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ARIZONA CORPORATION COMMISSION

November 28, 2005

Ms. Julia Souder
U.S. Department of Energy
Office of Electricity Delivery and Energy Reliability
1000 Independence Avenue, SW
Washington, DC 20585

RE: NOTICE OF INTENT TO PREPARE A PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT, AMENDED RELEVANT AGENCY LAND USE PLANS, CONDUCT PUBLIC SCOPING MEETINGS, AND NOTICE OF FLOODPLAIN AND WETLANDS INVOLVEMENT. **FEDERAL REGISTER DOC. 05-19375**

Ms. Souder:

Utilities Division staff members ("Staff") of the Arizona Corporation Commission ("ACC") were unable to attend the November 3, 2005 scoping meeting in Phoenix, Arizona. Therefore, I am taking this opportunity to formally submit Staff's written comments. We applaud federal agencies efforts to prepare programmatic environmental impact statements ("PEIS") for the designation of energy corridors on federal lands in the 11 western states.

Staff assumes the objective of the PEIS effort is to facilitate more timely and expedient siting of energy facilities over federal rights of way. However, there are several factors that may limit the successful achievement of that objective. The following areas of concern appear to not be adequately addressed by the proposed PEIS process. Staff believes these concerns must be addressed in the larger context of establishing corridors suitable for energy facilities that will be sited in Arizona.

1. Pre-determining corridors over federal lands with National Environmental Policy Act ("NEPA") environmental reviews should be very helpful in shortening the siting process prevalent today for energy facilities. However, does the proposed process implicitly preclude future consideration of alternative corridors over federal lands once the PEIS has resulted in a set of designated utility corridors in the West? If so, then the process may be flawed for the reasons outlined below.
2. The PEIS process is progressing concurrently with the Department of Energy ("DOE") Transmission Congestion Study (required by the Energy Policy Act of

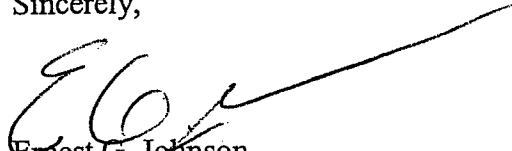
2005) to identify congested transmission paths that may warrant designation as National Interest Transmission Corridors. While the use of the term "corridor" may differ in these two concurrent federal processes, there remains a strong possibility that the Congestion Study may identify the need for transmission facilities not yet envisioned by the electric industry. Such facilities would therefore not be among the energy facilities identified for the PEIS process. Future transmission lines needed to mitigate the National Interest Transmission Corridor concerns may also not align with the corridors being contemplated by the PEIS efforts.

3. Determining how many corridors are actually needed and establishing appropriate compatible corridor uses requires consideration of more than just environmental issues. Arizona revised statute A.R.S. §40-360.06 lists the spectrum of factors that must be considered in siting electric facilities in Arizona. Several of these factors are not environmental in nature. Furthermore, A.R.S. §40-360.07.B requires the Arizona Corporation Commission to "balance, in the broad public interest, the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state." Such a balancing test should be equally appropriate for siting energy corridors over federal lands.
4. Reliability and physical security of multiple energy facilities in common corridors is a location specific and case by case matter. Before proposing to place multiple facilities in a common corridor, the following non-environmental factors should be considered:
 - a. Functionality of the proposed co-located energy facilities,
 - b. Critical infrastructure implications,
 - c. Interdependence of multi-disciplined energy facilities,
 - d. Timely access to co-located facilities for maintenance and repairs
5. Considerations listed in items 2 through 4 may establish a need for separate or additional corridors rather than co-locating all future energy facilities in a common or specified PEIS corridor. If so, then an effective federal process for modifying and supplementing the designated corridors resulting from the proposed PEIS process is needed.

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It is our hope that the above comments will be helpful to federal agencies as they proceed with the PEIS assessment for energy corridors over federal lands in the West. Please do not hesitate to contact us if we can be of further assistance in this matter.

Sincerely,



Ernest G. Johnson
Director
Utilities Division

EGJ:jds

cc: Jeff Hatch-Miller, Chairman, ACC
William A. Mundell, Commissioner, ACC
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