY05, much of the work planned this year will be deferred to FY06 and the project extended another year in the plan.

The other items identified in the plan are routine maintenance activities such as replacing obsolete, and worn-out substation equipment, supplies to repair and replace damage to transmission lines, and equipment for the crews to accomplish maintenance of the system. Projects include the Wood Pole Testing & Treatment Program; and other programmatic replacements such as Supervisory Control and Data Acquisition (SCADA) and Information Technology (IT) program support. Some of these items were deferred due to budget cuts to the FY05 C&R program including the Wood Pole Test & Treatment Program and the Alliance Control Building replacement.

Figure 1



3 PROGRAM SUMMARY BUDGET

The following spreadsheet summarizes Western's capital program budget estimates by major program area.

Rocky Mountain Region Capital Projects Ten Year Plan

Total Costs (x1000)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Pick Sloan											
T-Line Improvements and Replacements		6,950	30,615	20,301	13,530	11,880	7,550	20,000	15,730	23,230	16,280
Substation Improvements and Replacements		6,936	5,408	6,455	7,402	3,347	4,507	8,922	2,992	2,935	4,494
Communication System Improvements and Replacements		2,136	1,814	764	751	600	600	100	100	100	100
Substation Control, Protection, and Metering		1,300	1,135	1,145	990	790	740	740	740	740	740
Mobile and Heavy Equipment Replacements		502	580	1,350	845	600	600	600	600	600	600
Buildings and Programmatic Investments		1,186	1,799	1,366	1,718	773	843	738	1,288	775	766
Total	14,711	19,010	41,351	31,381	25,236	17,990	14,840	31,100	21,450	28,380	22,980
FY2004 CIP Plan Totals	17,832	29,148	25,997	25,918	26,241	25,574	27,264	28,109	26,685	26,091	-

CRSP											
T-Line Improvements and Replacements		439	3,502	1,746	325	450	1,530	1,210	130	50	50
Substation Improvements and Replacements		1,355	3,908	1,455	1,525	1,780	1,456	1,530	1,230	1,490	1,440
Communication System Improvements and Replacements		1,641	2,548	2,000	250	100	100	100	100	100	100
Substation Control, Protection, and Metering		799	885	945	840	790	790	790	790	790	790
Mobile and Heavy Equipment Replacements		550	-	350	650	500	500	500	500	500	500
Buildings and Programmatic Investments		521	1,237	974	1,430	946	1,017	888	1,525	948	915
Total	5,281	5,305	12,080	7,470	5,020	4,566	5,393	5,018	4,275	3,878	3,795
FY2004 CIP Plan Totals	8,028	9,779	8,539	4,572	3,491	3,771	4,525	3,996	2,887	2,497	-

Western-only Costs (x1000)

Pick Sloan											
T-Line Improvements and Replacements		6,500	23,565	19,280	13,530	11,880	7,550	20,000	15,730	23,230	16,280
Substation Improvements and Replacements		6,406	3,265	6,212	7,387	3,347	4,402	7,022	2,692	2,935	4,494
Communication System Improvements and Replacements		1,549	1,572	675	676	600	600	100	100	100	100
Substation Control, Protection, and Metering		1,300	1,135	1,145	990	790	740	740	740	740	740
Mobile and Heavy Equipment Replacements		502	580	1,350	845	600	600	600	600	600	600
Buildings and Programmatic Investments		1,186	1,822	1,366	1,718	773	843	738	1,288	775	766
Total	13,629	17,443	31,939	30,028	25,146	17,990	14,735	29,200	21,150	28,380	22,980
FY2004 CIP Plan Totals	14,088	24,873	25,865	25,745	26,151	25,574	27,159	26,209	26,385	26,091	-

CRSP											
T-Line Improvements and Replacements		439	3,502	1,746	325	450	1,530	1,210	130	50	50
Substation Improvements and Replacements		1,060	3,881	1,455	1,115	1,698	1,456	1,530	1,230	1,490	1,440
Communication System Improvements and Replacements		1,641	2,548	2,000	250	100	100	100	100	100	100
Substation Control, Protection, and Metering		799	885	945	840	790	790	790	790	790	790
Mobile and Heavy Equipment Replacements		550	-	350	650	500	500	500	500	500	500
Buildings and Programmatic Investments		521	1,237	974	1,430	946	1,017	888	1,525	948	915
Total	4,954	5,010	12,053	7,470	4,610	4,484	5,393	5,018	4,275	3,878	3,795
FY2004 CIP Plan Totals	7,478	9,699	8,539	4,572	3,081	3,189	4,425	3,996	2,887	2,497	-

4 PROGRAM SUMMARIES

The following sections summarize the goals, priorities, and significant near-term projects for Western's six major capital program areas. The investment costs shown are Western's projected estimates within the 3-year budget window for the more significant projects. It should also be noted that some of these projects have additional costs that occur either before or after the 3-year budget window.

4.1 *Transmission Line Improvements and Replacements*

The goal of the Transmission Line Facilities program is to develop a practical plan based on available resources that will satisfy system-operating criteria, extend service life of existing facilities and rehabilitate an aging infrastructure with nominal rate impact.

Priorities

- Use results of long-range system operations planning studies to identify strategic replacement or uprate projects. Incorporate into the Plan in order of merit, value, and priority.
- Continue existing wood pole testing, treatment, and replacement program.
- Evaluate all wood structure transmission line segments relative to age, historical maintenance concerns, and pole test program results to identify rebuild projects.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
Beaver Creek-Hoyt 230kV Upgrade	3,270	9,500	4,800
Granby Pumping Plant-Windy Gap Rebuild ¹	150	1,300	200
Cheyenne-Miracle Mile 230kV Upgrade	250	10,500	12,600
Hoyt-Wiggins 115kV Uprate	1,700	900	
Gering/Gering Valley 34.5-kV T-Line		100	225
Animas-LaPlata Project ²	243	3,397	1,746
Shiprock-Four Corners 345-kV Conversion	170		
Wood Pole Testing and Treatment	30	815	480
Cheyenne-Ault 230-kV Upgrade			475
Erie-Hoyt 230-kV Upgrade	300		

¹ Joint project; Western cost shown.

² Non-reimbursable funding will be used.

4.2 Substation Improvements and Replacements

The Substation Equipment Improvement and Replacements program seeks to assure the highest possible reliability of substation equipment and to adequately meet the needs of a changing power system while minimizing life-cycle costs, environmental risks, and personnel hazards.

Priorities

- Extend the service lives of major substation equipment without compromising reliability.
- Replace major substation equipment when justified by increased maintenance costs, lack of spare parts, personnel hazards, or environmental risks.
- Replace oil breakers with SF-6 or vacuum breakers to reduce environmental risk.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
Whitney Switchyard	400		
Willoby Substation ¹	40	950	50
Snowy Range Substation	4,350	450	
Wray Substation Modifications ¹	200		
Whiterock Substation	245		
Yellowtail 2 nd Transformer Addition	468		
Lusk Rural and Podolak Substation Improvements			120
Limestone Substation 34.5-kV Additions		75	425
Miracle Mile Substation 230-kV Additions		600	3,700
Ault Substation 230-kV Additions			350
Cheyenne 115-kV Substation Shunt Capacitors			50
Power Transformer Replacements			
Granby PP KY1A ¹	85	10	
Granby PP KY2A ¹		78	13
Granby PP KY3A ¹			97
Sidney KY1A		50	646
Glendale Regulators	91		
Garland KZ1A ¹		70	22
Flaming Gorge KY2A & KY2B	100	3,000	125

¹ Joint project; Western cost shown.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
Circuit Breaker and Switch Replacements			
Midway 1886, 1562, 1662,		65	90
Blue Mesa 1066, 1162, 1362, 1462		65	90
Limestone Control Upgrades			224
Archer 2224	29		
Gering 162, 462, 966		292	
Glendo 524		62	
Chappell 144	47		
Raderville 115-kV Switch Upgrade		205	225
Hayden 2272, 2476, & 2072	143		
Hayden 2772, 2872 & 2972	184	130	
Shiprock 3262, 3362, & 3462		65	85
Hayden 230-kV Switches	8	4	
Reactor Replacements			
Curecanti KV1A & KV1B	50		
Hayden KV1A, KV1B, KV2A			240
Other Substation Work			
Gering 162, 462, 966 and SS Switchgear	175	317	
Hayden SS Switchgear Replacement	125	125	125
CRSP Transformer Monitors	105	97	100

4.3 Communication System Improvements and Replacements

The goal of the Communications System Improvements and Replacements program is to maximize the reliability and availability of the communications system by infrastructure investments while minimizing its life cycle cost and responding to changes in user requirements, technology, and regulations.

Priorities

- Replace analog MW radios with digital to reduce operational costs.
- Replace wide band radios with narrow-band to meet FCC mandates.
- Install fiber optic cable to reduce long term operational costs where appropriate.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
S. Colorado Joint MW System ¹	250		
Microwave Spur Replacements – (Wyoming, Nebraska, N.E. Colorado)	561	600	175
Microwave Spur Replacements - CRSP	550	2,300	1,900
UHF Radio Replacement	80		
VHF Mobile Radio Replacement	487	196	
Archer-Cheyenne Fiber Optic Cable ¹	25		
Estes-Valley Fiber Optic Cable ¹	164		
Granby-West Portal Fiber Optic Cable ¹	326		
Cody Fiber Optic Cable	84	272	
PMOC-Crossroads Fiber Optic Cable ¹	80	80	
Airport-Weld Fiber Optic Cable		472	
Horsetooth Tap-Flatiron Fiber Optic Cable			400
Flaming Gorge, Vernal, Grizzly Ridge Communications Buildings	550		

¹ Joint project; Western cost shown.

4.4 Control, Protection and Metering Improvements and Replacements

The goal of the Control, Protection and Metering program is to maintain and improve system reliability by the cost effective application of control, protection and metering technologies at Western substations and meter sites.

Priorities

- Replace electromechanical relays and revenue meters with microprocessor-based equipment.
- Implement Digital Control Systems (DCS) schemes in substations as opportunities arise.
- Replace the obsolete Direct Digital Interface (DDI) telemetry system with current technology.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
Glendo DCS Installation	40		
Protective Relay Replacements	1,294	1,330	1,380
RTU Replacements	447	300	300
DDI Replacements	218	290	210

4.5 *Mobile Equipment Replacements*

The goal of the Mobile Equipment Replacement program is to assure that Western craftsmen have adequate, reliable equipment and tools available to accomplish the maintenance program efficiently and safely.

Priorities

- Maintain adequate inventory for normal and emergency maintenance activities.
- Minimize life-cycle costs of equipment.

<i>Planned Replacements</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
Brush Hog - Montrose	125		
Manlift, 47' - Brush	252		
Backhoe - Brush	100		
Tree Shredder - Montrose	425		
Versalift, 38' - Loveland		80	
Motor Grader - Craig			165
Line Truck - Casper		500	
Mobile Transformer - Loveland			800
Backhoe - Cody			100

4.6 Programmatic Improvements and Replacements

These program elements support the infrastructure of the Region that is not integrated with the transmission, substation, and communication systems. In general, they involve the buildings and facilities improvements, SCADA, and IT programs. The current program priorities are presented by designated individual elements and the projects and accomplishments are combined by fiscal year as follows:

Priorities

SCADA System:

- Install a new SCADA base system release.
- Expand RMR's Alternate Control Center to meet NERC requirements.
- Develop a Common Information Model (CIM) based ability to exchange modeling topology information.
- Upgrade the Remote Terminal Unit (RTU) data acquisition system at Loveland and Cheyenne.

Information Technology (IT):

- Maximize resource efficiencies by consolidating systems, automating processes, and implementing process improvements.
- Implement procedures and systems to maintain and secure existing systems to ensure business continuity.

Lands:

- Develop and maintain a Geographic Information Systems (GIS) program that displays all regional generation sources, transmission lines, substations, communication facilities, office locations, archeological and cultural sites; and topographic, boundary, and municipal features relative to geographic and spatial reference.

Buildings and Facilities:

- Initiate facility inspections and develop remedial actions to reduce the risk of a catastrophic failure of any one facility's intended function.
- Incorporate unique designs that provide extended service life, especially for those facilities in remote locations, without adding significantly to the cost or routine maintenance.

<i>Major Projects</i>	<i>Investment (\$ thousands)</i>		
	FY05	FY06	FY07
SCADA Upgrades	227	488	478
E-Scheduling/E-Tagging	98		
IT General Support Systems (GSS)	172	46	15
Small Facility Projects (Civil /C&R)	300	1,250	950
Small Facility Projects (Electrical/RRADs)	281	200	200
Virginia Smith DC Tie HVAC Replacement		300	
GIS Development	150	287	287
WIN (substation integrated network)	173	315	180
Alternate Control Center	180	150	
Casper Storage Building			200
Operations Map Board Replacement			30
Gering Service Center Repairs	110		

5 TEN-YEAR BUDGET PROJECTIONS

The following spreadsheets list Western's capital budget estimates by project and by fiscal year.

RMR Pick Sloan Capital Investment Plan - Ten-Year Detail

Yellow Highlight = New Project to list
 Red Text = Change from previous version
 Blue Text with strike out = will be removed from list
 W Total = Western Only Costs
 O Total = Trust and Joint Participation Costs
 FY Total = Sum of W Total and O Total

PROJECT	Fund Power Sys	Project Total	FY05			FY06			FY07			FY08			FY09			FY10			FY11			FY12			FY13			FY14							
			W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL					
Battery and Charger Replacements (PS)	PSWMF	1,150	100		100	190		190	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		100					
CCVT, PT, & CT replacement (PS)	PSWMF	540	40		40	50		50	50		50	50		50	50		50	50		50	50		50	50		50	50		50	50		50					
Misc. Substation Elect. Equipm. Replace. (PS)	PSWMF	13,937										1997		1997	2027		2027	2632		2632	2082		2082	2595		2595	2604		2604	2604		2604					
Substations SubTotal		64,775	6406	530	6936	3265	2093	5408	6212	243	6455	7387	15	7402	3347		3347	4402	105	4507	7022	1900	8922	2692	300	2992	2935		2935	4494		4494					
Communications																																					
Microwave Spur Replacements (PS)	PSWCF	3,167	561		561	600		600	175		175																										
VHF Mobile Radio Replacements (PS)	PSWCF	565	229		229	48		48																													
Archer-Cheyenne Fiber Optic Installation	PSWMF	585	25		25																																
UHF Radio Replacements (PS)	PSWMF	170	80		80																																
Cobb Lake-Poudre Fiber Optic Installation -- Complete	PSWMF	50																																			
Granby-West Portal Fiber Optic Installation	PSWMF	678	326	326	652																																
Estes-Valley Fiber Optic Installation	PSWMF	870	164	106	270																																
Ault-Cobb Lake Fiber Optic Installation - CANCELLED	PSWMF																																				
Airport-Weld Fiber Optic Installation	PSWMF	472				472		472																													
Horsetooth Tap - Flatiron Fiber Optic Installation	PSWMF	475							400		400	75	75																								
USBR - CBT Fiber Optic Installation	PSRAF	486		155	155		242	242		89	89																										
WAPA - Cody Area Fiber Optic Installation	PSWMF	356	84		84	272		272																													
Flatiron-Terry Street Fiber Optic Installation - CANCEL	PSWMF																																				
PMOC - Crossroads Fiber Optic Installation	PSWMF	160	80		80	80		80																													
Poudre-Laport Tap Fiber Optic Installation - CANCEL	PSWMF	76										76	76																								
Nortel Microwave Replacements	PSWMF	1,500										500	500	500		500	500		500																		
Communications Test Equipment (PS)	PSWMF	900				100		100	100		100	100		100	100		100	100		100				100		100	100		100	100		100	100		100		
RMR Technology Test Bed Project (PS) - CANCELLE	PSWMF																																				
Communications SubTotal		10,510	1549	587	2136	1572	242	1814	675	89	764	676	75	751	600		600	600		600	100		100	100		100	100		100	100		100	100		100		
Control, Protection and Metering																																					
Protective Relay Replacements (PS)	PSWMF	7,590	690		690	690		690	690		690	690		690	690		690	690		690				690		690	690		690	690		690	690		690		
Glendo DCS Installation	PSWMF	195	40		40																																
Test Equipment Replacements (PS)	PSWMF	600	50		50	50		50	100		100	50	50		50	50		50	50		50	50		50	50		50	50		50	50		50	50		50	
RTU Replacements (PS)	PSWMF	1,550	375		375	250		250	250		250	250		250	50																						
DDI Replacements (PS)	PSWMF	500	145		145	145		145	105		105																										
CPM Sub-total		10,435	1300		1300	1135		1135	1145		1145	990		990	790		790	740		740	740		740	740		740	740		740	740		740	740		740		
Mobile & Heavy Equipment																																					
Mobile transformer - Loveland	PSWMF	800							800		800																										
Digger-Derrick/Line Truck - Cheyenne - COMPLETE	PSWMF	500																																			
Versalift, 38' - Loveland	PSWMF	80				80		80																													
Forklift - Loveland (replacement)	PSWMF	120																																			
Bob Cat - Loveland (replacement)	PSWMF	45										45	45																								
Manlift, 47' - Brush (replace 51931)	PSWMF	252	252		252																																
Backhoe/Loader - Brush (replaces E-30995)	PSWMF	100	100		100																																
Manlift, 65' - Cheyenne (replace 51928)	PSWMF	200										200	200																								
Snow-Cat - Cheyenne (replace Thiokol) - COMPLETE	PSWMF																																				
Line Truck, 110' - CAS (replace Reachall E51983 & Cd)	PSWMF	500				500		500																													
CDY Backhoe (replaces E51203 (CDY) & E109212 (T))	PSWMF	100							100		100																										
Misc Heavy Equipment Replacements (PS)	PSWMF	4,900	150		150				450		450	600		600	600		600	600		600	600		600	600		600	600		600	600		600	600		600		
Mobile & Heavy Equipment Sub-total		7,597	502		502	580		580	1350		1350	845		845	600		600	600		600	600		600	600		600	600		600	600		600	600		600		
Programmatic Improvements																																					
Alt. Control Center Expansion - CH (PS)	PSWMF	220	120		120	100		100																													
GIS Development (PS)	PSWCF	986	75		75	192		192	192		192	192		192																							
Small Facility Projects (Civil - PS)	PSWCF	5,66																																			

RMR CRSP Capital Investment Plan - Ten-Year Detail

Yellow Highlight = New Project to list
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 Blue Text with strike out = will be removed from list

W Total = Western Only Costs
 O Total = Trust and Joint Participation Costs
 FY Total = Sum of W Total and O Total

PROJECT	Fund Power Sys	Project Total	FY05			FY06			FY07			FY08			FY09			FY10			FY11			FY12			FY13			FY14		
			W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL
Transmission Lines																																
Animas-Laplata Project	CRSPWCF	6,000	243		243	3397		3397	1746		1746	275		275																		
Shiprock - Four Corners 345-kV Conversion	CRSPWCF	570	170		170																											
Wood Pole Replacement (CRSP)	CRSPWCF	2,160																														
Wood Pole Test and Treatment (CRSP)	CRSPWCF	960																														
Line Disconnect Switch Replacements (CRSP) - DELET	CRSPVMF																															
Line Equipment Replacements - General (CRSP)	CRSPVMF	481	26		26	105		105				50		50	50		50	50		50	50		50	50		50	50		50	50		
T-Line SubTotal		10,171	439		439	3502		3502	1746		1746	325		325	450		450	1530		1530	1210		1210	130		130	50		50	50		
Substations																																
Silt Substation Upgrades - On Hold Indefinitely	DOLTCF	20																														
Substation Test Equipment (CRSP)	CRSPVMF	903	50		50	53		53	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		
Battery and Charger Replacements (CRSP)	CRSPVMF	903	50		50	53		53	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		
CCVT, PT, & CT Replacements (CRSP)	CRSPVMF	552	18		18	48		48	100		100	45		45	50		50	50		50	50		50	50		50	50		50	50		
Substation Disconnect Switch Replacements (CRSP)	CRSPVMF	565	80		80	30		30	100		100	50		50	50		50	50		50	50		50	50		50	50		50	50		
Bushing Replacements (CRSP)	CRSPVMF	298	60		60	78		78	100		100	60		60	60		60	60		60	60		60	60		60	60		60	60		
Surge Arrester Replacements (CRSP)	CRSPVMF	506	58		58	68		68	100		100	40		40	40		40	40		40	40		40	40		40	40		40	40		
Transformer Monitors for Curecanti KZ1A	CRSPVMF	105	105		105																											
Transformer Monitors for Waterflow KU1A	CRSPVMF	97				97		97																								
Transformer Monitors for Shiprock KU3A	CRSPVMF	100							100		100																					
Monitors for WCMO Transformers	CRSPVMF	700																														
Hayden Station Service Replacement	CRSPVMF	400	125		125	125		125	25		25																					
Archer 1566 Replacement	CRSPVMF	102																														
Archer 2224 Replacement	CRSPVMF	69	29		29																											
Ault 1096 & 892 Replacement	CRSPVMF	240			240																											
Ault 692 Replacement	CRSPVMF	300									250		250		50		50															
Ault 696 Replacement	CRSPVMF	300									90		160		250		18		32		50											
Flaming Gorge KY2A & KY2B Uprate	CRSPVMF	3,225	100		100	3000		3000	125		125																					
Hayden 230-kV Switch Replacements	CRSPVMF	169	8		55	63		4	27		31																					
Fontenelle 252 Replacement - COMPLETE	SEVMF	84																														
Hayden 2072,2272,2476 Replacement	CRSPVMF	320	143		143																											
Hayden 2772, 2872, 2972 Replacement	CRSPVMF	314	184		184	130		130																								
Shiprock 3262,3362,3462 Replacement	CRSPVMF	255				65		65	85		85	85		85	20		20															
Midway 1886, 1562, 1662 Replacement	CRSPVMF	360				65		65	90		90	90		90	90		90	25		25												
Blue Mesa 1066, 1162, 1362, 1462 Replacement	CRSPVMF	360				65		65	90		90	90		90	90		90	25		25												
Vernal 1372, 1576, 1672 Replacement	CRSPVMF	312																172		172	140		140									
Vernal 1872, 2172 Replacement	CRSPVMF	220																			120		120	100		100						
Collbran 362 Replacement	CRSPVMF	110																					60		60	50		50				
Rifle 282, 382 Replacement	CRSPVMF	200																							200		200					
Rifle 486, 582 Replacement	CRSPVMF																															
Shiprock KV1C, KV1D Reactor Replacement - Cancell	CRSPVMF																															
Curecanti KV1A, KV1B Reactor Replacement	CRSPVMF	170	50		50																											
Hayden KV1A, KV1B, KV2A Reactor Replacement	CRSPVMF	720							240		240	240		240	240		240															
Midway KW1A, KW2A Reactor Replacement	CRSPVMF	654																294		294	330		330	30		30						
Misc. Substation Elect. Equip. Replace. (CRSP)	CRSPVMF	4,200													800		800	500		500	500		500	600		600	800		800	1000		
Substations SubTotal		17,833	1060	295	1355	3881	27	3908	1455		1455	1115	410	1525	1698	82	1780	1456		1456	1530		1530	1230		1230	1490		1490	1440		
Communications																																
Microwave Spur Replacements (CRSP)	CRSPWCF	6,696	550		550	2300		2300	1900		1900	150		150																		
So. Colorado Joint Microwave Project	CRSPWCF	1,345	250		250																											
RMR Technology Test Bed Project (CRSP) - CANCEL	CRSPVMF																															
Sunlight Tower Replacement	CRSPVMF	158																														
Sunlight Bldg Replacement	CRSPVMF	147																														
FGE, VNL, GRL Communication Bldgs (CRSP)	CRSPVMF	550	550		550																											
Communications Test Equipment (CRSP)	CRSPVMF	933	33		33	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		
VHF Mobile Radio Replacements (CRSP)	CRSPVMF	891	258		258	148		148																								
Communications SubTotal		10,720	1641		1641	2548		2548	2000		2000	250		250	100		100	100		100	100		100	100		100	100		100	100		
Control, Protection and Metering																																
Protective Relay Replacements (CRSP)	CRSPVMF	7,454	604		604	640		640	690		690	690		690	690		690	690		690	690		690	690		690	690		690	690		
Test Equipment Replacements (CRSP)	CRSPVMF	950	50		50	50		50	100		100	100		100	100		100	100		100	100		100	100		100	100		100	100		
RTU Replacements (CRSP)	CRSPVMF	597	72		72	50		50	50</																							

RMR CRSP Capital Investment Plan - Ten-Year Detail

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PROJECT	Fund Power Sys	Project Total	FY05			FY06			FY07			FY08			FY09			FY10			FY11			FY12			FY13			FY14		
			W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL	W Total	O Total	FY TOTAL
Programmatic Improvements																																
Alt. Control Center Expansion - CH (CRSP)	CRSPWMF	110	60		60	50		50																								
GIS Development (CRSP)	CRSPWCF	645	75		75	95		95																								
Small facility Projects (Civil - CRSP)	CRSPWCF	5,660	100		100	500		500																								
Operations Center Map Board Replacement	CRSPVMF	340																														
WIN Project (CRSP)	CRSPVMF	945				225		225																								
E-Scheduling/E-Tagging (CRSP)	CRSPVMF	1,113	49		49																											
IT General Support Systems (CRSP)	CRSPVMF	753	98		98	23		23																								
SCADA Upgrades (CRSP)	CRSPVMF	1,810	113		113	244		244	164		164	199		199	64		64	180		180	65		65	436		436	66		66	66		66
RRADS Small facility Projects (CRSP)	CRSPVMF	1,736	26		26	100		100	100		100	200		200	200		200	200		200	200		200	200		200	200		200	200		200
Misc. SubTotal		13,112	521		521	1237		1237	974		974	1430		1430	946		946	1017		1017	888		888	1525		1525	948		948	915		915
CIP 10 Year Grand Total		66,040	5,010	295	5,305	12,053	27	12,080	7,470	-	7,470	4,610	410	5,020	4,484	82	4,566	5,393	-	5,393	5,018	-	5,018	4,275	-	4,275	3,878	-	3,878	3,795	-	3,795

5.1 Success Indicators

The goal of Western's Plan is to assure the most cost-effective use of available capital resources to assure long-term electric system reliability and availability. The following sections summarize the inventory of major power system equipment and indicators for measuring the success of our capital program.

Facilities

Western operates and maintains an extensive system of interconnected substations, transmission lines, and communication sites. The Region owns and operates 118 substations in the states of Wyoming, Nebraska, Colorado, New Mexico, and Utah. The substations comprise the majority of the maintained equipment in the Region, including 460 high voltage circuit breakers and 121 power transformers.

The substations are interconnected by 5,286 miles of transmission lines operating at voltages between 12,500 and 345,000 volts. The majority of the transmission lines (3,324 miles) were built using wood pole structures, with the remainder (1,962 miles) being of steel structure construction. The breakdown of line miles by voltage and construction is shown below:

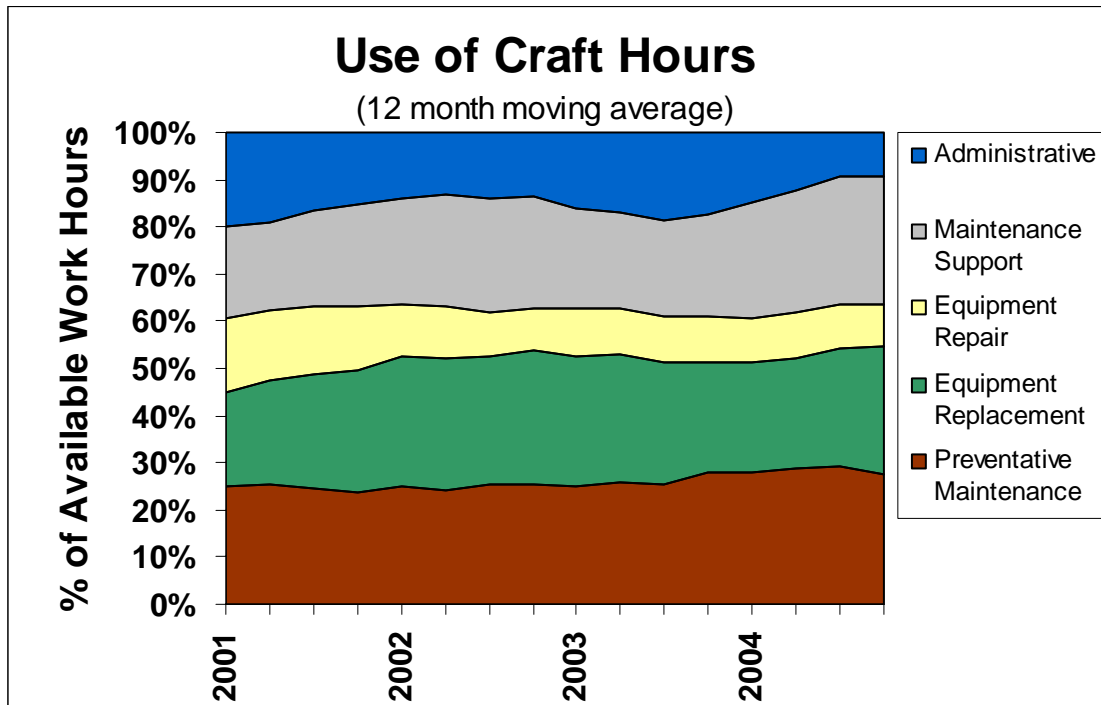
<i>Voltage</i>	<i>Miles of Wood Construction</i>	<i>Miles of Steel Construction</i>	<i>Total</i>
345-kV	0	383	383
230-kV	127	1,434	1,561
138-kV	306	24	330
115-kV	2,347	92	2,439
69-kV	243	25	268
<69-kV	301	4	305
Total	3,324	1,962	5,286

The electrical system is operated from the Loveland Control Center by means of an extensive communications network consisting of microwave, radio, and fiber optic links. The links are connected through 142 Western-owned communications sites.

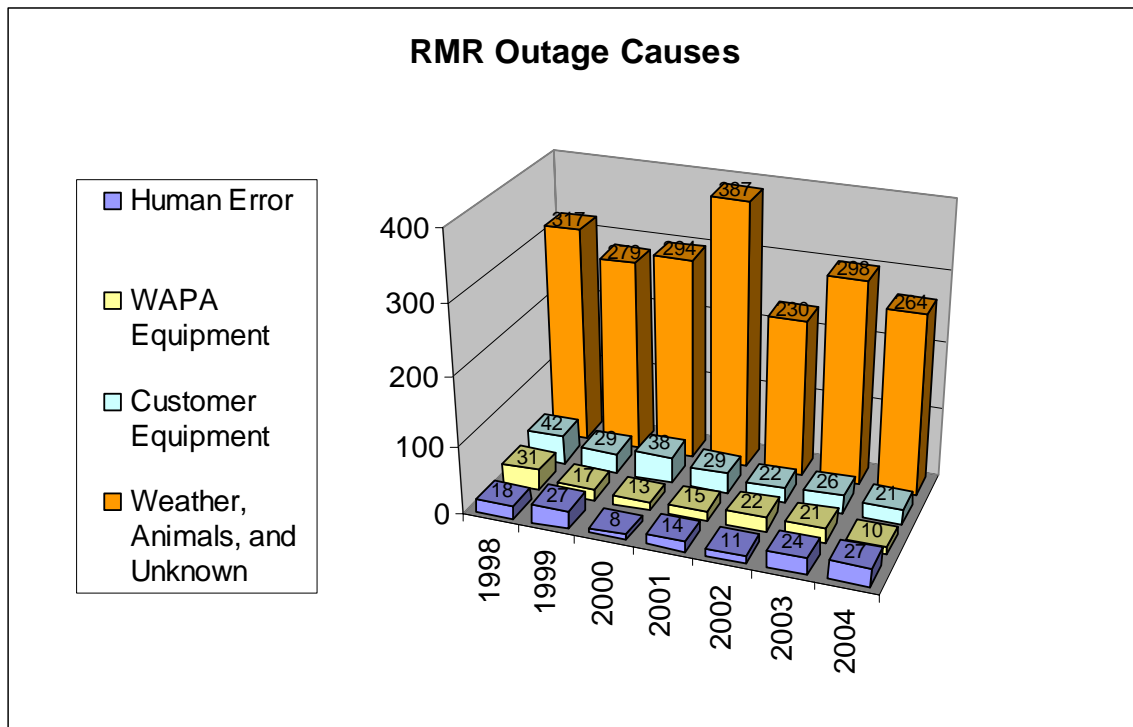
Indicators

We can measure the success of our efforts in several ways:

- **Leading Indicators.** Measurable activities that result in positive outcomes are considered to be leading indicators. For example, increasing the amount of resources allocated to preventative maintenance activities on equipment should result in a reduction of critical equipment failures. Similarly, increasing the amount of resources allocated to equipment improvement and replacement activities should result in fewer equipment-related outages. The following chart shows RMR's percentage allocation of craft labor for preventative maintenance and equipment replacement activities over the last four years as compared to other activities.

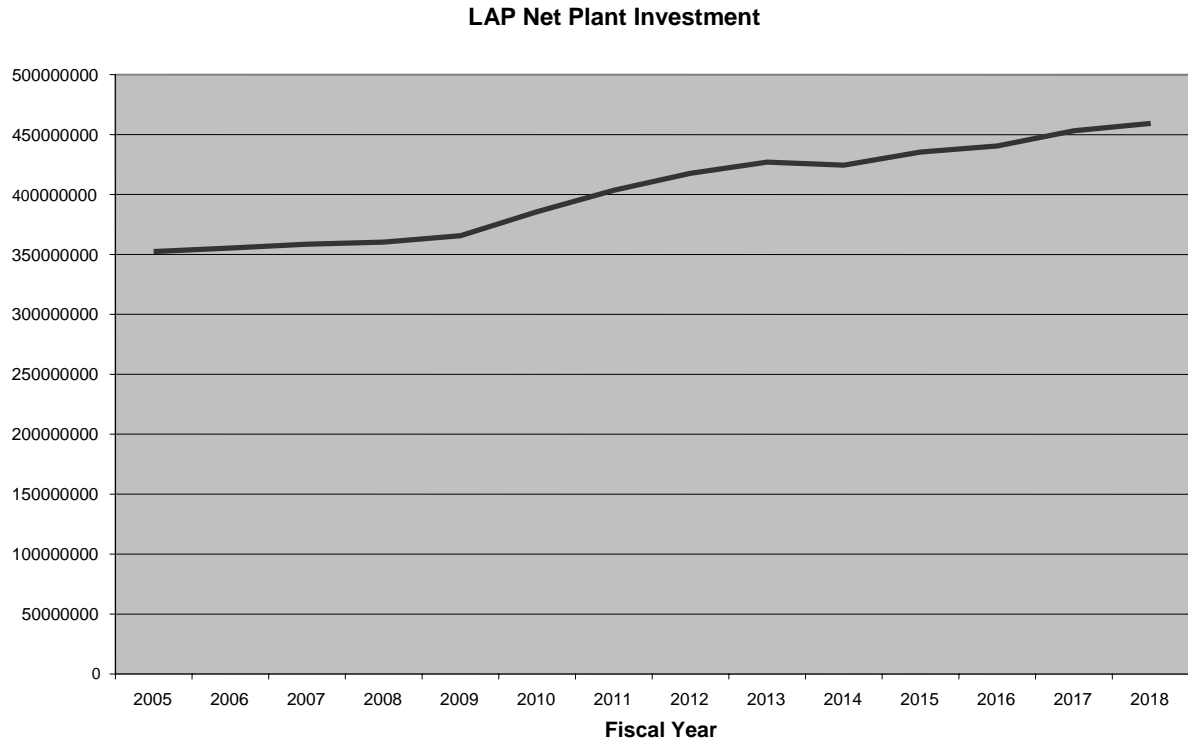


- Lagging Indicators.** The ultimate goal of the Capital Investment Program is to assure electric system reliability. Therefore, the result of an effective program should be fewer power outages due to equipment failures. Since the results of a poorly maintained or managed power system would not be apparent for several years, equipment outage rates tend to be a lagging performance indicator. The following chart shows the annual number of outages in the control system due to all causes including weather, equipment failures, and human error.

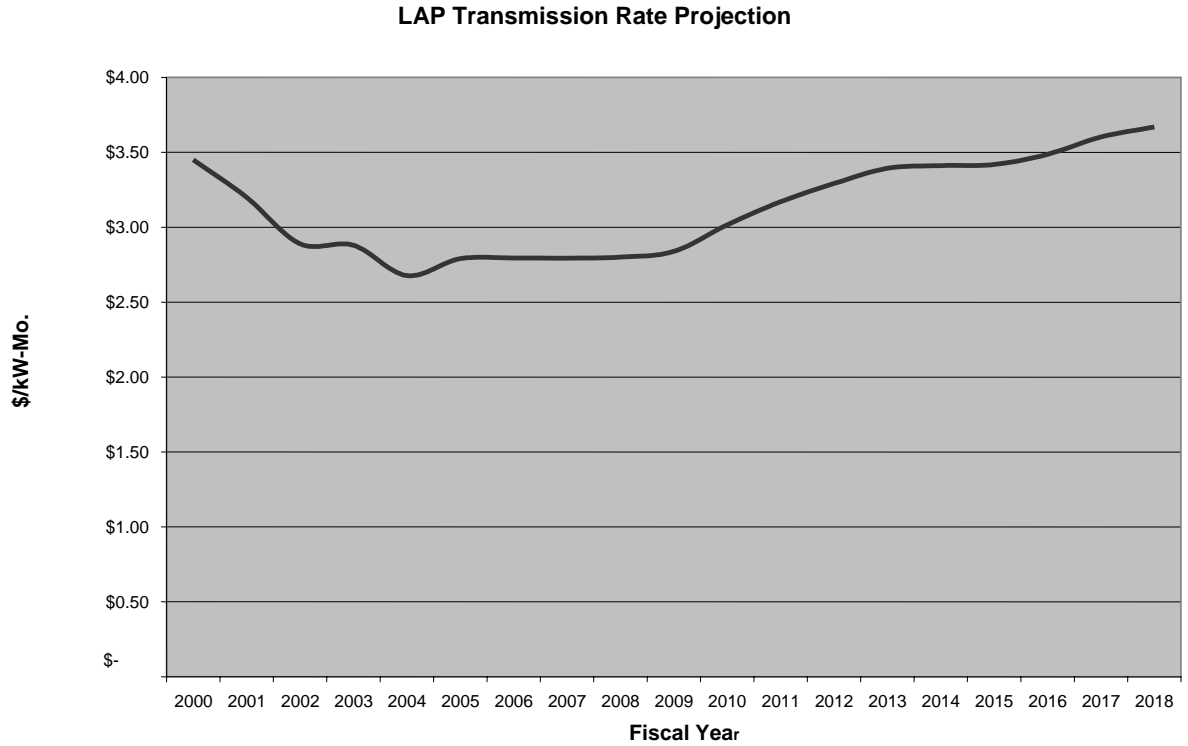


- ***Financial Indicators.*** Western has identified two financial measures that reflect a cost-effective investment program: Net Plant Investment and Rate Impact. Western does not believe that it is possible to maintain system reliability under current load and generation growth conditions without increasing Net Plant Investment. A flat or declining Net Plant Investment is an indicator of a deteriorating system. Conversely, Western must consider the impact on the transmission rate of increasing the Net Plant Investment too rapidly, which result in an unacceptable growth in the rate. As the following graphs indicate, Western's proposed Plan seeks to successfully balance these issues.

The Plan results in an annual growth rate in plant investment for the LAP system of approximately 2% from 2005 through 2018.



The rate impact of these investments also shows an annual growth rate of 2% per year. However, the estimated rate in FY 2018 is only slightly higher than the rate that Western initiated in 2000.



In determining the estimated rate impact, Western used an average load growth rate of 2% per year.

Western will continue to update its Plan and will collaborate with CRSP to develop similar financial indicators for the CRSP transmission system.

**RMR's FY05 Capital Investment Plan
Customer Questions and Comments**

Comments & Questions provided by Western States Power Corporation

According to the graph on page 26 titled "Use of Craft Hours", RMR is using about 50% of the craft hours each year. Is that typical in the utility industry? What is the other half of the time used for?

- This graph represents activities considered to have positive results as a measurement of a leading indicator for success. RMR identified Preventative Maintenance and Equipment Replacement as the activities for this measurement. The graph in the Capital Improvement Plan (CIP) has been changed to show the distribution of all craft labor hours. For FY2005, the distribution was:

Administrative	9%
Maintenance Support (technical training, safety meetings, tool maint, etc.)	28%
Equipment Replacement	27%
Preventative Maintenance	27%
Repair & Emergency	9%

Western does not have any benchmarking data to show how this compares with other utilities.

In the graph on page 27 titled "RMR Outage Causes", it appears that human errors have about doubled (8, 14, 11 in FY-00, 01, 02 compared to 24 & 27 in FY 03 & 04). Is there any reason for the increase in human errors? Is anything being done to reduce them?

- The increase in human errors is due partly to the new digital control systems being designed into our new and refurbished substations. This is a substantial change in equipment and technology, and the learning curve has been challenging. The new control systems tend to magnify the effect of commissioning and testing errors. In the last year, Western has adopted a design standard for digital control systems which should help in better training for our technicians and field engineers.

In the graph on page 29 titled "Net Plant Investment", there seems to be a knee in the curve about 2008. What is causing the change in slope?

- The transmission rate study performed for the 10 year CIP assumed that plant would be booked two years after the costs were incurred. (e.g., the amount spent in 2005 would be booked in 2007). When a rate calculation is made, the most recent results of operations occur two years before the rate year. (e.g., 2007 financial information is used in the rate calculation for 2009). Therefore, costs incurred in 2005 will not affect the rate until 2009. The curve for the Net Plant Investment graph changes in 2009 because the costs were projected to increase to the \$26 million level in 2005 and that level was maintained through 2015.

**RMR's FY05 Capital Investment Plan
Customer Questions and Comments**

The Lovell-Thermopolis 115-kV rebuild project dropped about \$8.4 million from the FY04 to the FY05 capital investment plans. Why?

The planned rebuild of the Lovell-Thermopolis 115-kV line was cancelled due to budget cuts in FY05 with the remainder of the project deferred at least 10 years. Prior to canceling this project, RMR rebuilt approximately 10 miles of the line. The sections rebuilt contained the majority of the structures identified to be in the worst condition.

The Beaver Creek-Hoyt 230-kV upgrade project went up by about \$5.1M but most of the other Front Range 230-kV projects were deferred. Was the Front Range system redesigned? How long was the 230-kV projects delayed? Is it after the 10-years study period?

- The estimate for Beaver Creek-Hoyt 230-kV Upgrade was updated to reflect the recent increase in steel prices.

The overall the timeline for the entire Front Range Transmission Improvements Projects remains the same with the anticipated completion date being about 2022. RMR has adjusted the plan to focus on rebuilding all the transmission lines first prior to constructing any of the 230-kV substations. Subsequently, all substation projects were deferred to the end to the Project, and the transmission line projects were redefined to fit the budget availability within each fiscal year.

WSPC-LAP provided \$1.8M in FY04 for the Yellowtail transformer. Is the item listed the same project?

- Yes, WSPC-LAP funding was used for the project listed in the CIP titled Yellowtail 2nd Transformer Addition.

Are the microwave replacements being jointly planned with the USBR and others?

- Yes, the microwave replacement projects are being planned jointly with the USBR and other non-federal participants (Tri-State and Excel). In some cases the old microwave equipment is being replaced with fiber optics. Most of these are also joint participation projects.

The E-scheduling/tagging program costs went down about \$900K in Pick Sloan and about doubled in CRSP. What changed?

- The scope for this program did not change. Further review identified errors made in the CIP spreadsheet which caused incorrect project totals. These have been corrected in the final FY05 version.

RMR's FY05 Capital Investment Plan Customer Questions and Comments

What is the WIN project? What do the customers get for the \$1M investment?

- This project will accomplish the networking of intelligent electronic devices (meters, relays, controllers, etc.) in our major substations. This will allow better remote diagnostics and monitoring of critical equipment parameters. The customers will get better reliability, quicker analysis and response to disturbances and outages, and lower travel costs to remote sites.

What is involved in the alternate control center (ACC)? Are there any joint discussion about this project with USBR and others?

- This is to meet North American Electricity Reliability Council (NERC) control area operator requirements that we have a remote, fully functional control center capability. The USBR control functions and the Western Electricity Coordinating Council (WECC) Rocky Mountain - Desert Southwest Reliability Center, which normally operate out of the Loveland Dispatch facility, are accommodated in the ACC.

What is involved in the map board replacement? How will the customers benefit from the \$690K costs?

- Currently the map board is a matrix of individual rear-projection video monitors that are controlled by a computer to display Western's system. The primary maintenance of the map board has been replacement of the projector lamps that have a life of about 400 hours. The manufacturer of the monitors has given Western notice that it will no longer manufacture replacement lamps (bulbs) for the monitors. Western has purchased enough spare bulbs for several years of replacements.

Control Area Operators are required by the NERC to have constant visibility of system conditions and a dynamic map board is an efficient way to monitor these conditions. The required visibility extends beyond the Western Area Colorado-Missouri (WACM) control area and large displays are needed in order to get this overview. An investigation of the August 14, 2003, Northeast blackout led to the conclusion that, a lack of observability by all involved parties compounded the severity of this event.

Western believes that a dynamic map board is critical to reliable operations and our course of action is to replace the map board before the supply of spare bulbs is exhausted.

RMR's FY05 Capital Investment Plan Customer Questions and Comments

There is \$100k per year in test equipment expenses for each of substation, communications and control/protection/metering categories. How are the customers benefiting from \$2.8M cost? Are these consumables and/or replacements?

- New equipment technologies are primarily responsible for the increase in test equipment costs. The new digital microwave communication system, as well as the increased use of fiber optics, requires new types of maintenance and diagnostic test sets for the communications technicians. The new generation of microprocessor relays and digital control systems require new test equipment for the meter/relay technicians. And advanced technologies for substation diagnostics to support Reliability Centered Maintenance (RCM), such as infrared thermography and acoustic and vibration analysis, require new equipment for the substation mechanics. The costs include both the replacements of some older test equipment as well as acquisition of new types of diagnostic equipment as previously listed.

The line item for Battery and Battery Charger about doubled. Why?

- Two factors have influenced this. First, the valve-regulated batteries Western began using instead of flooded cells about 15 years ago have a designed life span of about 15 years. Second, with our RCM program, we have begun a more aggressive battery testing program than we previously had. This has shown the need for an increased level of battery replacements.

The Sunlight communication building is about \$150K but the Flaming Gorge (FGE), Vernal (VNL), and Grizzly Ridge (GRL) communication buildings are listed at a total of \$1.15M (about \$380K each). Why the big difference?

- Further review identified errors made in the CIP spreadsheet causing incorrect project totals. These have been corrected in the final FY05 version. The total cost of the FGE, VNL and GRL communication buildings is \$550K (\$183K each). This cost includes providing the generator sets for VNL and GRL, which weren't included in the Sunlight communication building.

RMR's FY05 Capital Investment Plan Customer Questions and Comments

Comments & Questions provided by MEAN

Delays and reductions in Funding

MEAN is concerned about delays and deferrals that have occurred because of budget constraints. It is our understanding that many of these delays are related to budget constraints and Congressional mandates. We are also concerned that funds get earmarked for projects that are not a high priority to Western, and large amounts of construction funds have been used to benefit a relatively small segment of the Western's transmission system. This makes it difficult for Western-RMR's customers to support alternative funding sources when Western-RMR's appropriations are being cut. We appreciate that Western has used alternative funding sources, such as Western States Power Corporation (WSPC), to fund capital projects that have a demonstrated need, such as the Miracle Mile-Cheyenne-Ault improvements. However, as a participant in WSPC, MEAN is concerned that the current funding sources cannot support the potential future funding requirements.

- Western appreciates MEAN's concern regarding the recent trend of delays and deferral of planned work as a result of unplanned projects being included and funding earmarked by legislation within Western's C&R program. Certain funding constraints are outside Western's control. Western fully understands the importance of alternate customer funding sources such as WSPC. Without this resource, it would be extremely difficult to continue to meet our core mission objectives. The RMR CIP has been developed and revised to reflect a reasonable anticipated source of funding, either from appropriations or alternate funding.

Platte Valley 34.5 to 69 kV Voltage Conversion

As was provided in our 2003 comments on the Plan, MEAN is still very concerned about the impact of this project on its members located in the Platte Valley of Nebraska. The most recent proposal, presented in spring 2003, appears to directly impact the City of Mitchell and Village of Morrill, NE. It appears the plan is of great benefit to some utilities on either end of the valley by not converting them to 69 kV; however, the plan will have a disproportionate impact on those utilities that are in the middle of the Platte Valley system. It is our understanding that one of the reasons for the voltage conversion is designed to improve voltage, some of which is caused by low power factors in this area. We would prefer to see Western require ALL transmission customers in this area to maintain a power factor of at least 95%, as is called for in the Schedule of Rates for Firm Electric Service. If there are MEAN members that are contributing to this problem, we would be pleased to work with Western and the member(s) to correct the problem and stay in compliance with their contract obligations. Enforcing minimum power factor requirements alone could defer or eliminate the need for voltage conversion. This would place the cost burden on those customers that are causing the operational issue and thus the costs.

The customer-specific costs of the conversion, such as replacing substation transformers, should somehow be allocated across all customers that benefit from the conversion,

RMR's FY05 Capital Investment Plan Customer Questions and Comments

including those customers at either end of the line that are not being required to convert their distribution facilities. Additionally, as the date for the actual conversion approaches, Western should re-evaluate the entire area to determine if the conversion is needed to meet minimum reliability criteria.

We appreciate the efforts Western has undertaken to keep affected customers involved in this project and are hopeful that Western will continue this approach in the planning process. This includes meeting with the customers who will be impacted by this conversion to assist in planning and reviewing other ways regional problems might be mitigated with other options that might lower cost.

- Western continues to analyze options to address the problems with the Platte Valley 34.5-kV system. Also, Western will continue to make every effort to keep all the customers of the system involved and informed as potential solutions for this area are further developed. Western intends to have a customer meeting in the fall of 2005 to update and discuss changes with the project.

The problems with the Platte Valley system are not limited to voltage issues. Thermal overloading of equipment also limits the number of operating and switching configurations in the 34.5-kV system without the proposed upgrades.

In RMR's FY05 CIP, Western adjusted the Platte Valley Conversion Projects by delaying the start of the Lingle and Torrington 69-kV additions by two years. This change compresses the schedule for the project from eight years to six and allows more time to work out the numerous issues. The completion date for the conversion remains 2015.

Miracle Mile-Cheyenne-Ault Improvements

MEAN continues to support increasing transmission capacity on the TOT 3 interface and would be concerned if there are any delays in these projects. This constrained path causes a great deal of disruption in regional power markets and any relatively low-cost, achievable methods to increase transfer capability should be undertaken.

Since all transmission customers, point-to-point as well as network customers, are responsible for the costs of this improvement, the increased capacity should be allocated to network customers as well as point-to-point users. MEAN would like to have comparable access to the increased capacity on TOT 3 when the improvements are placed in service. Before the improvements are initiated, Western should ensure that the allocation of capacity is done on a fair, reasonable and non-discriminatory basis. MEAN continues to be very interested in discussing this impact and outcome further with Western. To ensure our long term rights, MEAN has already submitted an application for such reservation and we are aware it remains on file at Western-RMR's offices.

RMR's FY05 Capital Investment Plan
Customer Questions and Comments

- Capacity over and above Western's needs for delivery of Federal allocations will be made available and marketed through the Open Access Same-time Information System per Western's Open Access Transmission Tariff.

Front Range Improvements

We continue to support improvements that would strengthen reliability in the Front Range. We agree these efforts should occur before new development makes it impossible to achieve the necessary upgrades without a disruption in service and higher installation and maintenance costs. One of our members, the Town of Lyons, CO, will be served from a new 115-kV tap being installed in the coming year. We would be very concerned if the line were reconstructed and operated solely at 230 kV, as would a great deal of other Western customers with taps and substations in this area. This is an issue we discussed in detail with Western prior to Lyons initiating the installation of the facility. We would support the construction of a double circuit, 230-kV line with one side operated at 115 kV for the foreseeable future, until a reasonable transition plan that mitigates individual customer impacts is developed.

- Western appreciates MEAN's support of the Front Range Improvements. This project is very important to RMR in order to insure long term reliability for our customers served by this system. It is reassuring that Western's customers recognize the benefits achieved by rebuilding the transmission lines comprising the Front Range Improvements as 230-kV double circuits. By building for 230-kV capability but operating initially at 115-kV, Western is maximizing the utilization of the available rights of way while postponing the expense of converting the numerous delivery points on these lines to 230-kV operation.

The Town of Lyons' Dougherty Substation is planned as a tap on Western's Lyons-Longmont NW 115-kV transmission line. Western's plan for this line section is for a double circuit 230-kV line with one circuit operated at 115-kV.