



Southwest Transmission Partners, LLC

**Stakeholder Comments on
2012-2013 Transmission Planning Process Stakeholder Meeting
11 February 2013**

Submitted By:	Company:	Date Submitted:
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Thank you again for the opportunity to provide comments on the CAISO 2012/13 Transmission Plan and to provide an update on the North Gila – Imperial Valley #2 (NGIV2) Project. We are coordinating closely with APS as the sponsor for the Hassayampa-North Gila #2 (HANG2) Project, as well as with the IID and SDGE as the existing transmission owners in the southern WECC region to complete Phase 1 of the WECC Three Phase Rating Process in 2013. The permitting for the NGIV2 Project is progressing with the Draft Environmental Impact Statement to be completed in 2014.

Our specific comments are related to the economic analysis that was conducted for the NGIV2 Project. We are encouraged that the latest analysis includes a benefit to consumers of \$378M compared to the \$93M benefit from the 2011/12 CAISO Plan (we should note here too that the 2012/13 Draft Transmission Plan should be updated to match the numbers presented at the February 11, 2013 Stakeholder Meeting). The Capital Cost however may still be overly inflated (by approximately 40%) as the Project Participants examine the methodology for cost recovery and annual revenue requirements. The majority of the NGIV2 Project (approximately 60%) will be constructed using lattice structures on public (mostly desert) lands, paralleling the existing North Gila – Imperial Valley #1 500kV line and greatly reduce the expected capital construction costs of the Project, with the remainder of the line to be constructed on tubular steel structures. The latest 2012 cost estimates for the NGIV2 Project for a single-circuit 500kV line and associated terminations is **\$295M** including permitting, ROW, EPC costs, and contingency.

Thank you for the opportunity to provide these comments, and look forward to presenting the overall economic and reliability benefits for the Project throughout 2013 and along with the CAISO 2013/14 Transmission Plan.