

**SOUTHWESTERN**  
Power Group II, LLC  
An Energy Company - Alliance Builder



0000016425

ORIGINAL

December 24, 2004

Mr. Ernest Johnson  
Utilities Division Director  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

DOCKET NO.: L-00000BB-01-0118

Subject: Bowie Power Station, L.L.C. 2004 Self-Certification Letter  
(ACC Decision 64625 and 64626)

Dear Mr. Johnson:

Pursuant to Condition No. 24 of Decision No. 64625 and Condition No. 11 of Decision No. 64626, Bowie Power Station, L.L.C. ("Bowie") submits this letter and attached tables to demonstrate compliance with various conditions set forth in the power plant and transmission Certificates of Environmental Compatibility (CEC). The attached tables are organized under two column headings. The first describes the nature of the CEC condition; and the second describes the current compliance status.

It is also worth noting that under Condition 11 of the power plant CEC that Bowie continues to offer wholesale power purchase opportunities to Arizona load-serving entities and in addition has expanded the scope of its marketing activities to include potential power purchasers in Mexico. If entities in Mexico should enter into contractual arrangements with Bowie to purchase power from the Bowie Power Plant, Bowie will file an appropriate application with the Arizona Power Plant and Transmission Line Siting Committee seeking such modifications to the CEC's granted in Case No. 118 that may be necessary to consummate such transactions.

If you have any questions, please do not hesitate to call me at (602) 808-2004.

Sincerely,

Tom Wray  
General Manager

Cc: File  
Docket Control  
Gary Crane (SWPG)  
Laurie Woodall, Designee for Office of Attorney General  
Paul Rasmussen, Designee for Director of ADEQ  
Gregg Houtz, Designee for Director of ADWR  
Ray Williamson, Designee for Chairman of ACC  
Mark McWhirter, Designee for Director of Commerce Energy Office  
Lawrence V. Robertson, Jr. (Munger Chadwick, P.L.C.)

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**Arizona Corporation Commission  
Certificate of Environmental Compatibility  
for**

**Bowie Power Station**

**Summary**

**Physical Action**

Summary		Physical Action
<b>1</b>	Comply with Laws Regulations Standards Ordinances and Master Plans	In compliance, review monthly
<b>A.</b>	Comply with zoning landscaping dust control requirements	In compliance, review monthly
<b>B.</b>	Comply with ADEQ, EPA, SCR needed	In compliance, review monthly
<b>C.</b>	Comply with ADWFR	In compliance, review monthly
<b>D.</b>	Comply with water laws ADEQ	In compliance, review monthly
<b>E.</b>	HUD or EPA noise guidelines or OSHA water safety	In compliance, review monthly
<b>F.</b>	All applicable regulations and permits governing storage and handling of chemicals and petroleum products	In compliance, review monthly

**Summary**

Any permits submitted to Cochise and Graham County must attach CEC. A courtesy copy must be provided to Bowie and City of Willcox		In connection with submittal of Planning & Zoning and Special Use Permit copies of application and CEC permit were delivered to Bowie Postmaster and Willcox City Clerk July 10, 2002 (Prior to construction)
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**Must complete prior to construction**

<b>2</b>	<b>Must complete prior to construction</b>	Construction anticipated to begin in the future
<b>A.</b>	Donate capital to Bowie Fire District for emergency vehicles	
<b>B.</b>	Train personnel in emergency response / Hazmat	
<b>C.</b>	Donate top Bowie School District	
<b>D.</b>	Support Science and Vocational training programs	
<b>E.</b>	Arrangements with Cochise County on traffic problems and paving roads.	
<b>F.</b>	Arrangement with local and county law enforcements to protect public, project, and employees.	

**Interconnection with project Applicant must implement Ground Subsidence and Earth Fissuring Monitoring Program**

<b>3</b>	<b>Interconnection with project Applicant must implement Ground Subsidence and Earth Fissuring Monitoring Program</b>	Will be put into effect prior to construction
<b>A.</b>	If alert condition occurs after plant is in operation outline course of actions	Operation is anticipated in the future, one year prior to operation conditions related to engineering design, construction, operations and maintenance will be evaluated.
<b>B.</b>	5th year of operations on initial power block contribution of \$100,000 begins to Subsidence Mitigation Fund	
<b>C.</b>	Claims of 3rd party against Subsidence Mitigation Fund	
<b>D.</b>	Maintenance of Subsidence Mitigation Fund	Proposed plan in preparation
<b>4</b>	Decommissioning and clean-up of the Plant	N/A until plant operational
<b>5</b>	Groundwater use not to exceed 55,000 acre-feet per ten years not to exceed 6,000 acre-feet any one year.	Two detail studies by TEP have been completed
<b>6</b>	Interconnection Studies must satisfy WSCC criteria	Report will be prepared between 3 to 12 months before commercial operation (Last revised report December 4, 2002)
<b>7</b>	Technical studies on delivering full output of plant.	
<b>8</b>	Applicant shall become and remain a member of WSCC and file executed copy of Reliability Management System	SWPG is a member
<b>9</b>	Applicant shall become and remain a member of the Southwest Reserve Sharing Group.	To be initiated at commercial operation

N/A - Not Applicable

\* Everything should have a cover letter to addressee with copies to Laurie Woodall, Larry Robertson, Docket Control and Bowie CEC file.  
Last updated 12/22/04 12:42 PM

**Arizona Corporation Commission**  
**Certificate of Environmental Compatibility**  
 for  
**Bowie Power Station**

10	Applicant shall continue and participate in regional Transmission study forums	Ongoing
11	Applicant shall first offer wholesale power purchase opportunities to Arizona load - serving entities	Ongoing and in addition Mexico wholesale power purchase entities are being sought
12	Applicant shall offer up to 10% Ancillary Services	N/A until commercial operations
13	Applicant will not withhold capacity from market	Will be satisfied during commercial operation
14	Applicant shall erect and maintain a site sign	Completed, April 9, 2002
<b>Summary</b>		
15	If extension of Certificate is needed applicant must inform different parties Pursue necessary steps to ensure reliable supply and delivery of natural gas	N/A at this point in time but an extension is likely to be requested in the Future
16	During construction use reasonable efforts to use qualified Arizona Contractors	Report prepared by Pace and Rooney for reliable supply of gas
17	Participate in state and regional workshops of interest to gas and pipeline infrastructure.	Ongoing
18	Request from El Paso for information on operational integrity of their systems.	Ongoing ( Recently attended ACC conference) Completed & filed with Docket Control on April 10, 2002
19	Implement landscape plan with construction	Ongoing
20	Applicant shall work with US Fish & Wildlife Service and Arizona State Game and Fish Department.	Completed & filed with Docket Control on March 12, 2002
21	Applicant shall consider using solar technology on 2nd unit for inlet cooling	Will be considered in connection with design of 2nd 500 MW phase
22	5 year time limit for CEC	N/A until expiration
23	Groundwater Monitoring program within 180 days: Town of Bowie Pistachio Pass Irrigation District Cochise County Board of Supervisors	Completed. Letters sent to pertinent parties March 22, 2002
<b>A.</b> 1st year of commercial operation contribute \$100,000		
<b>B.</b> Persons claiming damage.		
N/A until operation		
N/A		
<b>C.</b> Maintained for 3 years after projects economic life		
24	Self certification letters of what conditions have been met be sent to: Utilities Division Director Arizona Attorney General Director of ADEQ ADWR Dept of Commerce Energy Office	Letters to be sent December, 2004

N/A - Not Applicable  
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**Arizona Corporation Commission**  
**Certificate of Environmental Compatibility**  
**for**  
**Bowie Transmission Project**

**Summary**

**Physical Action**

	Summary	Physical Action
1	Comply with Laws and Regulations and Ordinances	In compliance, review monthly
2. A.	Applicant makes reasonable effort to correct interference and complaints	N/A until operation
	B. Make a record (for 5 years) and document complaints	N/A until operation
	C. Advise on complaints for noise and interference	N/A until operation
3	Within 45 days securing easements and ROW signs must be posted. Condition also mention requirements if a request for extension of CEC is made	ROW Easements are being obtained for transmission line(see September 18, 2003 letter)
4. A.	Applicant must continue to consult with SHPO & Arizona State Land Department about line	Ongoing
	B. Applicant during construction with subcontractors must cooperate with SHPO, have an archeologist on site to monitor and mitigate impacts.	N/A until construction
	C. After construction have SHPO involved	N/A until after construction
5. A.	Final design and construction revegiate and colorize	Ongoing effort being negotiated with Arizona Trust Land Dept.
B.	Mitigation plans prior to construction and after construction	will comply prior to construction and after construction
C.	Transmission and pipelines 100' offset	will comply
6	Training of contractors for ingress & egress into the site	Protocol has been developed (see letter to Superior Survey)
7	Provide copies of agreements for transmission facilities within 30 days of executed agreement	N/A until agreement executed
8	Prior to construction, Applicant must provide Commission copies of transmission Interconnection agreement within 30 days of executed agreement.	Negotiations are underway with TEP Expect to execute in the future
9	Applicant must continue to participate in regional transmission study forums	Ongoing
10	Expiration of Certificate within 5 years and conditions of extension	N/A until CEC expires
11	Self certification letters of what conditions have been met be sent to:	Letters sent December, 2004
	Utilities Division Director	
	Arizona Attorney General	
	Director of ADEC	
	ADWR	
	Dept. of Commerce Energy Office	

N/A - Not Applicable

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