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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

AUG 26 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE
COMPANY, IN CONFORMANCE WITH
THE REQUIREMENTS OF ARIZONA
REVISED STATUTES §§ 40-360, ET SEQ.,
FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING THE MAZATZAL
SUBSTATION AND 345KV
INTERCONNECTION PROJECT, WHICH
INCLUDES THE CONSTRUCTION OF
TWO 345KV TRANSMISSION LINES AND
A NEW 345/69/21KV SUBSTATION,
SECTION 4, TOWNSHIP 8 NORTH,
RANGE 10 E, G&SRB&M ADJACENT TO
THE INTERSECTION OF THE EXISTING
FOUR CORNERS- CHOLLA – PINNACLE
PEAK 345KV TRANSMISSION LINES AND
FOREST ROAD 379, WITHIN THE TONTO
NATIONAL FOREST IN GILA COUNTY,
ARIZONA, PURSUANT TO ARIZONA
REVISED STATUES § 40-252, FOR AN
AMENDMENT OF ARIZONA
CORPORATION COMMISSION DECISION
NO. 72302

DOCKET NO. L-00000D-11-0068-00160

CASE NO. 160

DECISION NO. 75249

ORDER

Open Meeting
August 18 and 19, 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.

1 2. On February 2, 2011, APS filed an application for a Certificate of Environmental
2 Compatibility (“CEC”) before the Arizona Power Plant and Transmission Line Siting Committee
3 (“Siting Committee”) for authorization to site a transmission line and related facilities in Gila County.
4 The project would include construction of a 345/69/21 kV substation and two new 345 kV
5 transmission lines that would interconnect with the eastern Cholla to Pinnacle Peak 345 kV
6 transmission line (collectively referred to as the “Project”).

7 3. No parties intervened in the proceeding.

8 4. After a full hearing, the Siting Committee issued APS a CEC for the line and related
9 facilities. The CEC included a condition regarding the term of the CEC authorization to construct the
10 Project. Pursuant to Condition 7 of the CEC, APS was granted a five-year term to construct the
11 Project facilities.

12 5. On May 4, 2011, the Commission issued Decision No. 72302, which approved the
13 CEC issued by the Siting Committee (“CEC 160”).

14 6. On June 8, 2015, APS filed a request for an extension of CEC term. APS requests that
15 the Commission extend the time period to construct the transmission facilities authorized by CEC 160
16 from May 4, 2016 to May 4, 2021.

17 **Project Background**

18 7. The Project as approved consists of a new 345/69/21kV substation and two new
19 345kV transmission lines. Construction of the Project will include structure modifications for the
20 existing 345kV transmission structures in the corridor, including adding turning structures to the
21 eastern line and a taller structure to the western line allowing the interconnection to cross underneath.
22 The 345/69/21kV substation will be approximately 2,080 feet long by an average of 420 feet wide,
23 and will occupy approximately 20.1 acres of the Project site. The two new 345kV transmission lines
24 will interconnect in and out of the new substation. The first 345kV transmission line interconnection
25 will originate from the easternmost existing 345kV transmission line of the two existing 345kV
26 transmission lines in the corridor, and proceed to the new substation, located approximately 600 feet
27 to the west. The second 345kV transmission line interconnection will proceed from the new
28 substation, approximately 600 feet east to the new lattice structure on the existing easternmost 345kV

1 transmission line of the two existing 345kV transmission lines in the corridor. The Project will be
2 constructed with lattice structures for the 345kV lines.

3 8. The Project will be located near Payson, Arizona on the east side of State Route 87,
4 north of Arizona 188, and entirely situated on land administered by the United States Forest Service in
5 the Tonto National Forest. This location is in the southeast quarter of Section 4 and the southwest
6 quarter of Section 3 in Township 8 North, Range 10 East, adjacent to the intersection of the existing
7 Four Corners-Cholla-Pinnacle Peak 345kV transmission lines and forest road 379, in Gila County,
8 Arizona.

9 **Extension Request**

10 9. In its Application, APS requests that the Commission extend the time period to
11 construct the substation and transmission facilities authorized by CEC 160 from May 4, 2016 to May
12 4, 2021.

13 10. Condition 7 in CEC 160 authorized a five-year term for constructing the Project.
14 However, development and associated electrical load growth in the Payson area have not materialized
15 as anticipated due to the economic decline. APS has stated in the Application that it has been able to
16 serve customers without the Project. However, APS's projections now indicate load growth in the
17 region.

18 11. APS anticipates this Project may be needed as early as the winter of 2017 in order to
19 continue providing reliable electric service to Payson and the surrounding areas. This is reflected in
20 APS's 2015 Ten-Year Transmission System Plan in which APS reports an estimated in-service date of
21 2017 for this Project and notes that the Project is needed to provide the electric source and support to
22 the sub-transmission system in the area of Payson and the surrounding communities. APS also
23 comments that improved reliability will result for the communities in the Payson area.

24 12. Based upon Staff's analysis of the Application, Staff agrees that while the need for the
25 substation and transmission facilities was delayed, there continues to be a need for the Project. In
26 addition, Staff believes that the delayed construction time requested in the Application will not
27 compromise transmission grid reliability.

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CONCLUSIONS OF LAW

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

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

3. The Commission, having reviewed the request and considered the matter, finds that it is in the public interest to amend Decision No. 72302 to extend the time to construct the project.

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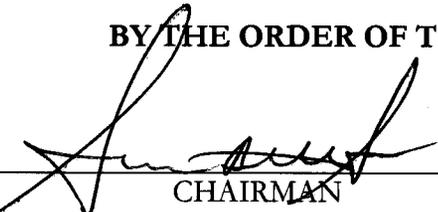
ORDER

IT IS THEREFORE ORDERED that Decision No. 72302 is modified to extend the time for Arizona Public Service Company to construct the transmission and related facilities to May 4, 2021.

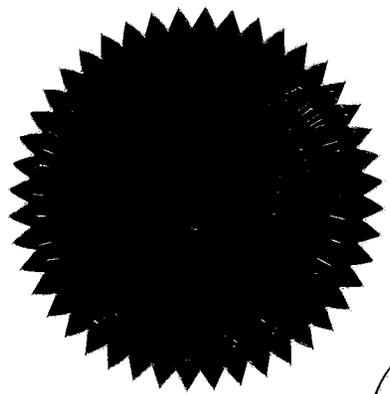
IT IS FURTHER ORDERED that all other conditions of the Certificate of Environmental Compatibility approved by Decision No. 72302 shall remain in effect.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

 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 26th day of August, 2015.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JJF:red\CHH

1 SERVICE LIST FOR: Arizona Public Service Company
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