

ORIGINAL
SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder



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January 30, 2008

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Phoenix, Arizona 85007

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Subject: SunZia Southwest, L.L.C.
Ten Year Plan For 2008

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To Whom It May Concern:

Pursuant to A.R.S. § 40-360.02 (A) and (C), SunZia Southwest, L.L.C. ("SunZia") hereby submits its second Ten Year Plan filing for the year 2008. SunZia is a limited liability company that was formed in 2006 for the purpose of evaluating the feasibility of siting, constructing and operating electric transmission facilities between southern Arizona and southern New Mexico. Such facilities if constructed would allow delivery of remotely-located renewable power generation resources (e.g. wind, solar and geothermal) to power markets in the Western Interconnect. SunZia is wholly-owned by Southwestern Power Group, a limited liability company.

SunZia is completing its initial feasibility investigations and is conducting preliminary environmental screenings of both preferred and alternative routings for the project. SunZia has identified the likely "study area" at this stage of the project's development. A map of this "study area" is provided as Appendix A. As the project will likely be the subject of an environmental impact statement pursuant to the National Environmental Policy Act, the project has filed a preliminary right-of-way application with the Bureau of Land Management ("BLM"). A large portion of the preferred and alternative routes of SunZia traverse lands managed by the BLM in Arizona and New Mexico.

In addition SunZia has initiated the project rating process pursuant to the guidelines of the Western Electric Coordinating Council ("WECC"), and anticipates obtaining a preliminary power transfer rating by the end of the year. This rating process is a part of WECC's Regional Planning Process in which SunZia is participating.

Information Requirements associated with A.R.S. § 40-360.02 (C) are included as Appendix B to this filing.

SunZia will proceed as a "participation project" and will include parties such as load-serving entities, independent power producers and financial investors. Development of the underlying agreements outlining such participation is underway as of the date of this filing.

SunZia will continue to coordinate closely with siting jurisdictions in both Arizona and New Mexico as the project progresses. The project is regularly discussed at regional system planning forums such as WestConnect and the Southwest Area Transmission Planning group (a.k.a. "SWAT"). The Commission's Staff is a frequent participant in these and other important regional electricity planning forums.

This informational filing is intended to be responsive to the requirements of A.R.S. § 40-360.02 (A) and § 40-360.02 (C) as they apply to the SunZia Southwest Transmission Project and related electric facilities currently under study. Depending on both the timing and nature of future developments regarding the SunZia project, SunZia Southwest, L.L.C., may have occasion to file an amendment to its Ten Year Plan for 2008.

Please direct any questions that may arise from this report to the undersigned at (602) 808-2004.

Sincerely,

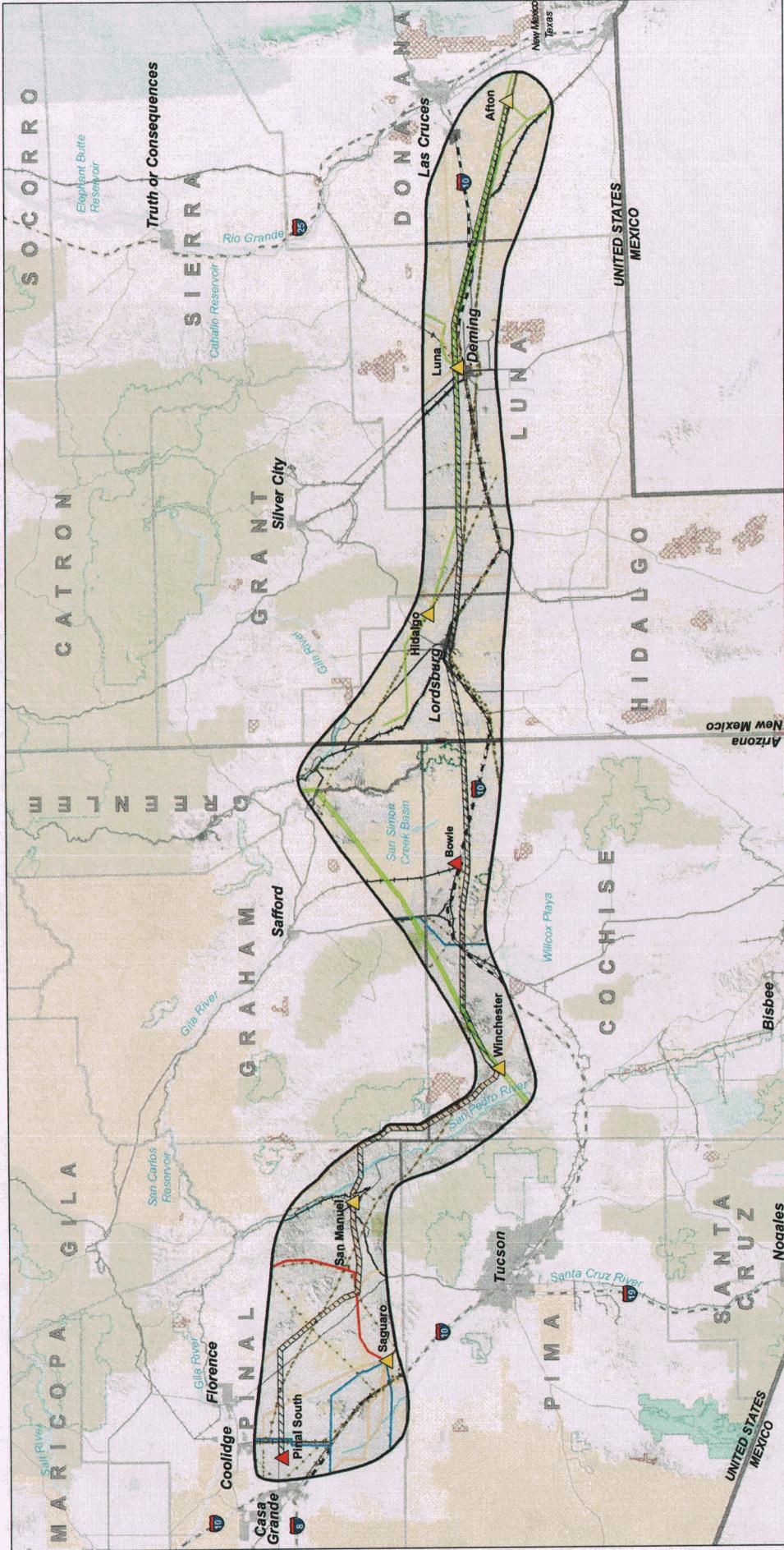


Tom C. Wray
Manager, Transmission and Generation Projects

Appendices (2)

Cc: File
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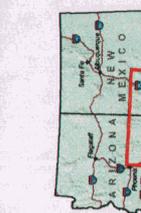
Appendix "A"



SunZia Southwest Transmission Project

Preliminary Right-of-Way Application

August 2007



Sources:
 StreetMapUSA, 2007; BLM, 2004; USGS, 2005;
 EPG, Inc., 2007



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LEGEND	
	Project Features
	Study Area
	Proposed Transmission Line Corridor
	ACEC
	Wilderness Area
	Land Ownership
	Bureau of Land Management
	Indian Reservation/Bureau of Indian Affairs
	U.S. Forest Service
	National Park Service
	Department of Defense
	U.S. Fish & Wildlife Service
	State/Private/Other
	Utilities
	Substation (Existing)
	Substation (Proposed)
	500 kV Transmission Line
	345 kV Transmission Line
	230 kV Transmission Line
	138 kV Transmission Line
	115 kV Transmission Line
	Pipeline (6" Diameter and Above)
	Reference Features
	International Boundary
	State Boundary
	County Boundary
	Interstate
	State Highway/Major Road
	River/Stream
	Lake/Reservoir
	Urban Area

Confidential - Not for Distribution
 Note - Substation and transmission line locations are schematic and do not necessarily represent precise locations.

Appendix "B"

SunZia Southwest, L.L.C.
Ten year Plan For 2008

Appendix B

Information Requirements Pursuant to A.R.S. § 40-360.02 (C)

40-360.02 (C) (1).

At this early stage in the development of the SunZia project, the ultimate capacity and preferred route of the proposed project has not been precisely determined. The potential capacity of the full project has been estimated to be as high as 3,000 megawatts or more. The preliminary routing studies indicates an average project length of over 350 miles. The capacity and routing of the project will be the subject of a yet-to-be-initiated environmental impact statement ("EIS") pursuant to the National Environmental Policy Act. A preliminary project "study area" is included at Appendix A to this filing. SunZia anticipates formal initiation of the EIS later this year.

40.360.02 (C) (2).

SunZia is conceived as a power transfer facility to transport generation from remotely-located renewable energy resources (e.g. wind, solar and geothermal) to markets in the Western Interconnect.

40.360.02 (C) (3).

The EIS is anticipated to require between two and three years to complete. Preliminary planning indicates the first phase of the SunZia project could reach commercial operation by December 2013, with construction activities initiating as early as July 2009.

40.360.02 (C) (4).

Not applicable.

40.360.02 (C) (5).

Not applicable.

40.360.02 (C) (6).

Not applicable.

40.360.02 (C) (7).

Power flow studies, stability studies, dynamic system modeling and short-circuit studies will be prepared as the project's electrical definition matures. SunZia will coordinate these study findings with Commission Staff as they become available.