

COVER SHEET
OPEN MEETING ITEM
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER



0000000621

CASE/COMPANY NAME:

Duke Energy Maricopa, LLC

2000 OCT 20 10:30 AM
 Docket No. L-00000P-99-0098
 Arizona Corporation Commission
 Committee Case No: 98

AZ CORP COMMISSION
 DOCUMENT CONTROL

DOCKETED

OCT 20 2000

D/B/A: _____

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NATURE OF ACTION OR DESCRIPTION OF DOCUMENT Please mark the item that describes the nature of the case/filing:

01 **NEW APPLICATIONS**

- | | |
|---|--|
| <input type="checkbox"/> NEW CC&N | <input type="checkbox"/> MAIN EXTENSION |
| <input type="checkbox"/> RATES | <input type="checkbox"/> CONTRACT/AGREEMENTS |
| <input type="checkbox"/> INTERIM RATES | <input type="checkbox"/> COMPLAINT (Formal) |
| <input type="checkbox"/> CANCELANON OF CC&N | <input type="checkbox"/> RULE VARIANCE/WAIVER REQUEST |
| <input type="checkbox"/> DELETION OF CC&N TERRITORY | <input type="checkbox"/> SITING COMMITTEE CASE |
| <input type="checkbox"/> EXTENSION OF CC&N (TERRITORY) | <input type="checkbox"/> SMALL WATER COMPANY -SURCHARGE (Senate Bill 1252) |
| <input type="checkbox"/> TARIFF - NEW (NEXT OPEN MEETING) | <input type="checkbox"/> NOTICE OF OPPORTUNITY |
| <input type="checkbox"/> REQUEST FOR ARBITRATION | <input type="checkbox"/> SALE OF ASSETS & TRANSFER OF OWNERSHIP |
| <input type="checkbox"/> (Telecommunication Act) | <input type="checkbox"/> SALE OF ASSETS & CANCELLATION OF CC&N |
| <input type="checkbox"/> FULLY OR PARTIALLY | <input type="checkbox"/> FUEL ADJUSTER/PGA |
| <input type="checkbox"/> ARBITRATED INTERCONNECTION | <input type="checkbox"/> MERGER |
| <input type="checkbox"/> AGREEMENT (Telecom. Act) | <input type="checkbox"/> FINANCING |
| <input type="checkbox"/> VOLUNTARY INTERCONNECTION | <input type="checkbox"/> MISCELLANEOUS |
| <input type="checkbox"/> AGREEMENT (Telecom. Act) | Specify _____ |

02 **REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS**

- | | |
|-------------------------|---------------------------|
| <u>APPLICATION</u> | <u>TARIFF</u> |
| <u>COMPANY</u> _____ | <u>PROMOTIONAL</u> |
| <u>DOCKET NO.</u> _____ | <u>DECISION NO.</u> _____ |
| | <u>DOCKET NO.</u> _____ |
| | <u>COMPLIANCE</u> |
| | <u>DECISION NO.</u> _____ |
| | <u>DOCKET NO.</u> _____ |

X **MISCELLANEOUS FILINGS**

- | | |
|--|--|
| <input type="checkbox"/> 04 AFFIDAVIT | <input type="checkbox"/> 29 STIPULATION |
| <input type="checkbox"/> 12 EXCEPTION | <input type="checkbox"/> 38 NOTICE OF INTENT |
| <input type="checkbox"/> 18 REQUEST FOR INTERVENTION | (Only notification of future action/no action necessary) |
| <input type="checkbox"/> 48 REQUEST FOR HEARING | <input type="checkbox"/> 43 PETITION |
| <input type="checkbox"/> 24 OPPOSITION | <input type="checkbox"/> 46 NOTICE OF LIMITED APPEARANCE |
| <input type="checkbox"/> 50 COMPLIANCE ITEM FOR APPROVAL | <input checked="" type="checkbox"/> 39 OTHER |
- Specify Applicant's Request for an Amendment to Commission Decision 62740 Granting Applicant a CEC

DATED: October 20, 2000

Thomas H. Campbell/Michael Denby/Lewis and Roca
 Print Name of Applicant/Company/contact person
 Attorneys for Duke Energy Maricopa, LLC

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AZ CORP COMMISSION
DOCUMENT CONTROL

**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

5 IN THE MATTER OF THE APPLICATION)
 6 OF DUKE ENERGY MARICOPA, LLC IN)
 7 CONFORMANCE WITH THE)
 8 REQUIREMENTS OF ARIZONA REVISED)
 9 STATUTES 40-360.01 ET SEQ. FOR A)
 10 CERTIFICATE OF ENVIRONMENTAL)
 11 COMPATIBILITY AUTHORIZING)
 12 CONSTRUCTION OF NATURAL GAS)
 13 FIRED, COMBINED CYCLE GENERATING)
 14 FACILITIES AND ASSOCIATED)
 15 TRANSMISSION LINE NEAR ARLINGTON)
 16 IN MARICOPA COUNTY, ARIZONA)

Case No: 98

Docket #L-00000P-99-0098

**APPLICANT'S REQUEST
FOR AN AMENDMENT TO
COMMISSION DECISION
#62740 GRANTING
APPLICANT A CERTIFICATE
OF ENVIRONMENTAL
COMPATIBILITY**

12 Applicant, Duke Energy Maricopa, LLC ("Duke") requests, pursuant to an
 13 agreement with the Arizona Center for Law in the Public Interest ("Center"), that the
 14 Arizona Corporation Commission ("Commission") amend Decision #62740 in the form
 15 attached as Exhibit 1. Duke further requests that the Commission consider this Request at
 16 its open meeting scheduled for October 25, 2000.

18 On July 25, 2000, the Commission issued Decision #62740 granting a Certificate of
 19 Environmental Compatibility ("CEC") to Duke for the construction and operation of a
 20 natural gas-fired, combined-cycle electric generating plant ("Duke's Project"). The Center
 21 subsequently filed a lawsuit in Maricopa County Superior Court seeking judicial review of
 22 Decision 62740 (the "Lawsuit"). Duke has reached an agreement with the Center that,
 23 upon entry of an amended CEC with the finding and provisions attached as Exhibit 1, the
 24
 25
 26

1
2 Janice M. Alward, Esq.
3 Teena I. Wolfe, Esq.
4 Legal Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, Arizona 85007-2927

8
9 Deborah R. Scott, Director
10 Utilities Division
11 Arizona Corporation Commission
12 1200 W. Washington Street
13 Phoenix, Arizona 85007-2927

14
15 Timothy M. Hogan
16 Arizona Center for Law in
17 the Public Interest
18 202 E. McDowell Road
19 Suite 153
20 Phoenix, Arizona 85004

21
22 Carl J. Kunasek, Chairman
23 Arizona Corporation Commission
24 1200 W. Washington Street
25 Phoenix, Arizona 85007-2927

26
27 James M. Irvin, Commissioner
28 Arizona Corporation Commission
29 1200 W. Washington Street
30 Phoenix, Arizona 85007-2927

31
32 William A. Mundell, Commissioner
33 Arizona Corporation Commission
34 1200 W. Washington Street
35 Phoenix, Arizona 85007-2927

36


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3 **BEFORE THE ARIZONA POWER PLANT AND**
4 **TRANSMISSION LINE SITING COMMITTEE**
5
6

7 IN THE MATTER OF THE APPLICATION)
8 OF DUKE ENERGY MARICOPA, LLC IN)
9 CONFORMANCE WITH THE)
10 REQUIREMENTS OF ARIZONA REVISED)
11 STATUTES 40-360.01 ET SEQ. FOR A)
12 CERTIFICATE OF ENVIRONMENTAL)
13 COMPATIBILITY AUTHORIZING)
14 CONSTRUCTION OF NATURAL GAS)
15 FIRED, COMBINED CYCLE GENERATING)
16 FACILITIES AND ASSOCIATED)
17 TRANSMISSION LINE NEAR ARLINGTON)
18 IN MARICOPA COUNTY, ARIZONA)

Case No: 98

Docket #L-00000P-99-0098

Decision No. 62740

AMENDED ORDER

14 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**
15

16 Pursuant to notice given as provided by law, the Arizona Power Plant and
17 Transmission Line Siting Committee (the "Committee"), held public hearing at the
18 Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, Arizona, on
19 March 9, 2000, and May 5, 2000, in conformance with the requirements of Arizona
20 Revised Statutes, §40-360, *et. seq.*, for the purpose of receiving evidence and deliberating
21 on the Application of Duke Energy Maricopa, LLC ("Duke") for a Certificate of
22 Environmental Compatibility ("Certificate") in the above-captioned case.
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EXHIBIT 1

1 The following members or designees of members of the Committee were present
2 for the hearing on the Application:

3 Charles S. Pierson ¹	Chairman, Designee for Arizona Attorney General 4 Janet Napolitano
5 Steve Olea	Designee for the Chairman of the Arizona Corporation 6 Commission
7 Richard Tobin	Deputy Director, Arizona Department of Environmental 8 Quality
9 Dennis Sundie	Designee for the Director of the Department of 10 Water Resources
11 Mark McWhirter	Designee for the Director of the Energy Office of the 12 Arizona Department of Commerce
13 Robert Berger	Appointed Member
14 Jeff McGuire	Appointed Member
15 Wayne Smith	Appointed Member

16 The Applicant was represented by Thomas H. Campbell and Michael Denby of
17 Lewis and Roca LLP. Staff of the Arizona Corporation Commission (“Staff”) noticed
18 their intervention as a party and were represented by Teena Wolfe. Arizona Center for
19 Law in the Public Interest (“the Center”) noticed its intervention. There were no other
20 interventions or limited appearances.
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25 ¹ Mr. Pierson, who did not vote on this application, retired before this Certificate of
26 Environmental Compatibility was prepared. Accordingly, it was signed by Mr. Paul Bullis
as successor chairman.

1 At the conclusion of the hearing and deliberations, the Committee, having received
2 and considered the Application, the appearance of Applicant and the Staff, the evidence,
3 testimony and exhibits presented by Applicant and the Staff, and being advised of the legal
4 requirements of A.R.S. §§40-360 to 40-360.13, upon motion duly made and seconded,
5 voted to grant Applicant the following Certificate of Environmental Compatibility (Case
6 No. 98).

8 Duke Energy Maricopa, LLC and its assignee(s), are granted a Certificate
9 Environmental Compatibility authorizing construction of a 580 megawatt (nominal)
10 natural gas-fired, combined cycle generating facility, together with related infrastructure
11 and appurtenances, which generating unit shall be located in Maricopa County, Arizona,
12 approximately 0.7 miles southwest of the intersection of Elliot Road and Wintersburg
13 Road, and an approximately 2.4 mile 500 kv transmission line connecting the generating
14 facility with the Palo Verde South switchyard.
15

16 This Certificate is granted upon the following conditions:
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- 18 1. The Applicant and its assignees will comply with all existing applicable air
19 and water pollution control standards and regulations, and with all existing
20 applicable ordinances, master plans and regulations of the State of Arizona,
21 the county of Maricopa, the United States and any other governmental
22 entities having jurisdiction.
- 23 2. This authorization to construct the Project will expire five years from the
24 date the Certificate is approved by the Arizona Corporation Commission
25 unless construction is completed to the point that the plant is capable of
26 operating at its rated capacity that time; provided, however, that prior to such
expiration the Project owner may request that the Arizona Corporation
Commission extend this time limitation.

- 1 3. Applicant's project having two (2) approved transmission lines emanating
2 from its power plant's transmission switchyard and interconnecting with the
3 existing transmission system. This plant interconnection must satisfy the
4 single contingency outage criteria (N-1) without reliance on remedial action
5 such as a generator unit tripping or load shedding.
- 6 4. Applicant providing to the Commission, not more than 12 months prior to
7 the commercial operation of the plant, a technical study regarding the
8 sufficiency of transmission capacity to the plant. Applicant has satisfied this
9 condition for its 580 MW facility; provided that applicant meets all
10 construction deadlines and operational deadlines as set forth in its
11 application.
- 12 5. Applicant submitting to the Commission an interconnection agreement with
13 the transmission provider with whom it is interconnecting.
- 14 6. Applicant or one of its affiliates becoming a member of WSCC, or its
15 successor, and filing a copy of its WSCC Reliability Criteria Agreement or
16 Reliability Management System (RMS) Generator Agreement with the
17 Commission.
- 18 7. Applicant using commercially reasonable efforts to become a member of the
19 Southwest Reserve Sharing Group, or its successor, thereby making its units
20 available for reserve sharing purposes, subject to competitive pricing.
- 21 8. Each of the conditions 3-7 above shall automatically terminate if it or a
22 substantially similar condition is not included in future generating facility
23 Certificates of Environmental Compatibility as approved by the Commission
24 or upon any subsequent amendment or invalidation by the Commission or a
25 reviewing court.
- 26 9. The Applicant shall operate its evaporation pond so that any salt residue
 contained therein shall not cause damage to crops grown on fields adjacent
 to the Project site.
10. Applicant shall operate the Project so that during normal operations the
 Project shall not exceed (i) HUD or EPA residential noise guidelines or (ii)
 OSHA worker safety noise standards.
11. Applicant shall use a zero discharge system for its cooling water, subject to
 existing regulatory requirements.

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12. Applicant shall use low profile structures, moderate stacks, neutral colors, compatible landscaping, and low intensity directed lighting for the plant. Applicant shall use non-reflective conductors and towers.
 13. Applicant shall implement a Land Management Plan that includes:
 - (i) Installation of a professionally designed landscape plan for entrance of the facility and along Elliot Road.
 - (ii) A comprehensive revegetation program that will restore a large portion of the property with plant communities similar to the adjacent desert lands.
 - (iii) A partnership with The Arizona Game and Fish Department to provide enhanced wildlife habitat on lands that border Centennial Wash.
 - (iv) An annual report (for six years) submitted to the Arizona Corporation Commission setting forth the status of the Land Management Plan.
 14. Applicant shall meet all the requirements for groundwater set forth in the Third Management Plan for the Phoenix Active Management Area.

16 The Arizona Corporation Commission has considered the grant by the Committee
17 of a Certificate of Environmental Compatibility to Duke and finds that the provisions of
18 A.R.S. §40-360.06 have been complied with, and, in addition, that documentary evidence
19 and testimony was presented concerning the need for the Arlington Valley Project.
20 Credible testimony was presented concerning the generation deficiency in Arizona. This
21 evidence included a 1999 Western States Coordinating Council regional forecast, which
22 indicated load growth of at least 6,000 megawatts through 2008. Additional testimony
23 was offered that projected load growth in the Phoenix and Tucson metropolitan areas is in
24 the range of 4% a year. Even with the power plant projects approved as of July 25, 2000,
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1 there was evidence of the need for the Arlington Valley Project. In that regard, Duke will
2 have wholesale power available during peak periods, during the first two years following
3 commercial operations, for sale to Arizona customers in open market, arm-length
4 transactions. Accordingly, pursuant to A.R.S. §40-360.07(B), the Commission has
5 balanced, in the broad public interest, the need for an adequate, economical and reliable
6 supply of electric power with the desire to minimize the effect thereof on the environment
7 and ecology of this state. The Commission therefore concludes that the Certificate should
8 be confirmed.
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11 IT IS THEREFORE ORDERED that the Certificate of Environmental
12 Compatibility granted to Duke Energy Maricopa, LLC by the Arizona Power Plant and
13 Line Siting Committee on June 16, 2000 is hereby approved as modified herein.
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1 IT IS FURTHER ORDERED that this Decision shall become effective
2 immediately.

3 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
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5
6 _____
7 Chairman

_____ Commissioner

_____ Commissioner

8 In witness hereof, I, Brian C. McNeil, Executive
9 Secretary of the Arizona Corporation Commisison,
10 Set my hand and cause the official seal of this
11 Commission to be affixed, this ____ day of
12 _____, 2000.

13 By: _____
14 Brian C. McNeil
15 Executive Secretary

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17 Dissent: _____
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