

**SOUTHWEST TRANSMISSION EXPANSION PLAN (STEP) STUDY
CAISO - PLANNING LEVEL COST ESTIMATE
SUMMARY TABLE**

Item	STEP TRANSMISSION ALTERNATIVES	PLANNING LEVEL COST ESTIMATE (PV) (\$ Million - 2003 Dollars)	CARRYING CHARGE (r) (%)	TERMS (T) (YEARS)	LEVELIZED CAPITAL COST (\$ Million / Year)
1	Common Transmission Upgrades	169	17.5%	30	29.8
2	AC-1	915	17.5%	30	161.4
3	AC-2	1,240	17.5%	30	218.7
4	AC-3	1,105	17.5%	30	194.9
5	AC-4	840	17.5%	30	148.2
6	DC-1	1,626	17.5%	30	286.8
7	DC-2	1,609	17.5%	30	283.8

$$\text{LEVELIZED CAPITAL COST} = PV \times [r \times (1+r)^T] / [(1+r)^T - 1]$$