Arizona Corpdration Commission

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BEFORE THE ARIZONA POWER PLANT AND

TRANSMISSION L	INE SITING	COMMITTEE
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SRP Legal Services

4	IN THE MATTER OF THE APPLICATION OF SALT).
ا۔	RIVER PROJECT AGRICULTURAL	j
5	IMPROVEMENT AND POWER DISTRICT IN) Docket No. L-00000B-03-0124
	CONFORMANCE WITH THE REQUIREMENTS OF)
О	ARIZONA REVISED STATUTES SECTION 40-360,) Case No. 124
7	et seq., FOR A CERTIFICATE OF) .
-/	ENVIRONMENTAL COMPATIBILITY	67012
	AUTHORIZING CONSTRUCTION OF THE PALO) DECISION NO
٩	VERDE TO PINAL WEST PROJECT INCLUDING	· ·
0	THE CONSTRUCTION OF TWO PARALLEL	
	SINGLE CIRCUIT 500 kV TRANSMISSION LINES AND A 500/345/69kV SUBSTATION IN	\
اما		}
. 0	SOUTHWESTERN MARICOPA COUNTY, TERMINATING IN PINAL COUNTY ALONG THE	\
11	MARICOPA AND PINAL COUNTY LINE IN	{
` ^	CENTRAL ARIZONA.	{
اد	CLITICE INCOME.	. <i>)</i>

The Arizona Corporation Commission ("Commission") has conducted its review, pursuant to A.R.S. § 40-360.07. The Commission finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Committee") is hereby granted by this Order.

The Commission further finds and concludes that: (1) the Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power; (2) in balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state; (3) the conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised; and (4) in light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

DISSENT:

THE CEC ISSUED BY THE SITING COMMITTEE IS

INCORPORATED HEREIN AND IS

APPROVED BY ORDER OF THE

ARIZONA CORPORATION COMMISSION

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COMMISSIONER-CHAIRMAN COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 24 m day of May, 2004.

BKIAN C. MCNEIL

EXECUTIVE SECRETARY

Decision No.



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2004 MAR 26 BEFORE THE ARIZONA POWER PLANT AND 1 TRANSMISSION LINE SITING COMMITTEE AZ CORP COMMISSION 2 IN THEREATTER OF THE APPLICATION 3 OF SALT RIVER PROJECT AGRICULTURAL Docket No: 1 IMPROVEMENT AND POWER DISTRICT 4 IN CONFORMANCE WITH THE REQUIREMENTS Case No:124 OF ARIZONA REVISED STATUTES SECTION L-00000B-03-0124 40-360, et. seq., FOR A CERTIFICATE OF **ENVIRONMENTAL COMPATIBILITY** AUTHORIZING CONSTRUCTION OF THE PALO NOTICE OF FILING 7 VERDE TO PINAL WEST PROJECT INCLUDING THE PROPOSED CEC CONSTRUCTION OF TWO PARALLEL SINGLE CIRCUIT 500KV TRANSMISSION LINES AND A 500/ 345/69KV SUBSTATION IN SOUITHWESTERN MARICOPA COUNTY, TERMINATING IN PINAL COUNTY ALONG THE MARICOPA AND PINAL , 11 COUNTY LINE IN CENTRAL ARIZONA. 12 The Arizona Power Plant and Transmission Line Siting Committee hereby gives notice of 13 14 filing the proposed Certificate of Environmental Compatibility in the form attached hereto as 15 Exhibit A. 16 Dated this **26** day of March, 2004. 17 18 19 urie A. Woodall Assistant Attorney General 20 Chairman, Arizona Power Plant and Transmission Line Siting Committee 21 23 24 25

· 1	ORIGINAL and 25 copies
2	filed this 264 day of March, 2004 with:
3	Ti - A sizana Camanatian Camanianian
4	The Arizona Corporation Commission Docket Control
	1200 West Washington
5	Phoenix AZ 85007
6	
7 .	And Copies mailed to:
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16	Phoenix, AZ 85004 Attorneys for Intervenor Sun MP, LLC (Estrella Mt. Sun Chase)
17	
18	Carola Gilbert
19	254362/cg
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EXHIBIT A

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION
OF SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT ON BEHALF OF ITSELF
AND ARIZONA PUBLIC SERVICE
COMPANY, SANTA CRUZ WATER AND
POWER DISTRICTS ASSOCIATION AND

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Docket No. L00000B-03-0124

Case No. 124

POWER DISTRICT ON BEHALF OF ITSELF)
AND ARIZONA PUBLIC SERVICE

COMPANY, SANTA CRUZ WATER AND
POWER DISTRICTS ASSOCIATION AND
TUCSON ELECTRIC POWER COMPANY IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTION 40-360, et. seq., FOR A)
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE PALO VERDE
TO PINAL WEST PROJECT INCLUDING
THE CONSTRUCTION OF TWO PARALLEL
SINGLE CIRCUIT 500KV TRANSMISSION
LINES AND A 500/345KV SUBSTATION IN

SOUTHWESTERN MARICOPA COUNTY,

COUNTY LINE IN CENTRAL ARIZONA

TERMINATING IN PINAL COUNTY ALONG THE MARICOPA AND PINAL

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee ("Committee") held public hearings on February 9 and 10, 2004 and March 15 and 16, 2004, all in conformance with the requirements of Arizona Revised Statutes §40-360, et seq., for the purpose of receiving evidence and deliberating on the Application of Salt River Project Agricultural Improvement and Power District ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") on behalf of itself and other project participants in the above-captioned case. A route tour was conducted on February 23, 2004.

¹The other project participants include Arizona Public Service Company, Santa Cruz Water and Power Districts Association, and Tucson Electric Power Company.

Decision No. <u>67012</u>

Michael Palmer

The following members and designees of members of the Committee were present at one or more of the hearings for the evidentiary presentations and/or for the deliberations:

erations:	• •
Laurie Woodall	Chairman, Designee for Arizona Attorney General, Terry Goddard
Ray Williamson	Designee for Chairman, Arizona Corporation Commission
Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality
Mark McWhirter	Designee for Director, Energy Department, Arizona Department of Commerce
Sandie Smith	Appointed Member
Jeff McGuire	Appointed Member
Margaret Trujillo	Appointed Member
A. Wayne Smith	Appointed Member
Michael Whalen	Appointed Member

The Applicant was represented by Kenneth C. Sundlof of Jennings, Strouss & Salmon, P.L.C. and Laura Raffaelli of Salt River Project Agricultural Improvement and Power District. The following parties were granted intervention pursuant to A.R.S. § 40-360.05: Arizona Corporation Commission Staff ("Staff"), represented by Lisa Vandenberg; Walter Meek, pro se; Gila Bend Power Partners, L.L.C., represented by Thomas H. Campbell of Lewis and Roca, L.L.P.; City of Casa Grande, represented by Kay Bigelow, City Attorney; Waste Management of Arizona, Inc., represented by John

Appointed Member

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R. Dacey and Alicia Corbett of Gammage and Burnham, P.L.C.; and Sun MP L.L.C., represented by Steven A. Hirsch and Rodney W. Ott of Bryan Cave L.L.P.

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony, public comment, and exhibits presented at the hearings, and being advised of the legal requirements of Arizona Revised Statutes §§40-360 to 40-360.13, upon motion duly made and seconded, voted to grant the Applicant a Certificate of Environmental Compatibility (Case No. 124) for authority to construct the following facilities as requested and described in the Application and modified by the conditions herein: two parallel single circuit 500 kV transmission lines in Southwestern Maricopa County and Western Pinal County, terminating at a 500/345 kV substation to be constructed in Pinal County, as described below, (the "Project").

The Project alignment (depicted on Exhibit A, attached hereto) will originate at the Hassayampa Switchyard located in Section 15, Township 1 South, Range 6 West approximately 3 miles south of the Palo Verde Nuclear Generating Station, west of Phoenix, Arizona. The Project has the authority to construct such structures as may be reasonably necessary to interconnect to the adjacent Red Hawk Switchyard located in Section 14, Township 1 South, Range 6 West. The proposed 500 kV transmission lines will be constructed west and parallel to the existing Palo Verde to Kyrene 500 kV transmission line, within a Bureau of Land Management ("BLM") designated multipleuse utility corridor(s) ("BLM corridor"), from the Hassayampa Switchyard to the Gila River. From the Hassayampa Switchyard, the lines will extend south and east within a

2000 foot corridor, the center line of such corridor coinciding with the existing Palo Verde to Kyrene 500 kV transmission line until a point west of the Gila River crossing in Section 28, Township 2 South, Range 5 West.

Extending east from the Gila River crossing to the Jojoba Substation located in Section 25, Township 2 South, Range 4 West, each of the two proposed 500 kV transmission lines will be constructed, one on either side (north and south) of the existing 500 kV line within a 2000 foot corridor, at a point west of the Gila River, the southern boundary of such corridor will coincide with the southern most pipeline. At a point east of the Gila River, the southern boundary of such corridor will coincide with the northern most natural gas pipeline easement. Either or both of the proposed 500 kV transmission lines may interconnect with the Jojoba Substation. Proceeding east from the Jojoba Substation, the proposed 500 kV transmission lines will continue this alignment until the divergence of the existing Palo Verde to Kyrene 500 kV line to the northeast in Section 29, Township 2 South, Range 3 West ("divergence").

Extending southeast from the divergence, the alignment will proceed north of and parallel to the existing El Paso Natural Gas Pipelines until exiting the BLM corridor at the northwest corner of Section 20, Township 4 South, Range 1 East. At a point near Section 18, Township 4 South, Range 1 East, where the El Paso gas line corridor diverges from the Sonoran Desert National Monument, the center line of the 2000 foot corridor will coincide with the center line of the El Paso gas line corridor. The proposed 500 kV lines will then extend south parallel to a section line until intersecting with a section

East; and east parallel to a section line/Mahalia Road until the intersection with the El Paso Natural Gas Pipelines within the BLM corridor near the southwest corner of Section 27, Township 4 South, Range 1 East. The lines will then extend south and east within a 2000 foot corridor, the centerline of such corridor coinciding with the section line (south) and the section line/Mahalia Road (east).

The proposed 500 kV transmission lines will then be constructed parallel to the existing El Paso Natural Gas Pipelines within the BLM corridor until intersecting with the existing Tucson Electric Power Company ("TEP") 345 kV transmission line in Section 7, Township 5 South, Range 2 East. The lines will extend southeast within a 2000 foot corridor, the centerline of such corridor coinciding with the centerline of the natural gas pipeline easement.

From the intersection of the existing 345 kV line until terminating at the proposed Pinal West Substation located in Section 18, Township 5 South, Range 2 East, the proposed 500 kV transmission lines will parallel the existing TEP 345 kV transmission line within the BLM corridor. The lines will extend south within a 2000 foot corridor, the centerline of such corridor coinciding with the existing TEP Westwing to South 345 kV line easement.

With the exception of turning and line crossing structures, the Project will be constructed on single circuit lattice structures and tubular type steel structures, supporting a three-phase line. The substation configuration approved by this CEC for the proposed

Pinal West substation shall be as shown in Applicant's Exhibits G-14 and G-15 in the application and both are attached to this Certificate in Exhibit B. This approval shall not limit the ability of the Applicant to make reasonable improvements, replacements, additions or modifications as needed to operate the system in a safe, reliable, and efficient manner. This Certificate is granted upon the following conditions:

- 1. This authorization to construct the Project will expire twenty (20) years from the date the Certificate is approved by the Arizona Corporation Commission, unless construction is completed to the point that the line is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Applicant may request that the Arizona Corporation Commission extend the time limitation.
- 2. The Applicant shall locate the first Palo Verde to Pinal West Transmission
 Line in accordance with the alignment as depicted in Exhibit A. If, when
 the Applicant begins construction, the Gila Bend Power Partners, L.L.C.
 ("GBPP") Transmission Line (Commission Decision No. 65866) is
 constructed or is under construction, the first Palo Verde to Pinal West
 Transmission Line shall be constructed 130 feet west and south of the
 GBPP Transmission Line to a location west of the Gila River, and then 130
 feet south of the existing Hassayampa to Jojoba to Kyrene Transmission
 Line from the Gila River to the Jojoba Switchyard.
- In the event that GBPP begins construction of the GBPP Transmission Line

before Applicant begins construction of the second Palo Verde to Pinal West Transmission Line, GBPP will occupy Applicant's position for the second line from the Hassayampa Switchyard to the Jojoba Switchyard. Applicant would then construct its second line from the Jojoba Switchyard to Pinal West.

- 4. Applicant shall obtain all required approvals and permits necessary to construct the Project.
- 5. Applicant shall comply with all existing applicable laws, air and water pollution control standards and regulations, ordinances, master plans and regulations of the United States, the State of Arizona, Maricopa County, Pinal County and any other governmental entities having jurisdiction.
- 6. The Applicant will sponsor a Class III cultural resources survey of the previously unsurveyed portions of the selected corridor or right-of-way, and consult with the State Historic Preservation Office ("SHPO") regarding Register-eligibility and effect.
- 7. The Applicant will avoid and/or minimize impacts to properties considered eligible for inclusion in the State or National Register of Historic Places to the extent possible.
- 8. If the Applicant decides that Register-eligible archaeological sites cannot be avoided, then the Applicant will plan and implement an archaeological data recovery program in consultation with SHPO and the land-managing

- 9. After construction, Applicant, in conjunction with the applicable land managing agency, if any, will allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage.
- 10. Should an archaeological, paleontological, or historic site or object be discovered during plan-related activities, the person in charge is required to notify promptly the Director of the Arizona State Museum and take reasonable steps to secure and maintain the resource's preservation pursuant to state law (i.e., A.R.S. § 41-844). If a discovery involves human remains or funerary objects and occurs on private land, procedures implementing A.R.S. § 41-865 must be followed.
- 11. Within 45 days of securing easements or right of way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line. The Applicant must locate signs at the location of the proposed Palo Verde to Pinal West substation. The signs shall advise: a.) the site has been approved for the construction of Project facilities including 500kV lines or a 500, 345, 69 kV substation, as appropriate; b.) the expected date of completion of the

Project facilities; and c.) a phone number for public information regarding the Project.

- 12. The Applicant shall record with its easements for the Project notice of the development of a transmission line. Until construction of the first transmission line is complete, Applicant shall make reasonable efforts to work with developers along the certificated route to encourage them to include the location of the certificated route in the developers' homeowners disclosure statement.
- 13. The Applicant shall provide copies of this Certificate to SHPO, the Arizona Game and Fish Department, appropriate city and county planning agencies, and the Arizona State Land Department.
- 14. Applicant shall monitor all ground clearing or disturbing activities that may affect sensitive habitat. If a special status species is encountered, Applicant shall retain a biological monitor to ensure proper actions are taken with regard to such species.
- 15. Applicant shall design the transmission lines so as to minimize impacts to raptors.
- 16. Where practical, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance, particularly in drainage channels and along stream banks.
- 17. A. The Applicant shall make every reasonable effort to identify and

correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the line and related facilities.

- B. The Applicant shall maintain written records for a period of five (5) years of all complaints of radio or television interference attributable to operation of the line, together with the corrective action taken in response to each complaint. All complaints shall be recorded and include notations as to the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. The record shall be signed by the Project owner and also the complainant, if possible, to indicate concurrence with the corrective action or agreement with the justification for a lack of action.
- 18. The Applicant shall, to the extent feasible, minimize the destruction of native plants during the Project construction and shall comply with the notice and salvage requirements of the Arizona Native Plant Law. Where practical, the Applicant shall utilize plant materials salvaged within the right of way and supplement with additional plant material to mitigate the visual impacts around the Pinal West substation.
- The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.
- 20. The following condition is to ensure transmission system safety and reliability when a transmission structure is placed within one hundred feet

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of an existing natural gas or hazardous liquid pipeline, excluding distribution lines as defined by the Code of Federal Regulations, 49 C.F.R. Sect. 192.3 (2001). Under such circumstances, the Applicant shall:

- (a) Provide the appropriate grounding and cathodic protection studies to show that the transmission line results in no material adverse impacts to such existing natural gas or hazardous liquid pipeline, whose right-of-way is a hundred feet or less from the transmission structure, when both are in operation. Additionally, Applicant shall use its best efforts to insure that future natural gas and hazardous liquid pipelines result in no material adverse impact to the transmission lines. A report of the studies shall be provided to the Commission by the Applicant as part of its compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure such material adverse impacts are mitigated. Applicant shall provide to the Commission written documentation of the actions that were taken and provide documentation showing that material adverse impacts were mitigated.
- (b) Adopt a written mitigation plan outlining all reasonable steps to be taken to protect all electric facilities associated with the transmission line as a result of this Project from any potential hazards that could

occur whenever a transmission line structure is placed 100 feet or less from any such existing pipeline or its contents. The plan shall indicate the proposed corrective action to mitigate identified potential hazards. A potential hazard includes, but is not limited to, a rupture or explosion resulting from the pipeline. The written mitigation plan shall be provided to the Commission by the Applicant as part of its compliance with this Certificate and shall be subject to review and comment by Commission Staff. Applicant shall implement the written mitigation plan during a hazard as part of its compliance with this Certificate.

- 21. The Applicant shall submit a self-certification letter annually until construction is complete, identifying which conditions contained in the CEC have been met. Each letter shall be submitted to the Utilities Division Director beginning on August 1, 2005, describing conditions that have been met as of June 30 of that year. Attached to each certification letter shall be documentation explaining, in detail, how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall also be submitted to the Attorney General's Office.
- 22. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan with ACC Docket Control.

The goals of the Plan will be to:

Avoid impacts where practical;

Where impacts are unavoidable, minimize impacts; and

Focus on site preparation to facilitate natural processes of revegetation.

Other key elements of the Plan, when not inconsistent with the respective land management agencies or local owners' requirements, are to:

Emphasize final site preparation to encourage natural revegetation;

Avoid (i.e., preserve), where practical, mature native trees;

Stipulate a maximum construction corridor width;

Reserve topsoil and native plant materials from right-of-way before grading, and respread over the right-of-way after construction is complete;

Imprint the restored right-of-way to provide indentations to catch seed and water;

Implement best management practices to protect the soil;

Apply restoration methods that have been shown to work in the desert environment; and

Prevent the spread of noxious weeds or other undesirable species.

23. Neither the Applicant nor any participant will assert or argue that the grant of this Certificate, authorizing the construction of the Project to the proposed Pinal West substation, acts as precedent for routing decisions or any other matters to be

determined in subsequent Certificate of Environmental Compatibility applications, if any, filed by the Applicant or other project participants concerning additional lines to be constructed from the proposed Pinal West substation.

GRANTED this 26day of Which, 2004.

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

Laurie A. Woodall, Chairman

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Chairman	Commissioner	Commissioner
	Commissioner	Commissioner
mmissioner	Commissioner	•
In Witness H	lereof, I, Brian C. McNe	il, Executive Secretary o
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e affixed, this	day of	, 2004.
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Brian C. McNe		
Executive Secr	retary	
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EXHIBIT A

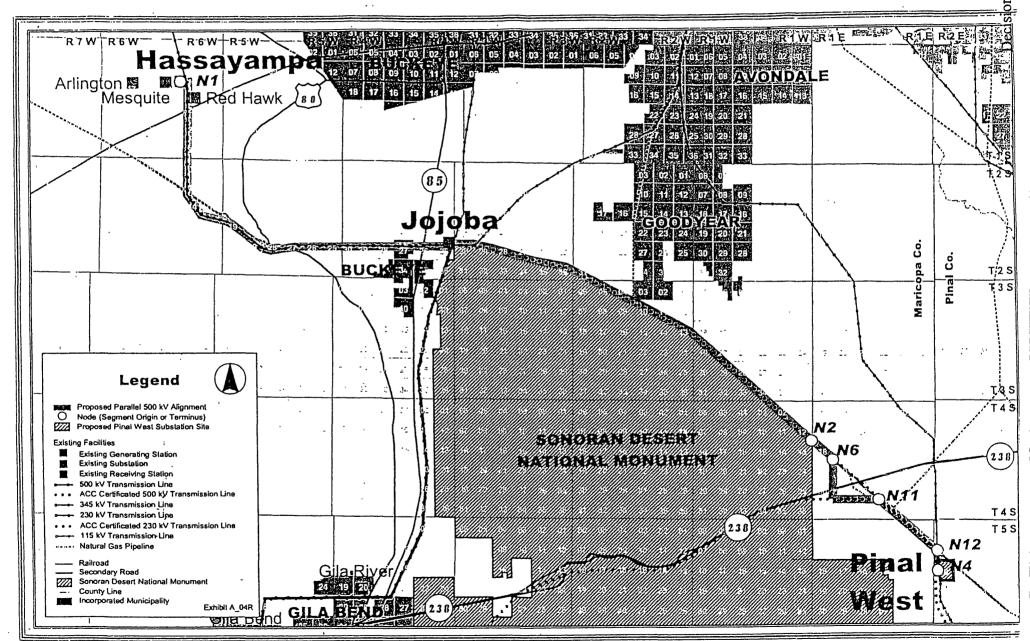


EXHIBIT B

