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Arizona Corporation Commission

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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE
2000 DEC 22 P 4:41 DEC 22 2000

AT CORP COMMISSION
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF) DOCKET NO. L-00000B-00-0105
SALT RIVER PROJECT, OR THEIR)
ASSIGNEE(S), IN CONFORMANCE WITH THE)
REQUIREMENTS OF THE ARIZONA REVISED)
STATUTES §§ 40-360.03 AND 40-360.06 FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE)
CONSTRUCTION OF NATURAL GAS-FIRED,)
COMBINED CYCLE GENERATING FACILITIES)
AND ASSOCIATED INTRAPLANT)
TRANSMISSION LINES, SWITCHYARD IN)
GILBERT, ARIZONA LOCATED NEAR AND)
SOUTHEAST OF THE INTERSECTION OF VAL)
VISTA DRIVE AND WARNER ROAD.)

**POST HEARING BRIEF
OF THE
ARIZONA UTILITY INVESTORS ASSOCIATION**

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The Arizona Utilities Investors Association, Inc. ("AUIA"), through undersigned counsel, hereby submits its Post Hearing Brief in support of the application of Salt River Project ("SRP") for a certificate of environmental compatibility ("CEC") for its Santan Expansion Project as follows:

I. INTRODUCTION.

The AUIA represents SRP's bondholders. The AUIA has intervened in this proceeding to support SRP's application for a CEC to expand the Santan Site to include three additional units because:

1. SRP needs additional local generation to meet its ongoing obligation to provide safe, reliable and economic electric service within its service territory;
2. The Santan Site is the best location for the new generating units because (i) it is located near the load it will serve; (ii) it is near to gas and water supplies; and (iii) a generating unit already exists and is operating at the site; and
3. The impacts of the Expansion Project to the surrounding area are minimal and SRP has committed to undertake significant mitigation efforts regarding air, noise and visual aspects of the Expansion Project.

Some homeowners near the Santan Site intervened to present concerns to the Committee about the Expansion Project. A review of the record in this docket conclusively shows that SRP has responded to all of the homeowners' concerns by either (a) demonstrating that the concerns were unfounded; or (b) stipulating to conditions to the CEC that fully addresses the concerns. The homeowners' participation in this proceeding thus assisted in the development of a record that shows that the public interest is best served by granting SRP a CEC with the 21 conditions that SRP has proposed.

1 **II. CONTROLLING LEGAL STANDARDS.**

2 A.R.S. § 40-360.03 provides that “every utility planning to construct a plant...in this state
3 shall first file with the Commission an application for certificate of environmental compatibility.”¹
4 A.R.S. § 40-360.04 requires the Power Plant and Transmission Line Siting Committee (the
5 “Committee”) to hold hearings on applications for CECs and to receive evidence under oath. Also,
6 “the committee shall review and consider the transcript of the public hearings and shall by a
7 decision of the majority of the members issue or deny a certificate of environmental
8 compatibility.” *See* also, A.A.C. R14-3-213.

9 A.R.S. § 40-360.06 sets forth the factors that the Committee shall consider in granting or
10 denying an application for a CEC. Those factors include (a) existing plans for other developments
11 at or in the vicinity of the site; (b) fish, wildlife and plant life; (c) noise levels and interference with
12 communication signals; (d) proposed availability of the site for public recreation; (e) existing
13 scenic areas, historic sites or archeological sites; (f) the total environment of the area; (g) the
14 technical practicability of achieving the proposed objective; (h) the estimated cost of the facilities
15 and site; and (i) any additional factors required under federal and state laws applicable to the site.

16 The Committee must look at the evidence in the record to base its determination to grant or
17 deny a CEC. SRP presented sufficient evidence in its direct case to support its application. This
18 was supplemented by the additional evidence that SRP submitted, during the hearing, in response
19 to the concerns of the homeowner intervenors and questions of the Committee members.
20 Consequently, a review of the evidence in the record of this proceeding reveals that SRP met its
21 burden of proof and is entitled to receive a CEC for the Expansion Project.

22
23 ¹ A.R.S Sec. 40-360.07 requires a utility to first obtain a CEC before it constructs a plant in the
24 state.

1 **III. SRP'S APPLICATION AND EVIDENCE.**

2 SRP's CEC application details the nature and scope of the Expansion Project and responds
3 to the factors in A.R.S. § 40-360.06. In support thereof, SRP presented the testimony of 12
4 witnesses and more than 90 exhibits. The scope of analysis undertaken by SRP's witnesses ranged
5 from traditional issues, such as air and water quality, to topics of specific interest to the intervening
6 homeowners, such as landscaping maintenance and real estate valuation. In essence, SRP's
7 evidence conclusively demonstrated the following:

8 **A. There Is A Real Need For The Expansion Project.**

9 The evidence in the record is that the Expansion Project is necessary for SRP to continue to
10 provide its customers with safe, reliable and economic electric service. SRP retained the
11 consulting firm of R.W. Beck to study the East Valley's electric needs. R.W. Beck's
12 uncontroverted conclusion was:

13 New generation or increased import capability is needed in the
14 zone [East Valley] on a best case scenario by 2005 to 2007
15 depending on the load growth rate assumed. Exh. SRP 71 (71-
16 13).

17 Ms. Jennifer B. Tripp, P.E., also testified that (a) the current East Valley peak load exceeds
18 the East Valley import capability; (b) local generation must be run to serve load now; (c) load in
19 the East Valley will exceed the East Valley load serving capability in the not-too-distant future;
20 and (d) Santan will increase the load serving capability of the East Valley (Exhibit 72-9); *see also*
21 Hearing Transcript at 409-418.²

22 In addition, Mr. Mark Bonsall, SRP Associate General Manager testified:

23 Our current projection over the next five years is a load growth of
24 about 3.7 percent, with the majority of that growth occurring in the

² Where the final transcript is cited the reference shall appear as (Tr. at ____). Where the transcript draft is cited the reference shall appear as (Tr. Vol. XXX, at ____).

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East Valley....We are roughly at parity now between loads and resources. (Tr. at 495).

Mr. Bonsall presented the Committee with a chart showing that the Expansion Project is critical to SRP's ability to serve future load. (Exh. 77-1; Tr. at 530-535). Mr. Bonsall then testified:

We believe that the Santan proposal...is the right thing for us to do.

...

It helps us to preserve system reliability. It helps us to preserve the capability to serve load in our service territory, and as well, and perhaps as importantly, it help us to make sure that Arizona consumer can avoid paying at California prices. (Tr. at 549-550).

Finally, the Staff of the Arizona Corporation Commission stated its support of the Expansion Project in order to meet the electric needs of SRP's customers because "additional power is required in the east valley and in the entire state of Arizona." (Tr. Vol. XVI at 68, 72).

B. The Santan Site Is The Best Location For the Expansion Project.

Mr. Bonsall reviewed the process that SRP undertook in selecting the Expansion Project and demonstrated why the Santan Site was the best alternative for SRP and its customers. (SRP Exh. 86; Tr. Vol. XVI at 105-113). Mr. Bonsall testified that the Santan Site is ideal for the Expansion Project because it has access to water, water disposal, natural gas and transmission. (Tr. at 497) Intervenor Dale Borger also acknowledged that the Santan Site and surrounding area is typical of locations where power plants are sited. (Tr. Vol. IX, at 38, 39).

C. Minimal Impacts Of The Expansion Project.

(i) Air Emissions From The Expansion Project Will Not Negatively Impact Health.

A combination of new technology and strict governmental regulations will result in an improvement in air quality as a result of the Expansion Project. Dr. Shari Labicki, Ph.D.,

1 testified that the main causes of pollution in the East Valley were vehicles and dust rather than
2 power plants. (Tr. at 660; 768-771). Dr. Labicki also testified that as a result of government offset
3 requirements Nitrous oxide emissions at the Santan Site would actually be reduced as a result of
4 the Expansion Project (Tr. 661-662; 693) and that on the worst day there would be “an
5 imperceptible change in dust concentrations” in the local area. (Tr. at 692); *See* also SRP Exh. 74-
6 17.

7 Also, Dr. Chris G. Whipple, whose expertise is with the management of risks to
8 health and the environment testified that the air emissions from the Expansion Project will not pose
9 a health risk to the residents in the vicinity of the Santan Site (Tr. Vol. VIII at 199-200); *See* also
10 SRP Exh. 83A.

11 **(ii) Noise Levels Will Not Significantly Increase As A Result Of The**
12 **Expansion Project.**

13 Mr. Dietrich testified that SRP hired the acoustical engineering firm of Hessler &
14 Associates to perform an analysis of the noise levels at the Santan Site with and without the
15 Expansion Project. Based upon Hessler & Associates findings and mitigation recommendations,
16 SRP’s design criteria will be that the noise emitting from the Expansion Project will be “slightly
17 less than 50 db at the various points along the property boundary.” (Tr. at 1098). SRP Exhibit 81-
18 5 demonstrated that this level would be only slightly higher than soft radio music in a home and
19 within the typical residential standard. There was no evidence in the record to dispute this. In fact,
20 one homeowner intervenor testified that he reviewed the regulatory standards for noise levels and
21 that SRP’s projected levels seemed to be acceptable. (Tr. Vol. IX at 61).

22 **(iii) SRP And The Town Of Gilbert Will Work Together To Mitigate The**
23 **Visual Impacts Of The Expansion Project.**

24 SRP and the Town of Gilbert entered into an Intergovernmental Agreement dated

1 April 25, 2000 ("IGA") that provides for various mitigation efforts for the Expansion Project.
2 With regards to visual mitigation, the IGA provides that SRP shall (a) provide screening on the
3 north and west sides of the Santan Site in a manner ultimately approved by the Town of Gilbert;
4 (b) remove the existing northern fuel tanks and paint the remaining tank; (c) cause to be
5 constructed a horseback/hiking trail on the east side of the Santan Site; (d) remove the lattice
6 training transmission tower; (e) revegetate along the RS 18 line north of the Santan Site; and (f)
7 develop an offsite tree planting program in the area around the Santan Site. (Exh. H-1).

8 SRP presented the testimony of Environmental Planning Group, Inc. ("EPG"), who
9 conducted a study of the area surrounding the Santan Site and developed mitigation measures to
10 minimize the visual impact of the Expansion Project. EPG provided several mitigation options at
11 the site, surrounding the site and in the neighborhoods that are near to the site. (SRP Exh. 75).
12 SRP also submitted renderings of its minimum mitigation measures, with the understanding that
13 the final mitigation would be developed in conjunction with the Community Working Group and
14 the Town of Gilbert. (SRP Exhs. 88, 89, and 90).

15 **(iv) There Are Adequate Water Supplies For The Expansion Project.**

16 SRP presented two alternative proposals to the Committee regarding the supply of
17 water to be used for the Expansion Project. (SRP Exh. 84). Committee member Mr. Dennis
18 Sundie, a representative of the Arizona Department of Water Resources ("ADWR"), stated that he
19 had preliminarily discussed these proposals with ADWR personnel, that it appeared that both of
20 the proposals would be feasible and that there was no problem with SRP's water supply. (Tr. Vol.
21 IX at 210).

22 **IV. THE INTERVENORS AND THEIR CONCERNS.**

23 In addition to AUIA, Arizona Center for Law in the Public Interest and the Commission
24

1 Staff, 14 homeowner intervenors participated in the proceeding.³ The concerns raised by the
2 intervenors that are relevant to the CEC dealt with (a) air quality; (b) noise levels, (c) visual
3 impacts; (d) water sources; and (e) safety of gas lines. Intervenors also expressed concern
4 regarding the impact of the Expansion Project on their home values. It is important to note that
5 while the intervenors raised issues, they did not present any evidence specific to the Expansion
6 Project that conclusively established that there would be any resultant negative impact. A brief
7 review of some testimony presented by the intervenors is helpful in understanding the evidence
8 that is in the record:

9 **A. Real Estate Values.**

10 No intervenor presented any evidence of a single home near the Santan Site that could not
11 be sold or that had been sold for a loss attributable to the proposed Expansion Project. On the
12 other hand, Ms. Latona and Ms. Duffany testified that during the pendency of this proceeding, Ms.
13 Duffany's home sold 13 days after it was on the market. (Tr. Vol. X at 98; Vol. XV at 116). Some
14 intervenors advocated that SRP guarantee the value of their homes but acknowledged that it would
15 be impossible to actually implement such a plan and there is no legal basis for it. (Tr. Vol. X at
16 66).

17 **B. Health Concerns.**

18 Again, while there was speculation among the intervenors as to health impacts of the
19 Expansion Project, there was no evidence that the Expansion Project would cause or contribute to
20 any illness. Intervenors acknowledged that they could not link illnesses such as asthma to the
21 present or future plant emissions. (Tr. Vol. XIII at 92, 93). Nor could they discount the greater
22

23 ³ Mr. Sequiera also claimed to represent an organization called "COST", however, he could not
24 prove that he was specifically authorized to represent anyone other than himself in this proceeding.

1 potential harm from ordinary activities in the area such as car traffic, train traffic, gas mowers, crop
2 dusting or construction. (Tr. Vol. X at 71, 72). With regards to the impact of electric magnetic
3 fields (“EMF”), the intervenors did not provide any evidence that the electricity produced at the
4 Expansion Project would be harmful to health. (Tr. Vol. X at 21-23).

5 **C. Propriety of Locating the Expansion Project at the Santan Site.**

6 Intervenor acknowledged that the Santan Site has existed for 30 years as a power plant
7 and that regardless of the outcome of this proceeding it would continue to do so. (Tr. Vol. IX at
8 39; Tr. Vol. X at 71). Mr. Borger acknowledged that the Santan Site is typical of power plant
9 locations. (Tr. Vol. IX at 38, 39). While intervenors claimed that the area surrounding the Santan
10 Site as a typical residential area, they admitted that the area contained (a) a power plant; (b)
11 transmission towers; (c) railroad tracks; (d) an SRP canal; (e) retail malls; (f) rodeo grounds; and
12 (g) the future San Tan Freeway. (Tr. Vol. IX at 38). The intervenors also claimed that no other
13 power plant was located in a residential area, but later admitted that there are several plants,
14 including some in California that are so located. (Tr. Vol. XV at 57).

15 **D. Support vs. Opposition of the Residents of the Town of Gilbert.**

16 Throughout this proceeding the homeowner intervenors tried to portray that they were
17 more than just a vocal minority of residents who wanted the economic value of their homes
18 guaranteed. However, at the hearing the following facts were established (a) no homeowners’
19 association or other community group authorized any intervenor to represent it (Tr. Vol. XIV at
20 164); (b) Mr. Sequiera had pledged to deliver 5,000-6,000 petitions in opposition to the Expansion
21 Project, but only could gather approximately 2,300 signatures (Tr. Vol. XIV at 169-173); (c) of the
22 2,300 signatures that were presented to the Committee, some were duplicates, from minor
23 children, and from people who resided outside of the East Valley (Tr. Vol. XIV at 174-176); and
24

1 (d) there was insufficient interest by those opposed to the Expansion Project to provide financial
2 assistance to the intervenors. (Tr. Vol. XIV at 183). Although it is understood that not every
3 Town of Gilbert resident approves of the Expansion Project, it is clear that the homeowner
4 intervenors represented no one other than themselves in this case. (Tr. Vol. XIV at 169-188).

5 **V. SRP's MITIGATION EFFORTS.**

6 At the conclusion of the hearing, SRP presented to the Committee 21 proposed conditions
7 to the CEC. A review of these conditions reveals that they are designed to address the concerns
8 raised by the intervenors, are reasonable and should be adopted. A copy of the SRP conditions is
9 attached hereto as Exhibit 1, and by this reference incorporated herein.

10 **VI. CONCLUSION.**

11 Mr. Walter Meek, President of AUIA testified:

12 We urge the Committee and the Commission to stay focused on
13 the big picture. There is a critical need for the output of this power
14 project and SRP has almost no other options. We are in a race to
15 keep the lights on in the East Valley. AUIA is confident that SRP
16 can meet all state and federal requirements for environmental
17 protection and mitigation. If so, the Committee and the
18 Commission should issue a Certificate of Environmental
19 Compatibility for Santan quickly so that SRP can get this project
20 under way.

21 (AUIA Exh. 1 at 9).

22 The Expansion Project is needed as it has been proposed. It would be harmful to SRP and
23 its customers to deny the CEC and preclude SRP from building any generation at this time.
24 Similarly, it would be a mistake to condition the CEC on a "downsized" project. Downsizing will
only reduce the electricity that will be available to serve SRP's customers. There will be little or
no impact on the infrastructure that must be installed whether the Expansion Project contains one,
two or three new units. This proceeding has been exhaustive. The record of evidence that has been

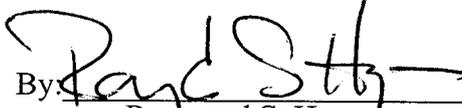
ROSHKA HEYMAN & DeWULF, PLC

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1 presented to the Committee reflects that the Expansion Project has been thoroughly examined.
2 Based upon the record, the Committee should conclude that it is in the public's best interest to
3 grant SRP the CEC with its proposed conditions. Accordingly, AUIA requests that the CEC be
4 granted and construction of the Expansion Project commence as soon as possible.

5 RESPECTFULLY SUBMITTED this 22ND day of December, 2000.

6 ROSHKA HEYMAN & DeWULF, PLC

7
8 By: 

Raymond S. Heyman
400 North 5th Street, Suite 1000
Phoenix, Arizona 85004

9 Attorneys For Arizona Utility Investors Association

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1 **Original and 25 copies of the foregoing**
2 **filed this 2nd day of December, 2000, 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 2nd day of December, 2000, to:**

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14 Deborah Scott, Director
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19 **Copy of the foregoing mailed**
20 **this 2nd day of December, 2000, to:**

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- 9 Cathy LaTona
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- 11 Michael Apergis
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- 13 Marshall Green
Finley Farms HOA
1751 Orangewood
- 14 Gilbert, Arizona 85296
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- 16 Charlie Henson
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- 19 Gilbert, Arizona 85296
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- 21 Mark Kwiat
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- 23 David Lundgreen
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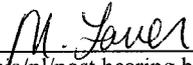
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2 Gilbert, Arizona 85296

3 Jennifer Duffany
COST
4 2232 E. Smoke Tree
Gilbert, Arizona 85296

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au/a/pl/post hearing brief

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EXHIBIT 1

CONDITION 1

With respect to landscaping and screening measures, including the improvements listed in the IGA, Applicant agrees to develop and implement a public process consistent with the process chart presented during the hearings.

Derivation: Committee Members Mark McWhirter, Richard Tobin, Wayne Smith and other committee members suggested that SRP be clearer on the process to refine the landscape and mitigation plans and of implementation of the requirements of the Intergovernmental Agreements. Also a number of intervenors, including Saretta Parrault, Marshall Green and Kathy Lopez expressed interest in further involvement in the planning and implementation process. This condition responds to these concerns.

CONDITION 2

The visual mitigation plans and concepts presented to the Power Plant and Line Siting Committee constitutes a commitment level by Applicant. The Power Plant and Line Siting Committee and the Arizona Corporation Commission understand that these conceptual plans may change through the public process envisioned in condition one. However, Applicant will not reduce the overall level of mitigation as set forth in its CEC Application and this proceeding, except as may be modified or refined during the CWG process.

Derivation: Committee Members Wayne Smith, Rick Tobin and Dennis Sundie have requested that SRP commit to a level of landscaping and enhancement, understanding that specific concepts will be development during the ongoing CWG process, enforced by the obligations of the Intergovernmental Agreement. This, with the IGA, responds to the concern of a commitment expressed by intervenors.

CONDITION 3

SRP will accelerate the process of developing and installing landscaping with the goal that construction will begin in the fall of 2001.

Derivation. Several intervenors and committee members suggested that the landscaping be installed at an early date to give the trees the maximum opportunity to grow before the units are installed.

CONDITION 4

Applicant will develop a program through the CWG process to maintain onsite landscaping and areas subject to public view.

Derivation: This condition responds to the concern about upkeep raised by intervenors Saretta Parrault and Kathy Lopez.

CONDITION 5

Applicant will develop with the Town of Gilbert a fund, to be administered by the Town of Gilbert, to provide for the construction and maintenance of off-site landscaping in the areas depicted in the EPG off-site landscaping concepts, including a contingency fund to be used at the direction of the homeowners associations.

Derivation: This condition responds to the concerns raised by Committee Member Dennis Sundie, and some intervenors, particularly Marshall Green, that SRP be clearer on the process of providing construction and maintenance funds for offsite improvements. This process would allow the homeowners associations and the Town to make the decisions on measures to improve their community.

CONDITION 6

Applicant shall operate the Project so that during normal operations the Project shall not exceed the most restrictive of applicable (i) HUD residential noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City of Tempe standards. Additionally, construction and operation of the facility shall comply with OSHA worker safety noise standards.

Derivation: This condition responds to the concern raised by intervenor Bruce Jones and others, particularly Committee Member Steve Olea. As demonstrated in the testimony, the Town of Gilbert does not have an applicable noise ordinance. This condition picks up the language from the Duke Energy order. It also adds the reference to Tempe standards, to provide a surrogate city standard.

CONDITION 7

Applicant agrees not to use its property easement adjacent to Finley Farms North and South for equestrian trails without first working with the Homeowners Associations of Finley Farms North and South and the Town of Gilbert.

Derivation: Intervenor Marshall Green expressed concern that Finley Farms North and South was not consulted on the Town of Gilbert's plans to extend its trail system north of Santan. This point was also raised by intervenor Cathy Lopez. This condition responds to this concern.

CONDITION 8

Applicant will work with the Gilbert Unified School District to assist it in converting all or part of its school bus fleet to green diesel or other alternative fuel, as may be feasible, and will contribute \$330,000 to this effort. Applicant will support legislation to include green diesel as an alternative fuel for school funding purposes.

Derivation: This concept was originally proposed by SRP. Committee member Mark McWhirter raised the concept of alternative fuels such as CNG and propane. The school district's use of alternative fuel vehicles has a direct monetary benefit to the district in the form of an increased mileage multiplier. Shari Libicki testified that this step would provide a reduction of a ground level source which will very directly effect the air breathed by school children. This condition also responds to the concern that steps be taken to provide local air improvement, which was raised at least by intervenors, Cathy Lopez, Mark Sequiera, Mark Kwiat and Dale Borger.

CONDITION 9

Applicant shall work with all interested East Valley cities, including at a minimum, Mesa, Chandler, Queen Creek and Gilbert, to fund a Major Investment Study through the Regional Public Transit Authority to develop concepts and plans for commuter rail systems to serve the growing population of the East Valley. Applicant will contribute \$400,000 to this effort.

Derivation: This is the response to the request by Committee Member Wayne Smith, as supported by other committee members, that SRP and Gilbert address the real problem. The real problem is the increase in air emissions caused by current and future vehicular traffic. This effort would be a major first step for the Valley to work in a cooperative manner to develop a significant solution. This step would be a major plus for the residents of the East Valley as a whole.

CONDITION 10

Within six months of approval of this Order by the Arizona Corporation Commission, Applicant shall construct a solid wall between the gas metering facilities at the plant site and Warner Road. The wall shall be of such strength and size as to deflect vehicular traffic which may veer from Warner Road to the gas metering site.

Derivation: This is a promise made by SRP to intervenor Saretta Parrault before this proceeding, and during the proceeding. This condition accelerates the process and assures that the wall will be of the size and strength as requested by Mrs. Parrault.

CONDITION 11

Applicant will use only renewable water for cooling and power plant purposes. The water use for the plant will be consistent with the water plan submitted in this proceeding. Applicant will work with the Town of Gilbert to attempt to use available effluent water, where reasonably feasible.

Derivation: This condition is responsive to the concerns of Committee Member Dennis Sundie. It also responds to the concerns of intervenor Mark Kwiat and Bruce Jones. This condition will avoid the use of groundwater and will encourage the use of effluent.

CONDITION 12

Applicant agrees to comply with all applicable federal, state and local regulations relative to storage and transportation of chemicals used at the plant.

Derivation: This condition responds to the concerns expressed by Saretta Parrault and Cathy Lopez relative to water treatment and emission control chemicals.

CONDITION 13

Applicant agrees to maintain on file with the Town of Gilbert, and to periodically update, safety and emergency plans relative to emergency conditions that may arise at the plant site. Copies of these plans will be made available to the public.

Derivation: This condition responds to the concern of Saretta Parrault that there be safety and emergency plans in place.

CONDITION 14

In obtaining air offsets required by EPA and Maricopa County, Applicant will use its best efforts to obtain these offsets as close as practicable to the plant site.

Derivation: Dr. Libicki's data showed that even before applying offsets, the change in local air quality brought about by the plant expansion was so small as to be characterized "indiscernible". Nonetheless, intervenors, including Elisa Warner, Cathy Lopez, Mark Sequiera, Mark Kwait and Jennifer Duffany have expressed the concern that offsets would be obtained far from the adjacent neighborhoods. While this may not be entirely possible, this condition obligates SRP to use "best efforts" to do so.

CONDITION 15

In order to reduce the possibility of generation shortages and the attendant price volatility that California is now experiencing, SRP will operate the facilities consistent with its obligation to serve its retail load and to maintain a reliable transmission system.

Derivation: SRP has testified as to its legal obligations and mission to give first call to all power from this plant to local uses. SRP has also demonstrated the system need for this facility. Nonetheless several intervenors, Dale Borger, Kathy Lopez, Mark Kwiat, Jennifer Duffany, Saretta Parrault and Mark Sequiera have expressed concerns regarding the need for the plant. This condition will provide an assurance to address these concerns.

CONDITION 16

Applicant agrees that it will use its best efforts to avoid during nighttime hours construction activities that generate significant noise.

Derivation. This condition responds to the concerns raised by Mark Kwiat, Jennifer Duffany and others.

CONDITION 17

Beginning upon operation of the new units, Applicant will establish a citizens committee to monitor air and noise compliance and water quality reporting.

Applicant will establish on-site air and noise monitoring facilities to facilitate the process.

Derivation. This condition responds to the concerns of various intervenors as to whether the practical operation of the plant will meet the standards generated by the modeling process.

CONDITION 18

Applicant will explore the use of available technologies to reduce the size of the steam plumes from the unit cooling towers.

Derivation. This condition arises from the suggestion of Committee Chairman Paul Bullis relative to possible technologies to reduce the steam plumes.

CONDITION 19

SRP will consider where practicable, the use of railroad easements for the installation of the new El Paso gas line.

Derivation. The suggestion was made by committee member Wayne Smith that the railroad corridor might be a good location for the gas line. The railroad easements are not entirely in the needed location, but SRP will agree to explore the partial use of these easements.

CONDITION 20

Other than the Santan/RS 18 lines currently under construction, Applicant shall not construct additional Extra High Voltage transmission lines (115kV and above) into the Santan site, without making a showing before the Corporation Commission that circumstances have materially changed relative to expected demands in the Santan area.

Derivation: *This condition responds to the neighborhood transmission concerns.*

CONDITION 21

Applicant will pay to replace all Town of Gilbert existing street sweepers with certified PM10 efficient equipment.

Derivation: *This is a measure to reduce PM10 levels in the local area.*