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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP 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 OF A 500kV
ALTERNATING CURRENT TRANSMISSION LINE
AND RELATED FACILITIES IN MARICOPA AND
LA PAZ COUNTIES, ARIZONA, ORIGINATING AT
THE HARQUAHALA JUNCTION SWITCHYARD
WEST OF PHOENIX, ARIZONA AND TERMINATING
AT THE DEVERS SUBSTATION IN RIVERSIDE
COUNTY, CALIFORNIA.

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

CASE NO. 130

BRIEFS OF INTERVENOR BEGALKE

Arizona Corporation Commission

DOCKETED

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INCREASED ELECTRIC AND NATURAL-GAS BILLS FOR ARIZONANS: SCE has filed this very disturbing DPV2 Application. Concerns were immediate, and published 05/19/06 in the media - [please read Tab 4, P.1-3 of SCE's "Supplemental Packet", docketed 06/16/06] - because DPV2 "would cost Arizona consumers more than \$230-million from 2009 through 2014". Electric rates are determined from hearings on Arizona utilities' applications for increases based on the respective utilities' own costs for facilities and for services to Arizonans. This California project causes additional costs to our Arizona electric utilities, and those costs will be passed to Arizona ratepayers, thousands of which are Arizona businesses. Those businesses will pass their added costs onto Arizona families and other consumers. DPV2 will cause all the increases onto Arizonans, who will receive no electric product all the while. Please read the Case's Transcript, Lines 10-16 on P. 2022 as Committee Witness Mr. Bob Smith answers "No. In fact, I don't envision ever a west to east flow of electricity on the second Devers line." DPV2 will cause new negative impacts for Arizona consumers, and

that scenario is very wrong and very, very severely unjust.

A very significant part of the Case No.130 Hearing before the APP&TLSC addressed electric rates. How serious the attentions were was reflected by the contracted, expert witnesses of both SCE and Staff, Mr. Johannes P. Pfeifenger and Dr. Rajat Deb respectively. For 2009-2014 Mr. Pfeifenger's Frame 20 [SCE's Supplemental Packet #2, Tab 1, P.10, docketed 08/14/06] shows electric increases on Arizonans will total \$221-million while Dr. Deb testified the increases would cost Arizonans \$242-million [please read Exht. S-26, P.9, Top Frame, the Arizona Line shows "242" (in millions); also L. 13-16 on Transcript P. 1972]. Mitigations were spoken of, but neither expert attempted specific numbers. Life will continue after 2014, and additional increases (millions/billions over years/years) are unknowns as the experts presented no numbers.

The DPV2 Project would also cause natural-gas bills significant increases, above what consumers would experience based on our own demands, needs and growth - [please read Dr. Deb's Natural-Gas-Consumption Chart in Exht. S-26, P. 9 showing only Arizona natural-gas usage is increased by 32,567,775 Mbtu (divided by the "W/O DPV2 #" = a 6.21% increase) because of DPV2]. Mr. Pfeifenger stated [2nd Bullet of Lower Frame on P.3 in Tab 1 of SCE's Supp. Pkt. 2] that "DPV2 impact on Arizona natural gas demand is minimal". Minimal-to-6.21% increases, added above what-will-be ratepayers' own natural-gas bills from base demands, is the future with DPV2, and let us also remember the pass-along effects and life after 2014 means more increases to Arizonans. With no product from DPV2 Arizona ratepayers', electric/natural-gas/both, rates will soar. Said soaring rates will tax Arizonans wrongly and will be very, very severely unjust.

SCE's APPLICATION: Differences exist between the Arizona-utility and the California-utility systems, and Staff has steadfastly made this clear throughout the hearing [please read #19 of P.8 of the APP&TLSC's Notice of Filing CEC]. SCE knows the differences of the two states' utility systems, and also knows their application is forcing the California system onto Arizona. At the hearing since 06/27/06 [please read P.277

Line 4 to 283 L.1] SCE's application has been challenged for not being fully forthcoming and complete [see also Exhibit "Begalke-1" Pages 8-9]. In Arizona filing a long-distance transmission-line application is with "items understood", including the applying utility will conduct/perform all line operations, all financial concerns and all reporting requirements. For DPV2, SCE will not be meeting the load-scheduling and the line loadings' operations, financial matters and reports' filings - "understood matters", if you will - that Arizona utilities must meet. SCE should not be allowed to meet lesser standards than those for which Arizona utilities must meet. Because SCE does not want to live in the Arizona utility system and because their application fails to meet Arizona's standards with "items understood" for an applying utility, a CEC for DPV2 must be denied.

DO ARIZONANS NEED DPV2?: W. Arizona businesses will not have access to DPV2. Staff witness Mr. Jerry Smith testified about the Colorado River Study Group, who wanted to be included in any new project of the Az.-Ca. Subregional Grid [see group participants identified on P.4 Tab 11 of Exht S-30]. California's system, more specifically the utility CAISO, decided that DPV2 would be a "CAISO Grid" line, even over the Az. part, meaning Arizona utilities and independent generators in western counties were shut out before the DPV2 Application was filed to the CPUC April, 2005 [Bullet 1, P.15 in Tab 1 SCE's Supp. Pkt, 06/16/06].

Correspondingly, since DPV2 would be an uninterrupted transmission line - no switchyard between the Harquahala Junction and the Colorado River - in emergency circumstances utility professionals could not access DPV2 for electricity to overcome a blackout in La Paz County or other areas along the Colorado River [please see any of the DPV2 maps in Case No.130, such on P.1, Tab 2 SCE's Supp. Pkt docketed 06/16/06]. DPV2 makes no common sense as it would not be a "grid" line of the Az.-Ca. Subregional Grid. Also, no Arizona consumers would be electricity recipients via DPV2 in the western locales of our State.

The existing DPV1 has a setting of 1,802MW, upgradable to 2,250MW. DPV1 is moderately utilized east-to-west today [Exht. "Begalke-1" P.16, Paragraph 5] and demonstrates that DPV2 is not needed today nor in

the future. Let's also understand that Path-49 upgrading is ongoing. Congratulations to SRP, for their Project 9300 upgrading the Perkins-Mead and Navajo-Crystal 500kV lines [please see (aka) "EOR 9000+ Project" on P. ES-23 of the CPUC/BLM Draft EIR/EIS] from which 625 more MW will be transmittable to Ca. As more Path-49 lines are upgraded, and all can to 2,250MW [please read Transcript P.1649 beginning Line10 to P.1655, Committee Witness Mr. Bob Smith answering questions on the Az.-Ca. Subregional Grid et al], independent generators in Az. already have access to the California market, and will have more access. The independent operators have no need for another line, DPV2, to have very sufficient access to the California..

The Sierra Club's witnesses [beginning Transcript P.1874 and 1916 respectively] demonstrated well environmentally why DPV2 should not be built across Arizona's southwest desert in La Paz County, especially through the Kofa National Wildlife Refuge.. The Kofa is managed by the USFWS and the agency conducted required assessment how DPV2 would affect the Refuge. Both Draft and Final USFWS determinations were docketed in Case 130 12/11/06 and 03/14/07 respectively, reporting to us that DPV2 "is not environmentally compatible with the Kofa Refuge". Thus, DPV2 is not environmentally compatible with Arizona, also.

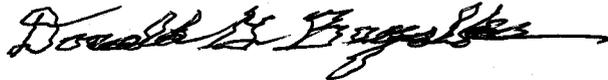
What is SCE's historical environmental record in Arizona? Since 1981 SCE has been out of compliance, before construction was completed, with the DPV1 CEC, and still is today. APP&TLSC Chairman Woodall discovered SCE's DPV1 CEC violation(s) [please read P.2 Paragraph 1 of the Sierra Club's Response to SCE's Motion, docketed 07/21/06] from the DPV2 Application, a noncompliance of over 25 years while operating the line and handsomely profiting from the operations. SCE has a horrible record polluting Arizona from the Colorado River as far east as the Grand Canyon or farther from their management of the Mohave Generation Station, Laughlin, Nv. For over 15 years SCE's pollutions affected Arizonans' healths especially in Mohave County, our N. Az. forests and Grand Canyon experiences for visitors plus Az. tourism. especially in Az.'s Mohave County, our N. Az. forests and Grand Canyon experiences for Park visitors

[please read Exht. "Begalke-1" P.10 "The Human Environment"]. Thus SCE has a multi-decade register of being environmentally incompatible in the State of Arizona and with Arizonans.

In review Arizonans and Arizona businesses, not needing DPV2, are: (1) W. Az. independent generators and utilities, (2) utility professionals trying to overcome emergencies in W. Az., (3) W. Az. electric consumers, (4) Az. proponents of subregional alternatives, (5) independent generators desiring access to the Ca. market, (6) Az. advocates of preserving the State's southwest desert, (7) the USFWS managing the Kofa National Wildlife Refuge, (8) Az. reviewers of SCE's environmental history in our State, (9) Az. electric ratepayers, (10) other Az. businesses who would have to pass along unnecessary electric/natural-gas costs to their customers, (11) Az. natural-gas consumers, (12) Az. consumers who would be burdened by both increased electric and natural-gas increases caused by DPV2, and (13) Arizonans who would not receive any electricity delivered via DPV2. Overall, the State of Arizona does not need SCE's DPV2.

Commissioners, respectively you are requested to deny a CEC to SCE's DPV2 Application.

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Original and 25 Copies of these Briefs hand-delivered to the ACC's Docket Control May 7, 2007.