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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY AND ITS ASSIGNEES IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES SECTIONS 40-360.03 AND 40-360.06 FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING CONSTRUCTION OF A 500kV ALTERNATING CURRENT TRANSMISSION LINE AND RELATED FACILITIES IN MARICOPA AND LA PAZ COUNTIES IN ARIZONA ORIGINATING AT THE HARQUAHALA GENERATING STATION SWITCHYARD IN WESTERN MARICOPA COUNTY AND TERMINATING AT THE DEVERS SUBSTATION IN RIVERSIDE COUNTY, CALIFORNIA

Docket No. L-00000A-06-0295-00130

Case No. 130

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SOUTHERN CALIFORNIA EDISON COMPANY'S RESPONSE TO AGENCY COMMENT AND QUESTIONS

On December 22, 2006, Arizona Power Plant and Transmission Line Siting Committee ("Line Siting Committee") Chairman Laurie Woodall filed the comments and questions of the Arizona Department of Environmental Quality ("ADEQ") in the above referenced case.

Southern California Edison Company ("SCE") appreciates the opportunity to submit the following response, as requested by ADEQ.

1 RESPECTFULLY SUBMITTED this 7th day of February, 2007.

2 LEWIS AND ROCA LLP

3
4 

5 Thomas H. Campbell
6 Albert H. Acken
7 40 N. Central Avenue
8 Phoenix, Arizona 85004

9 Attorneys for Southern California Edison Company

10 ORIGINAL and twenty-five (25) copies
11 of the foregoing filed this 7th day of
12 February, 2007, with:

13 The Arizona Corporation Commission
14 Utilities Division – Docket Control
15 1200 W. Washington Street
16 Phoenix, Arizona 85007

17 COPY of the foregoing hand-delivered
18 this 7th day of February, 2007, to:

19 Laurie A. Woodall, Chairman
20 Arizona Power Plant and Transmission Line Siting Committee
21 Office of the Attorney General
22 1275 W. Washington Street
23 Phoenix, Arizona 85007

24 Keith Layton, Legal Division
25 Arizona Corporation Commission
26 1200 W. Washington Street
Phoenix, Arizona 85007

1 COPY of the foregoing mailed
2 this 7th day of February, 2007, to:

3 William D. Baker
4 Ellis & Baker P.C.
5 7310 N. 16th Street
6 Suite 320
7 Phoenix, Arizona 85020-5276

8 Timothy M. Hogan, Executive Director
9 Arizona Center for the Law in the Public Interest
10 202 E. McDowell Road
11 Suite 153
12 Phoenix, Arizona 85004-4533

13 Jay Moyes
14 Steve Wene
15 Moyes Storey
16 1850 N. Central Avenue
17 Suite 1100
18 Phoenix, Arizona 85004

19 Court S. Rich
20 Rose Law Group
21 6613 N. Scottsdale Road
22 Suite 200
23 Scottsdale, Arizona 85250

24 Scott S. Wakefield
25 RUCO
26 1110 W. Washington Street
Suite 220
Phoenix, Arizona 85007

Donald Begalke
P.O. Box 17862
Phoenix, Arizona 85011-0862

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26

Thomas W. McCann
Central Arizona Water Conservation District
23636 N. 7th Street
Phoenix, Arizona 85024

Walter Meek
Arizona Utility Investors Association
2100 N. Central Avenue
Suite 210
Phoenix, Arizona 85004

Michael W. Patten
Roshka DeWulf & Patten
400 E. Van Buren Street
Suite 800
Phoenix, Arizona 85004-2262

Patrick J. Black
Fennemore Craig P.C.
3003 N. Central Avenue
Suite 2600
Phoenix, Arizona 85012

Larry K. Udall
Michael Curtis
Curtis Goodwin Sullivan Udall & Schwab PLC
501 E. Thomas Road
Phoenix, AZ 85012


A handwritten signature in cursive script, reading "Betty J. Griffin", is written over a solid horizontal line.

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **1. What will be the regional haze impacts of this project?**

5 RESPONSE

6 The scope of the Devers-Palo Verde No. 2 Transmission Line Project ("DPV2" or
7 "Project") in Arizona is the construction and operation of a 500 kV alternating current
8 transmission line and related facilities in Maricopa County and La Paz County, from the
9 Palo Verde hub area to the California border.

10 During construction, the Project will use mitigation measures that will be very
11 effective in reducing dust emissions so that the overall effect on the environment will be
12 insignificant.¹ As stated in the Final Environmental Impact Statement ("FEIS"), for
13 construction in La Paz County, "the use of mitigation Measure AQ-1a would reduce the
14 construction impact to a less than significant level (Class II)."² In Maricopa County, "the
15 level of construction activity ... would be relatively minor resulting in emissions well
16 below the applicable thresholds."³ Moreover, in Maricopa County, Project construction
17 will be subject to the most stringent measures in the country for regulating fugitive dust.⁴
18 The Project will comply with all fugitive dust control requirements and mitigation
19 measures established by ADEQ and other agencies.⁵
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24 ¹ See Arizona Power Plant and Transmission Line Siting Committee Case No. 130 Transcript ("Tr.") vol. 9,
1943:17-1944:6

25 ² FEIS Section D.11 Air Quality, p. 11-30

26 ³ FEIS Section D.11 Air Quality, p. 11-28

⁴ *Id.*; fn. 1

⁵ *Id.*

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

1 Power plant emissions are not directly associated with the Project. However,
2 because construction and operation of this Project will lead to increased utilization of
3 newer, cleaner, and more efficient plants, and decreased use of older and less efficient
4 plants, regional power plant emissions will be reduced.⁶ Regionally, emissions of carbon
5 dioxide, a greenhouse gas associated with global warming, will decrease by 350,000 tons
6 per year.⁷ Governor Napolitano's Executive Order 2006-13, recognizing that greenhouse
7 gas emissions are a regional and global issue, directs ADEQ to work with other western
8 states to establish a greenhouse gas registry to enable tracking, management, crediting
9 and baseline protection. (Attached as Exhibit A)

10 Additionally, the estimated increases in Arizona emissions (estimated at 0.05% for
11 nitrogen oxides ("NOx")) resulting from increased generation from Arizona plants will
12 be well within the air emission limits that the Line Siting Committee, the Arizona
13 Corporation Commission ("ACC") and pertinent environmental agencies, including
14 ADEQ, have determined are environmentally compatible.⁸ As stated in the FEIS:

15 The additional power plant emissions aggregate from small increases at several
16 facilities in locations around the State, within existing permit limits, that would
17 not significantly impact any single attainment or non-attainment area in
18 Arizona. Therefore, the Proposed Project's direct and indirect project
19 emissions would be consistent with the local air quality rules, regulations,
20 and attainment plans, and no cumulatively considerable air quality impacts
21 would occur. [FEIS, Section F. Cumulative Impacts, p. F-43]

22
23 ⁶ See Tr. vol. 4, 787:14-788:2 (Aug. 22, 2006); Tr. vol. 5, 1109:15-16 (Sep. 11, 2006); Tr. vol. 5, 1141:7-17 (Sep.
24 11, 2006); Tr. vol. 5, 1142:3-24 (Sep. 11, 2006); Tr. vol. 5, 1143:24-1144:13 (Sep. 11, 2006); Tr. vol. 5, 1162:17-
1163:6 (Sep. 11, 2006); Tr. vol. 5, 1167:19-1168:8 (Sep. 11, 2006); Tr. vol. 6, 1313:17-25 (Sep. 12, 2006); Tr. vol.
14, 2814:23-2815:25 (Oct. 31, 2006); Tr. vol. 14, 2849:14-22 (Oct. 31, 2006).

25 ⁷ *Id.*

26 ⁸ See Tr. vol. 4, 787:14-788:2 (Aug. 22, 2006); Tr. vol. 5, 1167:19-1168:8 (Sep. 11, 2006); Tr. vol. 14, 2814:23-
2815:25 (Oct. 31, 2006); Tr. vol. 14, 2849:14-22 (Oct. 31, 2006).

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

2. How are the secondary impacts on Arizona's air and water resources, arising from this project's accelerated consumption of existing electricity generation capacity, to be quantified?

RESPONSE

The responses to questions 1 and 4 provide additional information concerning the quantification of air and water secondary impacts.

Please note, DPV2 will not materially accelerate consumption of existing electricity generation. DPV2's indirect impact on Arizona generation is minimal, because exports to California will occur mostly during off-peak hours and off-peak season when their capacity is not needed to supply Arizona load.⁹ During peak hours and peak season, i.e., the summer daytime, the project is expected to increase Arizona generation on average only by about 50 megawatts.¹⁰ 50 megawatts represents only one month of Arizona utilities' load growth.¹¹

DPV2 will provide the opportunity for transmission-constrained, underutilized, existing generation resources to sell additional power, particularly during off-peak seasons and off-peak hours.¹² This will encourage investment in, and help defray costs of, new resources that will be needed in Arizona to serve Arizona's growing population, regardless of DPV2.¹³

⁹ See Tr. vol. 5, 1000:18-1001:2 (Sep. 11, 2006); Tr. vol. 5, 1151:5-23 (Sep. 11, 2006); Tr. vol. 14, 2797:12-2798:5 (Oct. 31, 2006).

¹⁰ *Id.*

¹¹ *Id.*

¹² See Ex. A-8, Tab 1, Slide 46; Tr. vol. 5, 1114:7-15 (Sep. 11, 2006); Tr. vol. 5, 1115:20-1116:24 (Sep. 11, 2006); Tr. vol. 5, 1123:23-1124:20 (Sep. 11, 2006); Tr. vol. 5, 1153:20-25 (Sep. 11, 2006); Tr. vol. 6, 1192:16-23 (Sep. 12, 2006); Tr. vol. 12, 2450:2-4 (Oct. 17, 2006).

¹³ See Ex. A-8, Tab 1, Slides 43-44; Tr. vol. 5, 999:18-1000:4 (Sep. 11, 2006); Tr. vol. 5, 1044:25-1045:1 (Sep. 11, 2006); Tr. vol. 5, 1114:2-1115:1 (Sep. 11, 2006); Tr. vol. 5, 1115:25-1116:5 (Sep. 11, 2006); Tr. vol. 5, 1116:8-24

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **3. What additional capacity will be added to utilize the new transmission line; i.e.,**
5 **what additional generation capacity will be needed to serve both California and**
6 **Arizona?**

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RESPONSE

DPV2 does not include a new generation component.

Although there is currently excess generation in the Palo Verde area year-round, Arizona utilities believe the current peak excess may be utilized as soon as 2011, even without DPV2.¹⁴ Arizona's current load growth is about 500 to 600 megawatts a year, which requires the addition of a large power plant annually in order to keep up with the load growth.¹⁵ Even when the current peak excess is utilized, there will continue to be excess merchant and utility generation during the off-peak hours and seasons.¹⁶

In order to meet the growing demand for generation capacity in California, numerous power plants have been built between 2001 and 2005 totaling over 13,000 MW of new generation.¹⁷ A significant number of new generating plants are expected to be built in California in the near future.¹⁸

(Sep. 11, 2006); Tr. vol. 5, 1118:2-6 (Sep. 11, 2006); Tr. vol. 5, 1151:12-23 (Sep. 11, 2006); Tr. vol. 13, 2723:17-2724:9 (Oct. 30, 2006).

¹⁴ See Ex. COM-1; Tr. vol. 5, 1120:5-7 (Sep. 11, 2006).

¹⁵ See Tr. vol. 5, 1120:1-4 (Sep. 11, 2006).

¹⁶ See Ex. A-8, Tab 1, Slides 60-62; Tr. vol. 5, 1058:18-25 (Sep. 11, 2006); Tr. vol. 5, 1115:20-22 (Sep. 11, 2006); Tr. vol. 14, 2797:25-2798:5 (Oct. 31, 2006).

¹⁷ See Ex. A-2, Slide G; Ex. A-15; Ex. A-18; Tr. vol. 1, 96:18-97:14 (June 26, 2006); Tr. vol. 5, 1017:15-22 (Sep. 11, 2006); Tr. vol. 6, 1282:1-18 (Sep. 12, 2006); Tr. vol. 6, 1342:9-25 (Sep. 12, 2006); Tr. vol. 6, 1343:2-15 (Sep. 12, 2006); Tr. vol. 13, 2688:18-2689:12 (Oct. 30, 2006).

¹⁸ See Ex. A-2, Slide G; Ex. S-9; Ex. S-19; Tr. vol. 1, 97:6-14 (June 26, 2006); Tr. vol. 5, 1017:15-22 (Sep. 11, 2006); Tr. vol. 6, 1347:1-5 (Sep. 12, 2006); Tr. vol. 6, 1348:3-8 (Sep. 12, 2006); Tr. vol. 6, 1350:19-1351:2 (Sep. 12, 2006); Tr. vol. 6, 1355:23-1356:14 (Sep. 12, 2006); Tr. vol. 13, 2691:8-25 (Oct. 30, 2006).

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

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SPECIFIC QUESTION

4. What permanent commitment of Arizona's resources, particularly water, will result?

RESPONSE

The Project will not have any direct effects on water usage.¹⁹

For every thousand megawatts of generation requiring wet cooling, there is an average of 5,000 acre feet of water used per year.²⁰ Operation of the Project will increase utilization of Arizona generation, leading to an average incremental increase in Arizona generation of 230 megawatts of generation.²¹ Therefore, the Project will result indirectly in an estimated increase of 1150 acre feet of water use per year.²² The estimated increase in water usage is less than 0.2% of the total industrial water use in the Phoenix Active Management Area, or less than 0.02% of Arizona's total water use (i.e., over 7 million acre-feet/year).²³ The incremental change resulting from increased generation from Arizona plants will be well within the water use limits that the ACC, Line Siting Committee, and pertinent environmental agencies have determined are environmentally compatible.²⁴

¹⁹ See Tr. vol. 14, 2851:18-24 (Oct. 31, 2006).

²⁰ See Tr. vol. 14, 2816:6-2817:18 (Oct. 31, 2006).

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **5. What additional risks to Arizona will be posed by expansion of nuclear
generation capacity?**

5 RESPONSE

6 The Project does not encompass any plans to expand nuclear generation capacity.
7 DPV2 will provide access to underutilized, existing, lower cost resources in the
8 Southwest, including highly efficient natural gas-fired plants near the Palo Verde hub.²⁵
9 Overall, the project will provide transmission access to more different types of power
10 plants, using more diverse fuel sources. Ultimately, less new generation capacity would
11 be needed.²⁶

12 Before any nuclear generation facilities that may be contemplated in the future are
13 permitted and constructed in Arizona, multiple authorities, including ADEQ and the
14 Nuclear Regulatory Commission, would analyze and address risks in the licensing
15 process under federal, state, and local agency regulations.
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25 ²⁵ See Fn. 6.

26 ²⁶ See Tr. Vol. 5 1109:10-1110:3 (Sep. 11, 2006)

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **6. What are the expected impacts of additional air pollution from fossil-fuel**
5 **powered generation, including compliance with ambient air quality standards,**
6 **regional haze impacts, and deposition of acid, nitrogen and mercury?**

7 RESPONSE

8 In accordance with the goals of Governor Napolitano's Executive Order 2006-13,
9 the Project reduces emissions regionally, because newer, cleaner, and more efficient
10 plants will be utilized more, and older and less efficient plants will be used less.²⁷
11 Regional carbon dioxide emissions will decrease approximately 350,000 tons per year.²⁸

12 The estimated increases in Arizona NOx emissions (0.05%) resulting from
13 increased generation from Arizona plants will be well within the air emission limits that
14 the Line Siting Committee, ACC and pertinent environmental agencies, including ADEQ,
15 have determined are environmentally compatible.²⁹

16 Additionally, the Project will improve Arizona's and the region's access to
17 renewable resources, which will alleviate Arizona's dependence upon fossil fuel-powered
18 generation in the future.³⁰

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21 ²⁷ See Tr. vol. 4, 787:14-788:2 (Aug. 22, 2006); Tr. vol. 5, 1109:15-16 (Sep. 11, 2006); Tr. vol. 5, 1141:7-17 (Sep.
22 11, 2006); Tr. vol. 5, 1142:3-24 (Sep. 11, 2006); Tr. vol. 5, 1143:24-1144:13 (Sep. 11, 2006); Tr. vol. 5, 1162:17-
1163:6 (Sep. 11, 2006); Tr. vol. 5, 1167:19-1168:8 (Sep. 11, 2006); Tr. vol. 6, 1313:17-25 (Sep. 12, 2006); Tr. vol.
14, 2814:23-2815:25 (Oct. 31, 2006); Tr. vol. 14, 2849:14-22 (Oct. 31, 2006).

23 ²⁸ *Id.*

24 ²⁹ See Tr. vol. 4, 787:14-788:2 (Aug. 22, 2006); Tr. vol. 5, 1167:19-1168:8 (Sep. 11, 2006); Tr. vol. 14, 2814:23-
2815:25 (Oct. 31, 2006); Tr. vol. 14, 2849:14-22 (Oct. 31, 2006).

25 ³⁰ See Ex. A-8, Tab 1, Slides 53-56; Tr. vol. 4, 848:3-10 (Aug. 22, 2006); Tr. vol. 4, 854:16-25 (Aug. 22, 2006); Tr.
26 vol. 4, 877:8-11 (Aug. 22, 2006); Tr. vol. 5, 1000:5-11 (Sep. 11, 2006); Tr. vol. 5, 1045:4-7 (Sep. 11, 2006); Tr. vol.
5, 1113:1-7 (Sep. 11, 2006); Tr. vol. 5, 1132:21-1137:20 (Sep. 11, 2006); Tr. vol. 5, 1165:18-1166:1 (Sep. 11,
2006); Tr. vol. 6, 1202:22-1203:4 (Sep. 12, 2006); Tr. vol. 6, 1285:23-24 (Sep. 12, 2006); Tr. vol. 6, 1290:6-11
(Sep. 12, 2006); Tr. vol. 13, 2720:25-2721:13 (Oct. 30, 2006).

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **7. What are expected conventional waste management impacts, particularly ash
and cooling water (including salinity increases)?**

5 RESPONSE

6 Increased utilization of Arizona generation that will occur as a result of operation
7 of the Project will result in only a nominal increase in cooling water use.³¹ Cooling water
8 use will be within the limits established by the ACC, the Line Siting Committee, and the
9 Arizona Department of Water Resources.

10 There will be no ash generated by the construction and operation of the proposed
11 DPV2 transmission line. Disposal of ash and spent cooling water at existing permitted
12 generating plants is regulated by state or federal agencies. Typically, in water-cooled
13 generating plants, the water is recycled through closed circuit cooling systems and stored
14 in evaporation ponds until salts are removed in solid form.

15 During Project construction activities and operation, mitigation measures specified
16 in the FEIS will ensure the proper handling and/or storage of hazardous materials,
17 prevent potential contamination, and address any preexisting contamination, pesticides,
18 or herbicides encountered. The mitigation measures include the following:

19 **P-1a Develop Hazardous Substance Control and Emergency Response**
20 **Plan.** A Hazardous Substance Control and Emergency Response Plan
21 shall be prepared for the project, and a copy shall be kept on site (or in
22 vehicles) during construction and maintenance of the project. SCE
23 shall document compliance by submitting the plan to the CPUC or BLM
24 or USFWS, as appropriate, for review and approval at least 60 days
25 before the start of construction.

26 ³¹ See Tr. vol. 14, 2816:2-2817:18 (Oct. 31, 2006).

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

1 **P-1b** **Conduct environmental training and monitoring program.** An
2 environmental training program shall be established to communicate
3 environmental concerns and appropriate work practices, including spill
4 prevention, emergency response measures, and proper Best
5 Management Practice (BMP) implementation, to all field personnel
6 prior to the start of construction. The training program shall emphasize
7 site-specific physical conditions to improve hazard prevention (e.g.,
8 identification of potentially hazardous substances) and shall include a
9 review of all site-specific plans, including but not limited to, the
10 project's Storm Water Pollution Prevention Plan and the Hazardous
11 Substances Control and Emergency Response Plan. SCE shall
12 document compliance by (a) submitting to the CPUC or BLM or
13 USFWS, as appropriate, for review and approval an outline of the
14 proposed Environmental Training and Monitoring Program, and (b)
15 maintaining for monitor review a list of names of all construction
16 personnel who have completed the training program.

17 Best Management Practices, as identified in the project Storm Water
18 Pollution Prevention Plan and the Hazardous Substances Control and
19 Emergency Response Plan, shall be implemented during the
20 construction of the project to minimize the risk of an accidental release
21 and provide the necessary information for emergency response.

22 **P-1c** **Ensure proper disposal of construction waste.** All non-hazardous
23 construction and demolition waste, including trash and litter, garbage,
24 and other solid waste shall be disposed of properly. Petroleum products
25 and other potentially hazardous materials shall be removed to a hazardous
26 waste facility permitted or otherwise authorized to treat, store, or dispose
of such materials.

1 **P-1d** **Maintain emergency spill supplies and equipment.** Hazardous
2 material spill kits shall be maintained at all construction sites for small
3 spills. This shall include oil-absorbent material, tarps, and storage
4 drums to be used to contain and control any minor releases. Emergency
5 spill supplies and equipment shall be kept adjacent to all work areas and
6 staging areas, and shall be clearly marked. Detailed information for
7 responding to accidental spills and for handling any resulting hazardous
8 materials shall be provided in the project's Hazardous Substances
9 Control and Emergency Response Plan.

10 **P-2a** **Identify pesticide/herbicide contamination.** Soil samples shall be
11 collected in construction areas where the land has historically or is
12 currently being farmed to identify the possibility of and to delineate the

SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

1 extent of pesticide and/or herbicide contamination. Excavated
2 materials containing elevated levels of pesticide or herbicide will require
3 special handling and disposal procedures. Standard dust suppression
4 procedures (as defined in Mitigation Measure AQ-1a) shall be used in
5 construction areas to reduce airborne emissions of these contaminants
6 and reduce the risk of exposure to workers and the public. Regulatory
7 agencies for the states of Arizona or California (as appropriate) and the
8 appropriate county shall be contacted to provide oversight regarding the
9 handling, treatment, and/or disposal options.

7 **P-3a Observe exposed soil for evidence of contamination.** During grading
8 or excavation work, the construction contractor shall observe the
9 exposed soil for visual evidence of contamination. If visual
10 contamination indicators are observed during construction, the
11 contractor shall stop work until the material is properly characterized
12 and appropriate measures are taken to protect human health and the
13 environment. The contractor shall comply with all local, State, and
14 federal requirements for sampling and testing, and subsequent removal,
15 transport, and disposal of hazardous materials. Additionally, in the event
16 that evidence of contamination is observed, the contractor shall
17 document the exact location of the contamination and shall immediately
18 notify the CPUC or BLM, describing proposed actions. A weekly report
19 listing encounters with contaminated soils and describing actions taken
20 shall be submitted to the CPUC or BLM.

16 **P-4a Prepare Spill Prevention, Countermeasure, and Control Plans.** To
17 minimize, avoid, and/or clean up unforeseen spill of hazardous materials
18 during operation of the proposed facilities, SCE shall update or prepare,
19 if necessary, the Spill Prevention, Countermeasure, and Control plan for
20 each substation, series capacitors, and the switchyard. SCE shall
21 document compliance by providing a copy of the Spill Prevention,
22 Control, and Countermeasures plans to the CPUC or BLM or USFWS,
23 as appropriate, for review and approval at least 60 days before the start
24 of operation. [FEIS Section D.10, Public Health and Safety, pp. D.10-
25 12 – 10-15.]
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SOUTHERN CALIFORNIA EDISON COMPANY'S
RESPONSE TO AGENCY COMMENT AND QUESTIONS

DOCKET NO: L-00000A-06-0295-00130

SPECIFIC QUESTION

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4 **9. What environmental mitigation conditions to the ACC approval or independent**
5 **commitments of the Applicant could be technically and economically**
6 **implemented?**

7 RESPONSE

8 SCE's proposed Certificate of Environmental Compatibility ("CEC"), filed
9 November 29, 2006, contains many technically and economically feasible conditions
10 designed to minimize environmental, natural resource, and land use impacts. (Attached
11 as Exhibit C)

12 For example, the proposed CEC would require SCE to obtain all necessary
13 approvals and comply with all existing applicable air and water pollution control
14 standards and regulations. SCE also would be required to develop a construction
15 mitigation and reclamation plan to avoid impacts where practical, minimize unavoidable
16 impacts, and focus onsite preparations to facilitate natural processes of re-vegetation and
17 drainage. Proposed Condition 17 would require SCE to comply with the environmental
18 mitigation measures of the Bureau of Land Management right-of-way grant and Plan of
19 Development, the Kofa National Wildlife Refuge right-of-way grant, and the U.S. Army
20 Proving Ground right-of-way grant. Other conditions also would ensure impacts to
21 wildlife, native plants, cultural resources, and visual resources are minimized.
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EXHIBIT A

Executive Order 2006-13
Climate Change Action

WHEREAS, Executive Order 2005-02 recognized that a scientific consensus has developed that increasing emissions of carbon dioxide (CO₂), methane and other greenhouse gases (GHGs) released to the atmosphere are affecting the Earth's climate; and

WHEREAS, between 1990 and 2005 Arizona's GHG emissions increased by an estimated 56 percent; and

WHEREAS, GHG emissions in Arizona are projected to increase by an estimated 148 percent over 1990 levels by 2020; and

WHEREAS, Arizona and other Western States are experiencing the effects of a hotter, drier climate, including prolonged drought, excessive heat waves, reduced snow pack, increased snowmelt, decreased spring runoff, altered precipitation patterns, more severe forest and rangeland fires, widespread forest diseases and other serious impacts; and

WHEREAS, the Western Governors Association has declared that climate change could have severe economic and environmental impacts on Arizona and the West in coming decades; and

WHEREAS, the Western Governors Association also has declared that action to reduce GHG emissions can have significant economic and environmental benefits for Arizona and other Western States, including increased energy efficiency, improved air quality, cost savings, job growth, increased revenues, and reduced water pollution; and

WHEREAS, the Climate Change Advisory Group (CCAG), established by Executive Order 2005-02, has submitted a Climate Change Action Plan to the Governor that contains numerous recommendations for addressing and reducing GHG emissions in Arizona; and

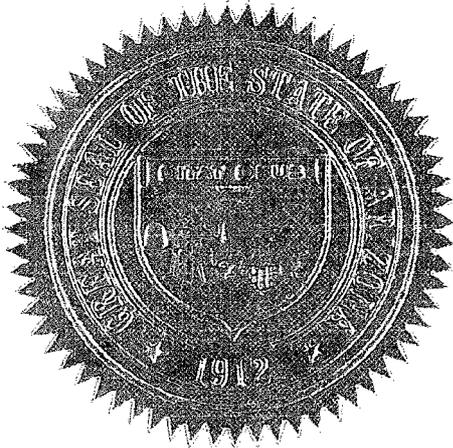
WHEREAS, in addition to substantially reducing Arizona's GHG emissions, it is estimated that the CCAG's recommendations could result in overall net economic cost savings in Arizona of more than \$5.5 billion between 2007 and 2020, with additional significant cost savings between 2020 and 2040;

NOW THEREFORE, I, Janet Napolitano, Governor of the State of Arizona, by virtue of the powers vested in me by the Constitution and laws of this State, do hereby order:

1. As recommended by the CCAG, it shall be the goal of the State of Arizona to reduce GHG emissions in Arizona to its 2000 emissions level by 2020 and to 50 percent below its 2000 emissions level by 2040. Furthermore, I direct the Climate Change Executive Committee to explore reaching 2000 emissions level by the Arizona Centennial, 2012.

2. The Climate Change Executive Committee is hereby established and charged with recommending strategies to the Governor for implementing recommendations in the Climate Change Action Plan in consultation with the Governor's Office.
3. The Climate Change Executive Committee shall be organized and coordinated by the Arizona Department of Environmental Quality (ADEQ) and shall be chaired by the Director of ADEQ.
4. The Climate Change Executive Committee shall be appointed by, and serve without compensation at the pleasure of, the Governor and shall consist of the following individuals or their designees:
 - a. The Director of Arizona Department of Administration;
 - b. The Director of the Department of Agriculture;
 - c. The Director of the Department of Commerce;
 - d. The Director of ADEQ;
 - e. The Director of the Department of Housing;
 - f. The Director of the Department of Insurance;
 - g. The Director of the Department of Real Estate;
 - h. The Director of Arizona Department of Transportation;
 - i. The Director of the Department of Water Resources;
 - j. The Director of Arizona Department of Weights and Measures;
 - k. The Director of the Residential Utility Consumer Office;
 - l. The Director of Arizona Game and Fish;
 - m. The Commissioner of the State Land Department;
 - n. The State Forester;
 - o. The Director of the Arizona Department of Revenue;
 - p. The Director of the Office of Strategic Planning and Budgeting;
 - q. One Representative from the Arizona Corporation Commission; and
 - r. Other members as the Governor may hereafter appoint.
5. State Executive Branch agencies shall endeavor to assist the State in reducing its GHG emissions, including by doing the following (notations refer to specific CCAG recommendations):
 - a. The Arizona Department of Environmental Quality (ADEQ) shall develop a GHG emissions reporting mechanism (CC-2) and shall work with other Western states to establish a GHG registry to enable tracking, management, crediting and baseline protection for entities in Arizona that reduce GHG emissions (CC-3);
 - b. In consultation with the Arizona Department of Transportation (ADOT), ADEQ shall adopt and implement the Clean Car Program to reduce GHG emissions from passenger vehicles (TLU-1);

- c. The Arizona Department of Weights and Measures (ADWM) and ADEQ shall develop standards for neat biodiesel (B100), biodiesel blends, and ethanol blends sold in Arizona (TLU-5);
- d. In consultation with ADEQ, ADOT shall implement a pilot program to allow designated hybrid motor vehicles to drive in high-occupancy-vehicle lanes on roadways, consistent with the provisions of A.R.S. § 28-737 and § 28-2416 (TLU-7);
- e. In compliance with requirements to be developed by the Arizona Department of Administration (ADOA) in consultation with ADEQ, beginning January 1, 2007, all state agencies, boards and commissions shall purchase only vehicles that are hybrids, meet low-GHG emissions standards, or use E-85 fuel, biofuels or other low-GHG alternative fuels (TLU-13), with the goal that by January 1, 2010, all State vehicles shall be hybrids, meet low-GHG emissions standards, or use E-85 fuel, biofuels or other low-GHG alternative fuels (TLU-13). Certain state law enforcement vehicles, including "pursuit-rated" and covert vehicles, shall be exempt from these requirements.



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

Janet Napolitano
GOVERNOR

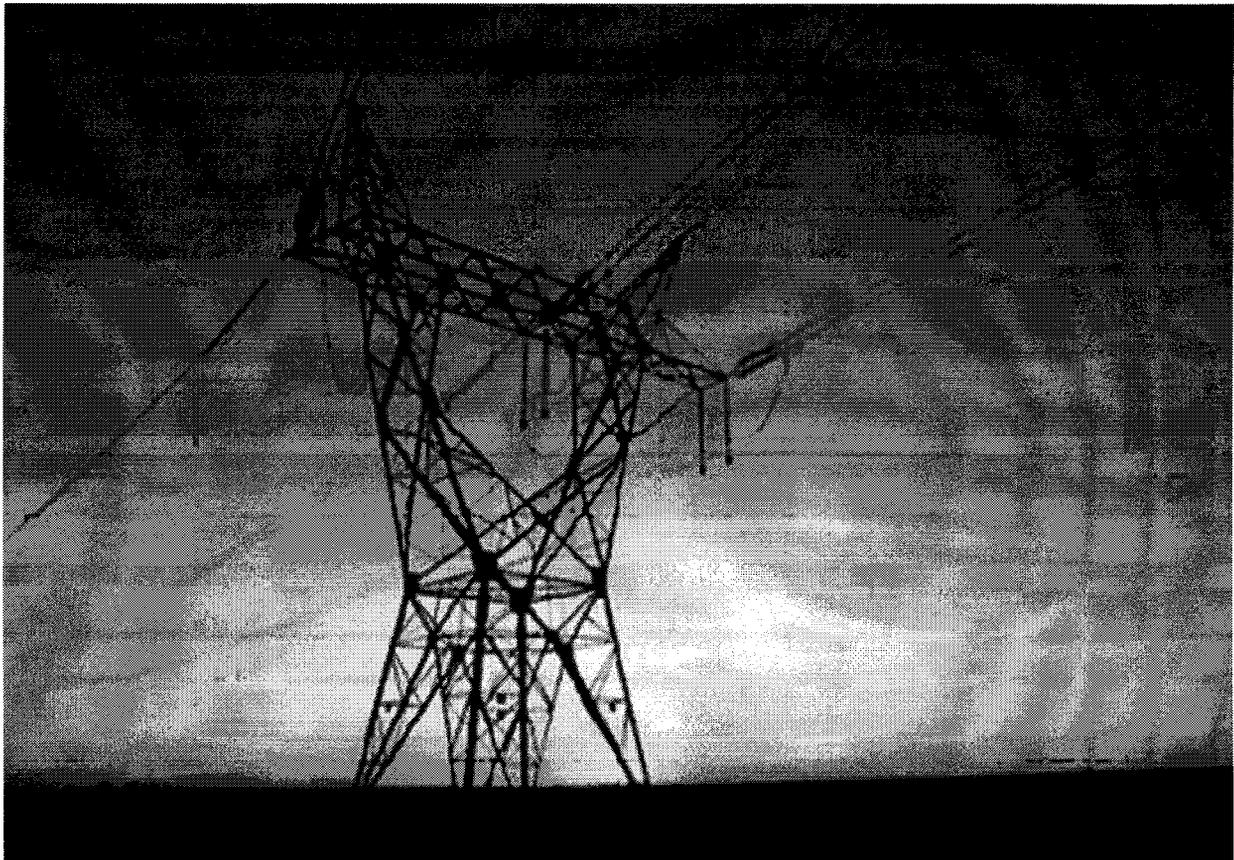
DONE at the Capitol in Phoenix on this 7th day of September in the Year Two Thousand and Six and of the Independence of the United States of America the Two Hundred and Thirty-First.

ATTEST:

Janice K. Brewer
SECRETARY OF STATE

EXHIBIT B

Arizona Corporation Commission Fourth Biennial Transmission Assessment – 2006-2015



Arizona Corporation Commission Fourth Biennial Transmission Assessment
for 2006-2015,
Docket No. E-00000D-05-0040

Arizona Corporation Commission Utilities Division

KEMA, Inc.



Appendix F: Arizona planned EHV transmission additions

Status	Project	Justification	CEC needed
2006 completion			
2005 construction start	Palo Verde-Devers and Hassayampa-North Gilla 500 kV line upgrades	The upgrading of the series capacitors allows for the increase in transfer capability among Arizona, Southern Nevada and Southern California and has an economic value from an adequacy stand point.	No information filed
2008 completion			
2007 construction start	Hassayampa-Pinal West 500kV line	To accommodate load growth and access to energy sources in the central Arizona area.	Siting Case #124, issued May 2004
2007 construction start	Interconnection of Westwing - South 345 kV via new Pinal West 500/345 kV Substation	To reinforce Tucson Electric Power Company's EHV system and to provide a higher capacity link for the flow of power from the Palo Verde area into TEP's service territory. SWTC, ED2, ED3, and ED4 are also participants.	Included in Siting Case #124
2007 construction start	EOR 9300MW Upgrade Project	To increase East of River (Path 49) transfer capability by 1250MW by upgrading series compensation on Mead-Perkins & Navajo-Crystal 500kV lines, bypassing Perkins phase-shifting transformer, etc. SRP is project sponsor representing 16 owners.	Not required
2007 construction start	Palo Verde-Pinal West 500kV	To provide access to resources from the Palo Verde area generation to the Pinal West Substation	CEC Ordered in Case 124, Issued May 24, 2004
2007 construction start	Pinal West-Santa Rosa 500kV	To provide access to resources from the Palo Verde area generation to the Santa Rosa Substation	CEC Ordered in Case 126, Issued August 25, 2005
2007 construction start	Palo Verde - Pinal West 500 kV (Reference SRP Ten-Year Plan 2006 filing)	To provide access to resources from the Palo Verde area generation to the future (beyond this Ten-Year Plan) 500/69 kV station located at the Pinal West substation.	CEC Ordered in Case 124, Issued May 24, 2004
2007 construction start	Pinal West - Southeast Valley 500 kV (Reference SRP Ten-Year Plan 2006 filing)	To Palo Verde area generation to the Santa Rosa 500 / 230 kV Substation	CEC Ordered in Case 126, Issued August 25, 2005
2009 completion			
2008 construction start	Flagstaff 345/69kV Interconnection	This project will serve projected need for electric energy in APS' northern service area. The project will improve reliability and continuity of service for the growing communities in northern Arizona.	A Certificate of Environmental Compatibility is not needed for this project.
2009 construction start	Palo Verde-TS5 500kV line	This line will serve projected need for electric energy in the area immediately north and west of the Phoenix Metropolitan area. It will increase the import capability to the Phoenix Metropolitan area as well as increase the export capability from the Palo Verde hub. This is a joint participation project with APS as the project manager.	Certificate of Environmental Compatibility issued 8/17/05 (Case No. 128, Decision No. 68063, Palo Verde Hub to TS5 500kV Transmission project). APS, as project manager, holds the CEC.
2009 construction start	Second Knoll loop-in of Coronado-Cholla 500kV line	This project will be needed to serve projected need for electric energy in Show Low and the surrounding communities.	A Certificate of Environmental Compatibility is not needed for this project.



Status	Project	Justification	CEC needed
2009 construction start	VV1 loop-in of Navajo-Westwing 500kV line	This project will serve projected electrical needs and provide support to the existing subtransmission system in the Verde Valley and Prescott areas.	A Certificate of Environmental Compatibility is not needed for this project.
2009 construction start	Devers-Palo Verde No. 2 500 kV Line	This 500 kV line will increase transfer capability between Arizona and Southern California.	No information filed
2008 construction start	Upgrade Coronado 500kV Transmission System	Add series compensation to Coronado-Silverking 500kV line.	Not required
2010 completion			
2008 construction start	Raceway-Pinnacle Peak 500kV line	This line is a result of joint planning through the SWAT forum. The project is needed to increase the import capability to the Phoenix Metropolitan area and strengthen the transmission system on the east side of the Phoenix Metropolitan valley. This will be a joint participation project with APS as the project manager. The loop-in of a Navajo-Westwing 500kV transmission line into the Raceway 500kV substation will be part of this project.	An application for a Certificate of Environmental Compatibility is expected to be filed in 2006.
2008 construction start	Series Capacitor Upgrade Project on Navajo Southern 500 kV Transmission System	The upgrading of the series capacitors allows for the increase in transfer capability from northern Arizona to central Arizona and has an economic value from an adequacy stand point. APS, SROP, TEP, BOR/Western are participating.	No information filed
2011 completion			
2009 construction start	Pinal West - Southeast Valley/Browning 500 kV line (Reference SRP Ten-Year Plan 2006 filing)	To deliver Palo Verde area generation to the Santa Rosa 500 / 230 kV Substation	CEC Ordered in Case 126, Issued August 25, 2005
2010 construction start	Mazatzal loop-in of Cholla-Pinnacle Peak 345kV line	This substation will serve projected need for electric energy in the area of Payson and the surrounding communities. Additionally, improved reliability and continuity of service will result for the growing communities in the Payson area.	A Certificate of Environmental Compatibility is not needed for this project.
2012 completion			
2008 construction start	Palo Verde-North Gila 500kV	This line is expected to be an APS/SRP joint project. As a new transmission path to Yuma area, this 500kV line will provide transmission capacity required to supplement limited transmission and generation resources in the Yuma area.	An application for a Certificate of Environmental Compatibility has not yet been filed.



Status	Project	Justification	CEC needed
2010 construction start	TS5-Raceway 500kV line	This line will be needed to serve projected need for electric energy in the area immediately north and west of the Phoenix Metropolitan area. It will increase the import capability to the Phoenix Metropolitan area as well as increase the export capability from the Palo Verde hub and provide support for multiple Westwing 500/230kV transformer outages. This will be a joint participation project with APS as the project manager.	An application for a Certificate of Environmental Compatibility has not yet been filed.
Undetermined during 2006-2015 period			
Dependent upon permitting	TEP-Unisource Energy Services 345 kV Interconnection Line-- South Substation to future Gateway Substation (2 ckts.)	To provide an alternate transmission path to Unisource Energy Services in Nogales, Arizona pursuant to ACC order.	Siting Case #111
Dependent upon permitting	Gateway Substation to Comision Federal de Electricidad (CFE) (2 ckts.) 345 kV	To interconnect to the Comision Federal de Electricidad in Sonora, Mexico.	Siting Case #111
Postponed indefinitely	Greenlee Switching Station through Hidalgo to Luna (Deming area) 345 kV	To provide additional interconnection with the Arizona Utilities and into southern New Mexico	Yes; Issued in October, 1975
TBD	Palo Verde-Saguaro 500kV line	This line is the result of the joint participation CATS study. The line will be needed to increase the adequacy of the existing EHV transmission system and permit increased power delivery throughout the state. It is anticipated the line will be a joint participation project.	Certificate of Environmental Compatibility issued 01/23/1976 (Case No. 24, Decision No. 46802).
Under Review	Pinal West Substation to Tortolita Substation 500 kV	To reinforce Tucson Electric Power Company's EHV system and to provide a higher capacity link for the flow of power from the Palo Verde area into TEP's northern service territory.	Yes
Under Review	Pinal South Substation to Tortolita Substation 500 kV	To reinforce Tucson Electric Power Company's EHV system and to provide a higher capacity link for the flow of power from the Palo Verde area into TEP's northern service territory.	Yes
Under Review	Tortolita Station to Winchester Station 500 kV	To reinforce Tucson Electric Power Company's EHV system and to provide a higher capacity link for the flow of power from the Palo Verde area into TEP's eastern transmission system.	Siting Case No. 23
Under Review	Winchester Substation to Vail Substation - 2nd circuit 345 kV	To reinforce Tucson Electric Power Company's EHV system and to provide additional transmission capacity from the future Winchester Station into Tucson	Yes
Under Review	Vail Station to South Station - 2nd circuit 345 kV	To reinforce Tucson Electric Power Company's EHV system and to provide additional transmission capacity between Vail and South Substations	No
Under Review	Springerville Substation to Greenlee Substation - 2nd circuit 345 kV	To deliver power and energy from major TEP interconnections in the Four Corners and Eastern Arizona regions.	Issued in 1975,1977,1982 and 1986
Under Review	Tortolita Substation to South Substation.	To reinforce Tucson Electric Power Company's EHV system and to provide a high capacity link for the flow of power in Southern Arizona.	Siting Case #50



Status	Project	Justification	CEC needed
Under Review	Westwing Substation to South Substation (2nd circuit) 345 kV	To deliver power and energy from major TEP interconnections in the Northwest Phoenix region.	Siting Case # 15
Under Review	Gateway 345/115 kV Substation	The proposed substation facilities provide an interconnection and source for UNS Electric's second transmission line to UNS Electric's Santa Cruz Service Area and a future distribution substation as provided for in CEC.	



Appendix G: Arizona planned HV transmission additions

Status	Project	Justification	CEC needed
2006 completion			
Construction start 2005	Sandario Substation loop-in of Avra Valley to Three Points 115 kV line	To provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc. in Northwest Tucson	Yes. The Commission in Case 125 issued a Certificate of Environmental Compatibility for the project (Decision No. 67432) on December 3, 2004
Construction start 2006	Saddlebrooke Ranch 115 kV Substation	To provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc. in Southern Pinal County	No
2007 completion			
Construction start 2006	Browning-Dinosaur 230kV line	Serves new substation at Dinosaur, a key source to new load development in the Apache Junction area. Line will be installed in the extra conductor position on Pinal West-Browning 500/230kV towers.	Siting Case #124
Construction start 2006	Orme-Anderson 230kV line	Reconfigure existing parallel-circuit tower line into a double-circuit arrangement to relieve 230kV transmission overloads.	Not required. Original construction of this line predates the siting statute
Construction start 2006	Loop-in of Liberty-Orme 230kV line into Rudd Substation	Loop-in of Libert-Orme into existing Rudd Substation to relieve 230kV transmission overloads.	Not required. Predates siting statute and loop-in is contained within the station site.
Construction start 2006	Loop existing West Ina Substation to Tucson Station line through Del Cerro (formerly Sweetwater) Substation. 138 kV	To provide additional electric service to the western part of Tucson Electric Power Company's service area and to reinforce the local distribution system.	Siting Case #62
Construction start 2006	Hackberry 230/69 kV Substation	To provide transmission service to PD's Safford mining operations in Graham County and to provide for enhanced service reliability to the existing Graham County 69 kV system.	No
Construction start 2007	Rudd-Palm Valley-TS4 230kV line	This project will provide a source for the Palm Valley 230/69 kV substation and 69 kV substations planned in the western and southwestern Phoenix Metropolitan area to accommodate the growing need for electric energy in the area. Increased reliability and quality of service will result for customers served by the 230/69 kV substation.	Certificate of Environmental Compatibility issued 2/12/02 (Case No. 11 5, Decision No. 64473, Southwest Valley Project). Revised on 4/9/02, Decision No. 64704. This CEC is for the 230kV line, Rudd-Liberty, running east and west on the same poles as the Palo Verde-Rudd 500kV line. The portion of line running from the existing Rudd-Liberty line to the Palm Valley substation and Project and a Certificate of Environmental Compatibility was issued 12/24/03 (Case No. 122, Decision No. 66646, West Valley South 230kV Transmission Line Project).



Status	Project	Justification	CEC needed
Construction start 2007	Marana 115 kV Line Upgrade	To mitigate various thermal overloads and/or voltage criteria violations due to n-1 outages on the 115 kV system between Bicknell and Marana and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	No
Construction start 2006 (Phase II, Phase I completed)	Loop existing Vail Substation to East Loop Substation line through future Pantano and Los Reales Substations. 138 kV	To provide additional electric service to the eastern part of Tucson Electric Power Company's service area and to reinforce the local distribution system.	No
2008 completion			
Construction start 2007	Naviska to Saguaro 115 kV	To provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc. in Northern Pima and Southern Pinal Counties	Yes
Construction start 2008	Valencia to CAP Black Mountain 115 kV Line	To provide an additional source to the swrc 115 kV system and for the Valencia Substation which is currently served by a radial 115 kV line from Three Points Substation	Yes
Construction start 2008	Gordon Sloan 230/69 kV Substation	To provide for anticipated load growth in the certificated service area of Sulphur Springs Valley Electric Cooperative, Inc	No
Construction start 2008	Apache to Hayden 115 kV line to APS San Manuel Substation	Provide for increased transfer capability and voltage support in Southern Pinal County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
Construction start 2009	Naviska to Thornydale 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
2009 completion			
Construction start 2007	TS5-TS1 230kV line	This project is required to serve the increasing need for electric energy in the western Phoenix Metropolitan area, providing more capability to import power into the Phoenix Metropolitan area along with improved reliability and continuity of service for growing communities such as El Mirage, Surprise, Youngtown, and Buckeye. The first circuit is scheduled to be in-service for the summer of 2009 and the in-service date for the second circuit will be evaluated in future planning studies.	Certificate of Environmental Compatibility issued 5/5/05 (Case No. 12 7, Decision No. 67828, West Valley North 230kV Transmission Line project).



Status	Project	Justification	CEC needed
Construction start 2008	Raceway-Avery 230kV line	This line will serve projected need for electric energy in the area immediately north of the Phoenix Metropolitan area. Additionally, improved reliability and continuity of service will result for the area's growing communities such as Anthem, Desert Hills and New River. The first circuit is scheduled to be in-service for the summer of 2009 and the inservice date for the second circuit will be evaluated in future planning studies by SRP as part of their planned Westwing-Pinnacle Peak 230kV project.	Certificate of Environmental Compatibility issued 6/18/03 (Case No. 120, Decision No. 64473, North Valley Project).
Construction start 2008	Rancho Vistoso Substation to future Catalina Substation 138 kV	To provide additional electric service to the south-central part of Tucson Electric Power Company's service area.	Under Review
Construction start 2008	Valencia to San Joaquin 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
2010 completion			
Construction start 2004	Pinnacle Peak-TS6-Avery 230kV line	This project will serve projected need for electric energy in the area immediately north of the Phoenix Metropolitan area. Additionally, improved reliability and continuity of service will result for the growing communities in the areas of Anthem, Desert Hills, New River, and north Phoenix. The first circuit is scheduled to be in-service for the summer of 2010 and the in-service date for the second circuit will be evaluated in future planning studies by SRP as part of their planned Westwing-Pinnacle Peak 230kV project.	Certificate of Environmental Compatibility issued 6/18/03 (Case No. 120, Decision No. 64473, North Valley Project).
Construction start 2008	Palm Valley-TS2-TS1 230kV line	This project is required to serve the increasing need for electric energy in the western Phoenix Metropolitan area, providing more capability to import power into the Phoenix Metropolitan area along with improved reliability and continuity of service for growing communities such as El Mirage, Surprise, Youngtown, and Buckeye. The first circuit is scheduled to be in-service for the summer of 2010 and the in-service date for the second circuit will be evaluated in future planning studies.	The Palm Valley-TS2 230kV line portion was sited as part of the West Valley South 230kV Transmission Line project and a Certificate of Environmental Compatibility was issued 12/24/03 (Case No. 122, Decision No. 66646). The TS1 -TS2 230kV line portion was sited as part of the West Valley North 230kV Transmission Line project and a Certificate of Environmental Compatibility was issued 5/5/05 (Case No. 127, Decision No. 67828).
Construction start 2009	Raceway 500kV to 230kV substation 230kV line	The Raceway 500kV substation will be located north of the existing Raceway 230kV substation due to physical/geographic constraints. The 500/230kV transformers will be located at the Raceway 500kV substation, therefore 230kV lines are needed between the 500/230kV transformers and the Raceway 230kV substation.	An application for a Certificate of Environmental Compatibility has not yet been filed. It is anticipated that this project will be filed with the Raceway-Pinnacle Peak 500kV Transmission project.



Status	Project	Justification	CEC needed
Construction start 2010	Vail - Wentworth 138 kV - two circuits	Required to serve load at the new Wentworth 138/13.8 kV Substation locate approximately 7.5 miles due east of the Vail Substation Circuit 1: utilize conductor that was installed in the past but left de-energized, install - 3.0 miles of new conductor east from Vail on existing structures to make connection to this existing conductor Circuit 2: tap the existing Vail-Fort Huachuca or Vail-Spanish Trail line	Yes
2011 completion			
Construction start 2009	Desert Basin-Pinal South 230kV line	Will provide capacity for the delivery of Desert Basin power plant output to the valley and allow for possible capacity expansion at the plant. Majority of line to be strung in vacant position of 500kV towers.	SRP will file a CEC application in Fall 2006 for the tap or loop-in Desert Basin, but the authority for the portion of the line strung on the 500kV structures is provided for in Case No. 126 granted in 2005.
Construction start 2008	Western Parker-Davis 115 kV Upgrades to 230 kV (Reference Western Ten-Year Plan 2003 filing)	Expected to deliver lower cost energy via additional capacity over the upgraded 230 kV System, and to provide redundancy to bulk receiving stations.	No. Western will upgrade existing 115 kV facilities to 230 kV.
Construction start 2010	Jojoba loop-in of TS4-Panda 230kV line	This substation will be needed to serve projected need for electric energy for the growing communities in the areas of Buckeye, Goodyear, and Gila Bend.	Certificate of Environmental Compatibility issued 10/16/00 (Case No. 102, Decision No. 62960, Gila River Transmission Project).
Construction start 2010	Loop existing Irvington Station to Vail Substation #2 line through future University of Arizona Tech Park Substation.	To provide additional electric service to the south-central part of Tucson Electric Power Company's service area.	Yes
Construction start 2011	Thornsdale to CAP Twin Peaks 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
2012 completion			
Construction start 2009	Upgrade existing 115kV transmission line to Nogales	The upgrade of the transmission line increases transmission system reliability and provides additional load serving capacity to UNS Electric Santa Cruz Service Area.	
Construction start 2010	North Gila-TS8 230kV line	This project is required to serve the increasing need for electric energy in the city of Yuma. Additionally, improved reliability and continuity of service will result for the fast growing Yuma County.	An application for a Certificate of Environmental Compatibility has not yet been filed.



Status	Project	Justification	CEC needed
Construction start 2010	Sandario to San Joaquin 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
Construction start 2011	Picture Rocks to CAP Twin Peaks 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
Construction start 2011	Sandario to CAP Brawley 115 kV Line	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
2013 completion			
Construction start 2012	Adonis 115/24.9 kV Substation	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	No
2014 completion			
Construction start 2013	New Tucson 230/24.9 kV Substation	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	No
2015 completion			
Construction start 2014	Camino de Manana 115/24.9 kV Substation	Provide for increased transfer capability and voltage support in Southern Pima County and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	No
Construction start 2015	Upgrade of Marana to Avra Valley 115 kV Line	To mitigate various thermal overloads and/or voltage criteria violations due to n-1 outages on the 115 kV system between Bicknell and Marana and to provide for anticipated load growth in the certificated service area of Trico Electric Cooperative, Inc.	Yes
Undetermined			
Construction started 1985 Phase 1 - 1994 (Completed) Phase 2 - 2000 (Completed)	Irvington Substation to East Loop Substation (through 22nd Street Substation).	To provide additional electric service to the central area of Tucson Electric Power Company's service area and to reinforce the local transmission system.	Siting Case #66



Status	Project	Justification	CEC needed
Construction started 1985 Phase 1 - 1987 (Completed)	East Loop Substation to Northeast Substation (through Snyder Substation)	To provide additional electric service to the northeastern area of Tucson Electric Power Company's service area.	Siting Case #47
Construction started 1976 Phase 1 - 1977 (Completed) Phase 2 - 1983 (Completed)	Vail Substation to East Loop Substation (through Houghton Loop Switching Station*, Spanish Trail and Roberts Substations).	To provide additional electric service to the eastern portion of Tucson Electric Power Company's service area and to reinforce the local transmission system.	Siting Case #8
TBD	Santa Rosa-Pinal South 230kV line	This line will serve increasing loads in Pinal County and will improve reliability and continuity of service for the rapidly growing communities.	Authority for the 230kV line strung on the 500kV structures was granted in the Certificate of Environmental Compatibility issued in 2005, Case No. 126, Decision Nos. 68093 and 68291.
TBD	Westwing-El Sol 230kV line	This line will increase system capacity to serve growing demand for electric energy in the Phoenix Metropolitan area, while maintaining system reliability and integrity for delivery of bulk power from Westwing south into the APS Phoenix Metropolitan area 230kV transmission system.	Certificate of Environmental Compatibility issued 7/26/73 (Case No. 9, docket No. U-1345). Note that this Certificate authorizes two double-circuit lines. Construction of the first double circuit line was completed in March 1975. Construction of the second line, planned to be built with double-circuit capability but initially operated with a single circuit, is described above.
TBD	Westwing-Raceway 230kV line	This line will serve increasing loads in the far north and northwest parts of the Phoenix Metropolitan area and provide contingency support for multiple Westwing 500/230kV transformer outages. The in-service date for the first circuit will continue to be evaluated in future planning studies by APS and the in-service date for the second circuit will be evaluated in future planning studies by SRP.	Certificate of Environmental Compatibility issued 6/18/03 (Case No. 120, Decision No. 64473, North Valley 230kV Transmission Line Project).
TBD	Yucca-TS8 230kV line	This project would serve the increasing need for electric energy in the city of Yuma. Additionally, improved reliability and continuity of service will result for the fast growing Yuma County.	An application for a Certificate of Environmental Compatibility has not yet been filed.
Under Review	Extend 138-kV line from Midvale Substation through future Spencer Switchyard to future San Joaquin Substation.	To provide additional electrical service to the far western portion of Tucson Electric Power Company's service area and to reinforce the local distribution system.	Under Review (dependent upon use of federal and/or Tohono r/w)
Under Review	South Substation to DeMoss Petric Substation 138 kV	To provide additional electrical service to the far western portion of Tucson Electric Power Company's service area and to reinforce the local distribution system.	Yes



Status	Project	Justification	CEC needed
Construction started 1995 Phase I completed 1997; phase 2a completed 2006; phase 2b under review	South Substation to Cyprus Sierrita Extension Switchyard through future Canoa Ranch (formerly Desert Hills) Substation and Green Valley Substation. 138 kV	To provide additional electrical service to southern area of Tucson Electric Power Company's service area and to reinforce the local transmission & distribution system.	Siting Case #84 (Extension to Certificate being sought due to delayed load growth and condemnation issues)
Under Review	Loop Green Valley to Cyprus-Sierrita line through Canoa Ranch (formerly Desert Hills) Substation. 138 kV	To provide additional electric service to the south-central part of Tucson Electric Power Company's service area.	No
Under Review	Tortolita-Rillito 138 kV	Required to fully utilize increased import capability of additional EHV capacity into Tortolita Substation (Pinal West - Tortolita).	Yes
Under Review	Griffith-North Havasu Transmission 230 kV, 69 kV	Reinforce the existing transmission grid and provide interconnection between UNS Electric load centers in Mohave County.	
Under Review	Nogales Transmission Line #2 115 kV	The additional transmission line increases transmission system reliability and provides additional load serving capacity to UNS Electric Santa Cruz Service Area.	
Under Review	Valencia 115 kV Substation Expansion	The proposed substation facilities provide an interconnection and source for UNS Electric's second transmission line to UNS Electric's Santa Cruz Service Area and a future distribution substation as provided for in CEC.	

EXHIBIT C

1 The following members and designees of members of the Committee were present
2 at one or more of the hearings for the evidentiary presentations and/or for the
3 deliberations:

4 Laurie Woodall Chairman, Designee for Arizona Attorney General,
5 Terry Goddard

6 David L. Eberhart, P.E. Designee for Chairman, Arizona Corporation
7 Commission ("ACC")

8 Ed Ranger Designee for Director, Arizona Department of
9 Environmental Quality

10 Jim Arwood Designee for Director, Energy Department, Arizona
11 Department of Commerce

12 Greg Houtz Designee for Director, Arizona Department of Water
13 Resources

14 Jeff McGuire Appointed Member

15 Michael Palmer Appointed Member

16 Joy Rich Appointed Member

17 A. Wayne Smith Appointed Member

18 Margaret Trujillo Appointed Member

19 Michael Whalen Appointed Member

20
21 The Applicant was represented by Thomas H. Campbell and Albert H. Acken of
22 Lewis and Roca LLP and Michael D. Mackness of the Southern California Edison
23 Company Law Department. The following parties were granted intervention pursuant to
24 A.R.S. § 40-360.05: ACC Staff, represented by Christopher Kempley and Keith Layton;
25
26

1 the Sierra Club – Grand Canyon Chapter, represented by Timothy Hogan; Harquahala
2 Valley Irrigation District, represented by William D. Baker; Walter Meek, Pro Se; the
3 Residential Utility Consumer Office (“RUCO”), represented by Scott Wakefield; Donald
4 G. Begalke, Pro Se; Central Arizona Water Conservation District (“CAWCD”),
5 represented by Thomas W. McCann; Harquahala Valley Power District, represented by
6 Jay I. Moyes and Steve Wene of Moyes Storey, Ltd.; Gila River Power LP, represented
7 by Patrick Black of Fennemore Craig P.C.; Tucson Electric Power Co., represented by
8 Michael W. Patten, J. Matthew Derstine and Laura Sixkiller of Roshka DeWulf & Patten,
9 PLC; Langley Properties, LLC, represented by Court S. Rich of Rose Law Group PC;
10 and Mohave Electric Cooperative, Inc., represented by Michael A. Curtis, Larry K. Udall
11 and William P. Sullivan of Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
12

13
14 At the conclusion of the hearings, the Committee, having received the Application,
15 the appearances of the parties, the evidence, testimony and exhibits presented at the
16 hearings, and being advised of the legal requirements of Arizona Revised Statutes §§ 40-
17 360 to 40-360.13 and the holding in *Grand Canyon Trust v. Arizona Corporation*
18 *Commission*, 210 Ariz. 30, 38, 107 P.3d. 356 (App. 2005), found that the Project is
19 environmentally compatible, and upon motion duly made and seconded, voted to grant
20 the Applicant a Certificate of Environmental Compatibility (Case No. 130) for authority
21 to construct the following facilities as requested in the Application: a 500kV alternating
22 current transmission line and related facilities in Maricopa and La Paz counties in
23 Arizona originating west of Phoenix, Arizona at either: (1) the Harquahala Junction
24
25
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1 Switchyard; or (2) the Harquahala Generating Station Switchyard; and terminating at the
2 Devers substation in Riverside County, California as indicated below and depicted on
3 Attachment A (the "Project"). The Project consists of approximately 102 miles of 500kV
4 transmission line in Arizona.

5 PROPOSED ROUTE

6
7 The Arizona portion of the Project originates at a new Harquahala Junction
8 Switchyard (Line Siting Case No. 128) to be located in the southwest quarter of Section
9 25, Township 2 North, Range 8 West. The entire Project will be located within a
10 nominal 130-foot-wide right-of-way on Federal land and state land and a nominal 160-
11 foot wide right-of-way on private land adjacent to the existing Devers to Palo Verde No.
12 1 500kV transmission line ("DPV1") (Line Siting Case Nos. 34 and 48) right-of-way.
13 The Project right-of-way will be to the west and south of the DPV1 right-of-way east of
14 Copper Bottom Pass (located in La Paz County, Section 20, Township 3 North, Range 20
15 West), and on the east and north side of the DPV1 right-of-way between the western end
16 of Copper Bottom Pass (Section 14, Township 3 North, Range 21 West) and the
17 Colorado River. The majority of the proposed route is located within Bureau of Land
18 Management ("BLM") designated utility corridors.
19
20

21 From the Harquahala Junction Switchyard, the route will head north and parallel
22 DPV1 for approximately 2.7 miles to Interstate 10 ("I-10"), where it will cross I-10 and
23 proceed to a point 1 mile northwest of Burnt Mountain.
24

25 The route will then turn west and generally parallel the I-10 and Central Arizona
26

1 Project ("CAP") Canal for approximately 20 miles through the Big Horn Mountains and
2 across the Harquahala Plain to a point 0.5 mile north of I-10. The route will then turn
3 southwest, crossing I-10, and proceed approximately 5 miles to intersect the El Paso
4 Natural Gas Company's existing pipeline just north of its Wenden Pump Station north of
5 the Eagletail Mountains.
6

7 The route will then roughly parallel the El Paso Natural Gas pipeline and parallel
8 the DPV1 line for approximately 56 miles, crossing the Ranegras Plain, through
9 approximately 25 miles of the Kofa National Wildlife Refuge (beginning at the east
10 boundary in Section 13, T2N R15W, and ending at the west boundary in Section 7, T2N
11 R18W), La Posa Plain, and Arizona State Highway 95, through the Dome Rock
12 Mountains to the summit of Copper Bottom Pass. The route will include the existing
13 double circuit transmission towers located along a three-mile segment in the Copper
14 Bottom Pass.
15

16 The route will then turn southwest away from the pipeline, descend the western
17 slope of the Dome Rock Mountains and proceed approximately 9 miles to a crossing of
18 the Colorado River in La Paz County, Section 5, Township 2 North, Range 22 West.
19

20 The Committee also approves an alternative interconnection option to originate the
21 line at the Harquahala Generating Station Switchyard (Line Siting Case No. 96). If this
22 interconnection option is used, the transmission line would exit the Harquahala
23 Generating Station Switchyard located in Maricopa County, Section 31, Township 2
24 North, Range 8 West, and parallel the existing Harquahala-Hassayampa 500kV line (Line
25
26

1 Siting Case No. 96) in an easterly direction for approximately 5 miles within a 1,000-
2 foot-wide corridor centered on the existing line.

3 **FINDINGS OF FACT REGARDING THE NEED FOR THE PROJECT**

- 4
- 5 1. The Project reduces critical congestion on Path 49 between Arizona and
6 California. The need to reduce this congestion has been identified by the
7 Department of Energy, various regional planning groups, and Southern
8 California Edison (the Applicant). The regional planning groups and the
9 Applicant have confirmed that the Project will reduce this congestion.
10 Reducing this congestion strengthens the Southwestern transmission grid.
- 11 2. The Project will meet the need for underutilized power plants in Arizona to
12 sell additional power, particularly during the off-peak seasons and off-peak
13 hours. Currently, while there is excess generation in the Palo Verde area
14 year-round, Arizona utilities believe the current peak excess may be utilized
15 as soon as 2011. However, even at that time, there will continue to be
16 excess merchant and utility generation during the off-peak hours and
17 seasons. The ability to use the excess non-peak capacity also will
18 encourage investment in and help defray the costs of new resources that
19 will be needed to meet Arizona's growing peak loads.
- 20 3. The Project will also help meet California's need for diverse, cost effective
21 resources. Particularly in off-peak periods, the Project will allow California
22 access to excess lower cost resources from more efficient plants thereby
23 reducing costs to California consumers and providing a more diverse and
24 environmentally compatible portfolio of energy resources.
- 25 4. The Project will enhance grid and resource reliability, especially in
26 emergency situations.

- 1 5. The Project will increase power pooling.
- 2 6. The Project will result in significant economic and fiscal benefits from
- 3 construction and increased state and local taxes.
- 4 7. The Project will help maintain greater liquidity at the Palo Verde Hub and
- 5 thereby reduce transaction costs for Arizona utilities.
- 6 8. The Project will result in greater fuel and load diversity for Arizona and the
- 7 Southwest.
- 8 9. The Project will improve Arizona generation investment climate thereby
- 9 reducing the cost of building or procuring the additional generation supply
- 10 Arizona will need to serve its growing load.
- 11 10. The Project will improve Arizona's resource utilization, including the
- 12 increased opportunity for Arizona utilities to make off system sales so that
- 13 some of their costs will be paid by California customers resulting in lower
- 14 cost to Arizona customers.
- 15 11. The Project will improve Arizona's and the region's access to renewable
- 16 resources.
- 17 12. The Project complements Arizona interstate transmission projects such as
- 18 Trans-West Express and Project Zia.
- 19 13. The Project enhances interconnection opportunities (e.g., at Harquahala
- 20 Junction Switchyard).
- 21 14. Planned development of Arizona natural gas transmission and storage
- 22 facilities will more than offset an estimated increase in Arizona natural gas
- 23 usage resulting from increased utilization of generating facilities.
- 24 15. The estimated increase in Arizona utilities' production costs reported in the
- 25 Applicant report to California Independent System Operator (CAISO) is
- 26 minimal, less that 0.2% of the Arizona utilities' annual costs. Moreover,

1 this report is based on assumptions about Arizona utilities buying all energy
2 on the spot market and Arizona requiring that all future generation be built
3 by merchant companies, not Arizona utilities. If these two assumptions are
4 adjusted to comport with Arizona realities, the estimated production cost
5 increases will be even smaller if not entirely offset.

6 16. The increased Arizona production costs reflected in the Applicant report to
7 CAISO are more than offset by economic benefits to Arizona in general
8 and benefits to Arizona utilities in particular.

9 17. The Project reduces emissions regionally, including CO₂, a greenhouse gas
10 associated with global warming, because newer, cleaner, and more efficient
11 plants are being utilized more, and older and less efficient plants are used
12 less.

13 18. The estimated increases in Arizona NO_x emissions (0.05%) and water
14 usage (0.02%) resulting from increased generation from Arizona plants will
15 be well within the air emission and water use limits that the Siting
16 Committee, ACC and pertinent environmental agencies have determined
17 are environmentally compatible.

18 19. Numerous power plants have been built in California from 2001 to 2005
19 totaling over 13,000 MW of new generation. A significant number of new
20 generating plants are expected to be built in California in the near future.

21 **CONDITIONS**

22
23 This Certificate is granted upon the following conditions:

- 24 1. The Applicant shall obtain all required approvals and permits necessary to
25 construct the Project.
26 2. The Applicant shall comply with all existing applicable air and water

1 pollution control standards and regulations, and with all existing applicable
2 ordinances, master plans and regulations of the State of Arizona, the
3 County of Maricopa, the County of La Paz, the United States, and any other
4 governmental entities having jurisdiction.

- 5 3. This authorization to construct the Project shall expire 10 years from the
6 date the Certificate is approved by the ACC unless construction is
7 completed to the point that the Project is capable of operating by that time;
8 provided however that prior to such expiration the Applicant or its
9 assignees may request that the Commission extend this time limitation.
- 10 4. The Applicant shall make every reasonable effort to identify and correct, on
11 a case-specific basis, all complaints of interference with radio or television
12 signals from operation of the transmission line and related facilities
13 addressed in this Certificate. The Applicant shall maintain written records
14 for a period of five years from the date of any such complaints of radio or
15 television interference attributable to operation, together with the corrective
16 action taken in response to each complaint. All complaints shall be
17 recorded to include notations on the corrective action taken. Complaints not
18 leading to a specific action or for which there was no resolution shall be
19 noted and explained. The record shall be signed by the Applicant and also
20 the complainant, if possible, to indicate concurrence with the corrective
21 action or agreement with the justification for a lack of action.
- 22 5. The Project shall comply with applicable noise guidelines of the Federal
23 Department of Housing and Urban Development and the Environmental
24 Protection Agency.
- 25 6. If human remains and/or funerary objects are encountered during the course
26 of any ground disturbing activities relating to the development of the

1 subject property, Applicant shall cease work on the affected area of the
2 Project and notify the Director of the Arizona State Museum in accordance
3 with A.R.S. § 41-865.

4 7. Applicant shall consult an archeologist during construction activities in
5 applicable areas, as determined by the State Historic Preservation Office
6 ("SHPO"), to advise them in connection with any additional archeological
7 studies that may be required and any mitigation efforts for archeological
8 sites that may be affected by the construction of the Project.

9 8. After construction, the Applicant, in conjunction with any applicable land
10 managing agency, shall allow Arizona Site Stewards, a volunteer-staffed
11 SHPO program, to periodically inspect archeological sites within the
12 corridor for vandalism or other damage.

13 9. If any archaeological, paleontological or historical site or object that is at
14 least fifty years old is discovered on state, county or municipal land during
15 survey, excavation, construction or other like activity, the person in charge
16 shall promptly report the discovery to the Director of the Arizona State
17 Museum, and in consultation with the Director, shall immediately take all
18 reasonable steps to secure and maintain the preservation of the discovery
19 pursuant to A.R.S. §41-844.

20 10. The Applicant shall follow the Arizona State Land Department's
21 instructions, if any, regarding the treatment of State Register of Historic
22 Places-eligible properties situated on Arizona State Land Department land
23 in consultation with SHPO.

24 11. In consultation with SHPO and the land-managing agency, the Applicant
25 will consider and assess potential direct and indirect impacts to eligible
26 properties related to new access roads or any existing access roads that

1 require blading.

2 12. Where practicable, the Applicant shall use existing roads for construction
3 and access. The Applicant shall minimize vegetation disturbance outside of
4 the transmission line right-of-way, particularly in drainage channels and
5 along stream banks.

6 13. The Applicant shall use non-specular conductor and dulled surfaces for
7 transmission line structures.

8 14. Within 45 days of: a) securing easement or right-of-way for the Project on
9 private property; or b) approval of the Certificate by the Commission,
10 whichever is later, the Applicant shall erect and maintain signs on such
11 private property providing public notice that the property is the site of a
12 future transmission line or switchyard site. Such signage shall be no
13 smaller than a normal roadway sign printed on materials of a color designed
14 to attract attention. The Applicant shall place signs such that the public is
15 notified along the full length of the transmission line until the transmission
16 structures are constructed.

17 15. In the event that the Project requires an extension of the term of this
18 Certificate prior to completion of construction, Applicant shall use
19 reasonable means to directly notify all landowners and residents within a
20 one-half mile radius of the Project facilities for which the extension is
21 sought. Such landowners and residents shall be notified of the time and
22 place of the proceeding in which the Commission shall consider such
23 request for extension.

24 16. Before construction on this Project may commence, the Applicant must file
25 a construction mitigation and reclamation plan with ACC Docket Control,
26 with copies to affected areas of jurisdiction. The Applicant shall, within one

1 year of completion of construction of the Project, re-vegetate any area of
2 native vegetation disturbed by construction of the Project outside of the
3 transmission line right-of-way, except for any road that may be necessary to
4 access the transmission lines or substation sites for maintenance and repair.

5 The goals of the Plan will be to:

- 6 ● Avoid impacts where practical;
- 7 ● Where impacts are unavoidable, minimize impacts; and
- 8 ● Focus on site preparation to facilitate natural processes of re-vegetation
9 and drainage

10 Other key elements of the Plan, when not inconsistent with the respective
11 land management agencies' or local owners' requirements, are to:

- 12 ● Emphasize final site preparation to encourage natural re-vegetation;
- 13 ● Avoid (*i.e.*, preserve), where practical, mature native trees;
- 14 ● Stipulate a maximum construction corridor width;
- 15 ● Reserve topsoil and native plant materials from right-of-way before
16 grading, and distribute over the right-of-way after construction is
17 complete;
- 18 ● Imprint the reclaimed right-of-way to provide indentations to catch seed
19 and water;
- 20 ● Implement best management practices to protect the soil;
- 21 ● Apply reclamation methods that have been proven effective in the desert
22 environment; and
- 23 ● Prevent, where applicable, the spread of noxious weeds or other
24 undesirable species.

- 25 17. On federal lands, Applicant shall comply with the environmental mitigation
26 measures and other conditions or requirements of the right-of-way grant and

1 Plan of Development on BLM lands, the Kofa National Wildlife Refuge
2 right-of-way grant, and the U.S. Army Yuma Proving Ground right-of-way
3 grant.

4 18. Applicant shall monitor all ground clearing/disturbance activities that could
5 affect sensitive species or habitat. Where warranted, Applicant shall retain
6 a qualified biologist to conduct pre-construction activities to minimize or
7 prevent impacts to sensitive species or habitat. Specifically, in areas
8 considered to comprise suitable Sonoran desert tortoise habitat, Applicant
9 shall conduct preconstruction surveys and/or monitor for desert tortoises. If
10 desert tortoises are encountered during construction, the Applicant shall
11 follow the Arizona Game & Fish Department's Guidelines for Handling
12 Sonoran Desert Tortoises.

13 19. Applicant shall salvage mesquite, ironwood, palo verde trees and saguaros
14 removed during project construction activities consistent with Arizona's
15 Native Plant Law and use the vegetation for reclamation in or near its
16 original location.

17 20. Applicant shall provide copies of this Certificate to La Paz County and
18 Maricopa County planning agencies, the county boards of supervisors, the
19 Arizona Department of Real Estate ("ADRE"), SHPO, AGFD and ASLD.

20 21. Prior to the date this transmission line is put into commercial service,
21 Applicant shall provide homebuilders and developers of record of land
22 parcels located within one mile of the center line of the certificated route
23 the identity, location and a pictorial depiction of the type of power line
24 being constructed, accompanied by a written description, and encourage the
25 developers and homebuilders to include this information in the developers'
26 and homebuilders' homeowners' disclosure statements.

1 22. Applicant shall publish a copy of this Certificate and the attachments on
2 Applicant's project website within 10 days of approval of the Commission.

3 23. Applicant agrees to make good faith efforts for the term of the Certificate,
4 not to exceed ten years, to work within California and FERC proceedings to
5 encourage regional access to natural gas storage facilities in California in a
6 manner that addresses natural gas service reliability and efficiency in the
7 region, including Arizona.

8 24. To ensure the Project does not adversely affect reliability of the Arizona
9 Extra High Voltage (EHV) grid and power plants interconnected at the Palo
10 Verde Hub, one of the following options must be adopted by Applicant for
11 construction of the new line:

12 The line must be constructed on towers or monopoles for its entire length
13 and have sufficient physical separation from the existing DPV1 line to
14 assure a common mode outage frequency of less than one in thirty years
15 (per NERC/WECC Planning Standards S-2) or that no cascading outages
16 would occur for such a common mode outage (per NERC Category C.5)

17 OR

18 The WECC rated Path 49 shall not be operated above a level at which a
19 NERC Category C.5 common mode outage of the two Devers to Palo
20 Verde lines would cause cascading outages. Studies are to be performed
21 annually to establish with WECC such a Path 49 Operational Transfer
22 Capability (OTC) limit for the common mode outage of the two Devers to
23 Palo Verde transmission lines.

24 25. The Project shall terminate at the new Harquahala Junction Switchyard
25
26

1 (Case 128) along with the existing Harquahala to Hassayampa 500kV line
2 in order to mitigate prevailing reliability risks associated with extreme
3 contingencies in the vicinity of the Palo Verde Hub. The Harquahala
4 Junction Switchyard is to be jointly owned by the Palo Verde to TS5
5 participants and Applicant. The Harquahala Junction Switchyard to
6 Hassayampa Switchyard line is to be jointly owned by Applicant and the
7 Palo Verde TS5 transmission participants.

8 If Harquahala Junction Switchyard (Switchyard) joint agreements,
9 Switchyard property acquisitions, and other necessary Switchyard joint
10 arrangements are not complete by December 31, 2007, Applicant may
11 terminate the Project at the Harquahala Generating Station Switchyard.

12 26. Applicant commits to work with APS so that the Harquahala Power Plant
13 can schedule its full capacity from Harquahala Junction Switchyard to
14 Hassayampa Switchyard.

15
16 27. The ACC Staff maintains that control area authority and associated
17 operational reliability obligations placed by the ACC upon power plants
18 originally interconnected at the Palo Verde Hub are to be maintained with
19 the new interconnection at Harquahala Junction and that such power plant
20 obligations can be transferred to the transmission control area to which
21 they are interconnected in the event that they desire to discontinue as a
22 generator-only control area operator. Applicant will not object to Staff's
23 position.

24 28. SCE shall support an Arizona based utility having operational control of
25 the Harquahala Junction Switchyard, the Harquahala Junction Switchyard
26

1 to Hassayampa Switchyard transmission line and the Harquahala Junction
2 Switchyard termination of the Project and the Harquahala Power Plant line.
3 SCE shall not have operational control of the above facilities.

4 GRANTED this ___ day of _____, 2007.

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

7
8 By: _____

9 Laurie A. Woodall, Chairman
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