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BEFORE THE ARIZONA POWER PL  
TRANSMISSION LINE SITING COMMITTEE

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IN THE MATTER OF THE APPLICATION OF  
NORTHERN ARIZONA ENERGY, LLC, IN  
CONFORMANCE WITH THE  
REQUIREMENTS OF ARIZONA REVISED  
STATUTES 40-360.03 AND 40-360.06, FOR A  
CERTIFICATE OF ENVIRONMENTAL  
COMPATIBILITY AUTHORIZING  
CONSTRUCTION OF A 175 MW NATURAL  
GAS-FIRED, SIMPLE CYCLE GENERATING  
FACILITY AND ASSOCIATED  
TRANSMISSION LINE INTERCONNECTING  
THE GENERATING FACILITY TO THE  
ADJACENT WESTERN AREA POWER  
ADMINISTRATION GRIFFITH  
SWITCHYARD, ALL LOCATED IN  
MOHAVE COUNTY APPROXIMATELY 9  
MILES SOUTHWEST OF KINGMAN,  
ARIZONA.

DOCKET NO. L-00000FF-07-0134-00133

Case No. 133

APPLICANT'S NOTICE OF FILING  
AMENDED  
PROPOSED FORM OF CERTIFICATE OF  
ENVIRONMENTAL COMPATABILITY

RECEIVED  
2007 OCT -4 P 1:42  
AZ CORP COMMISSION  
DOCKET CONTROL

Applicant, Northern Arizona Energy, LLC, hereby provides notice that it is filing herewith  
Applicant's **Amended** Proposed Form of Certificate of Environmental Compatibility.

RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of October, 2007.

MOYES STOREY, LTD.

Jay I. Moyes  
1850 N. Central Avenue, Suite 1100  
Phoenix, Arizona 85004  
(602) 604-2141

Arizona Corporation Commission  
DOCKETED

OCT 04 2007

DOCKETED BY

1 Original and Twenty-Eight (26) copies  
2 of the foregoing filed this 4<sup>th</sup> day of  
3 October 2007 with:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 Copy of the foregoing hand-delivered  
9 and/or Federal Expressed this 4<sup>th</sup>  
10 day of October 2007 to:

11 Laurie Woodall, Chairman  
12 Arizona Power Plant & Transmission  
13 Line Siting Committee  
14 1275 West Washington  
15 Phoenix, Arizona 85007  
16 [Laurie.Woodall@azag.gov](mailto:Laurie.Woodall@azag.gov)

17 Maureen A. Scott, Senior Staff Counsel  
18 Legal Division  
19 Arizona Corporation Commission  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007  
22 [mscott@azcc.gov](mailto:mscott@azcc.gov)

23 Kenneth C. Sundlof, Jr.  
24 Jennings, Strouss & Salmon, PLC  
25 The Collier Center, 11<sup>th</sup> Floor  
26 201 East Washington Street  
27 Phoenix, Arizona 85004-2385  
28 [Sundlof@sslaw.com](mailto:Sundlof@sslaw.com)

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Peach Springs, AZ 86434  
941 Hualapai Way  
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1 [Applicant's 10-4-07\_2 Proposed Form]

2 **BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION**  
3 **LINE SITING COMMITTEE**

4 IN THE MATTER OF THE APPLICATION OF  
5 **NORTHERN ARIZONA ENERGY, LLC**, IN  
6 CONFORMANCE WITH THE REQUIREMENTS  
7 OF ARIZONA REVISED STATUTES 40-360.03  
8 AND 40-360.06, FOR A CERTIFICATE OF  
9 ENVIRONMENTAL COMPATIBILITY  
10 AUTHORIZING CONSTRUCTION OF A 175 MW  
11 NATURAL GAS-FIRED, SIMPLE CYCLE  
12 GENERATING FACILITY AND ASSOCIATED  
13 TRANSMISSION LINE INTERCONNECTING  
14 THE GENERATING FACILITY TO THE  
15 ADJACENT WESTERN AREA POWER  
16 ADMINISTRATION GRIFFITH SWITCHYARD,  
17 ALL LOCATED IN MOHAVE COUNTY,  
18 APPROXIMATELY 9 MILES SOUTHWEST OF  
19 KINGMAN, ARIZONA

Case No. L-00000FF-07-0134-00133

Case No. 133

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16 **DECISION OF THE ARIZONA POWER PLANT AND TRANSMISSION**  
17 **LINE SITING COMMITTEE AND**  
18 **CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

19 Pursuant to notice given as provided by law, the Arizona Power Plant and  
20 Transmission Line Siting Committee ("Committee") held public hearings at The Hampton  
21 Inn, Kingman, Arizona, May 1 and 2, 2007, and at the Best Western Executive Suites,  
22 Phoenix, Arizona, on September 17 and 18, and October 15, 2007, in conformance with the  
23 requirements of Arizona Revised Statutes Section 40-360, *et seq.*, for the purpose of receiving  
24 public comment and evidence and deliberating on the Application of Northern Arizona  
25 Energy Project ("NAEP") by Northern Arizona Energy, LLC ("Applicant") for a Certificate  
of Environmental Compatibility ("Certificate") in the above-captioned case.

1           The following members or designees of members of the Committee were present for  
2 some or all of the hearings on the Application:

3	Laurie A. Woodall	Chairman, Designee for the Arizona Attorney General, Terry 4 Goddard
5	Paul W. Rasmussen	Designee for Director of the Arizona Department of 6 Environmental Quality
7	David Eberhart	Designee for Chairman, Arizona Corporation Commission
8	Jack Haenichen	Designee for Director, Energy Department, Arizona Department 9 of Commerce
10	Jeff McGuire	Appointed Member, Agriculture
11	A. Wayne Smith	Appointed Member
12	Michael Whalen	Appointed Member, Cities
13	Michael Palmer	Appointed Member
14	Barry Wong	Appointed Member
15	Gregg Houtz	Designee for Director of the Arizona Department of Water 16 Resources
17	Joy Rich	Appointed Member, Counties

18           Jay Moyes of Moyes Storey Ltd. represented Applicant. Staff of the Arizona  
19 Corporation Commission ("Staff") noticed their intervention as a party, and was represented  
20 by Maureen Scott, Esq. Mohave County was granted intervenor status and was represented  
21 by Kenneth C. Sundlof, Jr., Esq. of Jennings Strouss & Salmon, P.L.C. Mr. Jack Ehrhardt  
22 was granted intervention in his individual capacity. Applicant, Staff, Mohave County, and  
23 Mr. Ehrhardt presented testimony and exhibits during the hearings. Several persons presented  
24 public comments on the record. There were no other interventions or limited appearances.

25           At the conclusion of the hearings and deliberations the Committee, (i) having received  
and considered the Application, the appearances of Applicant and each of the intervenors; the

1 evidence, testimony and exhibits presented by Applicant and the intervenors, respectively;  
2 and the public comments; (ii) being advised of the legal requirements of Arizona Revised  
3 Statutes Sections 40-360 to 40-360.13; (iii) upon consideration of the factors identified in  
4 Arizona Revised Statutes Section 40-360.06; and (iv) in accordance with A.A.C. R14-3-213,  
5 upon motion duly made and seconded, voted to make the following findings and to grant  
6 Applicant the following Certificate of Environmental Compatibility:

7         The Committee finds that there is a need for an adequate, economical and reliable  
8 supply of electric power within the Western Electricity Coordinating Council (WECC) and  
9 the State of Arizona, and that Applicant's proposed Northern Arizona Energy Project would  
10 contribute towards satisfaction of such need without causing material adverse impact to the  
11 environment.

12         Northern Arizona Energy, LLC, and its assignee(s), are hereby granted this Certificate  
13 of Environmental Compatibility authorizing construction of a nominal 175 MW natural gas-  
14 fired, simple cycle generating facility and associated transmission line interconnecting the  
15 generating facility to the adjacent Western Area Power Administration Griffith Switchyard  
16 (collectively the "Project"). The Project shall comprise no more than four (4) individual  
17 simple-cycle natural gas combustion turbine generator units, each having a nominal capacity  
18 of approximately 45 MW. As depicted on the attached Exhibit A, the Project shall be  
19 constructed wholly within the perimeter of the existing Griffith Energy project site, legally  
20 described as the Southwest Quarter of Section 6, Township 19 North, Range 17 West, Gila &  
21 Salt River Base & Meridian, Mohave County, Arizona, comprising approximately one  
22 hundred sixty (160 ) acres (the "160 Perimeter"). The Project generators and step-up  
23 transformers will be located within the North seven hundred (700) feet of the North One-half  
24 of the above-described parcel. The transmission line components of the Project will also be  
25 constructed wholly within the 160 Perimeter so as to interconnect the Project generators to the  
existing Griffith Switchyard owned by Western Area Power Administration ("Western"), also

1 located wholly within the 160 Perimeter, in a reasonably direct route to be determined by  
2 Western and Applicant taking into account appropriate clearances from other existing  
3 transmission facilities within the 160 Perimeter, and the most feasible point of access into,  
4 and the necessary minor expansion of, the existing Griffith Switchyard as required to  
5 complete the interconnection. The transmission line shall not exceed approximately 3,000 feet  
6 in total length, and shall be constructed using tubular steel monopole tower structures of the  
7 type depicted on the attached Exhibit B, approximately 100 -120 feet in height, in total  
8 numbers and spacing to be determined in accordance with applicable Western interconnection  
9 standards and applicable safety and reliability standards.

10 This Certificate is granted upon the following conditions:

- 11 1. The Applicant will comply with all existing applicable air and water pollution control  
12 standards and regulations, and with all existing applicable ordinances, master plans  
13 and regulations of the State of Arizona, Mohave County, the United States, and any  
14 other governmental entities having jurisdiction, including but not limited to the  
15 following:
  - 16 a. all applicable land use regulations;
  - 17 b. all applicable zoning stipulations and conditions, including but not limited to  
18 landscaping and dust control requirements;
  - 19 c. all applicable air quality control standards and regulations, and permit  
20 conditions of the Arizona Department of Environmental Quality and/or Federal  
21 agencies having jurisdiction; and the Applicant will install and operate  
22 selective catalytic reduction and oxidation catalyst emission control  
23 technologies on each of the four (4) Project combustion turbine units;
  - 24 d. all applicable water use, discharge and/or disposal requirements of the Arizona  
25 Department of Water Resources and the Arizona Department of Environmental  
Quality;

- e. all applicable noise control standards;
- f. all applicable regulations and permits governing storage and handling of chemicals and petroleum products;
- g. all other applicable federal and state regulations and standards.

2. This authorization to construct the Project will expire five (5) years from the date this Certificate is approved by the Arizona Corporation Commission (“Commission”) unless substantial construction activities have commenced; provided however, that prior to such expiration Applicant or its assignee may request that the Commission extend this time limitation.

3. Applicant has provided to the Commission a copy of the System Impact Study performed by Western Area Power Administration (“Western”), which Commission Staff has analyzed. Applicant will also provide to the Commission copies of (i) the Facility Study Agreement with Western and (ii) the Facility Study produced by Western, as soon as they are available but no later than 90 days prior to commercial operation of the Project.

4. Applicant will also provide to the Commission copies of the Project’s executed interconnection agreement with Western, and the technical operating studies which will be performed by Western prior to actual physical interconnection of the Project to the Western transmission system.

5. Applicant will comply fully with all requirements of Western to interconnect the Project with the Western transmission system and to ensure compliance with all applicable WECC/NERC standards, without the implementation of an automated RAS to mitigate any N-1 contingencies. However, Applicant may rely upon a RAS to mitigate impacts of an outage of either (i) the Peacock – Mead 345 kV line or (ii) the Mead 345/230 kV transformer, coincident with operation of the Liberty Phase Shifter moving power in a Northbound direction.

- 1           6. If Applicant enters into a control areas services agreement with a third-party provider,  
2           Applicant will provide to the Commission a copy of such agreement.
- 3           7. Applicant will not set any combustion turbine on its foundation until a Finding of No  
4           Significant Impact (FONSI) has been issued by Western (or, if an Environmental  
5           Impact Statement is required for the Project, a Federal Record of Decision has been  
6           issued) approving construction of the transmission facilities interconnecting the  
7           Project to Western's transmission system.
- 8           8. Applicant will not operate the Project combustion turbine generator units more than  
9           20,000 aggregate unit-hours per calendar year.
- 10          9. Applicant or its affiliate company will become a member of the Western Electricity  
11          Coordinating Council ("WECC") (or its successor), and will provide to the  
12          Commission a copy of its executed WECC Reliability Management System ("RMS")  
13          Generator Agreement.
- 14          10. In the event that the Griffith Energy project permanently ceases operation, Applicant,  
15          its successor(s) or assignee(s) will comply with the requirement in Griffith Energy's  
16          CEC to measure and monitor (i) the Project's annual water use, (ii) annual changes in  
17          the groundwater table at the well field from which water is pumped for use by the  
18          Project, and (iii) annual changes in elevation of the existing soil subsidence  
19          monitoring monument near such well field, and to report all such information annually  
20          to the Arizona Department of Water Resources and Mohave County.
- 21          11. Applicant, its successor(s) or assign(s) will submit to the Commission Utilities  
22          Division Director, on or about each October 1 after the date hereof, a self-certification  
23          letter describing the status of compliance with each condition of this Certificate as of  
24          the preceding August 1, with a copy thereof to the Arizona Attorney General.  
25          Compliance with conditions that require only a single instance of compliance need not  
            be re-certified after the initial certification of such compliance.

- 1 12. Applicant will use reasonable efforts to become a member of the Southwest Reserve  
2 Sharing Group (or its successor) if commercially reasonable.
- 3 13. Applicant will, in good faith upon adequate advance notice, participate in a  
4 Commission-sponsored workshop or other forum addressing the regional natural gas  
5 infrastructure and market.
- 6 14. Applicant shall pursue all necessary commercially reasonable steps to ensure delivery  
7 of a reliable supply of natural gas for the Project.
- 8 15. Subject to applicable Federal Energy Regulatory Commission regulations, Applicant  
9 or its power marketing affiliates will make commercially reasonable good faith efforts  
10 in the ordinary course of business to market wholesale power from the Project directly  
11 or indirectly to credit worthy utilities that serve Arizona loads; however, this condition  
12 shall not constitute any restraint against, nor shall it in any manner restrict, marketing  
13 efforts to or transactions with any other potential purchaser(s) of power from the  
14 Project.
- 15 16. Prior to on-site mobilization of construction of the Project, Applicant shall erect at the  
16 Project site, and maintain throughout construction, a 4'x 8' or larger sign advising of  
17 the construction of a 175 MW generating facility, the estimated completion date, and a  
18 phone number for public information about the Project.
- 19 17. In connection with the construction of the Project, Applicant will use commercially  
20 reasonable efforts, where feasible, to give due consideration to use of qualified  
21 Arizona contractors.
- 22 18. After construction, Applicant will use commercially reasonable means to rehabilitate  
23 all land surfaces that are temporarily disturbed by construction activities at the Project  
24 site to a condition of terrain and vegetation consistent with the immediately  
25 surrounding natural and undisturbed lands.

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GRANTED this 15th day of October, 2007.

ARIZONA POWER PLANT AND  
TRANSMISSION LINE SITING COMMITTEE

By \_\_\_\_\_  
Laurie A. Woodall, Chairman



# Aerial View of Project Site

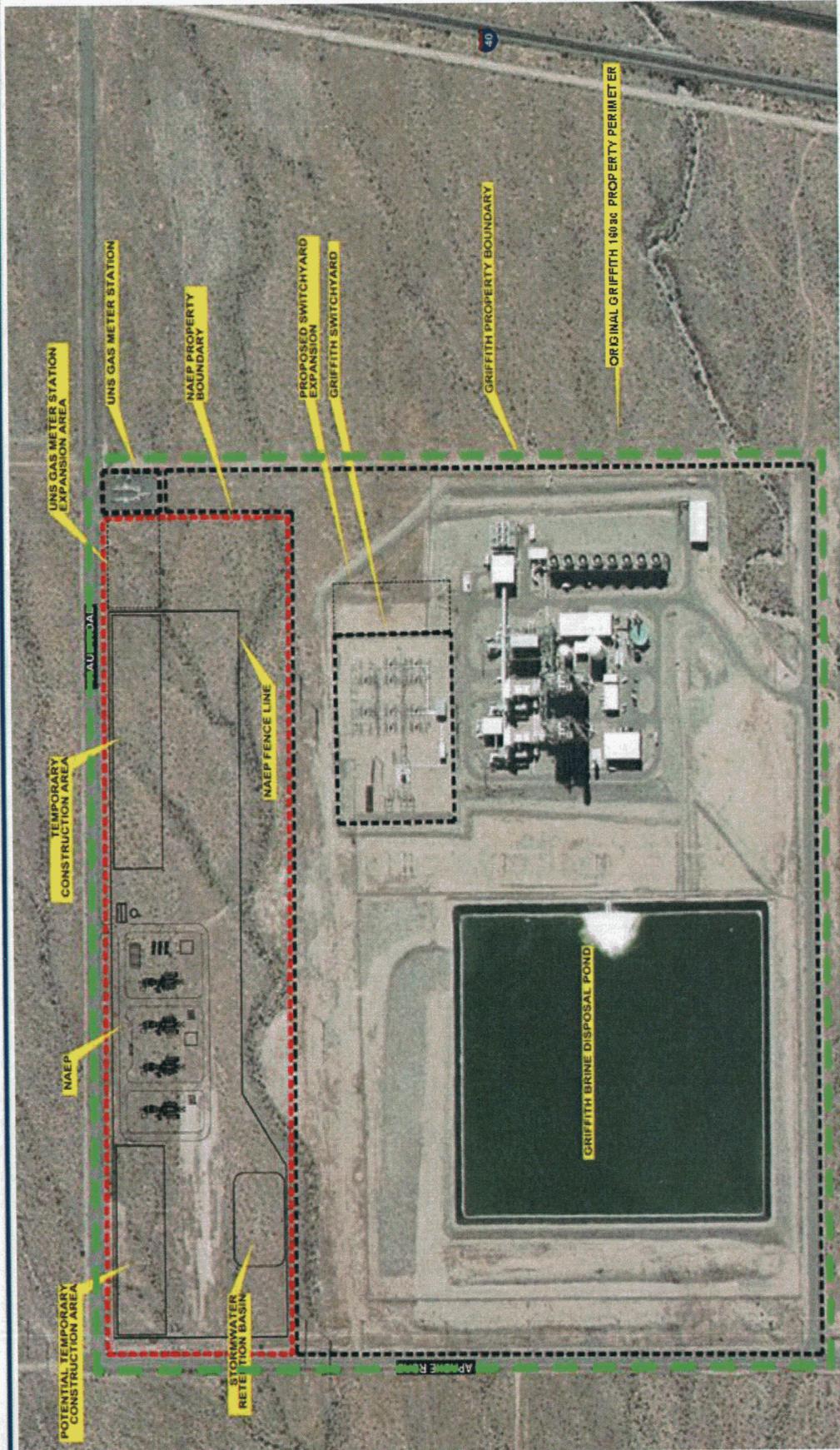
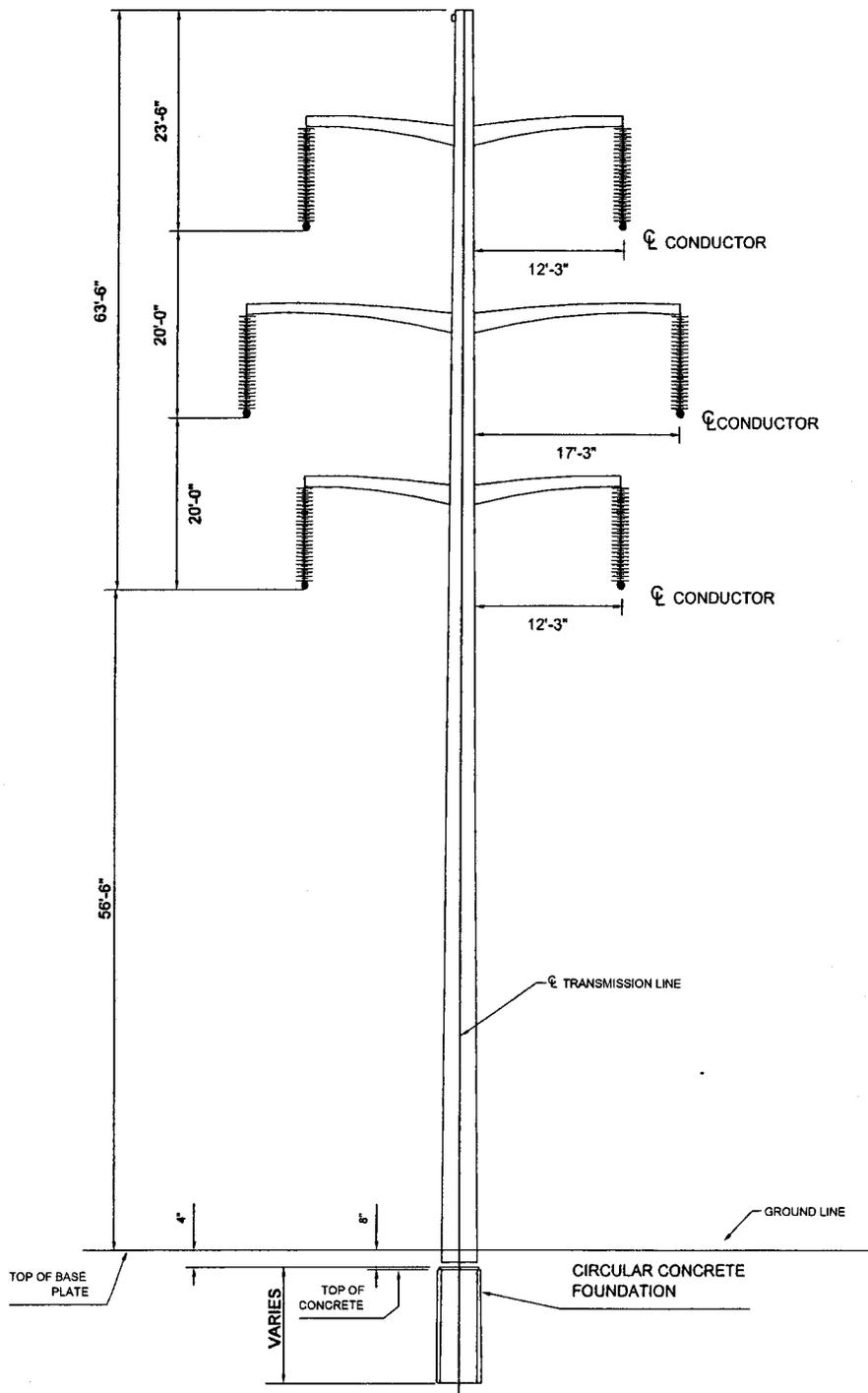


EXHIBIT A



**NORTHERN ARIZONA ENERGY PROJECT**

*Figure K-1  
Proposed Transmission Structure*

ANALYSIS AREA: MOHAVE COUNTY, ARIZONA

Date: 02/19/07

File: Figure K-1.dwg

Drawn By: ETC

Layout: 001

Source: Griffith CEC