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BEFORE THE ARIZONA POWER PLANT AND 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

NOTICE OF FILING

Arizona Corporation Commission
DOCKETED

JAN 10 2008

DOCKETED BY

Applicant, Northern Arizona Energy, LLC, hereby provides notice that it is filing herewith a copy of the Western Area Power Administration Interconnection Facilities Study Agreement No. 07-DSR-11511, for the Northern Arizona Energy Project, in satisfaction of Applicant's commitment at the hearing on this case.

RESPECTFULLY SUBMITTED this 9th day of January, 2008.

MOYES STOREY, LTD.

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

DOCKET CONTROL
AZ CORP COMMISSION

2008 JAN 10 A 10: 21

RECEIVED

1 Original and Twenty-Eight (28) copies
2 of the foregoing filed this 10th day of
January 2008 with:

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

7 Copy of the foregoing hand-delivered
8 this 16th day of January 2008 to:

9 Jennifer A. Boucek, Chairman
10 Arizona Power Plant & Transmission
11 Line Siting Committee
12 1275 West Washington
13 Phoenix, Arizona 85007
14 Laurie.Woodall@azag.gov

15 Maureen A. Scott, Senior Staff Counsel
16 Legal Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007
20 msscott@azcc.gov

21 Kenneth C. Sundlof, Jr.
22 Jennings, Strouss & Salmon, PLC
23 The Collier Center, 11th Floor
24 201 East Washington Street
25 Phoenix, Arizona 85004-2385
26 Sundlof@sslaw.com

27 Jack Ehrhardt
28 P.O. Box 179
Peach Springs, AZ 86434

29 



Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

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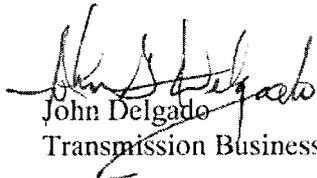
Kevin R. Johnson
Vice President
LS Power Development, LLC
1735 Technology Drive, Suite 820
San Jose, CA 95110

Dear Mr. Johnson:

One fully executed original of Interconnection Facilities Study Agreement No. **07-DSR-11511**, dated November 14, 2007, between Southwest Power Partners and Western Area Power Administration is enclosed for your records.

All questions related to this matter should be directed to me at (602) 605-2660.

Sincerely,


John Delgado
Transmission Business Unit

Enclosure

**APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this 14 day of November, 2007 by and between **Southwest Power Partners, LLC**, a limited liability corporation organized and existing under the laws of the State of Delaware, ("Interconnection Customer,") and **Western Area Power Administration**, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated September 28, 2006; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.
- 7.0 This Agreement incorporated by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

WESTERN AREA POWER ADMINISTRATION

By: 
Ronald E. Moulton
Title: Assistant Regional Manager
for Power Operations
Date: 11/14/07

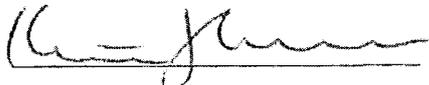
SOUTHWEST POWER PARTNERS, LLC

(SEAL)

Attest:

By: _____

Title: _____

By: 
Title: VP
Address: 1735 Technology Drive #820
San Jose, CA 95110
Date: 11/24/07

**Attachment A To Appendix 4
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING
THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report

Regardless of the amount of such estimates, Interconnection Customer shall be invoiced by Transmission Provider and shall pay all actual costs associated with the equipment, environmental, engineering, procurement, and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System, with such invoicing and payment to be made as set forth in Article 11.5 of the LGIA.

**Attachment B to Appendix 4
Interconnection Facilities
Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station.

Number of generation connections: 2 -- one per generator pair.

On the one line diagram indicate the generation capacity attached at each metering location.

Maximum load on CT/PT=275 Amps at 230kV, which is the output of two combustion turbines at full load

On the one line diagram indicate the location of auxiliary power.

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

A Digital Control System is proposed for NAEP. Vendor has not been determined.

What protocol does the control system or PLC use?

To be determined after vendor selection; typically Ethernet, Modbus, or Data Highway based.

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Approximately 2500 feet

