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MEMORANDUM

Arizona Corporation Commission

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AZ CORP COMMISS  
DOCKET CONTROL

TO: THE COMMISSION

FROM: Utilities Division

DATE: April 28, 2015

DOCKETED BY *RC*

RE: STAFF REPORT ON ARIZONA PUBLIC SERVICE COMPANY REQUEST TO EXTEND CEC TERM AND NOTICE OF CHANGE IN TYPE OF TRANSMISSION STRUCTURE IN LINK 10 RE CEC 128 (DOCKET NO. L-00000D-05-0128-00000)

On November 14, 2014, Arizona Public Service Company ("APS" or "Applicant") filed with the Arizona Corporation Commission ("ACC" or "Commission") a request to amend Decision No. 68063 (Case No. 128), ("Application") by extending the term of the Certificate of Environmental Compatibility ("CEC") from August 17, 2015 to August 17, 2020 and by authorizing the use of three monopoles in lieu of lattice towers at the origination point of the transmission line.

Commission Decision No. 68063 (August 17, 2005) granted a CEC authorizing APS to construct a 500 kV transmission line, two switchyards and related facilities. The CEC authorizes APS to build a 500 kV transmission line from the Palo Verde Nuclear Generating Station Switchyard ("Palo Verde Switchyard") to the Sun Valley Substation (formerly TS-5) (collectively, "Project"). See Exhibit 2 to the Proposed Order.

**APPLICATION**

In its Application, APS requests that the Commission extend the time period to construct the transmission line from the Delaney Switchyard (formerly Harquahala Junction Switchyard) to the Sun Valley Substation, (Links 50, 60, 70, 80, 90, 100, 110, 120, and 130 shown in Exhibit 2). Additionally, APS requests the Commission approve the use of monopole structures in three locations, rather than the lattice structures approved in CEC 128.

*Time Extension Request*

Condition 3 in CEC 128 authorized (1) a ten-year term for constructing the 500 kV transmission line from the Delaney Switchyard to the Sun Valley Substation, and (2) a twenty-year term for constructing the line from the Palo Verde Switchyard to the Delaney Switchyard, unless construction was completed to the point that the Project was capable of operating by that time. The Application requests a five-year extension for the Delaney to Sun Valley portion of the line from August 17, 2015 to August 17, 2020; the time period for the portion of the line from the Palo Verde Switchyard to the Delaney Switchyard will remain unchanged (August 17, 2025).

Development and associated electrical load growth in Arizona as a whole have slowed down in recent years due to the economic downturn, and utilities have been delaying major transmission projects to match the slowdown. APS has stated in the Application that its existing electric system is sufficient to meet current customer load, but that the electrical facilities approved in CEC 128 will strengthen the entire APS metropolitan area transmission system by providing an additional electrical transmission source to the Valley. They have stated that the Project will also increase transmission import capability into the Phoenix areas as well as increase transmission export capability from the Palo Verde Hub in the coming years.

The project was first identified as a segment of a larger, regional transmission plan in the Third Biennial Transmission Assessments ("BTA"), and has continued to be included in regional and state-wide studies, including all BTAs up to and including the current Eighth BTA. The conclusions reached in the Eighth BTA as well as other regional reliability studies have included the Project transmission line with in-service dates consistent with those requested by APS in the Application.

Staff agrees that while the need for the transmission line was delayed, there continues to be a need for the Project. In addition, Staff believes that the delayed construction time requested in the Application will not compromise transmission grid reliability.

#### *Structure Change Notification*

APS requests authority to use monopole structures in three specific locations at the origination point of the transmission line, which is immediately adjacent to the Palo Verde Switchyard, marked as Link 10 in both Exhibit 1 and Exhibit 2 attached. CEC 128 authorized APS to construct eight transmission structures in Link 10 using lattice towers to match existing transmission structure, see Exhibit 1 to the Proposed Order. The monopole structure is an approved transmission structure in CEC 128, although not approved for use in Link 10.

The Application states that since the time CEC 128 was granted in 2005, there have been significant physical changes on the Palo Verde Nuclear Generating Station ("PVNGS" or "Plant") property due to operational and security upgrades at the Plant. APS finalized its design and engineering for the transmission line considering the changes at PVNGS, which require the use of monopole structure in three locations (marked as structures 1, 2, and 3 on Exhibit 1). The monopole structure, which is a tubular steel pole, will have a reduced footprint and minimize encroachment on an existing distribution line, roads, parking lot, and new drainage areas.

Based upon Staff's review of the request and the proposed substitution in the structure type at the specified location, Staff does not believe that the proposed change will impair the transmission grid or the Company's ability to serve its customers reliably.

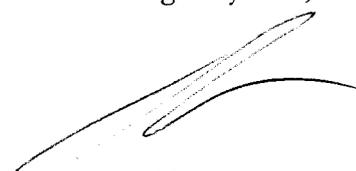
THE COMMISSION

April 28, 2015

Page 3

## RECOMMENDATION

Neither the time extension request nor the structure change will negatively affect transmission system reliability in Staff's view. In light of the lack of negative impacts and the benefits alleged by APS, Staff recommends that the Commission approve APS's Application.



Steven M. Olea

Director

Utilities Division

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ORIGINATOR: Margaret (Toby) Little

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

SUSAN BITTER SMITH  
Chairman  
BOB STUMP  
Commissioner  
BOB BURNS  
Commissioner  
DOUG LITTLE  
Commissioner  
TOM FORESE  
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. 68063 )

DOCKET NO. L-00000D-05-0128-00000  
CASE NO. 128  
ORDER MODIFYING DECISION NO  
68063  
DECISION NO. \_\_\_\_\_

ORDER

Open Meeting  
May 12 and 13, 2015  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Arizona Public Service Company (“APS” or “Company”) is a public service corporation providing electric utility service to eleven counties in the State of Arizona.
  2. On May 2, 2005, APS filed an application for a Certificate of Environmental Compatibility (“CEC”) before the Arizona Power Plant and Transmission Line Siting Committee (“Siting Committee”) for authorization to site a transmission line and related facilities in Maricopa County. The project was referred to as the APS Palo Verde Hub to TS-5 Substation Project (“Project”). APS proposed to construct the line in an area west of the Phoenix metropolitan area.
  3. Arizona Corporation Commission (“Commission”) Utilities Division Staff (“Staff”) intervened in the proceeding.
- ...

1           4.       After a full hearing, the Siting Committee issued APS a CEC for the line and related  
2 facilities ("CEC 128"). The Siting Committee's CEC sets forth the specific route that the line is  
3 intended to follow. See Exhibit 2.

4           5.       On August 17, 2005, the Commission issued Decision No. 68063, which approved the  
5 CEC issued by the Siting Committee. That decision specifically approves and adopts the Siting  
6 Committee's description of the approved route.

7           6.       On November 14, 2014, APS filed with the Commission a request to amend Decision  
8 No. 68063 ("Application"), by extending the term of the CEC from August 17, 2015 to August 17,  
9 2020 and by authorizing the use of three monopoles in lieu of lattice towers at the origination point of  
10 the transmission line.

11          7.       In its Application, APS requests that the Commission extend the time period to  
12 construct the transmission line from the Delaney Switchyard (formerly Harquahala Junction  
13 Switchyard) to the Sun Valley Substation, (Links 50, 60, 70, 80, 90, 100, 110, 120, and 130 shown in  
14 Exhibit 2). Additionally, APS requests the Commission approve the use of monopole structures in  
15 three locations, rather than the lattice structures approved in CEC 128.

16 Term Extension Request

17          8.       Condition 3 in CEC 128 authorized (1) a ten-year term for constructing the 500 kV  
18 transmission line from the Delaney Switchyard to the Sun Valley Substation, and (2) a twenty-year  
19 term for constructing the line from the Palo Verde Switchyard to the Delaney Switchyard, unless  
20 construction was completed to the point that the Project was capable of operating by that time. The  
21 Application requests a five-year extension for the Delaney to Sun Valley portion of the line from  
22 August 17, 2015 to August 17, 2020; the time period for the portion of the line from the Palo Verde  
23 Switchyard to the Delaney Switchyard will remain unchanged (August 17, 2025).

24          9.       Development and associated electrical load growth in Arizona as a whole have slowed  
25 down in recent years due to the economic downturn, and utilities have been delaying major  
26 transmission projects to match the slowdown. APS states in the Application that its existing electric  
27 system is sufficient to meet current customer load, but that the electrical facilities approved in CEC  
28 128 will strengthen the entire APS metropolitan area transmission system by providing an additional

1 electrical transmission source to the Valley. The Company further states that the Project will also  
2 increase transmission import capability into the Phoenix areas as well as increase transmission export  
3 capability from the Palo Verde Hub in the coming years.

4 10. The project was first identified as a segment of a larger, regional transmission plan in  
5 the Third Biennial Transmission Assessments ("BTA"), and has continued to be included in regional  
6 and state-wide studies, including all BTAs up to and including the current Eighth BTA. The  
7 conclusions reached in the Eighth BTA as well as other regional reliability studies have included the  
8 Project transmission line with in-service dates consistent with those requested by APS in the  
9 Application.

10 11. Staff agrees that while the need for the transmission line was delayed, there continues  
11 to be a need for the Project. In addition, Staff believes that the delayed construction time requested in  
12 the Application will not compromise transmission grid reliability.

13 Structure Change Notification

14 12. APS requests authority to use monopole structures in three specific locations at the  
15 origination point of the transmission line, which is immediately adjacent to the Palo Verde Switchyard,  
16 marked as Link 10 in both Exhibit 1 and Exhibit 2 attached. CEC 128 authorized APS to construct  
17 eight transmission structures in Link 10 using lattice towers to match existing transmission structures,  
18 see Exhibit 1. CEC 128 approves the use of a monopole structure, although it is not approved for use  
19 in Link 10.

20 13. The Application states that since the time CEC 128 was granted in 2005, there have  
21 been significant physical changes on the Palo Verde Nuclear Generating Station ("PVNGS" or  
22 "Plant") property due to operational and security upgrades at the Plant. APS finalized its design and  
23 engineering for the transmission line considering the changes at PVNGS, which requires the use of  
24 monopole structure in three locations (marked as structures 1, 2, and 3 on Exhibit 1). The monopole  
25 structure, which is a tubular steel pole, will have a reduced footprint and minimize encroachment on  
26 an existing distribution line, roads, parking lot, and new drainage areas.

27 ...

28 ...

1 14. Based upon Staff's review of the request and the proposed substitution in the structure  
2 type at the specified location, Staff does not believe that the proposed change will impair the  
3 transmission grid or the Company's ability to serve its customers reliably.

4 15. Neither the time extension request nor the structure change will negatively affect  
5 transmission system reliability in Staff's view. In light of the lack of negative impacts and the benefits  
6 alleged by APS, Staff recommends that the Commission approve APS's Application.

7 CONCLUSIONS OF LAW

8 1. The Commission has jurisdiction over Arizona Public Service Company and over the  
9 subject matter herein pursuant to Article XV of the Arizona Constitution and A.R.S. § 40-252 and §  
10 40-360 et seq.

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

12 3. The Commission, having reviewed the request and considered the matter, finds that it  
13 is in the public interest to amend Decision No. 68063 to extend the time to construct the project and  
14 permit the use of steel monopole structures in lieu of steel lattice tower structures in Link 10 of the  
15 Project.

16 ORDER

17 IT IS THEREFORE ORDERED that Decision No. 68063 is modified to revise Condition  
18 No. 3 of the Certificate of Environmental Compatibility to state the following:

19 This authorization to construct shall expire (i) August 17, 2020 for that portion of the  
20 Project from the Delaney Switchyard to the Sun Valley Substation; and (ii) on August  
21 17, 2025 for that portion of the Project from the Palo Verde Switchyard to the  
22 Delaney Switchyard, unless construction is completed to the point that the Project is  
23 capable of operating by that time; provided, however, that prior to either such  
expiration the Applicant or its assignees may request that the Commission extend this  
time limitation.

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1 IT IS FURTHER ORDERED that Decision No. 68063 is modified to permit Arizona Public  
2 Service Company to use steel monopole structures in the three locations in Link 10 of the Project  
3 noted on Exhibit 1.

4 IT IS FURTHER ORDERED that all other conditions of the Certificate of Environmental  
5 Compatibility approved by Decision No. 68063 shall remain in effect.

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

7  
8 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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10 \_\_\_\_\_  
CHAIRMAN

COMMISSIONER

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13 \_\_\_\_\_  
COMMISSIONER

COMMISSIONER

COMMISSIONER

14  
15 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
16 Director of the Arizona Corporation Commission, have  
17 hereunto, set my hand and caused the official seal of this  
18 Commission to be affixed at the Capitol, in the City of  
19 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

20 \_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

21  
22 DISSENT: \_\_\_\_\_

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24 DISSENT: \_\_\_\_\_

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26  
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1 SERVICE LIST FOR: Arizona Public Service Company  
2 DOCKET NO. L-00000D-05-0128-00000

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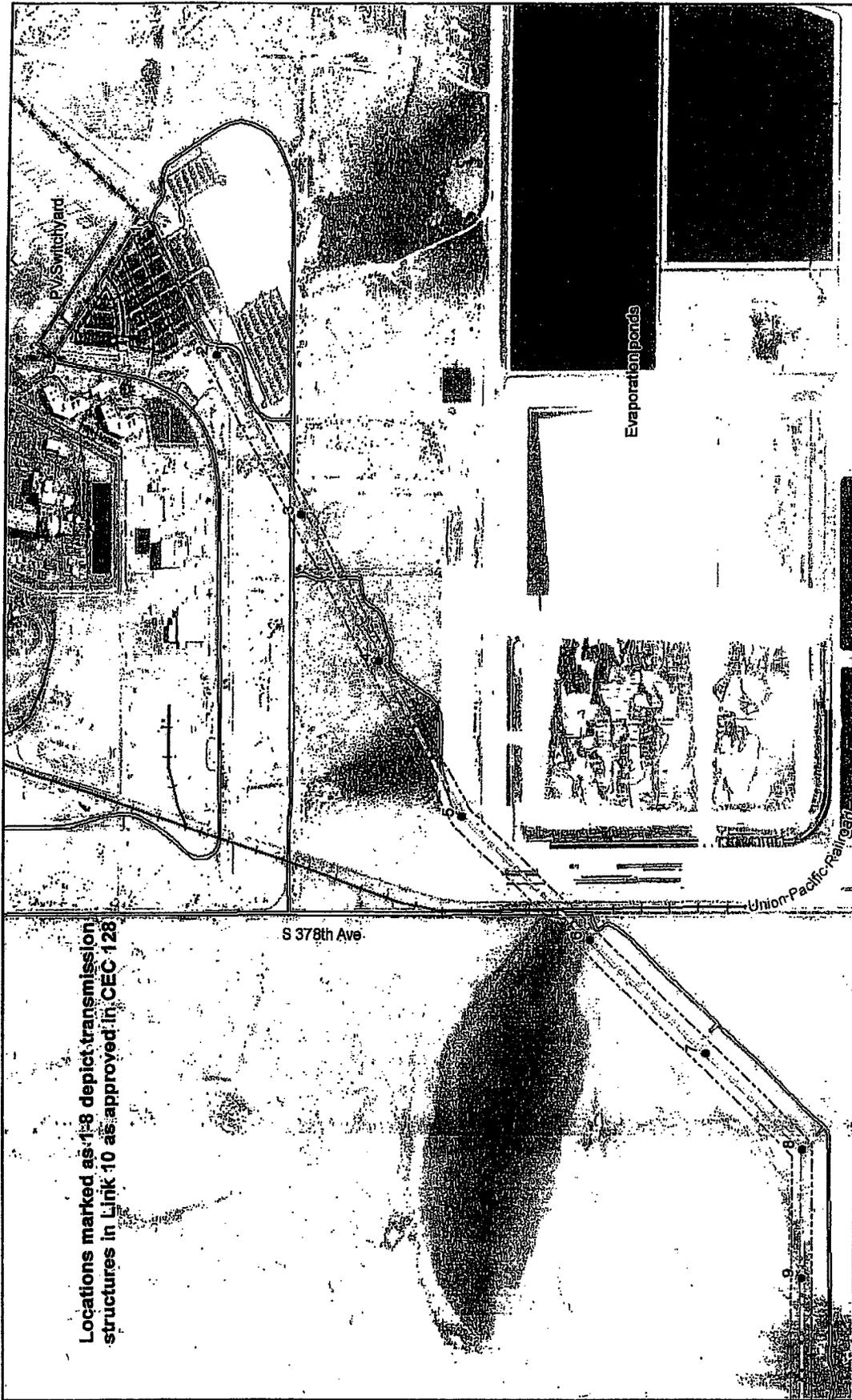
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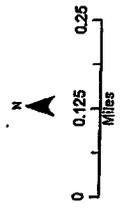
Ms. Lyn Farmer  
Chief Administrative Law Judge,  
Hearings Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007



Locations marked as 1-8 depict transmission structures in Link 10 as approved in CEC 128

Palo Verde to Delaney 500kV Transmission Line  
Overview Structures 1 to 8

EXHIBIT 1  
Page 1 of 1



Source: Proposed Transmission Line APS 2013  
Base map: ALGIS 1997-2012



