NEWSLETTER 6

NW VALLEY

ENERGY ENHANCEMENT SITING PROJECT

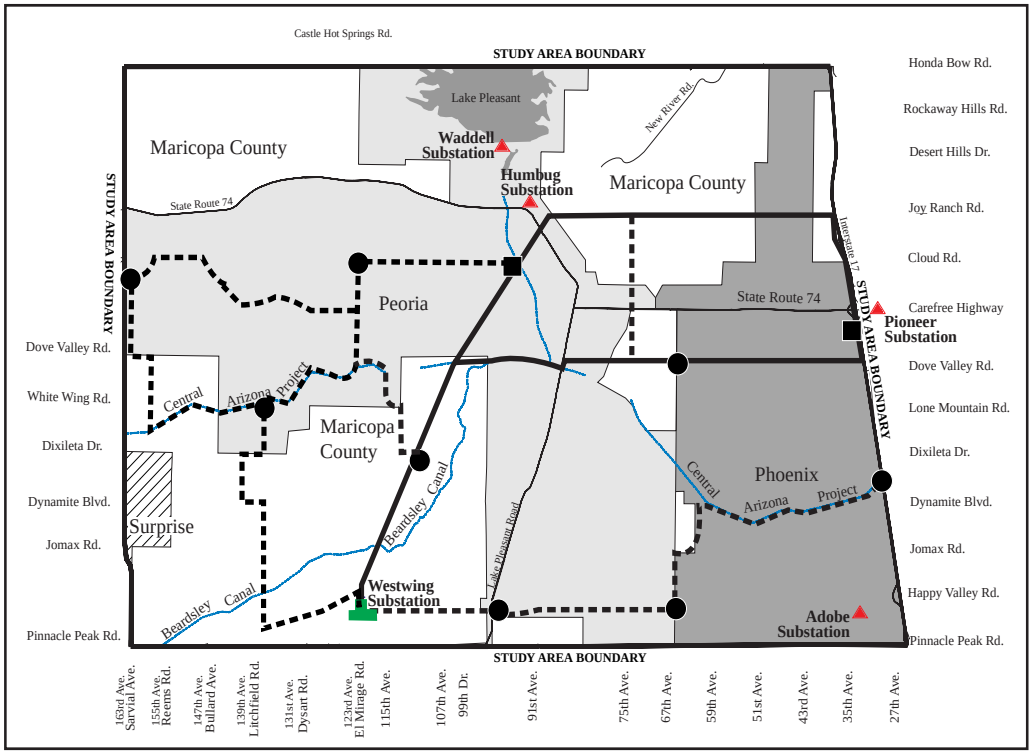
Introduction

This is the sixth in a series123 of newsletters designed to keep you informed about the APS Northwest Valley Energy Enhancement Siting Project, a comprehensive and systematic environmental planning process which began in September of 1997. Throughout this process, APS and the environmental consulting firm of Dames & Moore have studied and identified numerous possible transmission line routes and substation sites to serve the rapidly growing population in the northwest valley. After extensive consideration and review, APS has selected preferred transmission line routes and substation sites. This newsletter will describe the preferred routes and sites, and will explain upcoming steps in the process.

APS Preferred Routes and Substation Sites

The APS preferred system of 230 kilovolt (kV) and 69kV transmission line routes and substation sites for the northwest valley is shown on the map below.

The APS preferred route for the 230kV transmission line, which would deliver power in bulk from Westwing Substation to the northwest valley area, would initiate at the Westwing Substation at about 123rd Avenue between Happy Valley and Pinnacle Peak roads. The route, shown as a solid line on the map, would leave the Westwing Substation in a northeast direction, paralleling the existing 500kV transmission line, to an APS preferred substation site at Cloud Road. The line then would continue north



Maricopa County
Peoria
Phoenix
Surprise

APS Preferred 230/69kV Transmission Line Routes
APS Preferred 69kV Transmission Line Routes
APS Preferred 230kV/69kV Substations
APS Preferred 69kV Substations

NORTH

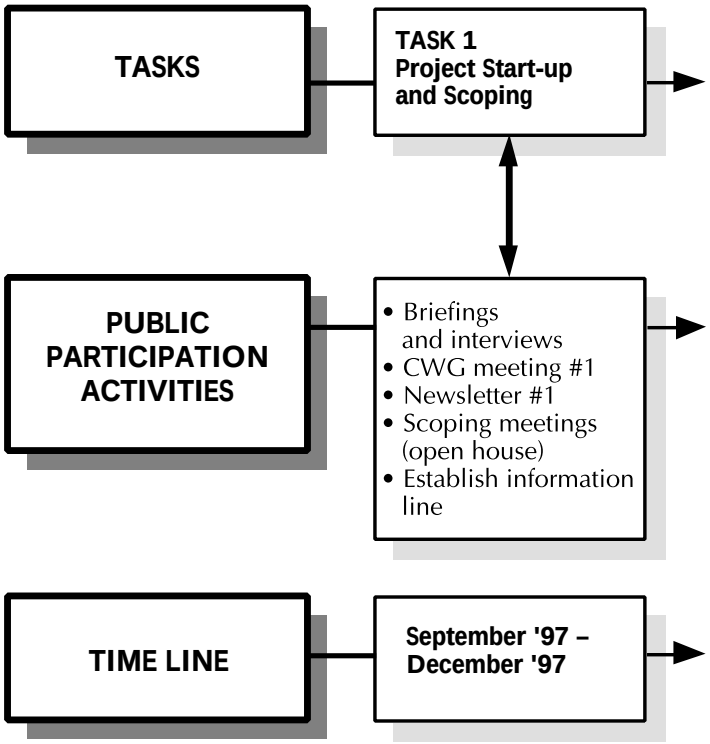
Not To Scale

NOVEMBER 1998

and follow an existing 69kV transmission line parallel to Joy Ranch Road, extending east to Interstate 17. The 230kV transmission line route would continue south along Interstate 17 to an APS substation site between the Carefree Highway and Dove Valley Road. The 230kV transmission line route would parallel Dove Valley Road, creating a loop for system reliability back to the existing 500kV line to the west. APS anticipates needing the 230kV facilities within five to ten years.

The APS preferred lower voltage 69kV transmission system (shown as a dashed line on the map), which would incorporate existing 69kV lines in the area and distribute power to neighborhoods within the northwest valley, consists of several sections. The section that is needed most immediately is in the southern portion of the project area. The 69kV transmission line would initiate at and head east from the Westwing Substation. The route would connect to two APS preferred 69kV substation sites, while paralleling the existing 230kV transmission line between Happy Valley and Pinnacle Peak roads to 67th Avenue. There, the route would turn to the north along 67th Avenue and continue to the Central Arizona Project canal. The 69kV line would parallel the canal east to an APS preferred substation site near Interstate 17 between Dixileta Drive and Dynamite Boulevard. APS anticipates that design and construction on a portion of this section of 69kV line will be completed within the next few months. The remaining portion of 69kV line and substations will be completed by the year 2000.

Other APS preferred substation sites and sections of 69kV transmission lines needed within the next five to ten years would parallel the APS preferred 230kV transmission line (solid line on the map). Along the preferred 230kV line, APS will underbuild 69kV transmission lines on the same poles as the APS preferred 230kV transmission line. In addition, a section of 69kV line is proposed along 75th Avenue between Joy Ranch and Dove Valley roads (dashed line on the map).

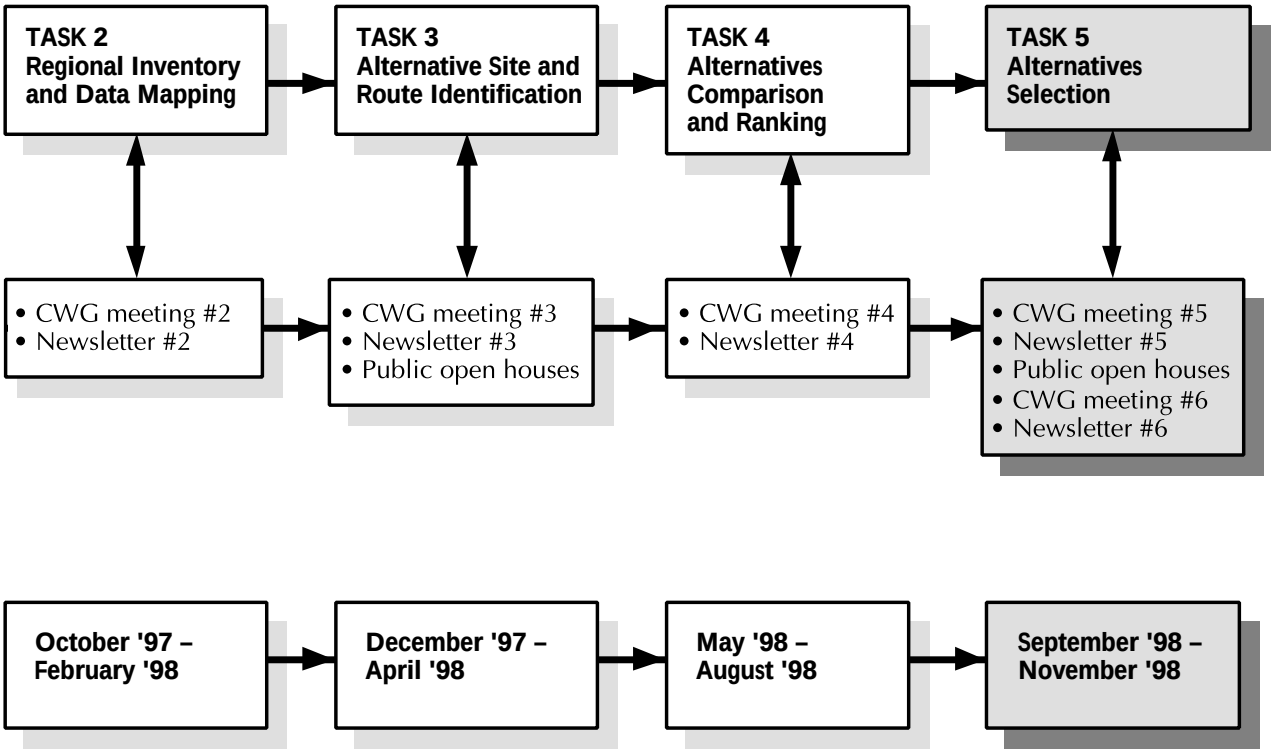


There are several APS preferred substation sites and sections of 69kV transmission line routes that will be needed to the west of the APS preferred 230kV line (also shown as dashed lines). However, construction of these substations and transmission lines will be determined by future growth and need.

What Happens Next?

The next step for APS will be to acquire the land for the substation sites and right-of-way for the 69kV transmission line section in the southern portion of the project area by December 1999 for design and construction in the year 2000.

As mentioned above, APS anticipates needing the 230kV facilities within five to ten years. In the state of Arizona, approval of a 230kV transmission line route is within the jurisdiction of the Arizona Power Plant and Transmission Line Siting Committee (APPTLSC), a committee that is part of the Arizona Corporation Commission. APS will prepare and submit an application for a Certificate of Environmental Compatibility to the APPTLSC for processing and hearing by June 2000.



Planning and Selection Process

To identify the preferred alternatives, each 230kV and 69kV transmission line route and substation site was evaluated and ranked considering environmental criteria, electrical system standards, and comments from the Community Working Group (CWG) and public. At key points during the process, the study team and the CWG worked together to discuss community concerns, examine environmental and engineering issues, and compare and refine the alternative routes. In addition, public open houses were held in December 1997, April 1998, and September 1998 to present and explain project information and obtain public comments and concerns. These public comments were incorporated into the ranking and evaluation of the alternative routes and sites facilitated by Dames & Moore.

APS reviewed the electrical performance, engineering constraints, system reliability, and economics of each alternative. After extensive review and consideration, the APS preferred routes and sites were selected based on a combination of the environmental evaluation, engineering criteria, and public input.

Public Participation

With the selection of the preferred alternative, the environmental planning and public participation component of the project is complete. The comments received from you, the public, during the planning process and the commitment of the CWG members were very helpful and greatly appreciated by Dames & Moore and APS.

Since this will be the final newsletter, thank you for your interest and valuable assistance on the project! If you have additional comments or questions, please call the telephone message line at 861-7471.