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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2013 JUL 26 P 2:12

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF)
UNS ELECTRIC, INC., IN CONFORMANCE)
WITH THE REQUIREMENTS OF ARIZONA)
REVISED STATUTES §§ 40-360, *et seq.*, FOR)
A CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE CON-)
STRUCTION OF THE VAIL TO VALENCIA)
115kV to 138kV TRANSMISSION LINE UP-)
GRADE PROJECT, ORIGINATING AT THE)
SUBSTATION IN SEC. 23, T.10S., R.10E.,)
EXISTING VAIL SUBSTATION IN SEC. 4,)
T. 16S., R. 15E., PIMA COUNTY, TO THE)
EXISTING VALENCIA SUBSTATION IN SEC.)
5, T. 24S.,R. 14E., IN THE CITY OF NOGALES,)
SANTA CRUZ COUNTY, ARIZONA.)

CASE NO. 144

DOCKET NO. L-00000F-09-0190-00144

NOTICE OF FILING ANNUAL
SELF-CERTIFICATION LETTER

Pursuant to Decision No. 71282 (October 7, 2009), Condition No. 19, UNS Electric, Inc. hereby files the attached annual self-certification status report identifying progress made with respect to each currently relevant unmet condition set forth in said Decision and contained in the Certificate of Environmental Compatibility therein.

RESPECTFULLY SUBMITTED this 26th day of July, 2013.

Arizona Corporation Commission

DOCKETED

JUL 26 2013

DOCKETED BY NE

UNS ELECTRIC, INC.

By: Marc Jerden

Marc Jerden
Senior Counsel
UNS Energy Corporation
88 E. Broadway Blvd.
Tucson, Arizona 85701

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2 **Original and 15 copies** of the foregoing
3 filed this 26th day of July, 2013, at:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 **Copies** of the foregoing mailed this
9 26th day of July, 2013, to:

10 Steven M. Olea, Director
11 Utilities Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Chairman John Foreman
16 Arizona Power Plant and Transmission Line Siting Committee
17 Arizona Attorney General
18 1275 West Washington Street
19 Phoenix, Arizona 85007

20 Marshall Magruder
21 P.O. Box 1267
22 Tubac, Arizona 85646

23 Elizabeth Buchroeder-Webb
24 17451 E. Hilton Ranch Rd.
25 Vail, Arizona 85641

26 Arizona Department of Commerce
27 Energy Office
28 1700 West Washington Street, Suite 600
29 Phoenix, Arizona 85007

30 Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By: Janica Byrne

**STATUS OF UNS ELECTRIC'S
COMPLIANCE WITH CONDITIONS
SET FORTH IN DECISION NO. 71282
SITING CASE NO. 144
JULY 31, 2013**

UNS Electric, Inc. (UNSE) is submitting the following information pursuant to Condition 19 of the Vail to Valencia 138kV Transmission Line Project Certificate of Compatibility in Case No. 144, Docket No. L-OOOOOF-09-0190-00144, Decision No. 71282.

The following Condition Table in the left column lists the conditions that are currently applicable, with the status of compliance activities in the right column.

Construction of the line has begun since the last Compliance Filing in 2012; however, some of the Certificate conditions do not yet apply at this time, while others have been met and reported in previous annual filings.

<p>1. The Applicant shall obtain all approvals and permits required by the United States, the State of Arizona, Pima County, Santa Cruz County, the City of Tucson, the City of Nogales, the Town of Sahuarita, US. Bureau of Land Management ("BLM"), and any other governmental entities having jurisdiction necessary to construct the Project.</p>	<p>All necessary approvals and permits have been obtained from governmental agencies.</p>
<p>13. Before construction on this Project may commence, the Applicant shall file a construction mitigation and restoration plan ("Plan") with ACC Docket Control and copies to all Parties that complies with all Conservation Measures as set forth in Exhibit B. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-of-way particularly in drainage channels and along stream banks, and shall re-vegetate, unless waived by the landowner, native areas of construction disturbance to its preconstruction state outside of the powerline right of way after construction has been completed. The Plan shall specify the Applicant's plans for coordination with the Arizona Game and Fish Department and the State Historic Preservation Office. The Applicant shall use existing roads for construction and access where practicable and the Plan shall specify the manner in which the Applicant makes use of existing roads.</p>	<p>The Plan was filed in Docket on Sept. 19, 2012 and copies sent to all parties.</p>

<p>16. Prior to the date construction commences on this Project, the Applicant shall provide known homebuilders, neighborhood associations registered with the local governing jurisdiction, and developers of record, within one mile of the center line of the Certificated Project Alignment the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.</p>	<p>A letter containing this information was sent to the affected parties on February 5, 2013. A copy of the letter and its attached description, photos and maps is attached to this filing as Exhibit 'A'.</p>
<p>17. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall: (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.</p>	<p>No gas pipelines will be affected by this Project.</p>
<p>20. Within sixty (60) days of the Commission decision granting this Certificate, the Applicant shall make good faith efforts to commence discussions with private landowners, on whose property the Project Alignment is located, to identify the specific location for the Project's right-of-way and placement of poles. Applicant shall make reasonable efforts to accommodate landowners' preferences regarding the placement of poles located on or adjacent to the landowners' property.</p>	<p>Easements have been obtained on almost all of the affected properties . Extensive discussions with landowners have taken place concerning pole placement on or near their parcels.</p> <p>The condemnation action mentioned in last year's filing has been dismissed and renewed.</p>
<p>21. The Applicant shall make reasonable efforts to work with private landowners on whose property the Project right-of-way will be located, to mitigate the impacts of the location, construction, and operation of the Project.</p>	<p>Pole access and location strategies have been shared with affected landowners.</p>

EXHIBIT A



February 5, 2013

**Vail to Valencia 115 kV (kilovolt) to 138 kV
Transmission Line Upgrade Project
Construction Update**

Approved by the Arizona Corporation Commission in 2009 (Case No. 144; Docket No. L-00000F-09-0190-00144), the Vail to Valencia Transmission Line Upgrade project will establish a 138-kilovolt (kV) link between Tucson Electric Power's Vail Substation and UNS Electric's Valencia Substation in Nogales. This project will help to serve the growing energy needs in Santa Cruz County. The construction of the line will be completed in several phases, with the first phase commencing in early 2013.

As a courtesy, UNS Electric, Inc. is providing this update for you of the project schedule. Pre-construction activities for the phases of the project from Kantor Substation to Canez Substation and from Sonoita Substation to Valencia Substation in Santa Cruz County will begin in March, 2013.

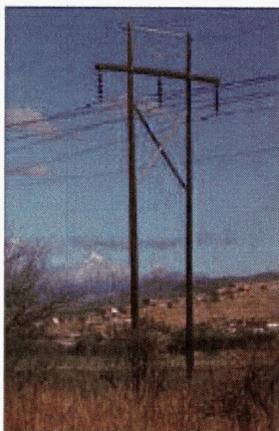
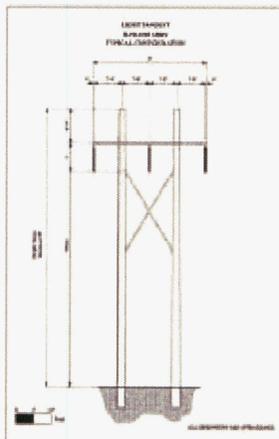
Enclosed is a map for your reference that shows the transmission line route, along with a pictorial depiction of the type of power line being constructed. We encourage developers and homebuilders to include this information in disclosure statements

If you have any questions or would like more information about this project, please visit our website at uesaz.com and follow the link to "Transmission Line Projects" to reach the Vail to Valencia Project page. This page will be updated with the latest information, including the construction schedule as it becomes available. You may also email us at TransLineInfo@tep.com or call (520) 884-3742.

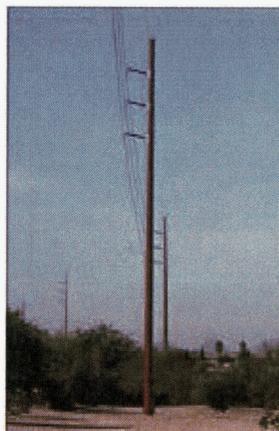
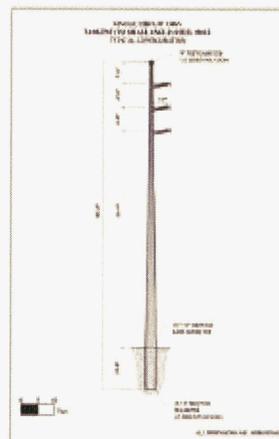
PROJECT DESCRIPTION

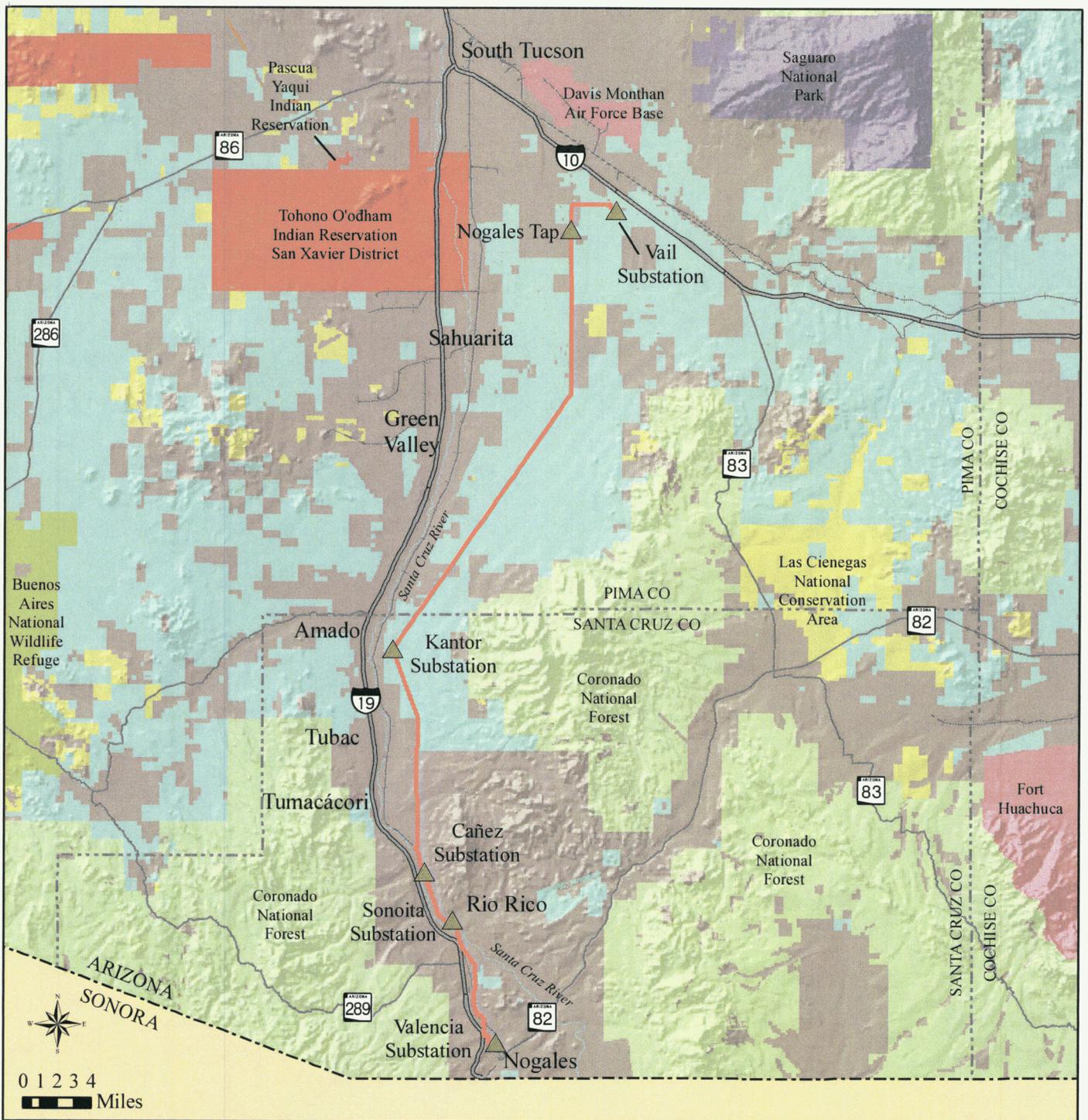
- Upgrade existing transmission line from 115kV to 138kV
- Conversion to steel monopole structures
- Structures are 70 to 85 feet in height
- 55 miles in length, 28 miles previously rebuilt
- Realignment in selected areas to improve maintenance and operation conditions

Existing 115kV Structure



Proposed 138kV Structure





Legend

- Approved 138kV Transmission Line Alignment
- ▲ Substation
- Bureau of Indian Affairs
- Bureau of Land Management
- Bureau of Reclamation
- Department of Defense
- Forest Service
- National Park Service
- Private
- State

Approved Route

Vail to Valencia
 115kV to 138kV
 Upgrade Project



