

**LEWIS
AND
ROCA**
LLP
LAWYERS

Phoenix Office
40 North Central Avenue
Phoenix, Arizona 85004-4429
Telephone (602) 262-5311
Facsimile (602) 262-5747

ORIGINAL

Tucson Office
One South Church Avenue
Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

Las Vegas Office
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada 89109
Telephone (702) 949-8200
Facsimile (702) 949-8398



Facsimile (702) 949-8398

Thomas H. Campbell
Direct Dial: (602) 262-5723
Direct Fax: (602) 734-3841
E-Mail: TCampbell@lrlaw.com
Admitted in Arizona

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June 16, 2005

Arizona Corporation Commission
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JUN 17 2005

VIA HAND DELIVERY

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Arizona Corporation Commission
Docket Control - Utilities Division
1200 W. Washington Street
Phoenix, AZ 85008

Re: Duke Energy Arlington Valley, LLC
2005 Land Management Plan Annual Report
Docket No: L-00000P-02-0117

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AZ CORP COMMISSION
DOCUMENT CONTROL

In compliance with Condition No. 14 (d) in ACC Amended Decision No. 64495, Duke Energy Arlington Valley LLC ("Duke Energy"), must file an Annual Report setting forth the status of the Land Management Plan for the Arlington Valley Energy Project.

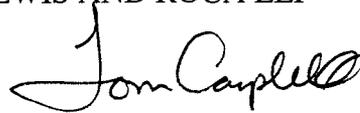
Duke Energy submitted the 2004 Annual Report on June 11, 2004 and has continued to implement the Land Management Plan since that time. With respect to native revegetation efforts, sixty acres to the north of the facility were vegetated in early 2005 with native Sonoran plants using drip irrigation to establish the plants. Revegetation efforts will continue in the coming months.

Additional wildlife habitat enhancements completed in the past year included seeding sixty-four acres with wetland grasses. In addition, seventeen acres have been planted with one-gallon riparian habitat vegetation. Seeds have sprouted and the ground will be kept wet by flood irrigation using pumped groundwater. Ducks Unlimited will visually observe the progress twice per year and will follow up the visits with written progress reports.

Duke Energy is awaiting a final report from the University of Arizona that will provide additional details concerning revegetation efforts between June 2004 and May 2005. When that report is available, Duke Energy will prepare and file a Supplemental 2005 Annual Report.

Very truly yours,

LEWIS AND ROCA LLP



Thomas H. Campbell

THC/bjg

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Docket Control – Utilities Division
Arizona Corporation Commission

cc: Brian K. Bozzo, Compliance Manager