

ORIGINAL



0000115633

MEMORANDUM

RECEIVED

TO: Docket Control
FROM: Steve Olea
Director
Utilities Division

Arizona Corporation Commission

DOCKETED

AUG 12 2010

2010 AUG 12 A 10:31

AZ CORP COMMISSION
DOCKET CONTROL

DATE: August 12, 2010

DOCKETED BY *[Signature]*

RE: STAFF RECOMMENDATION FOR APPROVAL OF BOWIE POWER STATION, L.L.C.'S APPLICATION TO EXTEND EXPIRATION DATE TEN YEARS FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY GRANTED IN DOCKET NOS. L-00000BB-01-0118, Case No. 118, DECISION NO. 64625 (POWER PLANT), AND L-00000BB-01-0118, CASE NO. 118 (DECISION NO. 64626 (TRANSMISSION LINE))

On July 8, 2010, Bowie Power Station, L.L.C. ("Bowie" or "Company" or "Applicant") applied for a time extension of the Certificates of Environmental Compatibility ("CECs") granted in Decision Nos. 64625 and 64626 for a 1,000 MW Power Plant and a double circuit 345 kV Transmission Line interconnection. Bowie requests that the expiration date of the respective CECs be extended from the current expiration date to December 31, 2020.

Bowie's request for this extension is based on reduced load forecast in the current depressed economy and on the uncertainty of economic recovery in the short term. Even though Bowie commenced very preliminary construction activity in August 2008, the Company is not able to continue this construction, under the present economic circumstances. Staff understands that the Company has concluded that it will not be able to market the output of the proposed power station to the Arizona utilities or export it out of state for some period of time.

Considering these circumstances, Staff believes that Bowie's time extension request is reasonable and, therefore, recommends approval of the requested CECs' time extension to December 31, 2020, with the following revisions to the Applicant's "Proposed Revised CEC Expiration Condition(s) Language" under Item D of the Application.

[Decision No. 64625]

"This authorization to site and construct Bowie Project Generation Facilities shall expire on December 31, 2020. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the Bowie Project Generation Facilities have been substantially constructed as of the time of such extension request. The Commission will determine what "substantial construction" is,

at the time of Applicant's filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of Bowie Project financing and physical site construction.

[Decision No. 64626]

"This authorization to site and construct Bowie Project Transmission Facilities shall expire on December 31, 2020. However, before such expiration, Applicant or any assignee of Applicant may request that the Commission further extend this time limitation, provided that the Bowie Project Transmission Facilities have been substantially constructed as of the time of such extension request. The Commission will determine what "substantial construction" is, at the time of Applicant's filing for time extension. In determining whether the facilities have been substantially constructed, the Commission shall include consideration of the status of Bowie Project financing and physical site construction.

SMO:PKB:red

Originator: Prem Bahl

Service List for: BOWIE POWER STATION, L.L.C
Docket No. L-00000BB-01-0118

Mr. John Foreman, Chairman
Arizona Power Plant and Transmission
Line Siting Committee
Office of the Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Mr. David Getts
Southwestern Power Group II, LLC
3610 North 44th Street, Suite 250
Phoenix, Arizona 85018

Mr. Tom Wray
Southwestern Power Group II, LLC
3610 North 44th Street, Suite 250
Phoenix, Arizona 85018

Mr. Wayne Bryant
United Associates of Plumbers and
Steamfitters Local 741
2475 East Water Street
Tucson, Arizona 85719-3455