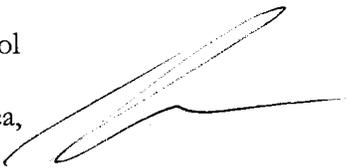


MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea,
Director
Utilities Division 

DATE: April 11, 2014

RE: IN THE MATTER OF THE COMMISSION'S EIGHTH BIENNIAL TRANSMISSION ASSESSMENT ("BTA"), PURSUANT TO A.R.S. §40-360.02G, OF THE ADEQUACY OF EXISTING AND PLANNED TRANSMISSION FACILITIES TO MEET ARIZONA'S ENERGY NEEDS IN A RELIABLE MANNER (Docket No. E-00000D-13-0002)

This shall serve as an advance notice of the initial workshop in the matter of the Arizona Corporation Commission's ("ACC" or "Commission") Eighth Biennial Transmission Assessment ("BTA"). The formal notice of the workshop will be issued by the Commission at a later date. Workshop notices, agendas, presentations and draft reports will be posted on the Commission website on the Biennial Transmission Assessment page (<http://www.azcc.gov/divisions/utilities/electric/biennial.asp>) throughout the BTA process. The location, date and time of the first BTA workshop is provided below.

LOCATION: Arizona Corporation Commission – Hearing Room One
1200 W. Washington Street
Phoenix, AZ 85007

DATE Thursday, May 15, 2014 TIME: 9:00 a.m.

The Commission has retained the consulting firm of K.R. Saline & Associates ("KRSA") to assist the Utilities Division Staff ("Staff") in the coordination and preparation of the Eighth BTA. A preliminary workshop agenda is attached. Please consider the agenda and attached list of questions as you prepare for the upcoming workshop. Questions or inquiries regarding the upcoming workshop should be made directly to the following KRSA personnel involved with the Eighth BTA:

Project Manager
Christopher M. Fecke-Stoudt, P.E.
cmf@krsaline.com
(480) 610-8741

Your participation and contribution in the upcoming Eighth BTA process is welcomed and encouraged. Please provide Staff Engineer Ed Stoneburg and Chris Fecke-Stoudt any information or material you feel would be beneficial to this assessment of the Arizona transmission system. Mr.

The Commission
April 11, 2014
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Stoneburg can be reached at (602) 542-0755 or estoneburg@azcc.gov Mr. Fecke-Stoudt's contact information is above.

SMO:ES:ML:red/WVC

Originator: Margaret T. Little

Attachments: Preliminary Agenda
Workshop Questions

8th BTA Workshop I
PRELIMINARY AGENDA

Thursday, May 15, 2014: 9:00 AM – 4:00 PM
Arizona Corporation Commission – Hearing Room #1
1200 W. Washington Street
Phoenix, Arizona 85007

- | | |
|--|------------|
| 1. Introductions and Workshop Overview | KRSA/Staff |
| 2. Presentation of Entities' Ten Year Transmission Plans | |
| a. Transmission Plans for 2014-2023 | Panel A |
| b. Interstate and Merchant Transmission Projects | Panel B |
| c. Generation Interconnection Driven Transmission Projects | Panel C |
| 3. Commission Ordered BTA Requirements ¹ | Panel D |
| a. N-1-1 Studies | |
| b. Extreme Contingency Studies | |
| 4. National and Regional Transmission Issues | Panel E |
| a. WestConnect Transmission Initiatives and Planning Update | |
| b. SWAT Subregional Planning Update | |
| 5. Other Transmission Related Topics of Interest | Panel F |
| a. Western Area Power Administration Infrastructure Program | |
| b. WECC/TEPPC Update | |
| 6. Action Items and Tentative Schedule for Workshop II and 8 th BTA | KRSA/Staff |

Panel A – APS, SRP, SWTC, TEP/UNS Electric

Panel B – Sun Zia, Centennial West Clean Line Project, Southline Project, Santa Fe Project, TransWest Express, Navajo Transmission, High Plains Express

Panel C – Bowie, Longview Energy Exchange, TBD

Panel E – WestConnect, SWAT

Panel F – WAPA, WECC

¹ RMR Studies were not required for the 8th BTA based upon criteria set by the Commission in the 7th BTA

8TH BIENNIAL TRANSMISSION ASSESSMENT
Workshop I – Thursday, May 15, 2014
Preparatory Inquiries

For all prospective workshop attendees and participants:

Considering the requirement of **A.R.S. § 40-360.02.G** for the Commission to biennially review ten year plans filed with the Commission and to “issue a written decision regarding the adequacy of the existing and planned transmission facilities in this state to meet the present and future energy needs of this state in a reliable manner.”

- What transmission related topics or policy issues do you desire to have added to the proposed agenda?

Please notify Ed Stoneburg and Christopher M. Fecke-Stoudt via e-mail by May 1, 2014, of any responses you may have regarding the above question.

For all parties that filed ten year plans:

A.R.S. § 40-360.02.A. requires that “every person contemplating construction of any transmission line within the state during any ten year period shall file a ten year plan with the Commission on or before January 31 of each year.”

A.R.S. § 40-360.02.C.7. requires that “the plans for any new facilities shall include a power flow and stability analysis report showing the effect on the current Arizona electric transmission system. Transmission owners shall provide the technical reports, analysis or basis for projects that are included for serving customers load growth in their service territories.”

Please plan on making a power point presentation of your transmission plan at the workshop and incorporate a response to the following items.

1. Describe all technical studies that were performed in support of your filed transmission plan.
2. List all reports that exist for the studies identified in item 1 and identify which reports were not included in your ten year plan filing.
3. Identify all transmission projects in your transmission plan for which power flow and stability analyses have not been performed or for which reports have not been filed. Describe how and when do you intend to respond with the required studies and reports.
4. Describe any stakeholder input and review that occurred regarding your transmission plan.
5. Please identify the subregional transmission planning forum(s) in which your transmission plan was addressed. Were your project(s) or planned facilities studied in that forum? Did your project(s) or plan undergo a peer review in that subregional forum and were they incorporated in the subregional plan?

6. Identify all projects in your filed transmission plans that were not addressed in a subregional transmission planning forum.
7. Describe which transmission projects have been avoided or delayed by the effects of distributed generation and energy efficiency programs.
8. Describe the steps being taken to evaluate the transmission system adequacy impacts of the potential coal plant closures resulting from Environmental Protection Agency regulations.
9. Describe how the Arizona-Southern California September 8, 2011 outage has affected transmission system adequacy planning within your company.
10. Describe the steps being taken to evaluate the impacts on transmission system adequacy, including transmission system ancillary service requirements, of the increasing penetration of variable energy resources.