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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 Palo Verde to TS-5 Substation 500kV
Transmission Line Project, Decision 68063
DOCKET NO. L-00000D-05-0128-00000

Dear Mr. Johnson:

Pursuant to Decision No. 68063 dated August 17, 2005, Condition No. 25, Arizona Public Service is hereby filing its self-certification letter and documentation for the Palo Verde to TS-5 Sustation 500kV Transmisison Line Project.

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

Sincerely,

Barbara Klemstine

Arizona Corporation Commission

DOCKETED

DEC -1 2008

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

AZ CORP COMMISSION
DOCKET CONTROL

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**Palo Verde Hub to TS-5 500kV
Transmission Line Project**

Docket No. L-00000D-05-0128
Arizona Corporation Commission
Decision No. 68063

***Certificate of Environmental
Compatibility Compliance***

December 2008

ARIZONA PUBLIC SERVICE
PALO VERDE HUB TO TS-5 SUBSTATION
500kV TRANSMISSION LINE PROJECT

*Summary of Certificate of Environmental Compatibility
Compliance*

INTRODUCTION:

Arizona Public Service Company (APS) is submitting the following self-certification documentation pursuant to Condition 25 of the Palo Verde Hub to TS-5 Transmission Line project, Certificate of Compatibility Case No. 128, Docket No. L-00000D-05-0128, Decision No. 68063.

The following Condition Table lists all the requirements and the status of compliance activities. Each tab thereafter references applicable compliance documentation.

No construction activities have occurred as of November 1, 2008; therefore, many of the certificate conditions do not apply at this time.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
1) The Applicant shall obtain all required approvals and permits necessary to construct the Project.	Refer to Tab marked Condition 1
2) The Applicant shall comply with all existing applicable standards and regulations, and with all existing applicable ordinances, master plans and regulations of the County of Maricopa, the State of Arizona, the United States and any other governmental entities having jurisdiction including the Bureau of Land Management's Decision Record and Plan of Development.	Compliance with this Condition is covered under Condition 1. Future permitting activities will be added when applicable.
3) This authorization to construct the Project shall expire (i) 10 years from the date the Certificate is approved by the Arizona Corporation Commission (the "Commission") for that portion of the Project from the Harquahala Junction Switchyard to the TS-5 Substation; and (ii) 20 years from the date this Certificate is approved by the Commission for that portion of the Project from the Palo Verde Hub to the Harquahala Junction Switchyard, unless construction is completed to the point that the Project is capable of operating by that time; provided however that prior to either such expiration the Applicant or its assignees may request that the Commission extend this time limitation.	Project was certificated on June 15, 2005. (i) Authorization to construct this portion of the Project expires June 15, 2015. (ii) Authorization to construct this portion of the Project expires June 15, 2025. An extension of the term of the Certificate is not required as of this filing.
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. 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 action.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
5) The Project shall comply with applicable noise guidelines of the federal Department of Housing and Urban Development and the Environmental Protection Agency.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
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. The Applicant will provide to SHPO for review and approval a treatment plan (if necessary) to minimize impacts and shall continue to consult with SHPO to resolve any such impacts. The Applicant shall avoid or minimize impacts to properties considered eligible for inclusion in the State and National Register of Historic Places to the extent practicable. Prior to construction, the Applicant agrees to collect the three ceramic vessels identified as IO's 30, 58, and 65 in Section 3.4.2 of the Environmental Assessment (Exhibit B-1 in the application).	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
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.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
8) Applicant shall consult 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.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
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 archeological sites within the corridor for vandalism or other damage.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
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 Arizona State Land Department land in consultation with SHPO.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
11) Where practicable, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance outside of the power line right-of-way, particularly in drainage channels and along stream banks, and shall reseed native areas of construction disturbance outside of the power line right-of-way after construction has been completed.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
12) The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
13) Within 45 days of securing easement or right-of-way for the Project on private property, 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 printed on materials of color designed to attract attention. The Applicant shall place signs 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 switchyards. The signs shall advise: • that the site has been approved for the construction of Project facilities including a 500kV transmission line, as applicable to the individual site; • the size and location of the respective switchyard; • the expected date of completion of the Project facilities; • a phone number for public information regarding the Project; • the name of the Project; • the name of the Applicant; and • the Applicant's website.	The Applicant has secured some easements on private property along the Palo Verde Hub to Delany Substation alignment. In these areas, the Applicant has erected signage, as exemplified behind Tab 13.
14) 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 adjacent to the right-of-way for 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.	An extension of the term of the Certificate is not required as of this filing.
15) Before construction on this Project may commence, the Applicant must file a Plan of Development approved by the Bureau of Land Management ("BLM") with ACC Docket Control with copies to affected areas of jurisdiction. Applicant will comply with the BLM's Standard Construction and Operating Procedures and Mitigation Measures (Attachment B).	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
16) Applicant will provide AGFD with the draft Plan of Development for comment.	This information was previously provided in the 2006 compliance submittal under the Tab marked Condition 16.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
17) Applicant shall monitor all ground clearing/disturbance activities that could affect sensitive species or habitat. Where warranted, Applicant shall retain a qualified biologist to conduct pre-construction activities to minimize or prevent impacts to sensitive species or habitat. Specifically, Applicant shall survey or monitor for Sonoran desert tortoises. If desert tortoises are encountered during construction, the Applicant shall follow the BLM's <i>Strategy for Desert Tortoise Habitat Management on Public Lands in Arizona</i>	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
18) Applicant will adhere to Arizona's Native Plant Law.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.
19) Applicant shall work with the applicable jurisdictions to implement landscaping for the switchyard sites in accordance with municipal planning and zoning requirements.	Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
20) With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums, and shall coordinate transmission expansion plans related to the Project to resolve transmission constraints in a timely manner.	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).
21) Applicant shall provide copies of this Certificate to appropriate city and county planning agencies, the county board of supervisors, mayor, and town council of appropriate cities, the Arizona Department of Real Estate ("ADRE"), SHPO, AGFD and ASLD.	This information was previously provided in the 2006 compliance submittal under the Tab marked Condition 21.
22) Prior to the date this transmission line is put into commercial service, Applicant shall provide homebuilders and developers within one mile of the center line of the certificated route the identity, location and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statement.	This information was previously provided in the 2006 compliance submittal under the Tab marked Condition 22.
23) Applicant shall publish a copy of this Certificate and attachments on Applicant's project website within 10 days of the approval of the Commission.	This information was previously provided in the 2006 compliance submittal under the Tab marked Condition 23.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
Palo Verde Hub to TS-5 Substation 500kV Transmission Project

Certificate Condition	Compliance
<p>24) Applicant shall pursue good faith efforts to reach a commercially reasonable agreement for interconnection at a new Arlington Valley 500kV Switchyard and/or a new Harquahala Junction 500kV Switchyard. Applicant shall file with the ACC Utilities Division no later than December 31, 2005, a report summarizing its efforts, the option(s) ultimately selected, and the reasons other option(s) were not selected. Applicant will not sign an Interconnection Agreement to interconnect at the Palo Verde Switchyard until completion of the above requirements.</p>	<p>This information was previously provided in the 2006 compliance submittal under the Tab marked Condition 23.</p> <p>The Harquahala Junction 500kV Switchyard has been renamed as the Delany Substation.</p>
<p>25) 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 Utilities Division Director on December 1, beginning in 2006. 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, shall also be submitted to the Arizona Attorney General and Department of Commerce Energy Office.</p>	<p>Submission of this letter and supporting detailed documents evidences compliance with this Condition.</p>
<p>26) If any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the director, shall immediately take reasonable steps to secure and maintain the preservation of the discovery pursuant to ARS §41-844.</p>	<p>Final design or construction for this project is not complete as of November 1, 2008; however, activities and documents related to this Condition will be provided when applicable.</p>

CONDITION 1

CONDITION 1

The Applicant shall obtain all required approvals and permits necessary to construct the Project.

COMPLIANCE

As of November 1, 2008, APS has applied for the following permits and approvals associated with the Palo Verde Hub to TS-5 Substation 500kV Transmission Project. The following table lists the status of these permits or approvals

ISSUING/APPROVING AGENCY	TYPE	APPLICATION/APPROVAL STATUS
Army Corps of Engineers	Nationwide 12 or 404	Submittal Pending
Department of Energy (WAPA)	Permit	Application Amended 11/07/08
Bureau of Land Management	Right of Way	Application Submitted, 01/11/06
Bureau of Reclamation (CAP)	Permit	Application Submitted, 07/17/07
Arizona State Land Department	Right of Way	Complete, 03/15/07 Pending application on separate filing near Sun Valley Sub Site (TS-5), auction set for December 2008
Arizona Department of Transportation	Permit	Submittal Pending
Maricopa County Department of Transportation	Permit	Submittal Pending
Maricopa County Department of Health Services	Dust Control Permit	Submittal Pending
Arizona Blue Stake	Notification	Submittal Pending

CONDITION 13

CONDITION 13

Within 45 days of securing easement or right-of-way for the Project on private property, 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 printed on materials of color designed to attract attention. The Applicant shall place signs 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 switchyards. The signs shall advise:

- that the site has been approved for the construction of Project facilities including a 500kV transmission line, as applicable to the individual site;
- the size and location of the respective switchyard;
- the expected date of completion of the Project facilities;
- a phone number for public information regarding the Project;
- the name of the Project;
- the name of the Applicant; and
- the Applicant's website.

COMPLIANCE

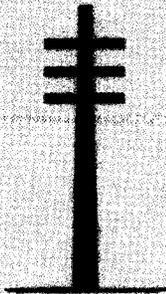
The Applicant has secured some easements on private property along the Palo Verde Hub to Delany Substation alignment. In these areas, the Applicant has erected signage, as exemplified behind Tab 13.



APPROVED

**Palo Verde Hub to TS 5 500kV
Transmission Line Project Right of Way**

**Expected completion:
DEC. 2009**



**For information:
(602) 371- 6255
<http://SITING.APS.COM>**



APPROVED

**Palo Verde Hub to TS 5 500kV
Transmission Line Project Right of Way**

**Expected completion:
DEC. 2009**



**For information:
(602) 371- 6255
<http://SITING.APS.COM>**