

ORIGINAL

OPEN MEETING AGENDA ITEM

SOUTH WILMOT LAND INVESTOR

2200 E RIVER ROAD, SUITE 115
TUCSON, AZ 85718
(520) 577-0200 / (520) 299-5602



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2009 SEP -9 A 10: 04

September 8, 2009

Arizona Corporation Commission

DOCKETED

CORP COMMISSION
DOCKET CONTROL

Kristin K. Mayes, Chairman
Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra Kennedy, Commissioner
Robert Stump, Commissioner

DOCKETED BY

Re: UNS Electric, Inc. Application for a
Certificate of Environmental Compatibility
Docket No. L-00000F-09-0190-0144
(Siting Case No. 144)

Dear Chairman Mayes:

This letter is written on behalf of South Wilmot Land Investors, L.L.C. ("SWLI"), the owner and master developer of the Verano master-planned community in Pima County, Arizona, southeast of the City of Tucson. In its Decision No. 70030, the Commission authorized Red Rock Utilities, L.L.C. to provide water service to and within the Verano master-planned community. By means of this letter, SWLI wishes to express its conditional support for the Certificate of Environmental Compatibility which was granted by the Siting Committee on July 15, 2009 in Siting Case No. 144.

More specifically, the 500' wide corridor granted by the Siting Committee encroaches upon the eastern 110' of Section 12 in the northeastern portion of the Verano master-planned community, as indicated on the diagram attached to this letter as Appendix "A." Based upon a September 2, 2009 letter from the Director of Line Siting Services for UniSource Energy Services to the undersigned, it is SWLI's understanding that UNS Electric does not desire to locate the 138 kV transmission line in question on any portion of Section 12.¹ This expression of UNS Electric's intent is also consistent with the understanding SWLI had in 2007; and, it was that understanding which led SWLI to not intervene in Siting Case No. 144.²

However, despite UNS Electric's stated intent to place the transmission line on Bureau of Land Management ("BLM") land east of Wilmot Road in that area east of SWLI's Section 12 acreage, there is the possibility that the BLM may not grant UNS Electric the right-of-way necessity for that purpose. In such event, and as currently worded, the CEC granted by the Siting Committee would allow UNS Electric the discretion to locate the line anywhere within the western 110' of the 500' corridor, thus placing the line within the boundaries of SWLI's Section 12 acreage.

¹ A copy of the September 2, 2009 letter is attached to this letter as Appendix "B."

² A reference to this understanding of UNS Electric's intent, and the related concern regarding Section 12, appears in the transcript of the Siting Committee hearings in Siting Case No. 144 at page 848, line 22-page 849, line 20

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Accordingly, as noted above, SWLI's wishes to express "conditional" support for the CEC granted by the Siting Committee on July 15, 2009. The condition SWLI proposes for your consideration is as follows. In the event that BLM does not grant UNS Electric a right-of-way to locate the transmission line on BLM land east of Wilmot Road, then (i) UNS Electric would be required to locate the line on the property line between BLM land and Section 12 in the area in question; and, (ii) UNS Electric could not located the line within the aforesaid 110' area on Section 12.

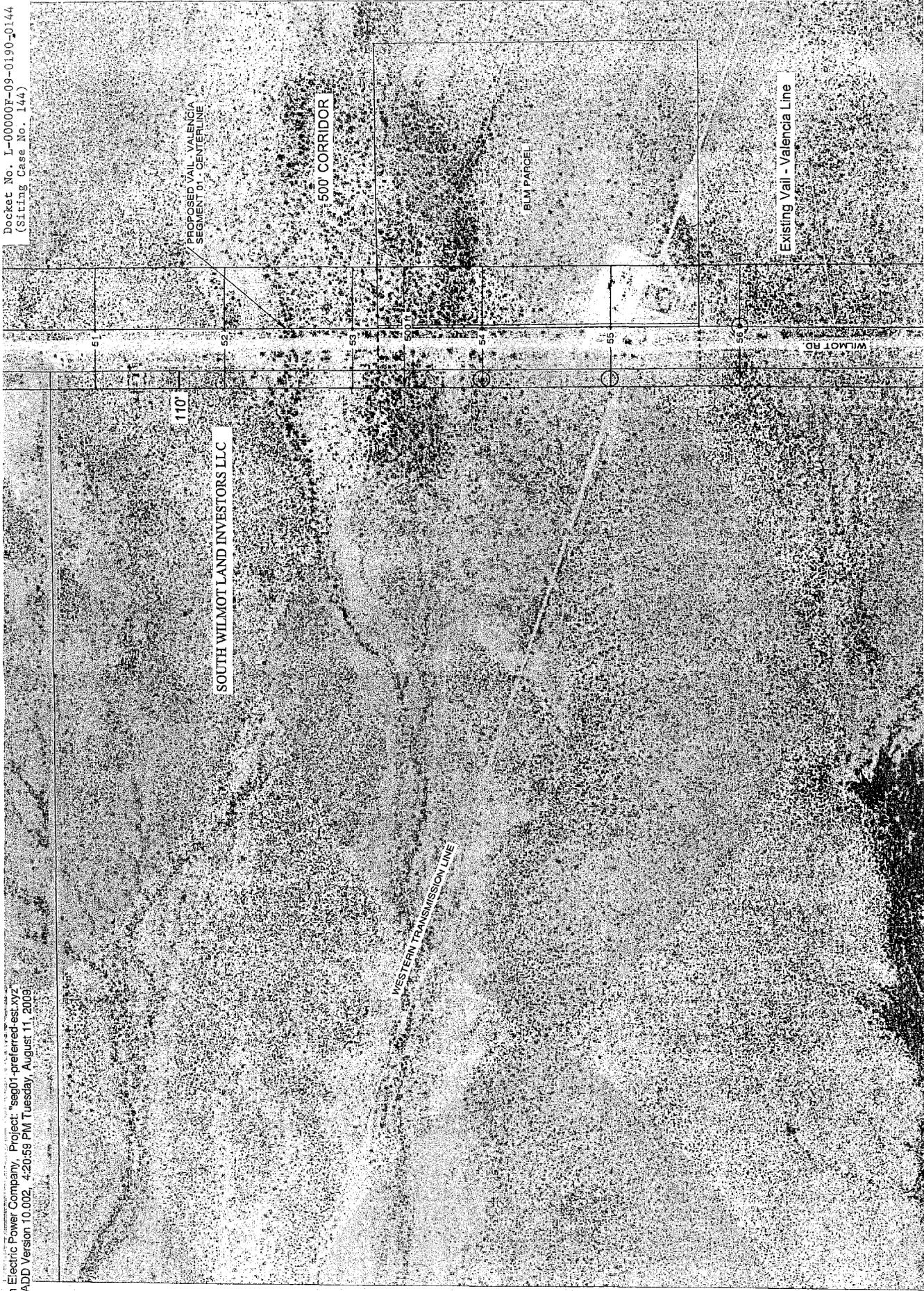
Thank you in advance for your consideration of this request. I plan to be in attendance at the September 15, 2009 Open Meeting during which the July 15, 2009 CEC will be considered; and, I would be pleased to answer any question you or your Staff might have for me.

Sincerely,
SOUTH WILMOT LAND INVESTORS, LLC



Robert J. Iannarino
Vice President of Infrastructure Development

cc: Ed Beck, UniSource Energy Services



Appendix "B"

UniSource Energy Services

One S. Church Avenue, Suite 100 P.O. Box 711
Tucson, Arizona 85702

Ed Beck
Director, Line Siting

(520) 884-3615
ebeck@tep.com

September 2, 2009

Mr. Robert Iannarino, Vice President of Infrastructure Development
South Wilmot Land Investors, L.L.C.
2200 East River Road, Suite 115
Tucson, AZ 85718-6536

Re: Vail to Valencia Transmission Line Project

Dear Bob:

As we discussed in our meeting on September 2, 2009, UNSE intends to construct the new segment of the Vail to Valencia line, from the Nogales Tap to the Vail Substation, on the centerline as proposed in the CEC application and draft order. This alignment crosses Bureau of Land Management (BLM) property adjacent to the Nogales Tap substation. UNSE is currently working with the BLM to secure the ability to construct the line along this alignment. UNSE's discussions with the BLM indicate that they are reviewing the project with regard to what level of environmental review will be required for BLM action on the project. In support of their review, UNSE provided the BLM with a copy of its CEC application, including the associated environmental reports that were a part of the application. UNSE has a followup meeting scheduled with the BLM's environmental committee to review what environmental work has already been completed and to discuss what, if any, additional environmental study will be required. UNSE is confident that it will be successful in obtaining approvals from BLM to accommodate the project as proposed.

In the event UNSE is precluded from using BLM property, UNSE will need to explore other options within the 500' corridor recommended by the line siting committee. UNSE will minimize impact on adjacent property owners by limiting realignment to the area adjacent to BLM property to the extent possible.

Should you have any questions regarding UNSE's position please let me know.

Sincerely,



Ed Beck
Director, Line Siting Services