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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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2010 OCT -4 A 10: 19

ARIZONA CORPORATION COMMISSION DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF BOWIE POWER STATION, L.L.C. IN CONFORMANCE WITH REQUIREMENTS OF ARIZONA REVISED STATUTES 40-360.03 AND 40-360.06 FOR TWO CERTIFICATES OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING CONSTRUCTION OF A 1,000 MEGAWATT NATURAL GAS-FIRED, COMBINED-CYCLE POWER PLANT, 345kV AND 345kV/230kV SWITCHYARDS, 345kV and 230kV INTERCONNECTION AND RELATED FACILITIES IN COCHISE AND GRAHAM COUNTIES ARIZONA. THE PROPOSED POWER STATION SITE IS LOCATED IN SECTIONS 28 AND 29, TOWNSHIP 12 SOUTH, RANGE 28 EAST, TOWNSHIP 11 SOUTH, RANGE 28 EAST, TOWNSHIP 11 SOUTH, RANGE 27 EAST, AND TOWNSHIP 11 SOUTH, RANGE 26 EAST, GILA AND SALT RIVER BASE AND MERIDIAN.

DOCKET NO. L-00000BB-01-0118

CASE NO. 118

Arizona Corporation Commission

DOCKETED

OCT 4 2010

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PROCEDURAL ORDER

On July 27, 2001, Bowie Power Station, L.L.C. ("Bowie" "Company" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for two Certificates of Environmental Compatibility ("CEC"). Decision No. 64625 (March 7, 2002) authorized the construction of a 1,000 megawatt natural gas-fired, combined-cycle power plant. Decision No. 64626 authorized the construction of the 345 kV and 345 kV/230 kV switchyards, a 345 kV double-circuit transmission line and a 230 kV interconnection and related facilities in Cochise and Graham Counties. Both CECs were granted subject to a number of conditions.

On August 18, 2006, the Company filed a Request for Extension of the CECs approved in Decision Nos. 64625 and 64626. The extension request was based upon Condition No. 22 in Decision No. 64625 and Condition No. 10 in Decision No. 64626, which allow the Company to seek extension of the CECs before the time limit to complete construction. Decision No. 69339 (February

1 20, 2007) granted the extensions until December 31, 2010, and also included several new conditions.

2 On July 8, 2010, Bowie applied for an extension of time requesting that the expiration date of  
3 the CECs be extended from the current expiration date of December 31, 2010, to December 31, 2020.

4 On August 12, 2010, the Commission's Utilities Division ("Staff") filed a Memorandum  
5 recommending approval of the requested CECs' time extension to December 31, 2020. Staff  
6 proposed a modification to the Company's "Proposed Revised CEC Expiration Condition(s)  
7 Language" to include a provision that Bowie could request a time extension in the future, provided  
8 that appropriate facilities have been "substantially constructed."

9 The language as recommended by Staff is as follows:

10 **Decision No. 64625:**

11 "This authorization to site and construct Bowie Project Generation Facilities shall  
12 expire on December 31, 2020. However, before such expiration, Applicant or any  
13 assignee of Applicant may request that the Commission further extend this time  
14 limitation, provided that the Bowie Project Generation Facilities have been  
15 substantially constructed as of the time of such extension request. The  
16 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."

17 **Decision: 64626:**

18 "This authorization to site and construct Bowie Project Transmission Facilities  
19 shall expire on December 31, 2020. However, before such expiration, Applicant  
20 or any assignee of Applicant may request that the Commission further extend this  
21 time limitation, provided that the Bowie Project Transmission Facilities have been  
22 substantially constructed as of the time of such extension request. The  
23 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."

24 Decision Nos. 64625 and 64626 both contain language requiring Bowie to provide notice of  
25 requests for extension of the terms of the CECs.

26 Decision No. 64625 provides that:

27  
28 In the event that Applicant requests an extension of the term of the

1 Certificate prior to completion of construction, Applicant shall use  
2 reasonable means to directly notify all landowners and residents within one-  
3 mile radius of the Project of the time and place of the proceeding in which  
4 the Commission shall consider such request for extension. Applicant shall  
5 also provide notice of such extension to Cochise County, Graham County,  
6 the community of Bowie and the City of Willcox.<sup>1</sup>

7 Decision No. 64626 provides that:

8 In the event that the Project requires an extension of the term of this  
9 Certificate prior to completion of construction, Applicant shall use  
10 reasonable means to directly notify all landowners and residents within a  
11 one mile radius of the Project facilities of the time and place of the  
12 proceeding in which the Commission shall consider such request for  
13 extension.<sup>2</sup>

14 Accordingly, Bowie needs to provide notice of its requested extension in accordance with  
15 these Decisions and should file documentation with the Commission demonstrating compliance with  
16 those notice requirements.

17 On October 4, 2010, a Recommended Order was filed in this matter for the Commission's  
18 consideration at its October 19 and 20, 2010, Open Meeting.

19 **IT IS THEREFORE ORDERED that Bowie Power Station, L.L.C. shall file with the**  
20 **Commission's Docket Control no later than October 15, 2010, certification that public notice**  
21 **was given in accordance with Decision Nos. 64625 and 64626 and with this Procedural Order.**

22 DATED this 4<sup>th</sup> day of October, 2010.

23   
24 LYN FARMER  
25 CHIEF ADMINISTRATIVE LAW JUDGE

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27  
28 <sup>1</sup> Decision No. 64625 at CEC p.8, Condition 14.  
<sup>2</sup> Decision No. 64626 at CEC p. 4-5, Condition 3.

Copies of the foregoing were mailed/delivered  
This 4th day of October 2010 to:

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