

SECOND PALO VERDE – NORTH GILA 500KV LINE

Report to STEP
September 21, 2006
Bob Smith

Permitting Participation Agreement

- Executed June 26, 2006
- Participants:
 - APS 40%
 - IID 20%
 - SRP 20%
 - Welton Mohawk 20%

Permitting Status

- EA submitted to BLM
- Expect ROD by end of 2006
 - Would provide all federal land ROW
- Anticipate filing CEC application with ACC during first quarter 2007
- Expect to obtain CEC by end of third quarter 2007

Technical Studies

- Feasibility studies completed and presented to participants
- Working on comprehensive progress report
- Will submit comprehensive progress report and begin WECC planning process during 2007