

RESPONSE TO DISCOVERY REQUEST LWG1-4 continued:

b)

WEIGHTED AVERAGE PRICE PER MMBTU	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
COAL	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.54	\$ 0.57	\$ 0.57	\$ 0.59	\$ 0.58	\$ 0.82	\$ 0.73
FREIGHT	\$ 0.39	\$ 0.38	\$ 0.39	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.38	\$ 0.43	\$ 0.47
TOTAL	\$ 0.91	\$ 0.90	\$ 0.91	\$ 0.87	\$ 0.90	\$ 0.90	\$ 0.92	\$ 0.96	\$ 1.25	\$ 1.20

c) Gas price projections from the 1999 IRP were provided to the Commission in Docket No. 99A-549E. This docket is over seven years old. For the Company to ensure that we provide the gas prices actually used in the 1999 IRP resource selection processes, it would be necessary for Public Service to retrieve information that the Company provided to Commission Staff, and other intervening parties to that docket. This would entail a considerable amount of time and effort on the Company's behalf. Ms. Glustrom is free to retrieve this information from the Commission record in the CPUC Docket No. 99A-549E proceedings.

For gas price forecast information used in the 2003 LCP see Table 1.10-1 (page 1-80), Figure 1.10-3 (page 1-81), and the corresponding discussions from Volume 1 of the 2003 Least-Cost Plan. This plan was filed in cumulative CPUC Docket No. 04A-214E, 215E, 216E.

d) See response to LWG1-4(c) regarding information requested for the 1999 IRP.

Coal prices used in the 2003 Least Cost Plan were provided in response to Staff discovery response CPUC18-5 in CPUC Docket No. 05A-543E. The information was provided in Highly Confidential Attachment CPUC18-5.xls

e) The information is provided or directions are given to find the information in each of the subparts, Ms. Glustrom can accumulate all the required information and create the table.

f) See Attachment LWG1-4(f).

g) See response to LWG1-9d.

Sponsor: a)Heather Cellini, b-g Kathryn Valedéz, Jim Hill **Response Date:** February 12, 2008

Re: In The Matter of the Application of)
Public Service Company of Colorado)
For Approval of its 2007 Colorado)
Resource Plan)
)
Docket No. 07A-447E)

First Set of Discovery Requests
Of Ms. Glustrom
Served On Public Service Company

January 22, 2008

DISCOVERY REQUEST LWG1-5:

In response to discovery question LWG 2-11 in Docket 07A-107E, you provided the following information on coal contracts to me:

LWG 2-11b. And LWG 2-11c.

<u>Supplier</u>	<u>Mine</u>	<u>Plant(s)</u>	<u>Expiration</u>	<u>Quantity</u>	<u>% Plant(s) Req</u>
Arch Coal Sales	Black Thunder	Arapahoe	12/31/2008	400,000	58%
Arch Coal Sales	Black Thunder	Arapahoe	12/31/2007	42,300	6%
Arch Coal Sales	Black Thunder	Arapahoe	12/31/2007	250,000	36%
Foundation	Belle Ayr	Comanche	12/31/2009	Requirements	100%
Foundation	Eagle Butte	Pawnee	12/31/2009	Requirements	100%
Bowie Resources	Bowie	Cherokee/Valmont	12/31/2007	400,000	14%
Rio Tinto	Colowyo	Cherokee/Valmont	12/31/2007	250,000	8%
Twentymile Coal Co.	Foidel Creek	Cherokee/Valmont	12/31/2007	2,000,000	68%
Twentymile Coal Co.	Foidel Creek	Cherokee/Valmont	12/31/2007	300,000	10%
CoalSales Co.	Twentymile	Hayden	12/31/2011	Requirements	100%
Central Appalachia	McClane Canyon	Cameo	12/31/2008	250,000	100%
Colowyo Coal Co.	Colowyo	Craig	12/31/2017		
Trapper Mining	Trapper	Craig	12/31/2014		

a) Is this information still correct?

b) For each contract that expired in 2007, please indicate the number of tons of coal in the expired contract and its price and the number of tons of coal and its price in the new contract. Please express all prices in both \$/ton and \$/ MMBtu. Please provide the expiration dates of the new contracts negotiated in 2007. [question continued on next page]

DISCOVERY REQUEST LWG1-5 continued:

c) For each contract that will expire in 2008, please provide the existing price in both \$ per ton and \$ per MMBtu and then provide an estimated percentage of change for that contract that will occur when the contract is renegotiated and an explanation of the factors considered in the estimate. I am particularly interested in evaluations related to geologic constraints and projected production costs. Please provide the source of all information used and wherever possible, please provide copies of the information relied on. For any contracts that you don't think you'll be able to renegotiate, please provide an explanation of why and what plans PSCo has for obtaining replacement coal.

RESPONSE:

- a) All information in this table is correct. An updated table is provided in the response to LWG1-5b.
- b) See Attachment LWG1-5. Pricing information is Highly Sensitive Confidential information and will not be provided.
- c) Doc 181171-10 Doc 183259 and Doc 181044 will be replaced with new contracts after a competitive bidding RFP process in mid-2008. The pricing under the existing contracts and replacement contracts is highly confidential. PSCo does not forecast coal prices, but instead relies upon industry experts and their professional opinions through paid subscriptions to proprietary reports protected by copyright. PSCo does not anticipate any problems replacing the coal with new contracts after current contracts expire.

Sponsor: Kathryn Valdez, Jeanette Schuck

Response Date: February 12, 2008

**Re: In The Matter of the Application of)
Public Service Company of Colorado)
For Approval of its 2007 Colorado)
Resource Plan)
)
)
Docket No. 07A-447E)**

**First Set of Discovery Requests
Of Ms. Glustrom
Served On Public Service Company**

January 22, 2008

DISCOVERY REQUEST LWG1-6:

Please provide the percentage of PSCo's coal and coal freight that is under long term contract for each of the years of the Resource Acquisition Period and for as many years of the planning period as are relevant. (i.e. once we reach the year where there is no coal or freight under long term contract, you can quit).

RESPONSE:

LWG1-6								
Percentage under Contract								
	2008	2009	2010	2011	2012	2013	2014	2015
Coal	101%	86%	29%	18%	6%	2%	2%	1%
Transportation	100%	43%	33%	31%	19%	19%	19%	19%

Sponsor: Kathryn Valdez

Response Date: February 12, 2008

**Re: In The Matter of the Application of)
Public Service Company of Colorado)
For Approval of its 2007 Colorado)
Resource Plan)
)
)
Docket No. 07A-447E)**

**First Set of Discovery Requests
Of Ms. Glustrom
Served On Public Service Company**

January 22, 2008

DISCOVERY REQUEST LWG1-7:

For each of the sources of coal cost estimates found on page 1-55 of the Colorado Resource Plan, please provide the actual estimate from that source and describe how this estimate was weighted in coming up with the long term coal cost projections in Figure 1.7-1. Please provide an overall view of how the coal costs in Figure 1.7-1 were derived.

RESPONSE:

The actual estimates (provided by UPI, JD Energy, CERA and PIRA) are all protected by copyright. The coal costs in Figure 1.7-1 are for one of PSCo's coal-fired units that burns Powder River Basin coal. For an overall view of how the coal costs in Figure 1.7-1 were derived PSCo read the write ups and qualitatively discussed internally the reasoning provided by the industry experts. Then the various high and low case sensitivities were weighted against each other and the activity the department was seeing in the market at the time to derive the market price assumptions.

Sponsor: Kathryn Valdez

Response Date: February 12, 2008

Re: In The Matter of the Application of)	First Set of Discovery Requests
Public Service Company of Colorado)	Of Ms. Glustrom
For Approval of its 2007 Colorado)	Served On Public Service Company
Resource Plan)	
)	
Docket No. 07A-447E)	January 22, 2008

DISCOVERY REQUEST LWG1-8:

Please explain the statement on page 1-55 regarding each rail charge and fuel surcharge developed for each coal plant delivery location and provide a table showing these charges for each coal plant. Please provide an explanation for each assumption that was used and provide the data that were used to develop the surcharge estimates.

RESPONSE:

For the rail charge, PSCo used existing contract rates until expiration and tariff rates where applicable. PSCo also used its experience in negotiating rail contracts in other jurisdictions to estimate future rail rates in PSCo. The company's existing rail charges are highly sensitive confidential information and our projections of future rail rates are also highly sensitive confidential information. The surcharge estimate is based upon each railroad's published formulas for surcharge calculations and the forward fuel oil price, which correlates closely to the on highway diesel index the railroad surcharges are based upon.

Sponsor: Kathryn Valdez

Response Date: February 12, 2008

