

ORIGINAL

OPEN MEETING



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MEMORANDUM

RECEIVED

Arizona Corporation Commission AZ CORP COMMISSION

TO: THE COMMISSION

DOCKETED

DOCKET CONTROL

FROM: Utilities Division

OCT 25 2013

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DATE: October 25, 2013

DOCKETED BY

RE: STAFF REPORT ON ARIZONA PUBLIC SERVICE COMPANY'S APPLICATION TO AMEND COMMISSION DECISION NO. 70127 PURSUANT TO ARIZONA REVISED STATUTE 40-252, (DOCKET NO. L-00000D-07-0566-00135)

Background

On July 2, 2013, Arizona Public Service Company ("APS" or "Company") filed with the Arizona Corporation Commission ("Commission") a request ("Application") to amend Decision No. 70127 (January 23, 2008) pursuant to the Commission's authority under A.R.S. 40-252 (Decision No. 70127 and its approved Certificate of Environmental Compatibility ["CEC"] will be referred to collectively as "Case No. 135").

History

Pursuant to Case No. 135 (January 23, 2008) the Commission approved a CEC granted by the Arizona Power Plant and Transmission Line Siting Committee for APS to build approximately 110 miles of 500kV transmission ("Second Line"), including switchyard facilities. The Second Line would originate at the Hassayampa Switchyard and terminate at the North Gila substation in Yuma County, Arizona and would be constructed parallel to the Southwest Powerlink 500kV transmission line ("Existing Line"). At the time the Company filed its Application for Case No. 135, the expected participant owners of the Second Line were APS, Salt River Project, Imperial Irrigation District, and Wellton Mohawk Irrigation and Drainage District. As of the date of this Application, APS is the sole participant owner. Case No. 135 authorized three possible interconnection points for the Second Line: Arlington Valley Energy Facility Switchyard, Hassayampa Switchyard, or Redhawk Power Plant. On February 5, 2010, APS filed a letter with Commission Docket Control informing the Commission that it had selected Hassayampa Switchyard as the interconnection point.

Application

In its Application, the Company requests a change in location and corridor width along a short section of the 110-mile corridor. Specifically, APS requests approval to relocate approximately a 1,500-foot long segment of the corridor east of the North Gila substation. APS also requests that the Commission approve the Company's use of a Y-Pole structure that was not contemplated at the time Case No. 135 was granted. Details of the requested modifications are:

MODIFICATION 1. To accommodate final design of the Second Line's termination point at the North Gila substation, APS requests to relocate approximately 1,500 feet of the corridor immediately east of the North Gila Substation. For this 1,500-foot section, the proposed corridor would begin at the centerline of the Existing Line and extend south for a width of 500 feet.

At the time APS filed its application for Case No. 135, APS expected the Second Line to terminate at the North Gila substation in a bay position occupied by the jointly owned Existing Line. APS anticipated the Existing Line participant owners would reach agreement to move the Existing Line from its current position to the open bay position. This in turn would facilitate (1) building the Second Line north of the Existing Line and (2) allowing the line to enter the substation on the north side of the Existing Line. However, due to the complicated nature of the transaction involving several participant owners of the transmission lines and related equipment, the participant owners did not reach an agreement to move the Existing Line to the open bay position.

Accordingly, APS finalized its engineering plan terminating the Second Line at the open bay position. This final design resulted in the Second Line crossing over the Existing Line and entering the North Gila substation on the south side of the Existing Line. To accommodate the revised design, APS requests that an approximate 1,500-foot section of the corridor immediately east of the North Gila substation be relocated. For this 1,500-foot section, the proposed corridor would start at the centerline of the Existing Line and extend south 500 feet.

The land on which both the certificated corridor and proposed new corridor are located is owned by the Bureau of Land Management ("BLM").

MODIFICATION 2: APS intends to use a Y-Pole structure in one particular location in an area on BLM land approximately seven (7) miles east of the North Gila substation instead of the originally planned H-Frame structure. APS states that the use of the modified transmission structure in this location will preserve an access road used for ingress and egress to the area for line maintenance, minimize ground disturbance, and result in a smaller footprint. Use of the Y-Pole structure will eliminate the need to relocate the access road in this mountainous area of the corridor.

Staff Analysis

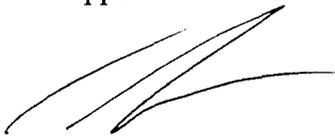
Staff has reviewed APS's Application and reached the following conclusions on each of the proposed modifications.

MODIFICATION 1. Staff has reviewed the information provided in the Application with respect to history, reasons for requesting the modification, and engineering and environmental impacts of the proposed modification. Because the final detailed design requires that the Second Line cross over the Existing Line and enter the North Gila substation on the south side of the Existing Line, the change in both the

corridor location and width as proposed by APS are reasonable. APS has provided the February 12, 2013 letter (attached) from BLM indicating that the proposed location for the Second Line is within the surveys of the original environmental analysis. BLM therefore views this modification as a minor change to the project and will cooperate with APS to approve the change on the BLM lands. Staff recommends approval of this modification.

MODIFICATION 2. The application states that the use of a Y-Type structure in place of the approved H structure in one location on the line would (1) preserve an access road used for ingress and egress to the area for line maintenance, (2) minimize ground disturbance in a mountainous terrain with difficult excavation, and (3) result in a smaller footprint (one foundation instead of two). APS has also stated that placement of this structure will prevent the need to relocate an access road in the mountainous terrain. The Y-Pole structure is similar to the approved H-Frame structure with the exception that it has a single-pole base. It is environmentally compatible and its use should make the Second Line neither more nor less reliable. Staff recommends approval of this modification.

In summary, Staff believes the project will improve reliability and load serving capability in the area and that the modifications requested will not result in significant cost increases for the Second Line. Staff therefore recommends approval of both modifications requested by APS in the Application.



Steven M. Olea
Director
Utilities Division

SMO:ML:sms\CHH

ORIGINATOR: Margaret (Toby) Little

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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE
COMPANY, PURSUANT TO ARIZONA
REVISED STATUTE § 40-252, FOR AN
AMENDMENT OF ARIZONA
CORPORATION COMMISSION DECISION
NO. 70127

DOCKET NO. L-00000D-07-0566-00135
CASE NO. 135
ORDER MODIFYING DECISION NO.
70127
DECISION NO. _____
ORDER

Open Meeting
November 13 and 14, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On July 2, 2013, Arizona Public Service Company (“APS” or “Company”) filed with the Arizona Corporation Commission (“Commission”) a request (“Application”) to amend Decision No. 70127 (January 23, 2008) pursuant to the Commission’s authority under A.R.S. 40-252 (Decision No. 70127 and its approved Certificate of Environmental Compatibility [“CEC”] will be referred to collectively as “Case No. 135”).

2. Case No. 135 approved a CEC granted by the Arizona Power Plant and Transmission Line Siting Committee for APS to build approximately 110 miles of 500kV transmission (“Second Line”), including switchyard facilities. The Second Line would originate at the Hassayampa Switchyard and terminate at the North Gila substation in Yuma County, Arizona and would be constructed parallel to the Southwest Powerlink 500kV transmission line (“Existing

1 Line"). At the time the Company filed its Application for Case No. 135, the expected participant
2 owners of the Second Line were APS, Salt River Project, Imperial Irrigation District, and Wellton
3 Mohawk Irrigation and Drainage District. As of the date of this Application, APS is the sole
4 participant owner. Case No. 135 authorized three possible interconnection points for the Second
5 Line: Arlington Valley Energy Facility Switchyard, Hassayampa Switchyard, or Redhawk Power
6 Plant. On February 5, 2010, APS filed a letter with Commission Docket Control informing the
7 Commission that it had selected Hassayampa Switchyard as the interconnection point.

8 3. In its Application, the Company requests a change in location and corridor width
9 along a short section of the 110-mile corridor. Specifically, APS requests approval to relocate
10 approximately a 1,500-foot long segment of the corridor east of the North Gila substation. APS
11 also requests that the Commission approve the Company's use of a Y-Pole structure that was not
12 contemplated at the time Case No. 135 was granted. An illustration of the Y-pole structure is
13 attached as Exhibit A to this Decision. Details of the requested modifications are as follows:

14 **Modification 1**

15 4. To accommodate final design of the Second Line's termination point at the North
16 Gila substation, APS requests to relocate approximately 1,500 feet of the corridor immediately east
17 of the North Gila Substation. For this 1,500-foot section, the proposed corridor would begin at the
18 centerline of the Existing Line and extend south for a width of 500 feet.

19 5. At the time APS filed its application for Case No. 135, APS expected the Second
20 Line to terminate at the North Gila substation in a bay position occupied by the jointly owned
21 Existing Line. APS anticipated the Existing Line participant owners would reach agreement to
22 move the Existing Line from its current position to the open bay position. This in turn would
23 facilitate (1) building the Second Line north of the Existing Line and (2) allowing the line to enter
24 the substation on the north side of the Existing Line. However, due to the complicated nature of
25 the transaction involving several participant owners of the transmission lines and related
26 equipment, the participant owners did not reach an agreement to move the Existing Line to the
27 open bay position.

28 ...

1 6. Accordingly, APS finalized its engineering plan terminating the Second Line at the
2 open bay position. This final design resulted in the Second Line crossing over the Existing Line
3 and entering the North Gila substation on the south side of the Existing Line. To accommodate the
4 revised design, APS requests that an approximate 1,500-foot section of the corridor immediately
5 east of the North Gila substation be relocated. For this 1,500-foot section, the proposed corridor
6 would start at the centerline of the Existing Line and extend south 500 feet.

7 7. The land on which both the certificated corridor and proposed new corridor are
8 located is owned by the Bureau of Land Management ("BLM") and was included in the original
9 study area of for the CEC.

10 **Modification 2**

11 8. APS intends to use a Y-Pole structure in one particular location in an area on BLM
12 land approximately seven (7) miles east of the North Gila substation instead of the originally
13 planned H-Frame structure. APS states that the use of the modified transmission structure in this
14 location will preserve an access road used for ingress and egress to the area for line maintenance,
15 minimize ground disturbance, and result in a smaller footprint. Use of the Y-Pole structure will
16 eliminate the need to relocate the access road in this mountainous area of the corridor.

17 **Staff Analysis**

18 9. Regarding Modification 1, Staff has reviewed the information provided in the
19 Application with respect to history, reasons for requesting the modification, and engineering and
20 environmental impacts of the proposed modification. Because the final detailed design requires
21 that the Second Line cross over the Existing Line and enter the North Gila substation on the south
22 side of the Existing Line, the change in both the corridor location and width as proposed by APS
23 are reasonable. APS has provided a letter, dated February 15, 2012, from BLM indicating that the
24 proposed location for the Second Line is within the surveys of the original environmental analysis
25 (see Exhibit B). BLM therefore views this modification as a minor change to the project and will
26 cooperate with APS to approve the change on the BLM lands. Staff recommends approval of this
27 modification.

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ORDER

IT IS THEREFORE ORDERED that Decision No. 70127 is modified to revise the Project Alignment approved within the Certificate of Environmental Compatibility in accordance with the Company's application and the recommendations of Staff.

IT IS FURTHER ORDERED that Decision No. 70127 is modified at page 4, line 9 to add:

At this termination point in Link 50, starting at the North Gila substation and extending east approximately 1,500 feet, the Project has a 500-foot corridor which begins at the centerline of the existing Southwest Powerlink 500kV transmission line and extends 500 feet south.

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1 IT IS FURTHER ORDERED that Decision No. 70127 is modified to permit APS to use a
2 Y-pole transmission structure as described in Exhibit B to this Decision.

3 IT IS FURTHER ORDERED that all other conditions of the Certificate of Environmental
4 Compatibility approved by Decision No. 70127 shall remain in effect.

5 IT IS FURTHER ORDERED that this decision shall become effective immediately.
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7 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

COMMISSIONER

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

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JODI JERICH
EXECUTIVE DIRECTOR

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DISSENT: _____

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DISSENT: _____

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SMO:ML:sms\CHH

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- 1 SERVICE LIST FOR: Arizona Public Service Company
- 2 DOCKET NO. L-00000D-07-0566-00135
- 3 John Foreman, Chairman
- 4 Arizona Power Plant and Transmission
- 5 Line Sitting Committee
- 6 Office of Attorney General
- 7 1275 West Washington Street
- 8 Phoenix, Arizona 85007
- 9 Linda J. Benally
- 10 Melissa M. Krueger
- 11 Pinnacle West Capital Corporation
- 12 400 N. 5th Street, MS 8695
- 13 Phoenix, Arizona 85004
- 14 Attorneys for Arizona Public Service Company
- 15 Ms. Janice M. Alward
- 16 Chief Counsel, Legal Division
- 17 Arizona Corporation Commission
- 18 1200 West Washington Street
- 19 Phoenix, Arizona 85007
- 20 Mr. Steven M. Olea
- 21 Director, Utilities Division
- 22 Arizona Corporation Commission
- 23 1200 West Washington Street
- 24 Phoenix, Arizona 85007
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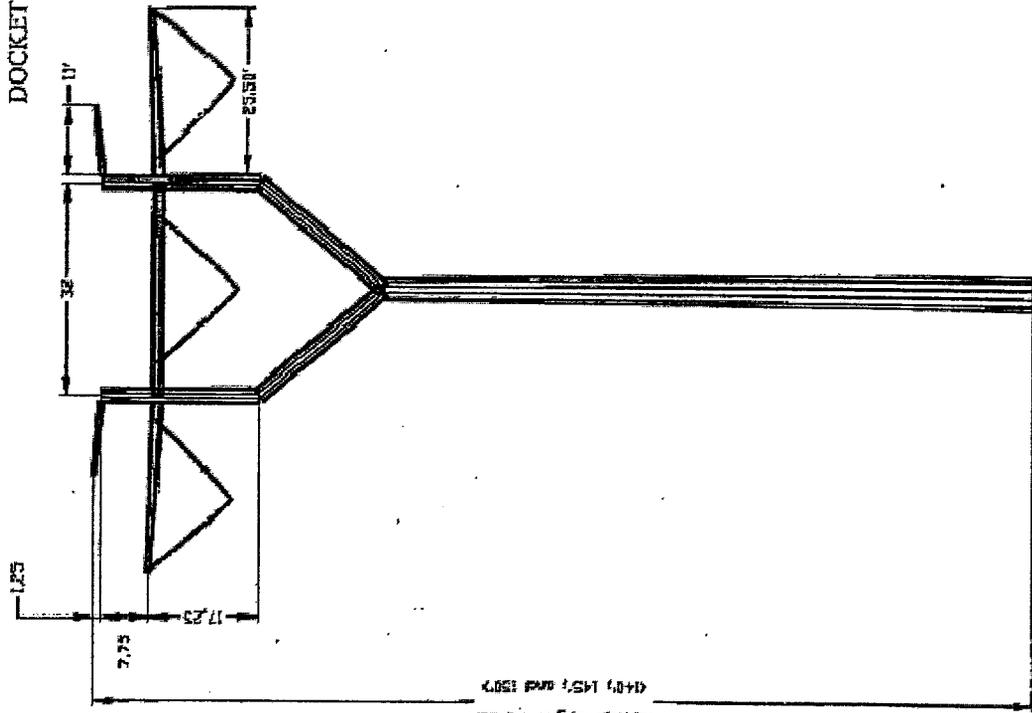
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EXHIBIT A

EXHIBIT C
Page 9 of 9

DOCKET NO. L-00000D-07-0566-00135

Decision No. _____



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EXHIBIT B



DOCKET NO. L-00000D-07-0566-00135

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Yuma Field Office
2555 East Gila Ridge Road
Yuma, AZ 85365
www.blm.gov/az/

In Reply Refer To:
AZA 33305 (C020)
2850

February 15, 2012

Arizona Public Service Company
Attn: Paul Herndon, Senior Siting Consultant
P.O. Box 53933, Station 4616
Phoenix, Arizona 85072-3933

Re: Palo Verde to North Gila II 500kV Transmission Line aka Hassayampa to North Gila, CEC Case 135

Dear Mr. Herndon:

The Bureau of Land Management (BLM) has conducted the environmental review and has produced an Environmental Assessment (EA) No. AZ-220-2006-008 for the Palo Verde Hub to North Gila Substation 500kV Transmission Project, approved November 2007.

The project is proposed to be sited and constructed within a designated 1-mile wide utility corridor, ½ mile on either side from centerline of the existing transmission line. The EA considered impacts to all resources and the cumulative effects based on the resources' geographic areas. The archaeological survey is one resource that needs to be site-specific and, in this case, there was a 300-foot-wide survey for 112 miles in length. The cultural survey included an additional area between 100 and 800 feet of survey along various portions of the project area.

It is our understanding that Arizona Public Service Company (APS) would like to request changing the transmission line location from the north side of the existing transmission line to the south side of the existing transmission line for approximately 1,500 feet immediately east of the North Gila Substation (see enclosed map). This change request is within the 1-mile designated utility corridor and it is within the surveys of the environmental analysis. However, if the newly proposed route deviates from the 1-mile corridor, the BLM will require APS to conduct new surveys prior to proceeding with authorization of a right-of-way grant. The BLM views this as a minor change to the project and will cooperate with APS to approve the change on the associated Federal lands.

If you have any questions please contact Supervisory Project Manager Eddie Arreola at 602-417-9505 or at earreola@blm.gov.

Sincerely

John MacDonald
Field Manager

Enclosure

Decision No. _____