

**ORIGINAL**

**OPEN MEETING**



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**MEMORANDUM**

Arizona Corporation Commission

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TO: THE COMMISSION

MAY 21 2013

2013 MAY 21 P 1:53

FROM: Utilities Division

DATE: May 21, 2013

DOCKETED BY 

AZ CORP COMMISSION  
DOCKET CONTROL

RE: STAFF REPORT ON ARIZONA PUBLIC SERVICE COMPANY FILING OF REQUEST FOR EXTENSION OF CEC TERM GRANTED BY THE ARIZONA CORPORATION COMMISSION DECISION NO. 66646 RE CEC 122 (DOCKET NO. L-00000D-03-0122-00000)

On April 2, 2013, Arizona Public Service Company ("APS" or "Applicant") filed a request for an extension of Certificate of Environmental Compatibility ("CEC") term in Decision No. 66646 (Case No. 122), ("Application") with the Arizona Corporation Commission ("ACC" or "Commission").

**HISTORY**

Commission Decision No. 66646 (December 23, 2003) approved a CEC for APS to construct approximately 18 miles of double circuit 230kV transmission line, three 230kV substations, and related facilities in the West Valley of metropolitan Phoenix. The transmission line would interconnect several 230kV to 69kV substations to APS's 230kV system, which would allow further development of APS's 69kV system to support the growth and associated infrastructure in the West Valley.

The approved 230kV transmission line would originate at an existing line beginning south of Broadway Road at its intersection with Perryville Road and parallel Perryville Road to the northeast corner of Indian School Road and Perryville Road. The line would then extend east along Indian School Road toward Cotton Lane, and then angle to the northeast along the Luke Air Force Base accident potential zone, following this angle until it reaches Cotton Lane. The line would then extend north on Cotton Lane to the Palm Valley substation (formerly named TS3 Substation). The line would then travel north from the Palm Valley substation to Bethany Home Road, and then extend east on Bethany Home Road to Loop 303. It would then extend north along the Loop 303 to Olive Avenue to the TS2 substation on the Northwest corner of the Loop 303 and Olive Avenue. The TS4 substation will be located south of the existing Liberty Substation.

**APPLICATION**

APS has constructed a segment of the 230kV transmission line approved in CEC 122 and has energized the first circuit of that segment. The segment that has been constructed starts at Perryville Road and continues up to, and including, the Palm Valley substation, which amounts

to approximately two thirds of the authorized line and one of three approved substations. The line and substation began commercial operation in June 2007. In 2014, APS intends to begin construction on the remainder of the line and anticipates that the entire first circuit of the line will be in-service in the summer of 2015.

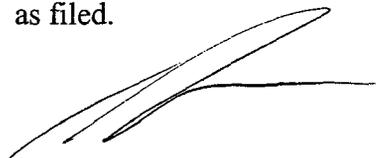
APS states that its existing electric system is sufficient to meet current customer load; however, APS believes the remaining electrical facilities approved in CEC 122 will be necessary to accommodate load growth in the West Valley as well as to enhance the reliability of the existing electrical system in the future. Although development and the associated electrical load growth in the area have not occurred as expected when Commission Decision No. 66646 was issued, APS anticipates that it will need the second circuit of the 230kV line and remaining facilities when the economy improves and growth resumes in the area.

APS requests in its Application that the time period to construct facilities authorized by CEC 122 be extended for five years (to December 23, 2018) for the first circuit of the 230kV transmission line and for ten years (to December 2028) for the second circuit and all remaining facilities. APS also requests language be included in the Revised CEC Term Condition giving it another opportunity to request a further time extension from the Commission in the future if needed.

#### STAFF ANALYSIS

APS filed a Ten-Year Transmission Plan with the ACC in January 2013 as well as its 2012 Resource Plan in April of 2012. Both plans include the facilities authorized in CEC 122 as modified in the Application. Current load forecasts given in the 2012 Resource Plan show the need for the not yet constructed facilities within the next ten to fifteen years, and all technical studies provided in the Ten-Year Transmission Plan analyzed in the Seventh Biennial Transmission Assessment include the facilities. The results show no negative impact to the interconnected transmission system from extending the expected construction dates of the facilities as proposed in the Application.

Staff, therefore, recommends that the Commission approve APS' time extension request as filed.



Steven M. Olea  
Director  
Utilities Division

SMO:ML:sms\CHH

ORIGINATOR: Margaret (Toby) Little



1           3.       The approved 230kV transmission line would originate at an existing line beginning  
2 south of Broadway Road at its intersection with Perryville Road and parallel Perryville Road to the  
3 northeast corner of Indian School Road and Perryville Road. The line would then extend east along  
4 Indian School Road toward Cotton Lane, and then angle to the northeast along the Luke Air Force  
5 Base accident potential zone, following this angle until it reaches Cotton Lane. The line would then  
6 extend north on Cotton Lane to the Palm Valley substation (formerly named TS3 Substation). The  
7 line would then travel north from the Palm Valley substation to Bethany Home Road, and then extend  
8 east on Bethany Home Road to Loop 303. It would then extend north along the Loop 303 to Olive  
9 Avenue to the TS2 substation on the Northwest corner of the Loop 303 and Olive Avenue. The TS4  
10 substation will be located south of the existing Liberty Substation.

11           4.       APS has constructed a segment of the 230kV transmission line approved in CEC 122  
12 and has energized the first circuit of that segment. The segment that has been constructed starts at  
13 Perryville Road and continues up to, and including, the Palm Valley substation, which amounts to  
14 approximately two thirds of the authorized line and one of three approved substations. The line and  
15 substation began commercial operation in June 2007. In 2014, APS intends to begin construction on  
16 the remainder of the line and anticipates that the entire first circuit of the line will be in-service in the  
17 summer of 2015.

18           5.       APS states that its existing electric system is sufficient to meet current customer load;  
19 however, APS believes the remaining electrical facilities approved in CEC 122 will be necessary to  
20 accommodate load growth in the West Valley as well as to enhance the reliability of the existing  
21 electrical system in the future. Although development and the associated electrical load growth in  
22 the area have not developed as expected when Commission Decision No. 66646 was issued, APS  
23 anticipates that it will need the second circuit of the 230kV line and remaining facilities when the  
24 economy improves and growth resumes in the area.

25           6.       APS requests in its Application that the time period to construct facilities authorized  
26 by CEC 122 be extended for five years (to December 23, 2018) for the first circuit of the 230kV  
27 transmission line and for ten years (to December 2028) for the second circuit and all remaining  
28

1 facilities. APS also requests language be included in the Revised CEC Term Condition giving it  
2 another opportunity to request a further time extension from the Commission in the future if needed.

### 3 **Staff Analysis**

4 7. APS filed a Ten-Year Transmission Plan with the ACC in January 2013 as well as its  
5 2012 Resource Plan in April of 2012. Both plans include the facilities authorized in CEC 122 as  
6 modified in the Application. Current load forecasts given in the 2012 Resource Plan show the need  
7 for the not yet constructed facilities within the next ten to fifteen years, and all technical studies  
8 provided in the Ten-Year Transmission Plan analyzed in the Seventh Biennial Transmission  
9 Assessment include the facilities. The results show no negative impact to the interconnected  
10 transmission system from extending the expected construction dates of the facilities as proposed in  
11 the Application.

12 8. Staff, therefore, recommends that the Commission approve APS' time extension  
13 request as filed.

### 14 **CONCLUSIONS OF LAW**

15 1. The Commission has jurisdiction over APS and over the subject matter herein  
16 pursuant to Article XV of the Arizona Constitution and A.R.S. §§ 40-252 and 40-360 et seq.

17 2. Notice of the proceeding has been given in the manner prescribed by law.

18 3. The Commission, having reviewed the request and considered the matter, finds that it  
19 is in the public interest to amend Decision No. 66646 to grant the extension of time to construct the  
20 project as discussed in Findings of Fact 7 and 8.

### 21 **ORDER**

22 IT IS THEREFORE ORDERED that Decision No. 66646 is modified to revise Condition No.  
23 3 of the Certificate of Environmental Compatibility to state the following:

24 The authorization to construct the Project shall expire on June 18, 2023 unless  
25 construction is completed to the point that the Project is capable of operating by that  
26 time; provided, however, that the authorization to construct the second circuit of the  
27 Project and other facilities shall expire on December 23, 2028. Prior to either such  
28 expiration the Applicant or its assignees may request that the Commission extend this  
time limitation.

1 IT IS FURTHER ORDERED that all other conditions of the Certificate of Environmental  
2 Compatibility approved by Decision No. 66646 shall remain in effect.

3 IT IS FURTHER ORDERED that this decision shall become effective immediately.

4  
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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7 \_\_\_\_\_  
CHAIRMAN

COMMISSIONER

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10 \_\_\_\_\_  
COMMISSIONER

COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
12 Director of the Arizona Corporation Commission, have  
13 hereunto, set my hand and caused the official seal of this  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

16 \_\_\_\_\_  
17 JODI JERICH  
EXECUTIVE DIRECTOR

18 DISSENT: \_\_\_\_\_

19  
20 DISSENT: \_\_\_\_\_

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1 SERVICE LIST FOR: Arizona Public Service Company  
2 DOCKET NO. L-00000D-03-0122-00000

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