

ORIGINAL

EXCEPTION
OPEN MEETING AGENDA ITEM



0000013622

Arizona Corporation Commission

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DEC 13 2004

BEFORE THE ARIZONA CORPORATION COM

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Chairman Marc Spitzer
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Mike Gleason
Commissioner Kristin K. Mayes

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AZ CORP COMMISSION
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**IN THE MATTER OF THE COMMISSION'S
BIENNIAL ASSESSMENT, PURSUANT TO
A.R.S. §40-360.02.G, OF THE ADEQUACY
OF EXISTING AND PLANNED
TRANSMISSION FACILITIES TO MEET
ARIZONA'S ENERGY NEEDS IN A
RELIABLE MANNER**

Docket No. E-00000D-03-0047

**Exception to the ACC Staff's Proposed
"Third Biennial Transmission
Assessment 2004-2013"
of 30 November 2004**

9 December 2004

This filing is an Exception in accordance with Arizona Administrative Code Section R14-3.110 to the published *Third Biennial Transmission Assessment, 2004-2013*. The discussions therein, including the Summary and Conclusions, concerning electricity reliability in Santa Cruz County were based a Reliability Must Run (RMR) report prepared prior to the limited TEP 46 kV Expansion and previously promised substation upgrades for backup power. This assessment fails to consider that the Commission voted on during a Special Open Meeting on 28 July 2004 to hold additional hearings concerning other ways to solve reliability and quality of service issues in Santa Cruz County. These hearings would be held to determine if there was a need for the proposed TEP 345 kV transmission line to meet alleged needs as an Alternate has been proposed which will have significant ratepayer savings and higher reliability than that proposed by TEP. These hearings have not been scheduled.

In prior filings with this Commission, most recently in Docket E-01032A-00-0401, on 10 July 2004 (Exception to Recommended Order), 26 July 2004 (errata to the Exception) and 3 August 2004 (slides used in 28 July 2004 Special Open Meeting), shows, in a sequence of five figures were presented. These include the "present" pre-TEP 46 kV situation, the TEP 46 kV line situation, the Expanded UES 46 kV backup line capabilities (minimum for

1 N-1 reliability), comparison of the 46 kV to 345 kV lines, and a "Nogales 46 kV" loop. The
2 later, a doubled-circuited, 46 kV line (44 MW) will provide at least 92 MW (including 48
3 MW installed generation) of backup power and meets continuity of service requirements.
4

5 These and prior filings have showed the existing 115 kV transmission line, rated at 132
6 MW (68 MW for last few miles near Nogales), will be adequate for many decades in Santa
7 Cruz County. There are known substation deficiencies that require constraints on the
8 existing 115 kV line, due to transformer overloading (with excessive Voltage stability
9 problems) and adequate capacitors to hold manage reactive voltage surges (and tripping)
10 due to the long distance from generation sources. Additional shut capacitors were
11 installed during the summer of 2004, which was not considered in the February 2004
12 RMR report. Promised upgrading the substations is in order, not a new primary line.
13
14

15 Summary. The Report conclusion that a new line is required by 2008 is doubtfully correct.
16 Such a conclusion needs to wait for the results of the administrative hearings established
17 by the 28 July 2004 motion to separate the Santa Cruz reliability and quality of service
18 issues (Docket No. E-01032A-99-0401) from the TEP proposed 345 kV transmission line
19 issues involving electricity trade with Mexico (Line Siting Case No. 111).
20
21

22 Recommendation. **That this exception be amended to any results from the Open**
23 **Meeting discussions on 14/15 December 2005,** "In the Matter of the Commission's
24 Biennial Assessment, Pursuant to A.R.S. §40-360.02.G, of the Adequacy of Existing and
25 Planned Transmission Facilities to Meet Arizona's Energy Needs in a Reliable Manner,"
26 Docket E-00000D-03-0047.
27

28 Respectfully submitted this ninth day of December 2004.
29

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1 **Service List**

2 **(Docket No. E-01032A-99-0401)**

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