

ORIGINAL

SOUTHWESTERN

Power Group II, LLC

An Energy Company - Alliance Builder



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January 31, 2006

Ms. Colleen Ryan, Supervisor
Document Control Center
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Update For 2006
Annual Ten-Year Plan For Bowie Power Station, L.L.C.
(Docket No. L-00000BB-01-0118)

Dear Ms. Ryan:

The purpose of this letter is to provide notice that Southwester Power Group II, L.L.C. ("SWPG") is updating its 2006 Ten-Year Plan (see attachment) for the Bowie Power Station. Our update is meant to address provision A.R.S. § 40-360.02. With this provision in mind, SWPG advises that we are contemplating that the fully permitted natural gas fired Bowie Power Station may be re-permitted as a coal-fired facility. In addition, SWPG is contemplating a new 51-mile transmission alignment from the Bowie Power Station to the Winchester Substation.

In the event that SWPG ultimately decides to proceed with the newly proposed coal project, SWPG will make all required filings, including those prescribed in A.R.S. §§ 40-360 *et seq.*

Please let me know if you have any questions.

Sincerely,

Tom Wray
General Manager

Cc:

Ernest Johnson w attachments (Utility Director)
Jerry Smith w attachments (Utility Engineer)
Gary Crane w/o attachments (SWPG)
Laurie Woodall w attachments (Chairman, Siting Committee)
Lawrence V. Robertson w attachments (Munger Chadwick, PLC)

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SOUTHWESTERN
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An Energy Company - Alliance Builder

January 31, 2006

Ms. Colleen Ryan, Supervisor
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1200 West Washington
Phoenix, Arizona 85007

Re: Annual Ten-Year Plan For Bowie Power Station, L.L.C.
(Docket No. L-00000BB-01-0118)

Dear Ms. Ryan:

Pursuant to Arizona Revised Statutes (A.R.S. 40-360.02), Bowie Power Station L.L.C. ("Bowie") hereby submits its current (January 31, 2006) Ten-Year Plan for the fully permitted electric generating station and associated transmission line. In order to simplify the current plan for the reader, Bowie will differentiate changes made from the Ten-Year Plan of January 2005. For reference, the January 2005 plan is provided at the end of this letter. The same organization requirements specified in A.R.S. 40-360.02, and protocol used in the past (i.e. 2002, 2003, 2004 & 2005) Ten-Year Plan will be followed in this plan. The requirements within the revised statutes are formatted in italics, and are followed by Bowie's response in normal (non-italicized) type.

1. *The size and proposed route of any transmission lines or location of each plant proposed to be constructed.*

There are no known changes in the size and proposed route of transmission line or location of the proposed gas power plant.

2. *The purpose to be served by each proposed line or plant.*

There are no known changes in the purpose of the proposed line or power plant as specified in the 2005 Ten-Year Plan.

3. *The estimated date by which each transmission line or plant will be in operation.*

Bowie is in the process of renewing its air permit and anticipates the permit to be renewed in February 2006. Construction schedule for both the power plant and transmission line is dependent on power purchasers in either Arizona or Mexico. Construction of both the transmission facility and power station will commence concurrently after a contractual arrangement is entered into with a power purchaser.

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4. *The average and maximum power output measured in megawatts of each plant installed.*

There are no known changes on the average and maximum power output as specified in the 2005 Ten-Year Plan.

5. *The expected capacity factor for each proposed plant.*

There are no known changes on the expected capacity factor for the proposed power plant as specified in the 2005 Ten-Year Plan.

6. *The type of fuel to be used for each proposed plant*

There are no known changes on the type of fuel to be used for the proposed power plant as specified in the 2005 Ten-Year Plan.

7. *The plans' for any new facilities shall include a power flow and stability analysis report showing the effect on the current Arizona electric transmission system. Transmission owners shall provide the technical reports, analysis or basis for projects that are included for serving customer load growth in their service territories.*

There are no known changes or updates to the Interconnection System Impact Study completed in cooperation with Tucson Electric Power submitted with the 2003 Ten-Year Plan.

In the event you have any questions regarding the above, please feel free to contact me at (602) 808-2004.

Sincerely,



Tom Wray
General Manager

Cc:

Ernest Johnson w attachments (Utility Director)
Jerry Smith w attachments (Utility Engineer)
Gary Crane w/o attachments (SWPG)
Laurie Woodall w attachments (Chairman, Siting Committee)
Lawrence V. Robertson w attachments (Munger Chadwick, PLC)

ATTACHMENTS

SOUTHWESTERN
Power Group II, LLC
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Dear Ms. Ryan:

Pursuant to Arizona Revised Statutes (A.R.S. 40-360.02), Bowie Power Station L.L.C. ("Bowie") hereby submits its current (January 31, 2005) Ten-Year Plan for the fully permitted electric generating station and associated transmission line. In order to simplify the current plan for the reader, Bowie will differentiate changes made from the Ten-Year Plan of January 2003 & 2004. For reference, both the January 2003 and 2004 plan is provided at the end of this letter. The same organization requirements specified in A.R.S. 40-360.02, and protocol used in the 2003 & 2004 Ten-Year Plan will be followed in this plan. The requirements within the revised statutes are formatted in italics, and are followed by Bowie's response in normal (non-italicized) type.

1. *The size and proposed route of any transmission lines or location of each plant proposed to be constructed.*

There are no known changes in the size and proposed route of transmission line or location of the proposed power plant. This is consistent with the 2003 and 2004 Ten-Year Plan. Discussions with the Arizona State Land Department (ASLD) in regard to Bowie's transmission corridor have terminated until contractual arrangements are executed with load-serving entities in the United States or in Mexico. In the event Bowie enters into a contractual arrangement with a potential power purchaser, discussions will be renewed with the ASLD and appropriate filings will be made with the Arizona Power Plant and Transmission Line Siting Committee and as needed other regulatory entities.

2. *The purpose to be served by each proposed line or plant.*

There are no known changes in the purpose of the proposed line or power plant as specified in the 2003 and 2004 Ten-Year Plan. See Response No. 1 above as to current discussions and investigations that are ongoing.

3. *The estimated date by which each transmission line or plant will be in operation.*

Bowie is in the process of renewing its air permit and anticipates the permit to be renewed in June 2005. Construction schedule remains the same and is dependent on

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power purchasers in either Arizona or Mexico. Bowie anticipates commencing construction for the power station in the following time sequence:

Phase 1	4 th quarter 2006
Phase 2	4 th quarter 2007

The anticipated commercial in-service operation for the 345 kV and 230 kV transmission facilities associated with the power station will be no later than 4th quarter 2006. Construction of both the transmission facility and power station will commence concurrently after a contractual arrangement is entered into with a power purchaser.

4. *The average and maximum power output measured in megawatts of each plant installed.*

There are no known changes on the average and maximum power output as specified in the 2003 and 2004 Ten-Year Plan.

5. *The expected capacity factor for each proposed plant.*

There are no known changes on the expected capacity factor for the proposed power plant as specified in the 2003 and 2004 Ten-Year Plan.

6. *The type of fuel to be used for each proposed plant*

There are no known changes on the type of fuel to be used for the proposed power plant as specified in the 2003 and 2004 Ten-Year Plan.

7. *The plans' for any new facilities shall include a power flow and stability analysis report showing the effect on the current Arizona electric transmission system. Transmission owners shall provide the technical reports, analysis or basis for projects that are included for serving customer load growth in their service territories.*

There are no known changes or updates to the Interconnection System Impact Study completed in cooperation with Tucson Electric Power submitted with the 2003 Ten-Year Plan.

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