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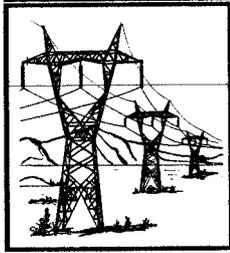


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RECEIVED

2008 AUG -7 P 12: 07

AZ CORP COMMISSION
DOCKET CONTROL

August 7, 2008

Arizona Corporation Commission
Docket Control
(Docket No. E-00000D-07-0376)
1200 West Washington
Phoenix, Arizona 85006470

Arizona Corporation Commission
DOCKETED

AUG -7 2008



Dear Prem:

Re: IN THE MATTER OF THE COMMISSION'S FIFTH BIENNIAL TRANSMISSION ASSESSMENT ("BTA"), PURSUANT TO A.R.S.40-360.02G, OF THE ADEQUACY OF EXISTING AND PLANNED TRANSMISSION FACILITIES TO MEET ARIZONA'S ENERGY NEEDS IN A RELIABLE MANNER (Docket No. E-00000D-07-0376)

First some trivial comments:

Paragraph 2.4.1: Since it is not in Arizona suggest that ", Nevada" be placed after "Boulder City"

Paragraph 2.4.1: Suggest you add the names of the ends of the lines so those not knowing already can be better informed.

Paragraph 2.4.2: Capitalize Substation when it is a named Substation.

Paragraph 2.4.4: If you don't get a write up from Western I will get one for you.

Paragraph 3.5, 2a: Second sentence don't understand "pre-send"

Paragraph 4.5.1, 3: The title is Conditional Firm (CF). The task force has established business practices for CF and is now working on Redispatch. Suggest that the title be changed or information added in the paragraph.

Paragraph 5: FERC recently made a determination on use of flow base versus contract path. They found in favor of contract path and required that the flows be used to define the path the contracts take if flow was used. Suggest some research in this area and the paragraph be revised to match FERC's decision.

Table 6: The table purports to show the difference in the time of the project but contains only the After time and not the Before time. In order to show a difference the table should show both Before and After.

Table 11: Capitalize the e in Electric for El Paso Electric Company.

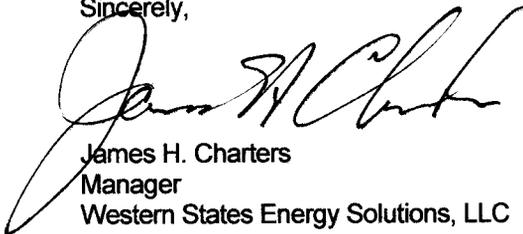
Recommendations:

In recommendations perhaps we need to recommend the next step in the Renewables process. I suggest that the ACC help facilitate the development of the renewable resources in the west by establishing a method for financing of the development of the renewable resources. For example the ACC could sponsor clusters and open seasons for the development of transmission upgrades and new transmission which placed the burden of joining up and supporting facilities on those who will benefit in the cluster pocket (a critical mass of need and willingness to step up to achieve the necessary transmission feeders and EHV upgrades). Or the ACC could work with the Arizona Power Authority to sponsor the clustering and open seasons. In any case the development of plans for transmission must be followed by a means to get the critical mass necessary to pay for the development of these facilities. A concern might be that the cost doesn't land in the rate base for facilities which may not help Arizona rate payers; however, some financing method is needed. The Transmission Providers now have FERC pro forma paragraphs in their Open Access Transmission Tariffs which allow them to do this but in Arizona the utilities are so intertwined that all must move in a direction or none can move. An action which allows the move without risk to the Arizona Utility (Transmission Provider) also enables them to take the right direction.

While the ACC must serve Arizona, the seams issues of through transmission with New Mexico, Nevada, Colorado, and yes California, need to be examined for solutions. Since many of the renewable do not use AZ water or cause increases in the cost to AZ rate payers, could these interstate solutions be explored? The examination of the CAISO has been done per the WECC however that examination was done with an eye to negative impacts of the MRTU and can the neighbors live with their process.

It is important to the rate payers of Arizona, the generators of Arizona, and the transmission providers of Arizona that the CAISO RTO concepts be kept at arm's length. The Utilities of Arizona and their regulators provide the least cost energy to Arizona without addition of an additional and costly layer of controls that are not in control of elected officials of the state. The solutions for implementation of renewable energy and upgrade of transmission are at hand without another layer of cost and control.

Sincerely,



James H. Charters
Manager
Western States Energy Solutions, LLC

JC/JAC