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Sep. 24, 2008

Prem Bahl
Arizona Corporation Commission staff

Dear Prem,

Re: 2008 BTA Second Draft Report ~ Docket No. E-00000D-07-0376

Enclosed is an updated write-up of the North Branch project for inclusion in the 2008 Biennial Transmission Assessment (BTA). The enclosed write-up is intended to replace the write-up on page 20, section 2.4.4 of the latest draft of the 2008 BTA.

Thanks for the opportunity to provide this information.

Sincerely,

Milt Percival
Western States Energy Solutions
Representing North Branch Resources
(480) 994-8695

cc: Jerry Smith -KRS

Arizona Corporation Commission
DOCKETED

SEP 25 2008

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2.4.4 San Luis Rio Colorado Generation and the North Branch Transmission Project

A Mexican company called Generadora del Desierto, a wholly owned subsidiary of North Branch Holding Company, is proposing to construct a 600MW gas fired power plant in Mexico just south of the US/Mexico border south of Yuma, AZ. The plant will interconnect in the US via the North Branch Transmission Project which consists of two 230kV transmission lines which will connect to a new 230kV substation to be built next to the Western Area Power Administration's (WAPA) Gila 161kV substation. The double circuit 230kV lines will continue to the APS North Gila 500kV station. Negotiations are currently underway to share the North Branch 230kV facilities with APS to avoid redundancy of facilities to serve APS loads in the Yuma area.

The Environmental Impact Study (EIS) for the transmission lines was performed by WAPA and the Record of Decision (ROD) was forwarded to the US Department of Energy (DOE) for their review in preparing and issuing the Presidential Permit. On August 21, 2008, the DOE published, in the Federal Register, notice of its decision to issue a Presidential Permit to Generadora del Desierto to construct, operate, maintain and connect a new double circuit 230kV transmission line across the U.S.-Mexico border into Yuma County, southeast of San Luis, Arizona.