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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

8 KRISTIN K. MAYES, CHAIRMAN
9 GARY PIERCE
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP

Arizona Corporation Commission
DOCKETED

JUL -9 2009

DOCKETED BY

11 IN THE MATTER OF THE APPLICATION)
12 OF ARIZONA PUBLIC SERVICE COMPANY,) DOCKET NO. L-00000D-08-0330-00138
13 IN CONFORMANCE WITH THE)
14 REQUIREMENTS OF ARIZONA REVISED) Case No. 138
15 STATUTES §§ 40-360, *et seq.*, FOR A)
16 CERTIFICATE OF ENVIRONMENTAL) A.C.C. Decision No. 70850
17 COMPATIBILITY AUTHORIZING THE TS-5)
18 TO TS-9 500/230 kV TRANSMISSION LINE) **JOINT NOTICE OF INTERVENORS**
19 PROJECT, WHICH ORIGINATES AT THE) **CITY OF PEORIA, DIAMOND**
20 FUTURE TS-5 SUBSTATION, LOCATED IN) **VENTURES, INC., VISTANCIA LLC,**
21 THE WEST HALF OF SECTION 29,) **AND VISTANCIA HOMEOWNERS**
22 TOWNSHIP 4 NORTH, RANGE 4 WEST AND) **ASSOCIATIONS SUBMITTING**
23 TERMINATES AT THE FUTURE TS-9) **LETTERS TO U.S. BUREAU OF**
24 SUBSTATION, LOCATED IN SECTION 33,) **LAND MANAGEMENT**
25 TOWNSHIP 6 NORTH, RANGE 1 EAST, IN) **SUPPORTING ARIZONA PUBLIC**
26 MARICOPA COUNTY, ARIZONA) **SERVICE COMPANY'S RIGHT-OF**
) **WAY APPLICATION**

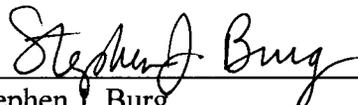
The City of Peoria, Diamond Ventures, Inc., Vistancia LLC, and Vistancia Homeowners Associations hereby file five letters that they have submitted to the U.S. Bureau of Land Management ("BLM") in BLM Case # AZA-35079.¹ The other parties have authorized the

¹ In its Notice of Filing dated May 15, 2009, Arizona Public Service Company ("APS") stated that it had filed its right-of-way application with BLM and provided mailing information for "[p]arties wishing to participate or provide comments on th[e] application." APS Notice of Filing, May 15, 2009, at 1-2.

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undersigned counsel for the City of Peoria to file the letters in this Docket on their behalf. The letters express the parties' interest in participating in the BLM proceeding in support of the APS application.

RESPECTFULLY SUBMITTED this 9th day of July, 2009.



Stephen J. Burg
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1 ORIGINAL and 25 Copies of the foregoing were
2 filed this 9th day of July, 2009, to:

3 Arizona Corporation Commission
4 Utilities Division - Docket Control
5 1200 W. Washington Street
6 Phoenix, Arizona 85007

7 COPIES of the foregoing hand-delivered
8 this 9th day of July, 2009, to:

9 Honorable Dwight Nodes
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, Arizona 85007

13 Kristin K. Mayes, Chairman
14 Arizona Corporation Commission
15 1200 W. Washington Street
16 Phoenix, Arizona 85007

17 Gary Pierce, Commissioner
18 Arizona Corporation Commission
19 1200 W. Washington Street
20 Phoenix, Arizona 85007

21 Paul Newman, Commissioner
22 Arizona Corporation Commission
23 1200 W. Washington Street
24 Phoenix, Arizona 85007

25 Sandra D. Kennedy, Commissioner
26 Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Bob Stump, Commissioner
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

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...

1 COPIES of the foregoing served electronically via e-mail
this 9th day of July, 2009, to:

2
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Notice of filing BLM letters.7-07-09.ldo



City of Peoria

Office of the City Attorney

8401 W. Monroe Street, Peoria Arizona 85345

Civil/Risk Phone: 623-773-7330 • Fax: 623-773-7043

E-Mail: steve.burg@peoriaaz.gov

July 6, 2009

Bureau of Land Management – Phoenix District
Attn: Jim Andersen
21605 North 7th Avenue
Phoenix, AZ 85027

Re: BLM Case # AZA-35079
Application for TS5 - TS9 500kV/230kV Transmission Line Project
City of Peoria's Notice of Intent to Participate as a Party in Support of Application
(2009-00947)

Dear Mr. Andersen:

By letter dated April 29, 2009, Arizona Public Service Company ("APS") filed an Application with the U.S. Bureau of Land Management concerning the above-referenced transmission line project. The City of Peoria, Arizona ("Peoria") has an important interest in this Application and intends to participate as a Party in support of the Application.¹ Peoria's voters have approved a General Plan that guides the growth and preservation of land throughout the city, and the location of the APS transmission line route is consistent with the General Plan and Peoria's other planning documents and ordinances. If BLM were to deny the Application, Peoria's interests would be adversely affected, and such denial would be substantially likely to cause injury to Peoria's land use planning and other interests.

As you know federal regulations require BLM, in granting rights-of-way, to "coordinate[], to the fullest extent possible" with local governments.² The regulations also contemplate that BLM will share information with local governments such as Peoria "to ensure . . . effective coordinated planning as soon as possible."³

On July 3, 2008, Peoria staff met with BLM – Phoenix District staff to discuss BLM's consideration of an electric transmission line right-of-way on a portion of BLM land within and adjacent to Peoria's city limits. BLM informed Peoria that APS had not requested, during the lengthy process to amend the Resource Management Plan ("RMP") for the area, that BLM consider creating a utility corridor in the general area adjacent to SR-74 within Peoria.

¹ As Peoria did throughout the State review process that led to the Application, Peoria intends to coordinate its efforts with other entities that support the Application, including Peoria property owners Vistancia and Diamond Ventures.

² 42 CFR § 2801.2. In item #9 on its Application form, BLM acknowledges the important role of cities by including a line to indicate "local government approval."

³ 42 CFR § 2804.10(b)(2).

When BLM issued the proposed RMP on August 8, 2008, BLM had included a transportation corridor that spanned one-half mile on either side of SR-74, but no utility corridor.⁴ As a result, on September 5, 2008, Peoria's City Manager filed a Protest with BLM, requesting that BLM "evaluate the alternative multi-use designation for the corridor along State Route 74 and redesignate the corridor accordingly" in the RMP.

U.S. Congressman Trent Franks (whose 2nd Congressional District includes the area in question) submitted a written letter of support for Peoria's Protest on November 10, 2008, noting that changing the proposed RMP to include a utility or multi-use corridor adjacent to SR-74:

[W]ould further strengthen the integrity of the plan by meeting the needs of thousands of residents, major developers, local governments and the local utility company, APS, who care deeply about the outcome of an existing line-siting case that proposes to cut through this community.

Congressman Franks also stated that the failure in the proposed RMP to identify a utility corridor within the designated transportation corridor was "simply a matter of error that could be corrected rather easily by BLM" and "would not cause any element of the RMP to be sacrificed or otherwise weakened."⁵

At the same time as the amended RMP was being finalized, Peoria was a party to the Line Siting Committee proceedings that resulted in Arizona Corporation Commission Decision No. 70850. Peoria supported the Line Siting Committee's decision, which formed the basis for the final decision by the Corporation Commission and led to this Application. Peoria agrees with the Line Siting Committee and the Corporation Commission that placing the transmission lines on a portion of BLM land within the mile-wide SR-74 transportation corridor is in the public interest of the State of Arizona and its residents.⁶

Placing an electric transmission line right-of-way corridor within the existing mile-wide transmission corridor adjacent to SR-74 is a compatible use consistent with federal law.⁷ Locating the utility corridor within the transportation corridor promotes the use of common rights-of-way. The requested corridor also is consistent with the adopted land plans of Peoria and the Arizona Department of Transportation ("ADOT").⁸ Peoria believes that the Application is consistent with all federal, state, and local laws, and

⁴ BLM has the authority to identify in a resource management plan "areas where BLM will not allow right-of-way for environmental, safety, or other reasons." 42 CFR § 2802.11(d). It is important to note that the RMP did not identify this area as a location where a utility corridor would not be allowed.

⁵ BLM later dismissed Peoria's Protest on the procedural grounds that Peoria had not submitted its request for a utility or multi-use corridor in writing prior to the issuance of the proposed RMP.

⁶ Item 7 of the Project Description (SF-299) asks the question: "Why is it necessary to use public lands?" The State review process that led to Dec. No. 70850 answers that question in great detail. If BLM requires any additional information related to this question, Peoria will gladly provide it.

⁷ 43 USC § 1763.

⁸ The state and local land use plans were detailed at length in the State proceedings that resulted in Dec. No. 70850. ADOT recently informed Peoria that it is now considering building the planned (8-10-lane-wide) Lake Pleasant Freeway on the northern side of existing SR-74, within the half-mile wide corridor to the north of SR-74 that is identified in the RMP.

Letter to Jim Andersen

July 6, 2009

Page 3 of 3

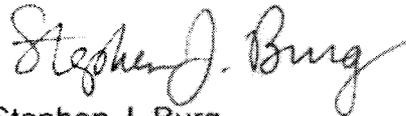
Peoria is prepared to provide any information required by BLM to support this conclusion.

A "designated right-of-way corridor" is defined by BLM regulations to include lands identified through various means, including a "management decision." Peoria believes that it is appropriate and necessary for BLM to make a management decision to grant the right-of-way request in the Application.

Peoria staff would like to meet with you to explain our support for the Application further. Please contact Deputy Public Works Director Maher Hazine at (623) 773-7502 or myself at (623) 773-7330 at your earliest convenience.

Sincerely,

**OFFICE OF THE CITY ATTORNEY
CITY OF PEORIA**



Stephen J. Burg
Chief Assistant City Attorney

cc: Paul Herndon, Arizona Public Service Company
Maher Hazine, Deputy Public Works Director, City of Peoria

DIAMOND VENTURES

July 7, 2009

Bureau of Land Management – Phoenix District
Attn: Jim Anderson
21605 North 7th Avenue
Phoenix, AZ 85027

Re: BLM Case # AZA-35079
Application for TS5 – TS9 500kv/230kv Transmission Line Project

Dear Mr. Anderson:

On April 20, 2009, Arizona Public Service Company (“APS”) filed an application with your office relating to the above referenced transmission line project. I understand that you have been contacted by the City of Peoria to request a meeting with you to explain the City’s support for the application. I am writing to express Diamond Ventures’ interest in joining in any such meeting.

Diamond Ventures, Inc. (“DVI”) is the owner and developer of a 5,296 acre master planned community located in the City of Peoria known as Saddleback Heights. Saddleback Heights has been zoned and planned in accordance with City of Peoria land use plans, rules and regulations and currently contemplates approximately 6,195 residential dwelling units, commercial and mixed-use areas, school district and public facility areas, three (3) golf courses and a significant amount of desert and mountain open space that links the community.

The Saddleback Heights master plan abuts Carefree Highway on the south and SR 74 on the north and was to be directly impacted by APS’ proposed transmission routes. Consequently, DVI worked closely with the City of Peoria and the Vistancia community throughout the entire line-siting process to develop an alternative that was in the best interest of the region with the least community-wide impact. DVI fully endorses and supports the recommendations of the Arizona Line Siting Committee and the conclusions of the Arizona Corporation Commission that placing the transmission lines along a portion of BLM already designated as a transportation corridor serves the public interest and is the best alternative available for all parties involved. In fact, DVI engaged several experts and conducted various technical studies in support of this position during the line-siting process.

Jim Anderson

July 7, 2009

Re: BLM Case # AZA-35079

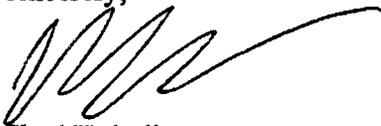
Application for TS5 – TS9 500kv/230kv Transmission Line Project

Page 2

DVI would be interested in joining in a meeting with the BLM, the City of Peoria and the Vistancia community to present you with our reasons for supporting the application and to determine if there is any way we can assist the APS and/or the BLM in processing the application.

We have been coordinating all of our efforts with the City of Peoria and can coordinate any proposed meeting with the City. In the alternative, please feel free to contact me at (520) 577-0200. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Kolodisner', with a long horizontal flourish extending to the right.

Chad Kolodisner
Vice President



July 7, 2009

Bureau of Land Management – Phoenix District
Attn: Jim Andersen
21605 North 7th Avenue
Phoenix, AZ 85027

Re: BLM Case # AZA-35079
Application for TS5 - TS9 500kV/230kV Transmission Line Project

Dear Mr. Anderson,

Vistancia LLC is in possession of a letter addressed to you, dated July 6, 2009, from Stephen Burg, Chief Assistant City Attorney for the City of Peoria.

We would like to show our support to the content of this letter as well as the application submitted by APS, which case number is located above.

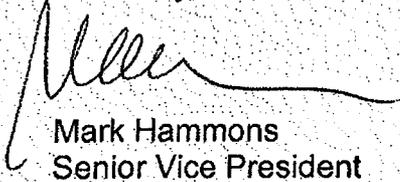
Vistancia LLC has developed a nationally recognized award winning community which has been planned and developed over the past nine years. We currently have over 3,500 homes sold and closed within the community. Our planning efforts included incorporating major power transmission lines that existed on the eastern end of our community. This was done by planning the land surrounding these towers as commercial property. APS had originally planned to locate the TS5 – TS9 Transmission Line Project directly through the northern part of our master plan. Locating this high voltage line in this location would have devastated our master plan as well as our business plan for the land.

The Vistancia LLC was also a party to the Line Siting Committee meeting and the ACC proceedings and we firmly believe that all of the testimony and exhibits clearly make a positive case for locating this segment of the high voltage power line on BLM property, along the identified transportation corridor and north of State Route 74, as shown in BLM's Amended Resource Management Plan (RMP). After weeks of testimony, this route was ratified by both the Line Siting Committee and the ACC.

We urge you to grant this right of way in an effort to place these power lines in a location that causes the least amount of disturbance to existing and planned land uses within the City of Peoria.

Thank you for your consideration and we look forward in continuing to support this application.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Hammons', with a long horizontal flourish extending to the right.

Mark Hammons
Senior Vice President

**TRILOGY AT VISTANCIA COMMUNITY ASSOCIATION
C/O AAM, LLC
7740 NORTH 16th STREET, SUITE 300
PHOENIX, ARIZONA 85020
(602) 957-9191**

July 7, 2009

Bureau of Land Management – Phoenix District
Attn: Jim Andersen
21605 North 7th Avenue
Phoenix, AZ 85027

Re: BLM Case # AZA-35079
Application for TS5 - TS9 500kV/230kV Transmission Line Project

Dear Mr. Anderson,

The Trilogy at Vistancia Community Association is in possession of a letter addressed to you, dated July 6, 2009, from Stephen Burg, Chief Assistant City Attorney for the City of Peoria.

Our residents of the HOA would like to show our support to the City letter as well as well as the application submitted by APS, under BLM Case # AZA-35079.

The Trilogy at Vistancia Community Association has over 3,454 residents who chose this community on its wide variety of housing choices, its natural beauty and abundant amenities offered by the developer. It has been nationally recognized as the Best Master Planned Community and achieved several local awards. Our community already bears the burden of high power transmission lines which our residents drive under daily and see clearly from their properties.

APS's original intention was to locate the TS5 – TS9 Transmission Line Project directly through the northern part of our community. Locating this high voltage line in this location would have significant impact on property values adjacent to or near this area.

The Trilogy at Vistancia Community Association was represented at the Line Siting Committee meeting and the ACC proceedings and we feel that all of the testimony made a very strong case for locating this segment of the high voltage power line on BLM property, along the north of State Route 74. This route was ultimately the one that was chosen by both the Line Siting Committee and the ACC.

We urge you to grant this right of way in an effort to place these power lines in what our thousands of residents believe is the best location for all parties involved.

Thank you for you consideration and we look forward in continuing to support this application.

Sincerely,



Jeff Dixon
Director of Community Association



July 7, 2009

Bureau of Land Management – Phoenix District
Attn: Jim Andersen
21605 North 7th Avenue
Phoenix, AZ 85027

Re: BLM Case # AZA-35079
Application for TS5 - TS9 500kV/230kV Transmission Line Project

Dear Mr. Anderson,

The Vistancia Village A and Blackstone at Vistancia Homeowner Associations are in possession of a letter addressed to you, dated July 6, 2009, from Stephen Burg, Chief Assistant City Attorney for the City of Peoria.

Our residents of the HOA would like to show our support to the City letter as well as well as the application submitted by APS, under BLM Case # AZA-35079.

The Vistancia Village A and Blackstone at Vistancia Homeowner Associations have over 5,000 residents who chose this community on its wide variety of housing choices it's natural beauty and abundant amenities offered by the developer. It has been nationally recognized as the Best Master Planned Community and achieved several local awards. Our community already bears the burden of high power transmission lines which our residents drive under daily and see clearly from their properties.

APS's original intention was to locate the TS5 – TS9 Transmission Line Project directly through the northern part of our community. Locating this high voltage line in this location would have significant impact on property values adjacent to or near this area.

The Vistancia Village HOA was represented at the Line Siting Committee meeting and the ACC proceedings and we feel that all of the testimony made a very strong case for locating this segment of the high voltage power line on BLM property, along the north of State Route 74. This route was ultimately the one that was chosen by both the Line Siting Committee and the ACC.

We urge you to grant this right of way in an effort to place these power lines in what our thousands of residents believe is the best location for all parties involved.

Thank you for you consideration and we look forward in continuing to support this application.

Sincerely,

Lisa M. Lundskow, CMCA, AMS, CAAM
Community Association Manager