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June 4, 2001

VIA HAND DELIVERY

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUN 04 2001

DOCKETED BY	
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Re: *Biennial Transmission Assessment*
Docket No. E-00000A-01-0120

Dear Sir/Madam:

Enclosed are the original and ten (10) copies of a letter from AEPCO's Bruce Evans to Utilities Division Engineer Asher Emerson. The letter responds to requests for information made concerning this docket at the May 10, 2001 Open Meeting.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:
Michael M. Grant

cc: Asher Emerson, Utilities Division (via hand-delivery)
Bruce Evans
Patricia Cooper
MMG/Imm
10421-0027/930877

JUN 04 2001

GALLAGHER & KENNEDY

**Arizona Electric Power Cooperative, Inc.**

P.O. Box 670 • Benson, Arizona 85602-0670 • Phone 520-586-3631

June 1, 2001

Mr. Asher Emerson, Utilities Engineer
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

RE: ACC OPEN HEARING ON BIENNIAL TRANSMISSION ASSESSMENT REPORT

Dear Mr. Emerson:

This letter is in response to your request made at the ACC Open Meeting on the Biennial Transmission Assessment Report, held at the Commission May 10, 2001.

At that meeting, you requested the parties 1) to respond to the definition of "Adequacy," and 2) to inform the Commission of any Certificates of Environmental Compatibility (CEC) that are held by the parties for transmission lines not yet built. In addition, you asked for information concerning any Rights-of-way held by the parties also, for transmission lines not yet built.

With regards to first issue, AEPCO notes that the Biennial Transmission Assessment (Assessment) was prepared by the ACC Staff to satisfy modifications made by the State Legislature in A.R.S. §40-360.2 that obligated the Commission to biennially review the ten-year transmission plans submitted to the Commission each year. The modified statute asks that the Commission "issue a written decision regarding the 'adequacy' of the existing and planned transmission facilities in Arizona to meet the present and future energy needs of the state in a 'reliable manner.'" (Assessment, p. 1)

The Assessment briefly discusses the NERC definition of "Adequacy," which is reproduced here in its entirety: "The ability of the electric system to supply the aggregate electrical demand and energy requirements of the customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements." AEPCO believes this definition of Adequacy is specific enough to allow the Commission to meet the obligations of A.R.S. §40-360.2.

With regards to the second item, AEPCO does not currently hold any CEC's for transmission lines that are not yet built. AEPCO does, however, hold a ROW for a 115 kV transmission line that was procured in 1987 for service to the proposed Thornydale Substation. At that time, it was envisioned that a new 115 kV transmission line would be needed to serve the Thornydale Substation and the process of acquiring the ROW for the proposed 8-mile line began. AEPCO



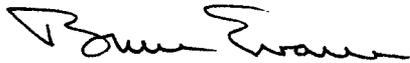
Letter to Asher Emerson
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secured two miles of ROW before the project was put on hold due to the lack of area development. The two miles of ROW runs through an upscale development in the town of Oro Valley, on the south side of Moore Road. AEPCO does not have plans to currently use this ROW to install any new transmission lines.

In 1999, the Thornydale Substation project began anew, with the center of development for that project being much different than it had been in 1987. The Thornydale Substation has now been constructed, with service being provided by a 46 kV line that AEPCO leases from Tucson Electric Power Company.

It is my hope that this letter provides an adequate response to the two questions raised at the Open Meeting held May 10, 2001. Please contact me with any questions or comments.

With Regards,



Bruce Evans
Manager of Transmission Planning

c/ L. Huff
P. Cooper
M. Grant, Gallagher & Kennedy