

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO**

\* \* \* \* \*

IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF )  
COLORADO (A) FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND ) PROCEEDING NO. 14A-0287E  
NECESSITY FOR THE PAWNEE TO )  
DANIELS PARK 345KV TRANSMISSION )  
PROJECT, AND (B) FOR SPECIFIC )  
FINDINGS WITH RESPECT TO EMF AND )  
NOISE. )

IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF )  
COLORADO FOR APPROVAL OF THE )  
600 MW RUSH CREEK WIND PROJECT ) PROCEEDING NO. 16A-0117E  
PURSUANT TO RULE 3660(H), A )  
CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR )  
THE RUSH CREEK WIND FARM, AND A )  
CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR )  
THE 345KV RUSH CREEK TO MISSLE )  
SITE GENERATION TIE TRANSMISSION )  
LINE AND ASSOCIATED FINDINGS OF )  
NOISE AND MAGNETIC FIELD )  
REASONABLENESS. )

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE COMPANY OF )  
COLORADO FOR A VARIANCE OF THE ) PROCEEDING NO. 16V-0314E  
CONSTRUCTION SCHEDULE FOR THE )  
PAWNEE TO DANIELS PARK 345KV )  
TRANSMISSION PROJECT. )

**2019 Semi-Annual Progress Report #3**

**Pawnee-Daniels Park 345kV Transmission Project**

**January 14, 2019**

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## EXECUTIVE SUMMARY

The Company is filing additional detailed Pawnee-Daniels Park Project cost information, including costs incurred as compared to the Company's budget, in this Semi-Annual Progress Report as required by Decision No. R14-1405 in Proceeding No. 14A-0287E and consistent with the terms of the Rush Creek Settlement Agreement in Proceeding No.16A-0117E and Proceeding No.16V-0314E. Decision No. R14-1405 at Paragraph 7 provides as follows:

Public Service shall file with the Commission, as compliance filings in this proceeding, Semi-Annual Progress Reports for the Project. The first report shall be filed within 30 days following receipt of the last route permit determining route of the Project. Subsequent reports shall be filed no later than six months following the due date of the prior report. Semi-Annual Progress Reports shall continue to be filed until the Project is reported therein to be complete. Each Semi-Annual Progress Report must report:

- a: monthly actual expenses incurred and monthly budgeted expenditures by activity;
- b: any modifications, by month, to subsequent forecasted expenditures for the remainder of the Project;
- c: a cumulative comparison of actual performance of the Project to budget;
- d: an explanation of any changes to the overall budget for the Project;
- e: an explanation of any changes to the Project schedule;
- f: efforts to reduce the cost of the Project; and
- g: a narrative statement of the overall Project status.

The Company's last route permit was received on December 13, 2017. Therefore, in compliance with the Commission's directive, the Company filed the first Semi-Annual Progress Report on January 12, 2018 and the second Semi-Annual Progress Report on July 12, 2018. The third Semi-Annual Progress Report filing is provided herein on January 14, 2019. The Pawnee-Daniels Park Project is now estimated to come in under the originally forecasted budget and remains on schedule.

## **SECTION A**

### Monthly actual expenses incurred and monthly budgeted expenditures by activity.

The data and graphs included as Exhibit 1 report the actual project/activity expenditures for January 1, 2013 through December 31, 2016 (“Prior to 2017”); 2017 year-end summary of budget vs. actuals; 2018 monthly budget vs. actuals; and 2019 through 2020 budget estimates/forecasts.

## **SECTION B**

### Any modifications, by month, to subsequent forecasted expenditures for the remainder of the Project.

There were no significant month, year, or overall forecast changes compared to the budget reported in the second Semi-Annual Progress Report (through May 31, 2018). This third progress report due January 14, 2019 herein reports the known changes in the forecasts compared to budget reflected in Exhibit 1.

## **SECTION C**

### A cumulative comparison of actual performance of the Project to budget.

See Section A above.

## **SECTION D**

### An explanation of any changes to the overall budget for the Project.

The data and graphs included as Exhibit 1 report that the overall Pawnee-Daniels Park 345kV Transmission Project estimate is within approximately 14% of the project estimate included in the first application submitted in 2014 at \$177,800,000. As of December 31, 2018, the project estimate at completion is \$153,192,285 as a result of scope changes and project cost savings as explained in Section F.

## SECTION E

### An explanation of any changes to the Project schedule.

There are no significant changes to the overall project schedule. Siting and Land Rights activities (permitting, land and easement acquisitions) have or will be completed as scheduled and will not impact any project segment construction start dates. The last land use/route permit application (City of Aurora) was approved and received December 13, 2017. To date, there have been no significant delays in any segment construction start dates (see below in Section G). To date, no significant delays are expected in other project segment construction start or finish dates. The overall project completion/in-service date remains October 30, 2019.

## SECTION F

### Efforts to reduce the cost of the Project.

As part of the Public Service Life Cycle Project Process, one requirement is to identify potential project risks and risk mitigation related to both cost and schedules of the project. As the project and segments now progress into major construction phases and completion, we continue to identify all efforts to reduce project costs. However, some efforts which the Company has undertaken to reduce costs include:

- Completing Siting and Land Rights activities (permitting, land and easement acquisitions) early and as scheduled to not impact any project segment construction dates.
  
- Ensuring there are ongoing meetings that include Project Management, Project Controls, Engineering, Construction and Transmission Operations to identify and approve (early on) required system outages and ensure all engineering is complete, construction drawings issued, and construction resources secured to avoid delays and subsequent project cost impacts.

- Utilizing best utility and value added engineering practices, both of the industry and within Public Service; to verify and refine the scope of the project and all segments.

- Holding at a minimum, three levels of constructability meetings to identify any potential project design and field constructability concerns and mitigation.

- Planning the construction sequencing for both substations and transmission line segments to take advantage of synergies of system outages on like elements and combining construction resources for project segments in the same substation areas and transmission line corridors.

- Developing and utilizing consulting, contractor and material/equipment alliances for cost effective engineering support, construction support, and material/equipment procurement for early, on time delivery.

Major scope changes and budget cost variances include:

- Permitting, right-of-way (“ROW”) acquisition and engineering optimization activities resulted in the reduction of final line route mileage for Line 7109 (Harvest Mile-Daniels Park 345) of 10 miles (\$9.0 million).

- Better/more competitive substation and transmission material and construction contractor labor pricing on major project components (\$6.1 million).

- As the project and segments now progress into major construction phases and construction risks are mitigated, a portion of Risk Reserve (Contingency) is no longer necessary and released (\$7.1 million).

- Refined Transmission Planning studies determined that a reactor installation was not required at Pawnee 345kV Substation (\$2.5 million).

## SECTION G

### A narrative statement of the overall Project status.

The project scope includes: construction of approximately 115 miles of double circuit 345kV transmission lines from the Pawnee Substation, northeast of the Denver-metro area, to the Daniels Park Substation, south of the Denver-metro area. The project will include a new Smoky Hill Substation to Daniels Park Substation 345kV transmission line. The project also includes building a new Harvest Mile 345kV Substation southeast of Denver and expansion at five other substations along the route. The project is required to facilitate future generation development, including the Public Service Rush Creek Generation Project. It will also help support the acquisition of other eligible energy generation development in the region, meeting the intent of SB-100 for Energy Resource Zones (ERZ) 1 and 2. Lastly, the project will also improve system reliability.

Harvest Mile 345kV Substation construction is completed, commissioned and was declared in-service on December 20, 2018.

Smoky Hill 230kV Substation (through phase 7 of 9) and Smoky Hill 345kV Substation construction is completed, commissioned, and was declared in-service on December 20, 2018.

Missile Site 345kV Substation construction is completed, commissioned, and was declared in-service on October 26, 2018. The project was on time to support Public Service's Energy Supply backfeed date for the Rush Creek generation facility testing, commissioning and ultimate commercial operation date of the Rush Creek wind project.

Construction is completed on 8 of 12 transmission line segments. 7109 (Missile Site-Byers Transition Site 345) was completed June 1, 2018. 5467 (Pawnee-Smoky Hill 230) was completed January 16, 2018. 5165 (Brick Center-Smoky Hill 230) and 7111 Phase 1 (Pawnee-Missile Site 345) was completed May 15, 2018. 5163 (Sulphur-Smoky Hill 230) was completed May 6, 2018. 7081 (Missile Site-Smoky Hill 345) was completed October 19, 2018. 5179 (Smoky Hill-Harvest Mile 230) and 7087 (Smoky

Hill-Harvest Mile 345) was completed December 10, 2018. 5113 (Missile Site-Daniels Park 230) was completed December 12, 2018.

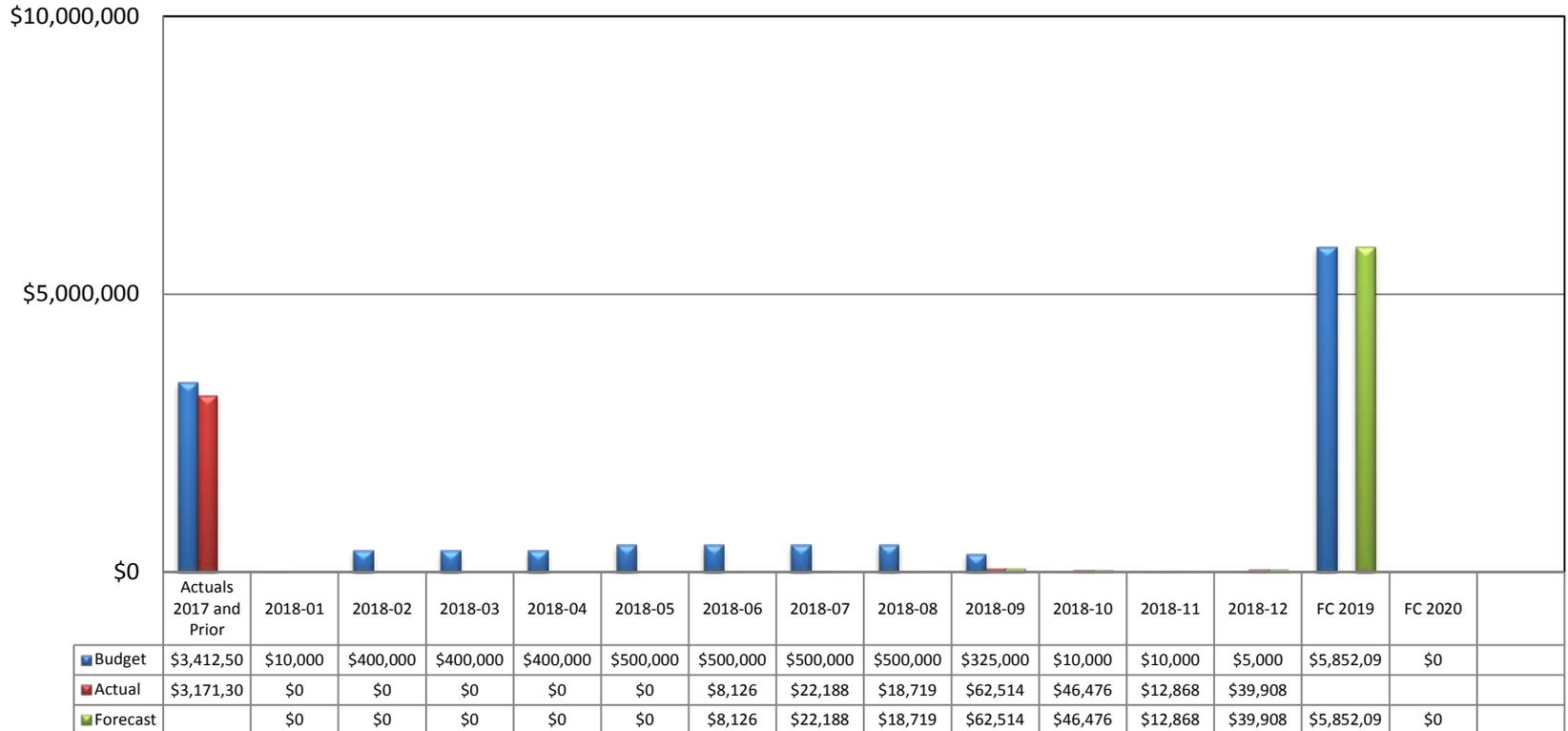
The last major transmission line construction segments include 7109 / 7153 (Harvest Mile-Daniels Park 345). Major material deliveries are completed. Construction is scheduled to start January 2019.

Pawnee 345kV Substation and Daniels Park 345kV Substation construction started September 2018.

As explained in Section E, the Company is planning on completing the project on schedule and the in-service date remains October 30, 2019.

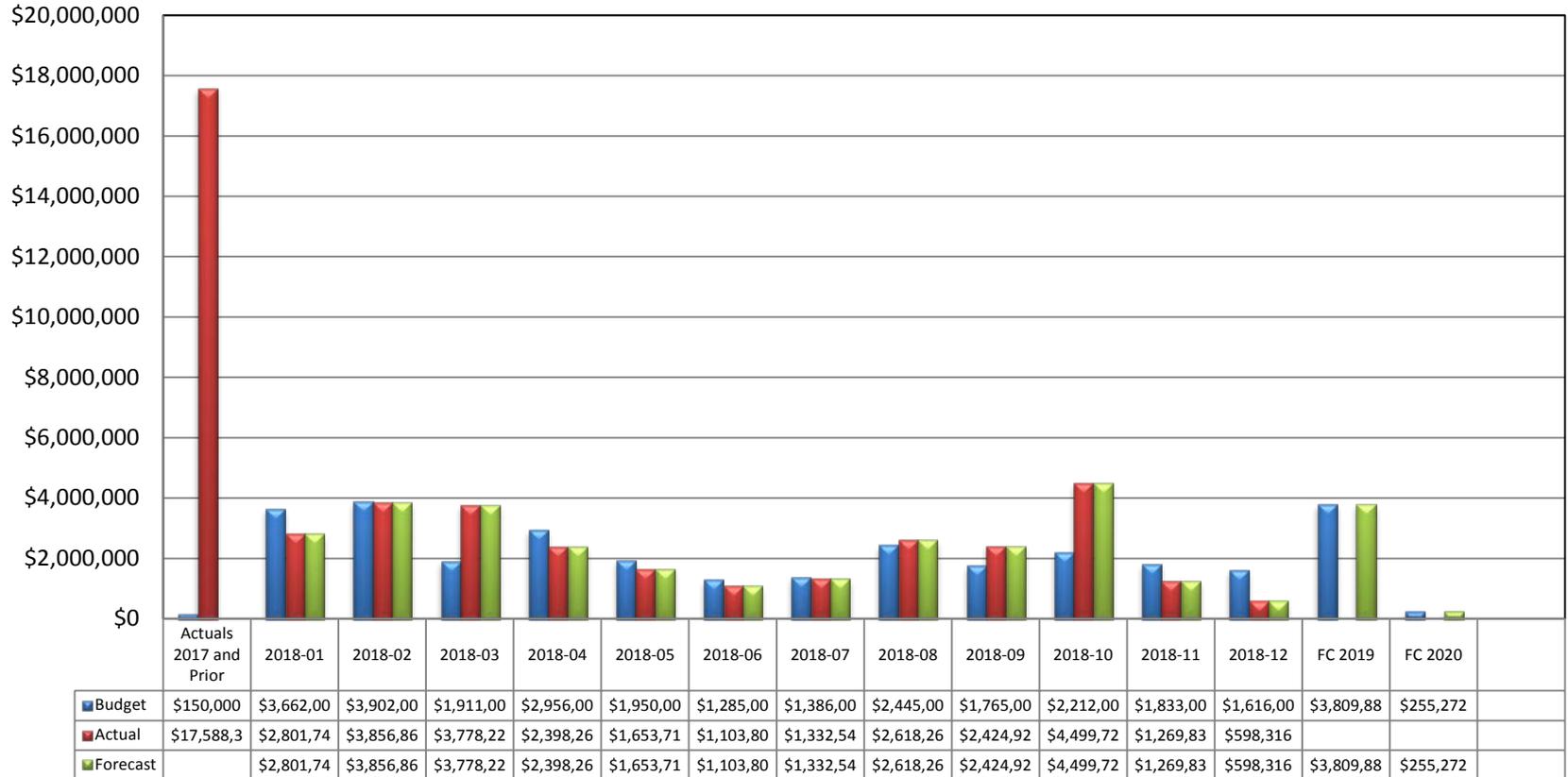
## Pawnee-Daniels Park 345kV Transmission Project CPUC Semi-Annual Progress Report No. 3 Decision No. R14-1405

### Siting & Land Rights



## Pawnee-Daniels Park 345kV Transmission Project CPUC Semi-Annual Progress Report No. 3 Decision No. R14-1405

### Substations

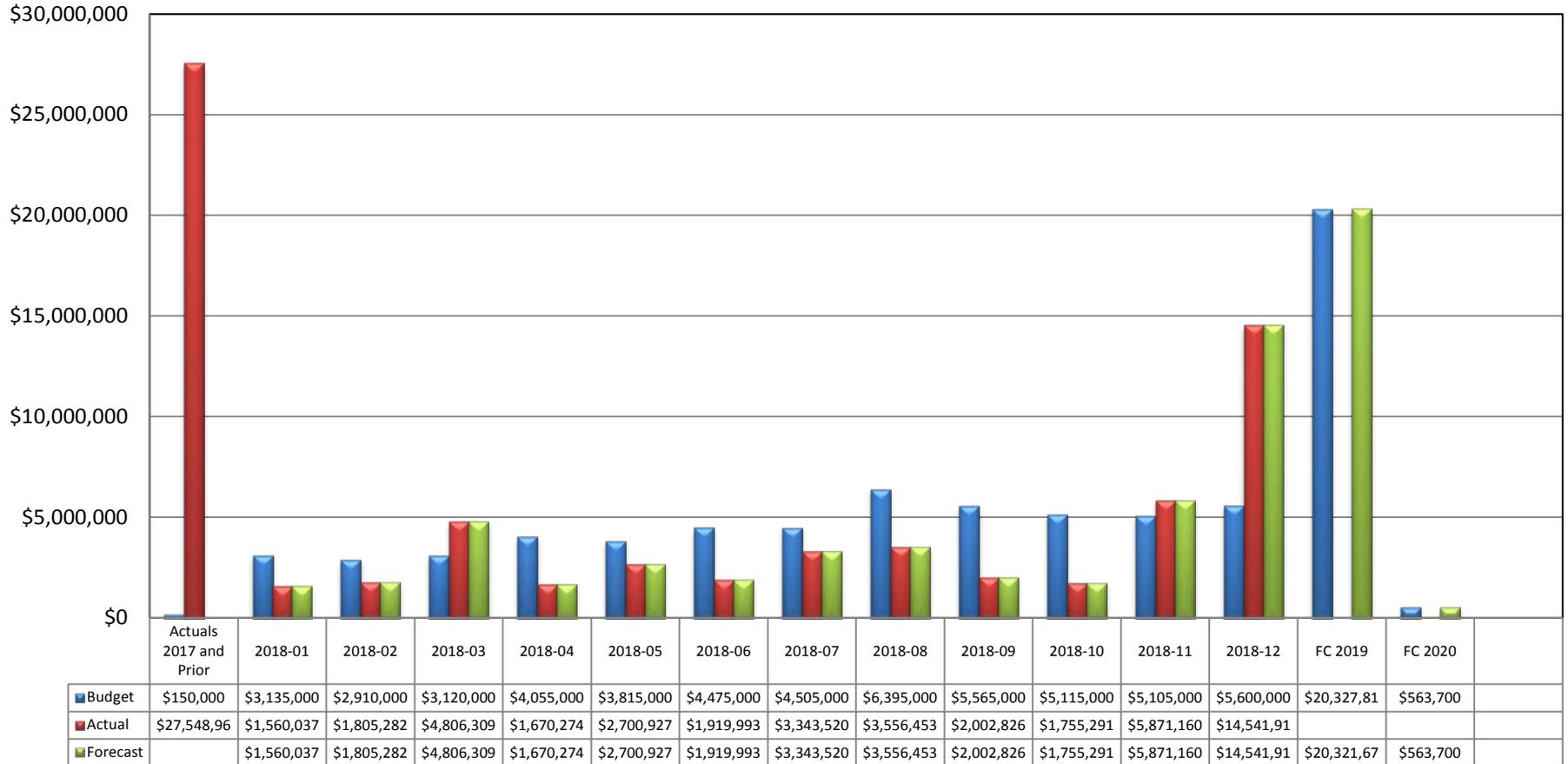


# Pawnee-Daniels Park 345kV Transmission Project

## CPUC Semi-Annual Progress Report No. 3

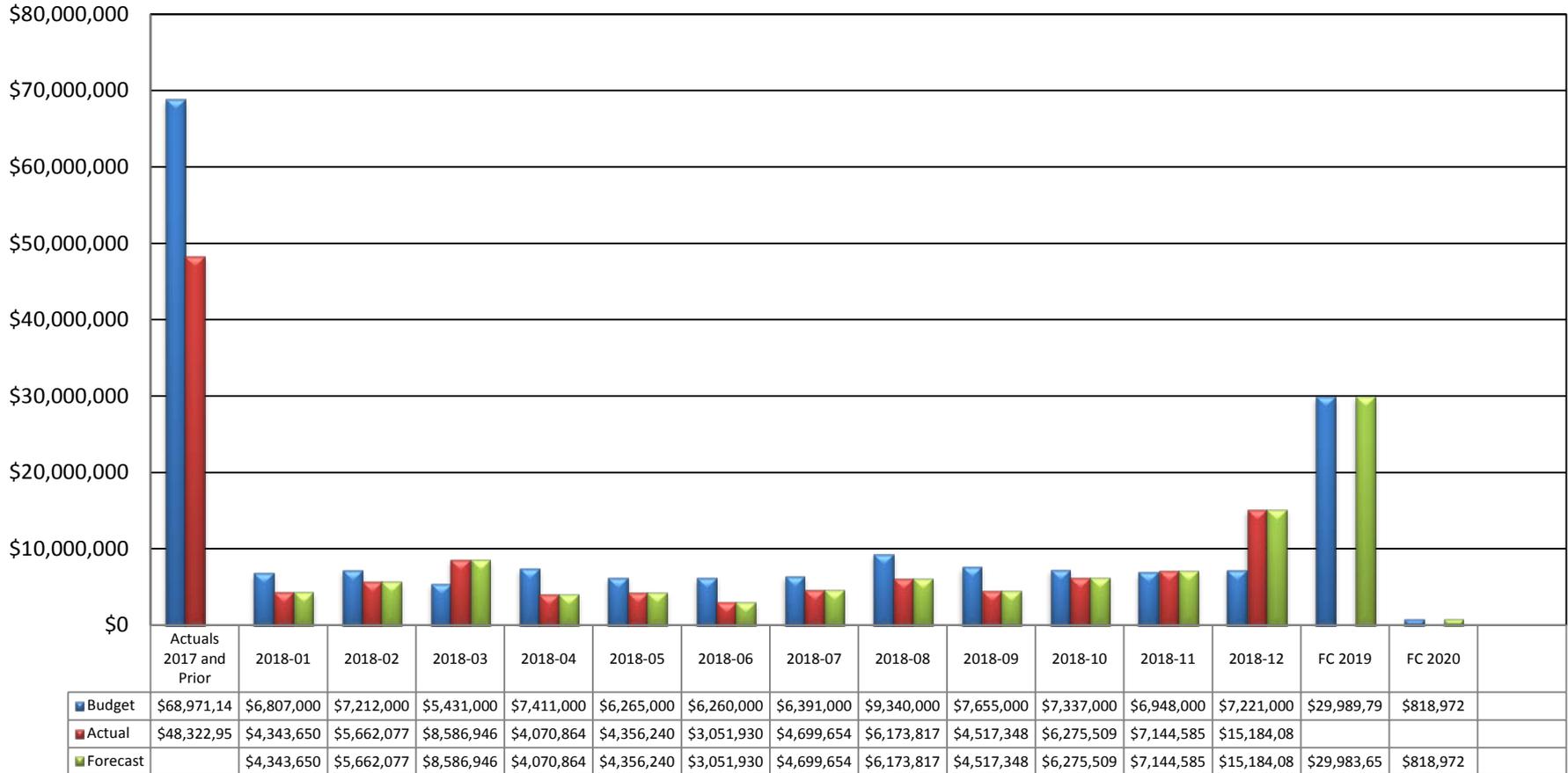
### Decision No. R14-1405

## T-Lines



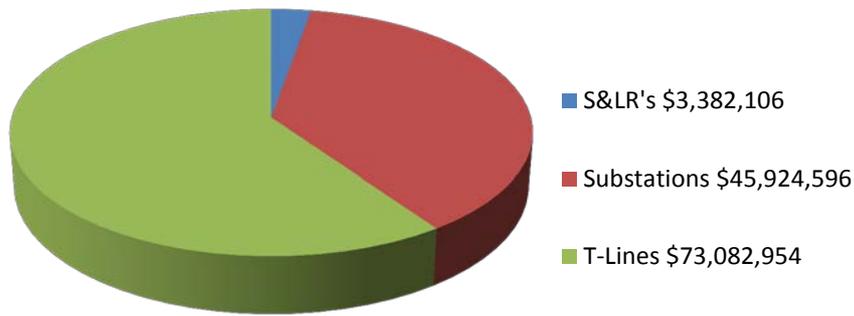
## Pawnee-Daniels Park 345kV Transmission Project CPUC Semi-Annual Progress Report No. 3 Decision No. R14-1405

### Overall Project Summary

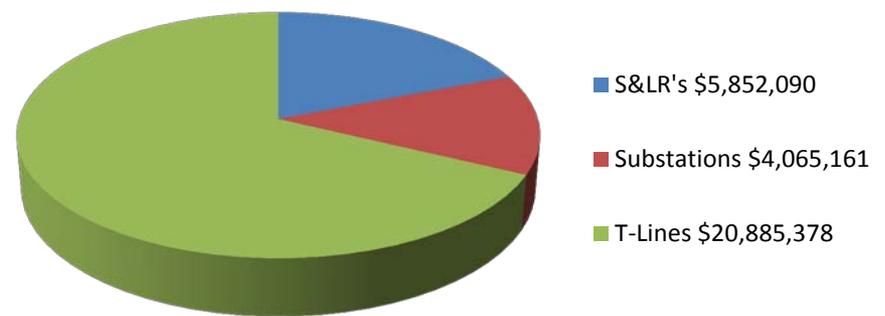


# Pawnee-Daniels Park 345kV Transmission Project CPUC Semi-Annual Progress Report No. 3 Decision No. R14-1405

### Spent to Date



### Remaining Estimate to Complete



# Pawnee-Daniels Park 345kV Transmission Project CPUC Semi-Annual Progress Report No. 3 Decision No. R14-1405

## Pawnee-Daniels Park Project Actual/Forecast Summary

