



SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

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AZ CORP COMMISSION
DOCUMENT CONTROL
January 3, 2003

Mr. Ernest Johnson
Utilities Division Director
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Subject: Self-Certification Letter For the Bowie Power Plant and
Bowie Transmission Project For 2002

L-00000-BB 01-0118

Dear Mr. Johnson:

Pursuant to the approved Certificate of Environmental Compatibility (CEC) of the Bowie Power Plant and Transmission Project, the Applicant, Bowie Power Station, LLC submits its annual (2002) self-certification letter describing conditions that have been met as of the date of this letter. The Arizona Power Plant and Transmission Line Siting Committee approved the CEC of the power plant and transmission project on January 3, 2002. The Arizona Corporation Commission confirmed the approval on March 7, 2002. Consequently, this self-certification letter and its attachments document how compliance was achieved in detail for each condition of the CEC for the power plant and transmission project from the date of approval to the date of this letter.

A Table is provided for both the power plant and transmission project outlining a "Summary" of each condition of the CEC with the "Physical Action" taken on the condition. Also, please find attached documents usually in the form of a letter indicating how each "Physical Action" taken by Bowie Power Station, LLC was achieved.

This letter and its attachments fulfill Condition 24 of the power plant (Decision No. 64625) and Condition 11 of the transmission project (Decision No. 64626). If you have any questions, please do not hesitate to call Dr. Gary Crane or myself at (602) 808-2004.

Sincerely,

Tom Wray

General Manager

Arizona Corporation Commission

DOCKETED

JAN 30 2003

DOCKETED BY	<i>mcw</i>
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- Cc: File
- Docket Control
- Gary Crane (SWPG)
- Laurie Woodall, Office of Attorney General
- Richard W. Tobin II, Designee for Director of ADEQ
- Pat Schiffer, Designee for Director of ADWR
- Mark McWhirter, Designee for Director of Commerce Energy Office

**Arizona Corporation Commission
Certificate of Environmental Compatibility**

for

Bowie Power Station

Summary		Physical Action
1	Comply with Laws and Regulation	In compliance, review monthly
A.	Comply with zoning dust control requirements	In compliance, review monthly
B.	Comply with ADEQ, EPA, SCR needed	In compliance, review monthly
C.	Comply with ADWR	In compliance, review monthly
D.	Comply with water laws ADEQ	In compliance, review monthly
E.	HUD or EPA noise guidelines	In compliance, review monthly
F.	All applicable regulations and permits governing storage and handling of chemicals and petroleum products	In compliance, review monthly
Summary		
2	Any permits submitted to Cochise and Graham County must attach CEC. A courtesy copy must be provided to Bowie and City of Wilcox	In connection with submittal of Planning & Zoning and Special Use Permit copies of application and CEC permit were delivered to Bowie Postmaster and Wilcox City Clerk July 10, 2002 (Prior to construction)
A.	Donate capital to Bowie Fire District for emergency vehicles	Construction anticipated to begin in the 2nd Quarter of 2003. Programs will be reviewed and assessed the 1st quarter of 2003
B.	Train personnel in emergency response / Hazmat	
C.	Donate top Bowie School District	
D.	Support Science and Vocational training programs	
E.	Arrangements with Cochise County on traffic problems and paving roads.	
F.	Arrangement with local and county law enforcements to protect public, project, and employees.	
3	Interconnection with project Applicant must implement Ground Subsidence and Earth Fissuring Monitoring Program	(Prior to Operation)
A.	If alert condition occurs after plant is in operation outline course of actions	Operation is anticipated 4th quarter 2005, one year prior to operation conditions related to engineering design, construction, operations and maintenance will be evaluated.
B.	5th year of operations on initial power block contribution of \$100,000 begins to Subsidence Mitigation Fund	
C.	Claims of 3rd party against Subsidence Mitigation Fund	
D.	Maintenance of Subsidence Mitigation Fund	
4	Decommissioning and clean-up of the Plant	Proposed plan in preparation
5	Groundwater use not to exceed 55,000 acre- feet per ten years not to exceed 6,000 acre- feet any one year.	N/A until plant operational
6	Interconnection Studies must satisfy WSCC criteria	Two detail studies by TEP have been completed
7	Technical studies on delivering full output of plant.	Report will be prepared between 3 to 12 months before commercial operation (Last revised report December 4, 2002)
8	Applicant shall become and remain a member of WSCC and file executed copy of Reliability Management System	SWPG is a member
9	Applicant shall become and remain a member of the Southwest Reserve Sharing Group.	To be initiated at commercial operation

N/A - Not Applicable

* Everything should have a cover letter to addressee with copies to Laurie Woodall, Larry Robertson, Docket Control and Bowie CEC file.
Last updated 1/10/03 9:45 AM

**Arizona Corporation Commission
Certificate of Environmental Compatibility**
for
Bowie Power Station

10	Applicant shall continue and participate in regional Transmission study forums	Ongoing
11	Applicant shall first offer wholesale power purchase opportunities to Arizona load - serving entities	Ongoing
12	Applicant shall offer up to 10% Ancillary Services	N/A until commercial operations
13	Applicant will not withhold capacity from market	Will be satisfied during commercial operation
14	Applicant shall erect and maintain a site sign	Completed, April 9, 2002
	Summary	
15	If extension of Certificate is needed applicant must inform different parties Pursue necessary steps to ensure reliable supply and delivery of natural gas	N/A at this point in time
16	During construction use reasonable efforts to use qualified Arizona Contractors	Ongoing (Report prepared by Pace and Rooney)
17	Participate in state and regional workshops of interest to gas and pipeline infrastructure.	Ongoing
18	Request from El Paso for information on operational integrity of their systems.	Ongoing (Attended Duke conference December 11, 2002)
19	Implement landscape plan with construction	Completed & filed with Docket Control on April 10, 2002
20	Applicant shall work with US Fish & Wildlife Service and Arizona State Game and Fish Department.	Ongoing
21	Applicant shall consider using solar technology on 2nd unit for inlet cooling	Completed & filed with Docket Control on March 12, 2002
22	5 year time limit for CEC	Will be considered in connection with design of 2nd 500 MW phase
23	Groundwater Monitoring program within 180 days: Town of Bowie Pistachio Pass Irrigation District Cochise County Board of Supervisors	N/A until January, 2007
A.	1st year of commercial operation contribute \$100,000	Completed. Letters sent to pertinent parties March 22, 2002
B.	Persons claiming damage.	N/A until operation
C.	Maintained for 3 years after projects economic life	N/A
24	Self certification letters of what conditions have been met be sent to: Utilities Division Director Arizona Attorney General Director of ADEQ ADWR Dept. of Commerce Energy Office	N/A Letter to be sent December, 2002

* Everything should have a cover letter to addressee with copies to Laurie Woodall, Larry Robertson, Docket Control and Bowie CEC file.
N/A - Not Applicable
Last updated 1/9/03 9:45 AM

**Arizona Corporation Commission
Certificate of Environmental Compatibility
for
Bowie Transmission Project**

Summary

	Physical Action
1	Comply with Laws and Regulation and Ordinances
2. A.	Applicant makes reasonable effort to correct interference and complaints
B.	Make a record (for 5 years) and document complaints
C.	Advise on complaints for noise and interference
3	Within 45 days securing easements and ROW signs must be posted. Condition also mention requirements if a request for extension of CEC is made
4. A.	Applicant must continue to consult with SHPO & Arizona State Land Department about line
B.	Applicant during construction with subcontractors must cooperate with SHPO, have an archeologist on site to monitor and mitigate impacts.
C.	After construction have SHPO involved
5. A.	Final design and construction revegetate and colorize
B.	Mitigation plans prior to construction and after construction
C.	Transmission and pipelines 100' offset
6	Training of contractors for ingress & egress into the site
7	Provide copies of agreements for transmission facilities within 30 days of executed agreement
8	Prior to construction, Applicant must provide Commission copies of transmission interconnection agreement within 30 days of executed agreement.
9	Applicant must continue to participate in regional transmission study forums
10	Expiration of Certificate within 5 years and conditions of extension
11	Self certification letters of what conditions have been met be sent to: Utilities Division Director Arizona Attorney General Director of ADEQ ADWR Dept. of Commerce Energy Office

* Everything should have a cover letter to addressee with copies to Laurie Woodall, Larry Robertson, Docket Control and Bowie CEC file.
N/A - Not Applicable
Last updated 1/9/03 Time: 9:51 AM

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

July 10th, 2002

Wilcox City Clerk
Attn: Ms. Cristina G. Whelan
101 South Railroad Avenue
Wilcox, Arizona 85643

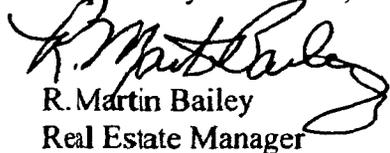
Re: Bowie Power Station
Planning and Zoning Application
Copies of C.E.C. orders of the Arizona Corporation Commission

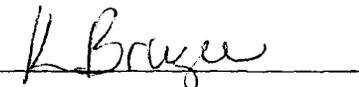
Dear Ms. Whelan,

In accordance with the requirements of the Arizona Corporation Commission, we are placing on file with your office a copy of the aforementioned documents. The Cochise County Planning and Zoning Commission will be presented our application at their regularly scheduled meeting of September 11th, and the public may attend. Additional, copies of the documents are available by contacting the undersigned at the number listed above.

Please confirm receipt of the enclosed documentation.

Respectfully Submitted,


R. Martin Bailey
Real Estate Manager

Received By: 

SOUTHWESTERN

Power Group II, LLC

An Energy Company - Alliance Builder

March 12, 2002

Jerry Strange
Director of Transportation
El Paso Natural Gas
PO Box 1087
Colorado Springs, CO 80944

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2002 MAR 12 P 3 15

AZ CORP COMMISSION
DOCUMENT CONTROL

Dear Mr. Strange:

Southwestern Power Group II, LLC is currently developing a 1000 MW natural gas-fired, combined-cycle electric generating plant known as Bowie Power Station in Southeastern Arizona. Bowie Power Station is located approximately two miles north of the town of Bowie, Arizona (Section 28 & 29, Township 12 South, Range 28 East in Cochise County). Bowie Power Station may request interconnection to El Paso's Southern System as the permitting and development process continues.

Construction of Bowie Power Station will occur in two 500 MW phases and is scheduled to begin in the first quarter of 2003 with commercial operation of phase one occurring during the first quarter of 2005. The plant will be designed to operate continuously in a base-loaded mode. It is estimated that the project will consume approximately 100,000 MMBtu daily per 500 MW phase.

As a condition to the Certificate of Environmental Compatibility approved by the Arizona Corporation Commission on March 7, 2002, Bowie Power Station is required to request that El Paso Natural Gas Company provide a written report describing the operational integrity of El Paso's Southern System facilities through the Bowie and San Simon Areas and include the following information:

- A. Inspection, replacement and/or repairs performed on this segment of El Paso's pipeline facilities since 1996 and those planned through 2006.
- B. El Paso's assessment of ground subsidence impacts on the integrity of this segment of pipeline, together with any mitigation steps taken to date or planned in the future.

Thank you for your assistance in providing this information. We look forward to your response.

Sincerely,



Tom C. Wray
General Manager

CC: Arizona Corporation Commission, Docket Control
Lawrence V. Robertson, Esq.

4350 East Camelback Road • Suite B175 • Phoenix, Arizona 85018

P.O. Box 15491 • Phoenix, Arizona 85060

888.332.4599 • Tel 602.808.2004 • Fax 602.808.2099

www.southwesternpower.com

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

FILE

March 22, 2002

Mr. Dean Garret
Arizona Pistachio Corporation
3925 North Runway Drive
Tucson, Arizona 85705

RE: Bowie Power Station Water Level Measuring Program

Dear Mr. Garret:

We are in receipt of your March 11, 2002 letter and are pleased to report that the Bowie Power Station ("Bowie") has reached agreement with the Arizona Department of Water Resources (ADWR), as required by the Certificate of Environmental Compatibility approved by the Arizona Corporation Commission (ACC). In this regard, please find attached a copy of our letter agreement with ADWR on the Bowie "Water Level Measuring Program". The program requires that Bowie document water level measurements from eleven potential wells located in the vicinity of the power plant and surrounding areas. Two of the eleven wells are located on property owned by Pistachio Corporation of Arizona, and are measured annually by ADWR. By measuring and documenting the water levels of all eleven wells, the data would give all concerned parties an opportunity to evaluate water level changes in the area during operation of the Bowie project.

Bowie appreciates your input and is pleased that an equitable solution for all parties could be reached. If you have any questions, please feel free to call me.

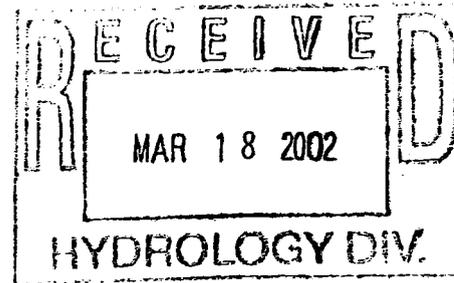
Sincerely,



Tom C. Wray, General Manager
SouthWestern Power Group, II LLC

Cc: Gary Crane (SWPG)
Jeff Schroeter (Genovation Group)
Larry Robertson (Munger Chadwick)
Dale Mason (ADWR)
Laurie Woodall (Chairman, Line Siting Committee)
Docket Control
File

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder



March 13, 2002

Mr. Greg Wallace
Assistant Director
Arizona Department of Water Resources
500 North Third Street
Phoenix, Arizona 85004

Re: **Water Level Measuring Program for
Proposed Bowie Power Station in
Satisfaction of Amended Order**

Dear Mr. Wallace:

On March 6, 2002, the Arizona Corporation Commission (ACC) modified and amended the Certificate of Environmental Compatibility (CEC) granted by the Arizona Power Plant and Transmission Line Siting Committee on January 3, 2002 for the proposed Bowie Power Station (Case No. 118, Bowie Power), with the addition of a condition that a "groundwater monitoring program" be implemented. In your letter of March 4, 2002 to SouthWestern Power Group II, LLC (SWPG), you indicated that the Arizona Department of Water Resources (ADWR) considers a "groundwater monitoring program" to be equivalent to a "water level measuring program". As a consequence, ADWR would anticipate Bowie Power to jointly develop and implement a program of periodic water level measurements from specific wells, with details of the program to be discussed with Mr. Dale Mason of ADWR.

On March 8, 2002, representatives from Bowie Power and URS Corporation (URS) met with Mr. Mason to discuss the details of the water level measuring program. The purpose of this letter is to document our understanding of the program based on the results of that meeting.

GENERAL APPROACH

The ADWR Hydrology Division maintains a number of "index wells" throughout the San Simon Valley sub-basin that are used for annual water level measurements. Several of the index wells are located in the vicinity of the Bowie Power property and south of the town of Bowie. The ground subsidence and earth fissure monitoring program for the Bowie Power Station requires that water levels be measured in nine existing wells: three ADWR index wells located north and east of the Bowie Power property, three wells located on the Bowie Power property, and three wells located south of the property. For the three index wells, Bowie Power will request the water level measurements collected by ADWR and, if available, will include the data in an annual report. For the other six wells, Bowie Power will be responsible for both collecting and reporting the water level measurements.

In the March 8, 2002 meeting, Mr. Mason noted that there are two index wells located on property owned by Pistachio Pass Irrigation District (Pistachio Pass), and that the wells are ideally situated for water level monitoring. Mr. Mason recommended that the two index wells located on that property be added to the water level measuring program already established for the ground subsidence and earth fissure monitoring program. This would provide all concerned with an opportunity to observe actual water levels at these locations throughout the program. As with the other three index wells, Bowie Power will request the water level measurements collected by ADWR from the Pistachio Pass wells and, if available, will include the data in the annual report.

PROGRAM SUMMARY

With the addition of the two wells owned by the Pistachio Pass Irrigation District, the water level measuring program for the Bowie Power Station would potentially consist of eleven wells, as follows:

- **Three On-Site Irrigation Wells.** Bowie Power will measure water levels annually in three on-site irrigation wells (D-12-28 20DBD1, D-12-28 22CDC, and D-12-28 33ABC1). As required by the ground subsidence and earth fissure monitoring program, one of the three wells will be equipped with an electronic pressure transducer to provide continuous water level measurements.
- **Five Off-Site ADWR Index Wells.** Three of the wells (D-12-28 15BCB, D-12-28 17DDD, and D-12-28 25DCC) are located north and east of the Bowie Power property; the other two wells (D-13-28 13BCD and D-13-28 22BCC) are located on property owned by the Pistachio Pass. For the five index wells, Bowie Power will obtain the annual measurements from ADWR, if available, and include the data in the annual report.
- **Three Off-Site Non-Index Wells.** Bowie Power will measure water levels annually in three off-site wells (D-12-28 32DCC1, D-13-28 4CCC1, and D-13-28 11DBC) that are not measured annually by ADWR. The use of the three wells is contingent upon the granting of access by the well owners.



The program outlined above is the applicant's understanding of the "groundwater monitoring program" that was agreed upon with ADWR on March 8, 2002. Should this letter accurately reflect your understanding of the program, please acknowledge below and return two copies to me for our files.

If you have questions, please feel free to call Dr. Gary Crane or me at (602) 808-2004.

Arizona Department of Water Resources

March 12, 2002

Page 4

Sincerely,

Tom Wray / enc

Tom Wray
General Manager

Acknowledged and Accepted

Name:

Kyle Wallace

Title

Assistant Director

Date

March 18, 2002

cc: Gary Crane (SWPG)
Jeff Schroeter (Genovation Group)
Dale Mason (ADWR)
Dave Carr (URS)
Lawrence Robertson (Munger and Chadwick, P.L.)
Laurie Woodall (Chairman, Line Siting Committee)
Docket Control

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

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April 13, 2002

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AZ CORP COMMISSION
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TO: Commissioner William Mundell
Commissioner Jim Irvin
Commissioner Marc Spitzer

Please be advised that in accordance with Condition # 18 of decision 64625, Docket No. L00000BB-01-0118 Bowie Power Station is to file a request in writing that El Paso Natural Gas Company provide a written report describing the operational integrity of El Paso's Southern System facilities through the Bowie and San Simon areas. Bowie Power Station made such a request March 12, 2002 to El Paso Natural Gas Company and subsequently filed this request with the Arizona Corporation Commission (Appendix A).

Please be further advised that El Paso Natural Gas Company has failed to respond to Bowie Power Station's request.

Sincerely,


Tom C. Wray

CC: Docket Control (25)
Lawrence V. Robertson, Esq.
Laurie Woodall, Esq.

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

July 10th, 2002

Bowie Postmaster
Mr. Al Torralba
Main Street
Bowie, Arizona 85605

Re: Bowie Power Station

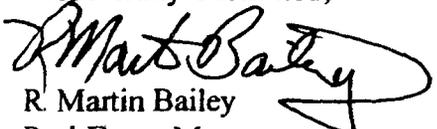
Copies of C.E.C. Orders of the Arizona Corporation Commission

Dear Mr. Torralba,

In accordance with the requirements of the Arizona Corporation Commission, we are placing on file with your office a copy of the Orders affirming the Bowie Power Station Project. We have submitted our Zoning application to Cochise County Staff, which will present our application to the Commission at their regularly scheduled meeting of September 11th, and the public may attend. Additional, copies of the documents are available by contacting the undersigned at the number listed above.

Please confirm receipt of the enclosed documentation.

Respectfully Submitted,


R. Martin Bailey
Real Estate Manager

Received By: 

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

March 12, 2002

✓ Ms. Ann Watson
U.S. Fish & Wildlife Service
110 South Church Avenue, Suite 3450
Tucson, Arizona 85701

Subject: Nominal 1000 MW Natural Gas Fired Combined Cycle Power Plant
located
In Bowie, Arizona

Dear Ms. Watson:

In the spirit of working with the U.S. Fish & Wildlife Services, and to be responsive of Condition 20 in our Certification of Environmental Compatibility on the above subject matter, SouthWestern Power Group (SWPG) is providing a full copy of our Aquifer Protection Permit (APP) Application.

Please review the Application with the thought of helping SWPG develop "screening or other methods" to protect wildlife from the possibility of harm from the Project's evaporation ponds. Any ideas or thoughts are appreciated by SWPG.

If you have any questions, please do not hesitate to call or write, respectively at the phone number and address below.

Sincerely, •



Gary Crane, Ph. D.
Environmental Manager

gc/jm

- ✓ Cc. Tom Wray, w/o attachment
- ✓ Laurie Woodall, w/o attachment
- ✓ Larry Robertson, w/o attachment

mailed 12 Mar
mailed 12 Mar

Attachment (1)

4350 East Camelback Road • Suite B175 • Phoenix, Arizona 85018
P.O. Box 15491 • Phoenix, Arizona 85060
888.332.4599 • Tel 602.808.2004 • Fax 602.808.2099
www.southwesternpower.com

SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

March 12, 2002

✓ Mr. John Kennedy
Habitat Branch Chief
Arizona Game & Fish Department
2021 West Greenway Road
Phoenix, Arizona 85023-4397

Subject: Nominal 1000 MW Natural Gas Fired Combined Cycle Power Plant Project
located
In Bowie, Arizona

Dear Mr. Kennedy:

In the spirit of working with the Arizona Game & Fish Department, and to be responsive of Condition 20 in our Certification of Environmental Compatibility on the above subject matter, SouthWestern Power Group (SWPG) is providing a full copy of our Aquifer Protection Permit (APP) Application.

Please review the Application with the thought of helping SWPG develop "screening or other methods" to protect wildlife from the possibility of harm from the Project's evaporation ponds. Any ideas or thoughts are appreciated by SWPG.

If you have any questions, please do not hesitate to call or write, respectively at the phone number and address below.

Sincerely,



Gary Crane, Ph.D.
Environmental Manager

gc/jm

Cc. Tom Wray, w/o attachment
Laurie Woodall, w/o attachment
Larry Robertson, w/o attachment

Attachment (1)