

1 Pursuant to A.A.C. R14-3-204,
2 The Original and 25 copies were
3 filed May 27, 2009 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
7 Phoenix, AZ 85007

8 Copy of the above was mailed
9 this 27th day of May, 2009 to:

10 Robin Mitchell
11 Janice Alward, Chief Counsel
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, AZ 85007
15 Counsel for Legal Division Staff

16 Michael M. Grant
17 Gallagher and Kennedy, P.A.
18 2575 East Camelback Road
19 Suite 1100
20 Phoenix, AZ 85016
21 Counsel for Applicant, SW Transco

22 Lawrence V. Robertson, Jr.
23 P.O. Box 1448
24 Tubac, AZ 85646
25 Counsel for Pinal County

26 Marta T. Hetzer
Arizona Reporting Service, Inc.
2200 North Central Avenue
Phoenix, Arizona 85004-1481



1 William Mundell Appointed Member
2 Mike Whalen Appointed Member
3 The Honorable Patricia Noland Appointed Member
4 Jeff McGuire Appointed Member

5 Applicant was represented by counsel, Michael M. Grant of Gallagher & Kennedy, P.A.
6 Intervenor Pinal County was represented by Lawrence V. Robertson, Jr.

7 At the conclusion of the hearing, after consideration of the Application, the evidence and
8 exhibits presented, the legal requirements of A.R.S. §§ 40-360 to 40-360.13, and in accordance
9 with A.A.C. R14-3-213, upon motion duly made and seconded, the Committee voted 9-0 to grant
10 Applicant, its successors and assigns the following Certificate of Environmental Compatibility
(Case No. 142):

11 Applicant is granted a Certificate of Environmental Compatibility for the construction of
12 facilities as described in its Application consisting of approximately 4.5 miles of double-circuit
13 230-kV line which initially will be energized at 115 kV connecting the existing Apache to
14 Hayden transmission line to the existing APS San Manuel Substation. Beginning at the Apache
15 to Hayden 115-kV transmission line, the new line will extend about one mile in a southwesterly
16 direction to River Road. The line then will run approximately one mile to BHP property and
17 then 2.5 miles to the San Manuel Substation, which is north of the town of San Manuel. A map
18 of the Project area and the proposed route is attached as Exhibit A.

19 This Certificate is granted upon the following conditions:

- 20 1. The Applicant shall obtain all approvals and permits required by the United
21 States, the State of Arizona, the County of Pinal and any other governmental
22 entities having jurisdiction necessary to construct the Project.
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2. The Applicant shall comply with all existing applicable statutes, ordinances, master plans and regulations of the United States, the State of Arizona, the County of Pinal and any other governmental entities having jurisdiction during the construction and operation of the transmission line.
3. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least 50 years old is discovered on state, county or municipal land during the construction or operation of the transmission line, the Applicant or its representative in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery.
4. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the construction or operation of the transmission line, the Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.
5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law (A.R.S. §§ 3-901, *et seq.*) and shall, to the extent feasible, minimize the destruction of native plants during the construction and operation of the transmission line. In no event shall the Applicant destroy more than 100 saguaro cacti during the construction of the transmission line and access road.

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6. The Applicant shall not assign this Certificate or its interest in the Project authorized by this Certificate without prior approval of the Commission. Any assignment of this Certificate shall require the assignee to assume all responsibilities of the Applicant listed in this Certificate.
7. This authorization to construct this Project shall expire five years from the date the Certificate is approved by the Commission unless the transmission line is capable of operation. However, prior to expiration, the Applicant or its assignees may request that the Commission extend this time limitation.
8. 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 notify all landowners and residents within one mile of the Project, all persons who made public comment at this proceeding and all parties to this proceeding of the request and the time and place of the hearing in which the Commission will consider the request for extension.
9. 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 lines 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.

1 disturbance outside of the Project right-of-way particularly in drainage channels
2 and along stream banks, and shall re-vegetate, unless waived by the landowner,
3 native areas of construction disturbance to its preconstruction state outside of the
4 power-line right-of-way after construction has been completed. The Plan shall
5 specify the Applicant's plans for providing a biological monitor to ensure
6 compliance with Condition No. 5 and the Arizona Native Plant Law and for
7 coordination with the Arizona Game and Fish Department and the State Historic
8 Preservation Office. The Applicant shall use existing roads for construction and
9 access where practicable and the Plan shall specify the manner in which the
10 Applicant makes use of existing roads.

- 11 14. With respect to the Project, Applicant shall participate in good faith in state and
12 regional transmission study forums to coordinate transmission expansion plans
13 related to the Project and to resolve transmission constraints in a timely manner.
- 14 15. The Applicant shall provide copies of this Certificate to Pinal County, the Arizona
15 State Land Department, the Bureau of Land Management, the State Historic
16 Preservation Office and the Arizona Game and Fish Department.
- 17 16. Prior to the date construction commences on this Project, the Applicant shall
18 provide known homebuilders and developers within one mile of the route the
19 identity, location and a pictorial depiction of the type of power line being
20 constructed, accompanied by a written description, and encourage the developers
21 and homebuilders to include this information in the developers' and
22 homebuilders' homeowners' disclosure statements.
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17. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:

(a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated.

Applicant shall provide to Commission Staff reports of studies performed; and

(b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages.

Applicant shall provide a copy of this study to Commission Staff.

18. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.

19. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which

1 conditions have been met. Each letter shall be submitted to Docket Control of the
2 Arizona Corporation Commission on March 1 beginning in 2010. Attached to
3 each certification letter shall be documentation explaining how compliance with
4 each condition was achieved. Copies of each letter along with the corresponding
5 documentation shall be submitted to the Arizona Attorney General and
6 Department of Commerce Energy Office. The requirement for the self-
7 certification shall expire on the date the Project is placed into operation.

8 20. Within sixty (60) days of the Commission decision granting this Certificate, the
9 Applicant shall make good faith efforts to commence discussions with private
10 landowners, on whose property the Project corridor is located, to identify the
11 specific location for the Project's right-of-way and placement of poles.

12 21. The Applicant shall expeditiously pursue reasonable efforts to work with private
13 landowners on whose property the Project right-of-way will be located, to
14 mitigate the impacts of the location, construction and operation of the Project on
15 private land.

16 22. The Applicant shall install and maintain marker balls on the Project's static line
17 at the spans in the approaches to the San Manuel airport between structures No. 3
18 and No. 8 and over the San Pedro River between structures No. 21 and No. 25 to
19 alert any aircraft to the Project. The marker balls, their installation and
20 maintenance will meet FAA Advisory Circular 70/7460-1K standards or any
21 successor standards and requirements.

22 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

23 This Certificate incorporates the following findings of fact and conclusions of law:
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1. The Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power.
2. In balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state.
3. The conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised.
4. In light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

GRANTED this 27th day of May, 2009.

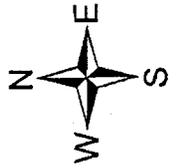
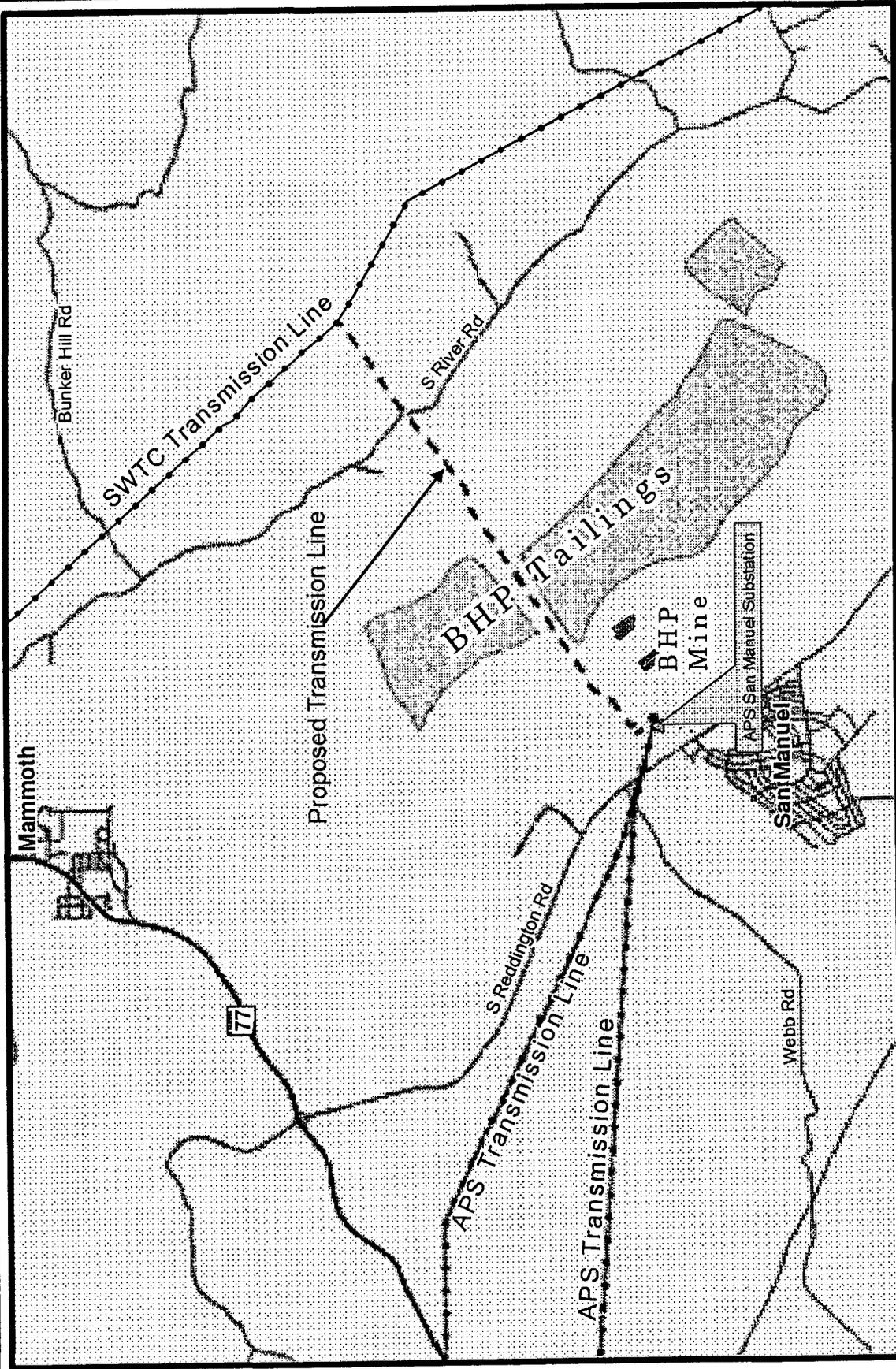
ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

By John Foreman
John Foreman, Chairman

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EXHIBIT A

Project Location Map and Proposed Route



Proposed Transmission Line Route

APS Substation

Local Roads

Highways

Existing Transmission Line

