



NORTHEAST VALLEY

POWER LINE AND SUBSTATION PROJECT

April 2006 – Volume 3

APS Selects Preferred Locations for Substation, Power Lines *Public Input Helps Shape Decision*

After extensive public input and internal analysis, APS has selected preferred locations for new facilities necessary to ensure reliable electric service for customers who live and work in the rapidly growing Northeast Valley.

Since introducing the Northeast Valley 69-kV Power Line and Substation Project to the public in August 2004, APS has solicited input from hundreds of residents, land owners and other stakeholders in the area regarding the company's plans.

The input from those who participated in the public process enabled APS to refine the scope of the project to reflect many of the community's concerns. As a result of this information – and the company's own internal studies – APS announces the proposed components of this project (see map on page 2):

- *Co-locate facilities for a proposed 345/69-kilovolt (kV) substation at APS' existing Pinnacle Peak Substation;*
- *Construct a new 69/12-kV substation (NE2) on approximately two acres situated within a parcel of land located near Dynamite Boulevard and 118th Street;*
- *Expand the existing Stagecoach Substation by approximately 50 feet to the east;*
- *Construct new overhead 69-kV power lines within existing 345-kV and 69-kV corridors; and*
- *Construct a new 69-kV line along 118th Street, from the existing 345-kV corridor to the proposed NE2 substation – about two miles in length.*

It is important to APS that environmental impacts be minimized. APS is committed to work with the McDowell Sonoran Preserve Commission to underground the one mile of new line just south of the existing 345-kV corridor along 118th Street within the preserve, minimize impacts during construction and ensure that any disturbed landscape along the route is re-vegetated.

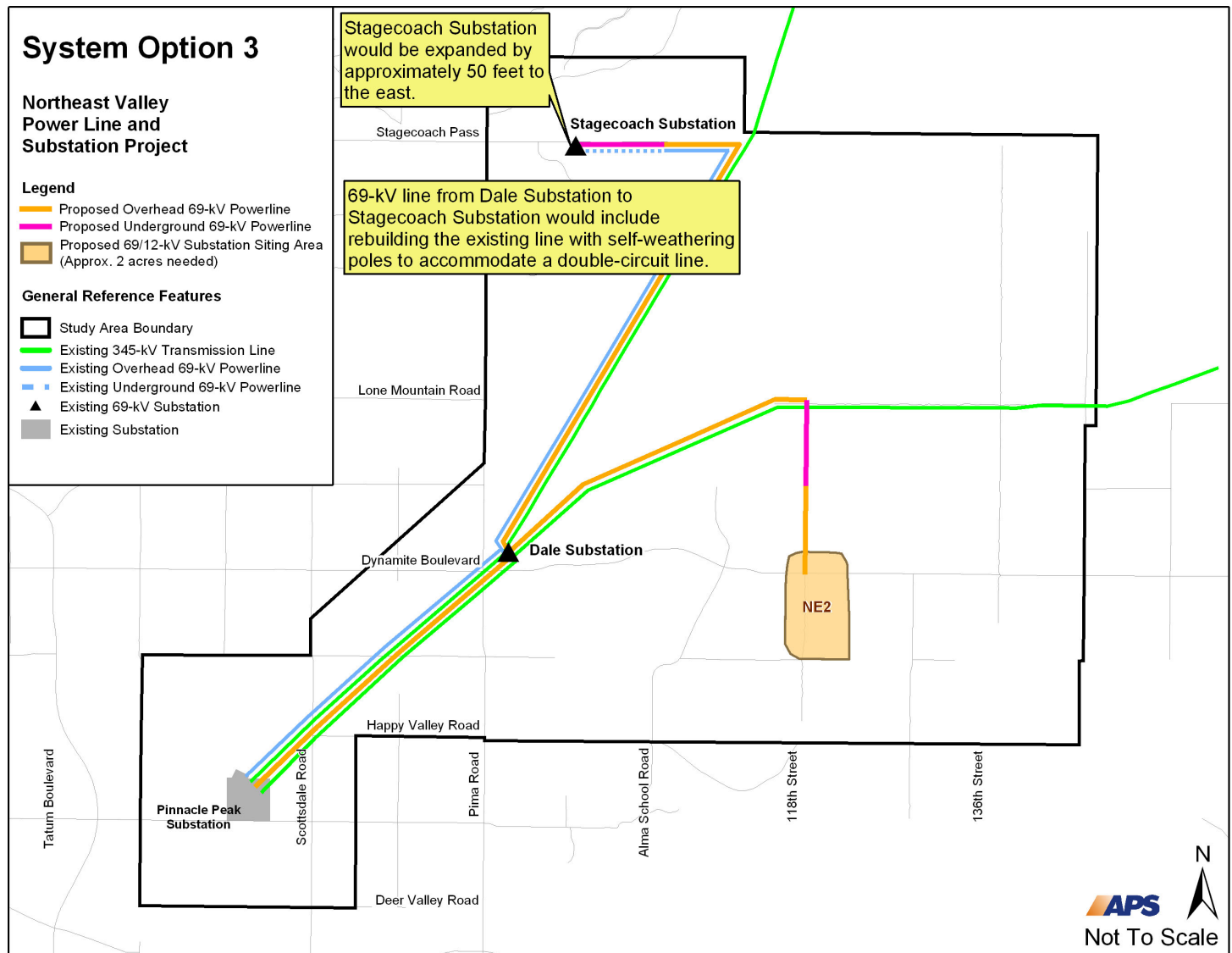
In the event APS is unable to secure right-of-way for the 118th Street route, the company will construct the 69-kV line overhead along 136th Street. As is the case with the 118th Street route, APS would work with the City of Scottsdale to underground the line if a funding mechanism is identified.

APS anticipates completing the project in the 2010-12 timeframe. These dates could be accelerated or delayed depending on the pace of growth in the Northeast Valley.

When siting electric facilities necessary to ensure customer reliability, APS is committed to an extensive public outreach program that actively seeks community input on the proposed project. In addition to public input, APS must consider other factors when selecting locations for its facilities. These include electrical system needs, environmental impact, cost and constructability of the facilities.

When making a final decision, it is APS' goal to select facility locations and power line routes with the least amount of overall impacts to the environment and the surrounding communities.

Project Map



For more information, and to view previous newsletters about this project, please visit <http://siting.aps.com>, or call project manager Michelle Lehman at (602) 493-4448.

To Our Neighbors and Customers...

From the time we first announced the need for new APS facilities to keep pace with the growing demand in the Northeast Valley almost two years ago, interest, scrutiny and input to this project has been as significant as any APS siting project during the past several years.

We wouldn't have wanted it any other way.

Since the mid-1980's, APS has used a process for siting 69-kilovolt (kV) facilities that is similar to the one it uses for higher-voltage facilities. While there is no regulatory requirement to conduct such an extensive outreach effort for 69-kV and lower-voltage facilities, APS has long recognized the value of soliciting input. The community was able to share its concerns relative to this project through several means:

- *Four meetings with a community working group established to provide direct feedback with APS and to act as a liaison to the community, governmental entities and local organizations;*
- *Two previous newsletters and one update letter sent to more than 9,000 area residents and property owners;*
- *Three separate open house events attended by a total of more than 800 people;*
- *A regularly updated Web site;*
- *Personal replies to more than 1,000 e-mails, letters and telephone calls; and*
- *Numerous meetings with City and County officials, elected officials and community associations.*

While the transmission line siting process understandably can trigger emotional reactions, the questions and feedback you offered provided new perspective and even prompted us to reevaluate our original plans. The public process works.

Since assuming the management responsibilities of this project in July, I have wholeheartedly welcomed input by the members of our community with a stake in this important project. (My predecessor, Steve Goodman, retired after more than 30 years of significant contributions to APS.)

In the end, your hard work and serious consideration of the issues were critical to the outcome. While the final decision does not reflect the most desirable engineering alternative, your participation has resulted in a system alternative that addresses community concerns, while enabling APS to ensure customer reliability for years to come.

Thank you for your contributions to this project.

Michelle Lehman – Project Manager



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FOR PROPERTY OWNERS

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