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May 5, 2006

PLANNING COORDINATION COMMITTEE OPERATING COMMITTEE TECHNICAL STUDIES SUBCOMMITTEE

> Subject: Path 48 (NM2) Northern New Mexico Transmission Accepted Rating

Public Service Company of New Mexico (PNM) submitted a Comprehensive Progress Report titled "Colorado-New Mexico Interconnection Project for Path 48 (NM2)" on March 1, 2006 to PCC, TSS and OC. The transmittal letter indicated that PNM would follow the WECC Project Rating Review Process for expediting the project review and requested comments or interest in forming a review group by May 1, 2006. PNM proposes Path 48 Accepted Rating to 1,849 MW (simultaneous) and 1,970 MW (non-simultaneous) based on planned system upgrades. No comments or expressions of interest in forming a review group were received within the 60 day comment period.

The increase in rating would result from Tri-State Generation and Transmission Association Inc. (Tri-State) proposal to construct the Colorado-New Mexico Interconnection Project (CNMIP) that consists of a 113 mile 230 kV transmission line from Walsenberg, Colorado to Gladstone, New Mexico. The project has a proposed December 2006 in-service date. The variable differentiating the above simultaneous and non-simultaneous ratings is the north to south flow over El Paso Electric Company's (EPE) phase shifting transformer (EPE PST) on the West Mesa-Arroyo 345 kV line. PNM has confirmed that the Path 47 non-simultaneous import capability of 1048 MW is not impacted by the CNMIP.

In accordance with the WECC Policies and Procedures for Regional Planning Project Review, Project Rating Review, and Progress Reports, this letter is to confirm that Path 48 (Northern New Mexico (NM2) has achieved an Accepted Rating of 1,849 MW

(simultaneous) and 1,970 MW (non-simultaneous) and is granted Phase 3. Path 48 remains unrated in the export direction. The Accepted Ratings are subject to completion of the planned upgrades, as discussed in the attached Project Rating Report.

Sincerely,

Robert Jenkins

Robert Jenkins

cc: Gregory Miller, PNM Steve Williams, PNM Dana Cabell, TSS Chair Ken Wilson, WECC

Attachment – Colorado-New Mexico Interconnection Project For Path 48 (NM2)

 $G: \DEPT\SEC\PCC\TSS\2006\Path 48_Accepted Rating_06-05.doc$