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December 1, 2008

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Self-Certification of Environmental Compatibility for the West Valley-South 230kV
Power Line and Substation Project, Decision 66646
DOCKET NO. L-00000D-03-0122--00000

Dear Mr. Johnson:

Pursuant to Decision No. 66646 dated December 22, 2003, Condition No. 20, Arizona Public Service is hereby filing its self-certification letter and documentation for the West Valley-South 230kV Power Line and Substation Project.

If you should have any questions, please contact Jeff Johnson at 602-250-2661.

Sincerely,

Barbara Klemstine

BK/dst

Attachments

Cc: Docket Control
Arizona Corporation Commission

Brian Bozzo
Compliance and Enforcement
Arizona Corporation Commission

John Foreman, Chariman
Arizona Power Plant &
Line Siting Committee
Office of the Attorney General

Jim Arwood, Sr. Director
Arizona Department of Commerce Energy Office

Herb Guenther, Director
Arizona Department of Water Resources

Arizona Corporation Commission
DOCKETED

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**West Valley-South 230kV
Transmission Line Project**

Docket No. L-00000D-03-0122
Arizona Corporation Commission
Decision No. 66646

***Certificate of Environmental
Compatibility Compliance***

December 2008

ARIZONA PUBLIC SERVICE
WEST VALLEY-SOUTH 230kV
POWER LINE AND SUBSTATION PROJECT

*Summary of Certificate of Environmental Compatibility
Compliance*

INTRODUCTION:

Arizona Public Service Company (APS) is submitting the following self-certification documentation pursuant to Condition 20 of the West Valley-South 230kV Power Line and Substation Project, Certificate of Compatibility Case No. 122, Docket No. L-00000D-03-0122, Decision No. 66646.

The following Condition Table lists all the requirements and the status of compliance activities.

Construction from the Panda / Liberty / Rudd 230kV Tap to TS-3 (Palm Valley Substation) is complete. Commercial operation of this portion of the project commenced in June 2007. No construction activities have occurred on the remainder of the line as of November 1, 2008.

**Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project**

Certificate Condition	Compliance
1) The Applicant shall obtain all required approvals and permits necessary to construct the Project.	<p>Compliance with this Condition for the first phase of project construction was documented in the 2007 compliance filing.</p> <p>Future permitting activities will be added as applicable.</p>
2) The Applicant shall comply with all existing applicable air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States and any other governmental entities having jurisdiction.	<p>Compliance with this condition is covered under Condition 1.</p> <p>Future permitting activities will be added as applicable.</p>
3) This authorization to construct the Project shall expire 10 years from the date the Certificate is approved by the Commission unless construction is completed to the point that the Project is capable of operating by that time; provided, however, that the authorization to construct the second circuit of the Project shall expire 15 years from date of this Certificate; and further provided, however, that prior to either such expiration the Applicant or its assignees may request that the Commission extend this time limitation.	<p>Project was certificated on December 22, 2003. An extension of the term of the Certificate is not required as of this filing.</p>
4) The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission line and related facilities addressed in this Certificate. In addition to any transmission repairs, relevant corrective actions may include adjusting or modifying receivers; adjusting, repairing, replacing or adding antennas, antenna signal amplifiers, filters, or lead-in cables; or other corrective actions. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. The record shall be signed by the Applicant and also the complainant, if possible, to indicate concurrence with the corrective action or agreement with the justification for a lack of actions.	<p>No concerns have been raised to date regarding interference caused by the portion of the transmission line that is operational. APS will respond and correct all complaints of interference with radio and television signals as they are submitted to APS.</p> <p>Final design has not been completed for the remaining phases of the project as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
5) The Project shall comply with applicable noise standards of the federal Department of Housing and Urban Development and the Environmental Protection Agency. 24 CFR §§ 51.102, 51.103 (1979); Information on Levels of Environmental Noise Requisite to Protect Public Health and Welfare with an Adequate Margin of Safety, U.S. Environmental Protection Agency, Document 5519-74-004, U.S. Government Printing Office, 1974.	<p>The portion of the project that is in-service was designed to meet these standards.</p> <p>Final design has not been completed for the remaining phases of the project as of November 1, 2008; however, compliance activities and documents related to this Condition will be</p>

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project

Certificate Condition	Compliance
	provided when applicable.
6) The Applicant shall continue to consult with the State Historic Preservation Office (“SHPO”) to reach a determination of any cultural or archaeological impacts as a result of construction activities. If the result is a determination of negative impact, the Applicant shall continue to consult with the SHPO to resolve the negative impacts. The Applicant will provide a treatment plan, to minimize impact, for SHPO review and approval and shall continue to consult with SHPO to resolve any such impacts. The Applicant shall avoid and/or minimize impacts to properties considered eligible for inclusion in the State and National Register of Historic Places to the extent possible.	<p>Consultation information was provided in the 2004 and 2007 compliance submittals.</p> <p>Final design has not been completed for the remaining phases of the project as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
7) If human remains and/or funerary objects are encountered during the course of any ground disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum in accordance with A.R.S. §41-865.	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Final design has not been completed for the remaining phases of the project as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
8) Applicant shall retain an archaeologist during construction activities in applicable areas, as determined by SHPO, to advise them in connection with any additional archaeological studies that may be required and any mitigation efforts for archaeological sites that may be affected by the construction of the Project.	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
9) After construction, the Applicant, in conjunction with any applicable land-managing agency, shall allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage.	<p>The completed first phase of construction is available for inspection.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
10) The Applicant shall follow the Arizona State Land Department’s (“ASLD”) instructions, if any, regarding the treatment of State Register of Historic Places eligible properties situated on ASLD land in consultation	Cultural resources survey information was provided in the 2004 compliance submittal under the Tab marked

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project

Certificate Condition	Compliance
with SHPO.	Condition 6.
11) In consultation with SHPO and the land-managing agency, the Applicant will consider and assess potential direct and indirect impacts to eligible properties related to new access roads or any exiting access roads that require blading.	<p>This information was previously provided in the 2004 compliance submittal under the Tab marked Condition 6.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
12) Where practicable, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance, particularly in drainage channels and along stream banks, and shall revegetate or restore native areas of construction disturbance.	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
13) The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
14) Within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed. There also must be signs at the location of the proposed substations. The signs shall advise: <ul style="list-style-type: none"> • That the site has been approved for the construction of Project facilities including a 230kV transmission line, as applicable to the individual site; • The expected date of completion of the Project facilities; and • A phone number for public information regarding the Project. 	<p>Information regarding compliance with this condition has been provided in the 2004, 2006, and 2007 submittals. Applicant continues to maintain these signs.</p>

**Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project**

Certificate Condition	Compliance
<p>15) In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use reasonable means to directly notify all landowners and residents within a one-half-mile radius of the Project facilities for which the extension is sought. Such landowners and residents shall be notified of the time and place of the proceeding in which the Commission shall consider such request for extension.</p>	<p>An extension of the term of the Certificate is not required as of this filing.</p>
<p>16) Before construction on the Project may commence, the Applicant must file a construction mitigation and restoration plan with the Commission's Docket Control Office with copies to affected areas of jurisdiction. The Applicant shall, within one year of completion of construction of the Project, rehabilitate to its original state any native area disturbed by construction of the Project, except for any road that may be necessary to access the transmission lines or substation sites for maintenance and repair. The goals of the plan will be to: a) Avoid impacts where practical; b) Where impacts are unavoidable, minimize impacts; and c) Focus on site preparation to facilitate natural processes of revegetation. Other key elements of the Plan, when not inconsistent with the respective land management agencies' or local owners' requirements, are to a) Emphasize final site preparation to encourage natural revegetation; b) Avoid (i.e., preserve), where practical, mature native trees; c) Stipulate a maximum construction corridor width; d) Reserve topsoil and native plant materials from right-of-way before grading, and respread over the right-of-way after construction is complete; e) Imprint the restored right-of-way to provide indentations to catch seed and water; f) Implement best management practices to protect the soil; g) Apply restoration methods that have been shown to work in the desert environment; and h) Prevent, where applicable, the spread of noxious weeds or other undesirable species.</p>	<p>Compliance with this condition pertaining to the first phase of the project was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
<p>17) Applicant shall monitor all ground clearing/disturbing construction activities that may affect sensitive habitat. If a special status species is encountered, Applicant shall retain a biological monitor to ensure proper actions are taken with regard to such species. If Sonoran desert tortoises are encountered during construction, the Applicant shall follow the Arizona Game and Fish Department's ("AGFD") Guidelines for Handling Sonoran Desert Tortoises.</p>	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>

Arizona Public Service Summary of Certificate of Environmental Compatibility Compliance West Valley – South 230kV Power Line and Substation Project	
Certificate Condition	Compliance
<p>18) Applicant shall salvage mesquite, ironwood, palo verde trees and saguaros removed during project construction activities consistent with Arizona's Native Plant Law and use the vegetation for reclamation in or near its original location.</p>	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
<p>19) Applicant shall implement landscaping for the substation sites in accordance with the applicable municipal planning and zoning requirements.</p>	<p>APS is currently working with the City of Goodyear to finalize landscaping plans for the Palm Valley Substation. Additional information about this and future phases of the project regarding this Condition will be provided when applicable.</p>
<p>20) The Applicant shall submit a self-certification letter annually, identifying which conditions contained in the Certificate have been met. Each letter shall be submitted to the Commission's Utilities Division Director on December 1, beginning in 2004. Attached to each certification letter shall be documentation explaining in detail how compliance with each condition was achieved. Copies of each letter, along with the corresponding documentation, also shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office.</p>	<p>Compliance with this Condition is evidenced by the submission of this filing.</p>

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project

Certificate Condition	Compliance
<p>21) With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums such as the Central Arizona Transmission Study and the Southwest Transmission Enhancement Plan, and shall coordinate transmission expansion plans related to the Project to resolve transmission constraints in a timely manner.</p>	<p>The APS local transmission planning process is coordinated with other regional utilities, including Western Area Power Administration and Salt River Project through recurring quarterly joint-coordination meetings, as well as other day-to-day communication. This transparency has fostered the development of electric infrastructure that has maintained reliability and met load growth. In addition to its local planning process, APS coordinates its transmission planning with other transmission providers and stakeholders in the Desert Southwest, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect, membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).</p>

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Summary of Certificate of Environmental Compatibility Compliance
West Valley – South 230kV Power Line and Substation Project

Certificate Condition	Compliance
<p>22) The following condition is to ensure transmission system safety and reliability when a transmission structure is placed within one hundred feet of a natural gas or hazardous liquid pipeline right-of-way, excluding distribution lines as defined by the Code of Federal Regulations, 49 C.F.R. Sect. 192.3 (2001). Under such circumstances, the Applicant shall: a) Provide the appropriate grounding and cathodic protection studies to show that the transmission line results in no material adverse impacts to such natural gas or hazardous liquid pipeline, whose right-of-way is a hundred feet or less from the transmission structure, when both are in operation. A report of the studies shall be provided to the Commission by the Applicant as part of its compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure such material adverse impacts are eliminated. Applicant shall provide to the Commission written documentation of the actions that were taken and provide documentation showing that no material adverse impacts are occurring; b) Adopt a written mitigation plan outlining any and all steps taken to protect all electric facilities associated with the transmission line as a result of this Project from any potential hazards that could occur whenever a transmission line structure is placed 100 feet or less from any such pipeline right-of-way. The plan shall indicate what corrective action will be taken to mitigate any potential hazard that could occur. A potential hazard includes, but is not limited to, a rupture or explosion resulting from the pipeline. The written mitigation plan shall be provided to the Commission by the Applicant as part of its compliance with this Certificate and shall be subject to approval from Commission Staff. Applicant shall implement the written mitigation plan during a hazard as part of its compliance with this Certificate.</p>	<p>Information regarding the first phase of project development was previously provided in the 2007 submittal.</p> <p>Construction on this project has not commenced for the remaining phases as of November 1, 2008; however, compliance activities and documents related to this Condition will be provided when applicable.</p>
<p>23) The Applicant shall provide copies of this Certificate to SHPO, AGFD, appropriate city and county planning agencies, and ASLD</p>	<p>Compliance with this Condition was previously provided in the 2004 submittal.</p>
<p>24) Applicant, within 60 days of the issuance of the Certificate by the Commission, shall begin work with developers along the route to encourage them to include the identity and location of the certificated route in the developers' homeowner disclosure statement.</p>	<p>This information was previously provided in the 2006 compliance submittal under Tab marked Condition 24. APS provides support for developers regarding transmission facilities on its siting website at www.aps.com/siting along with links to current and completed High Voltage transmission siting projects.</p>