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August 24, 2010

Arizona Corporation Commission

DOCKETED

AUG 24 2010

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

DOCKETED BY	<i>Ross</i>
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Re: Sixth Biennial Electric Transmission Assessment
Docket No. E-00000D-09-0020

Please find attached Tucson Electric Power Company and UNS Electric, Inc.'s comments on the second draft of the Sixth Biennial Transmission Assessment Report.

If you have any questions or concerns, please contact me.

Sincerely,

Melody Gilkey

Enclosure: Comments

cc: Prem Bahl, ACC Staff
David Korinek, KEMA Inc. (via email)
Ron Belval, TEP

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2010 AUG 24 P 3:42
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

August 24, 2010

General Comments:

Tucson Electric Power Company (“TEP”) and UNS Electric, Inc. (“UNS Electric”) appreciate the opportunity to participate in the Arizona Corporation Commission’s (“Commission”) Sixth Biennial Transmission Assessment (“BTA”). TEP and UNS Electric submit the following comments to the Sixth Biennial Transmission Assessment 2010-2019 Draft Report, revision 2. TEP and UNS Electric reserve the right to file additional comments following further revisions to the report.

Specific Comments:

Page vii, Number 4, Section A, Insert:

“However, Santa Cruz County RMR analysis for 2010 showed an RMR requirement of 24 MW and provided emission metrics, but did not provide estimates of RMR energy, operating hours or costs. UNS Electric submitted a revision to the Santa Cruz County Reliability Must Run report with estimates of RMR energy, operating hours or costs to Commission Staff on August 13, 2010.”

Page viii, Number 7, Insert:

“Technical studies filed in the 6th BTA describe a generally robust study process for assessing steady-state performance (base case and contingency scenarios) for 2010-2019 planning period, uncertainty regarding the adequacy of transient stability work was removed after TEP and other workshop participants pointed out that individual stability analyses were completed and TEP submitted the technical report on August 13, 2010.”

Page ix, Number 11:, Insert:

“...most of the RTPs identified by the utilities are actually advancements of projects already found in previous transmission plans. This represents a small incremental investment for a significant renewable benefit.” However RTPs are subject to commitments by RTP developers or other participants. ***Page x, Number 3:***

“Staff recommends that the Commission order the utilities to report relevant findings from NERC/WECC reliability standards audits that settled prior to future BTA filing dates (i.e., the latest applicable audit) regarding compliance with NERC transmission planning reliability standards, as well as a description of any mitigation plans the utility has implemented in order to correct findings of non-compliance with such planning standards.”

- TEP expressed concerns at the August 4, 2010 Workshop that information related to NERC compliance is sensitive and should not be released until after settlement between the utilities and NERC has been reached. TEP also stated that any changes to ten year plans resulting from NERC compliance would be included in the next annual filing to the Commission.
- TEP requests that the following be added directly following this sentence: “NERC compliance issues are sensitive and related information is not required to be released until after settlement between the utilities and NERC has been reached.”

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Page x, Number 5, Insert:

“Staff recommends that the Commission order APS and SWTC to conduct the additional analysis of potential 230kV and 138kV voltage deviations in Southeastern Arizona as noted in the 2009 SATS study report and to identify a mitigation plan for this voltage concern in its ten year plan filing(s) for the 7th BTA.”

- The violations of voltage deviation performance limits as measured by the WECC criteria were discussed in the SATS report. As part of the SATS 2010 Study Plan, a 2020 Heavy Summer case was evaluated and preliminary results indicate no 138 kV buses with voltage deviations in excess of WECC System Performance Criteria were found. The 2010 SATS report with these results will be filed with Docket Control by January 1, 2011. If further review of the 2010 study shows otherwise, these potential voltage deviation issues will be reviewed and addressed as part of the 2011 SATS study. TEP would like to point out that it does not own any 230 kV facilities.

Page xi, Number 6, Section A:

“Staff further recommends that the Commission establish a target date of December 31, 2011, for SWTC, APS, TEP and SSVEC to conclude negotiations with various parties over capital cost allocation and operational procedures that are described as a pending action item in the CCSG 2009 report.”

- The CCSG participants understand that the intent of Recommendation 6.A is focused on concluding negotiations of cost allocation and operational procedures, and does not explicitly address the various other activities necessary to commence construction as outlined in the last paragraph of §4.2.1. The CCSG participants respectfully acknowledge that it is necessary to first resolve the equipment and operational procedure differences in operating the APS and SSVEC 69 kV systems in order to conclude negotiations on cost allocation among the parties. Nevertheless, the CCSG participants will make every effort to meet the December 31, 2011 deadline.

Page 5, Section 1.3.2, Last Paragraph, 2nd to Last Sentence, Insert:

“TEP did not file a copy of their criteria and ratings, because the SATS study includes a link to their criteria.17. After a request by Commission Staff, TEP submitted a copy of its criteria and ratings on August 3, 2010.”

Page 44, Section 4.2.1, First Paragraph, 3rd Sentence:

“The loss of any one of these lines would require dropping of some customers until manual restoration procedures can be performed.”

- Directly after this sentence, TEP recommends inserting the following: “The 138 kV line to Ft. Huachuca, a TEP retail customer, is partially backed up by a 46 kV line with automatic throw-over capability that is designed to restore approximately 18 MW of critical load without operator intervention. ”

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Page 44, Section 4.2.1, First Paragraph, Last Sentence:

“The critical nature of Fort Huachuca’s mission and the accompanying load growth occurring in southern Cochise County (predominantly in Sierra Vista) mitigates for transition to a “continuity of service”⁵³ planning and operating paradigm for transmission outages.”

- TEP recommends the deletion of the word “mitigates” and, in its place, the insertion of “increases economic justification,” as follows: “The critical nature of Fort Huachuca’s mission and the accompanying load growth occurring in southern Cochise County (predominantly in Sierra Vista) ~~mitigates~~ increases economic justification for transition to a “continuity of service”⁵³ planning and operating paradigm for transmission outages.”

Page 53, Section 4.2.9, Second Paragraph, Last Sentence, Insert:

“The report provides estimates of RMR emissions, but no estimates of RMR operating hours/year, RMR GWh, or RMR costs. After Commission Staff raised this issue, UNS Electric submitted the information on August 13, 2010.”