



**PINNACLE WEST**  
CAPITAL CORPORATION  
LAW DEPARTMENT

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January 20, 2006

Office of Indian Energy and Economic Development  
Attention: Section 1813  
Mail Stop 2729-MIB  
1849 C St., NW  
Washington, D.C. 20240

Re: Notice of Request for Public Comments on Congressionally Mandated Study of Energy Rights-of-Way on Tribal Lands

Dear Gentlemen:

Arizona Public Service Company ("APS" or "Company") appreciates the opportunity to submit comments in response to the Notice of Request for Public Comments regarding energy rights-of-way on tribal lands. We look forward to participating in the scoping meeting and workshops as the Department of the Interior (Bureau of Indian Affairs) and the Department of Energy (collectively, the Departments) proceed with the study. At this time, APS is providing preliminary comments on the proposed process only due to the short timeframe allowed, but looks forward to working with the Departments and providing additional input as the process proceeds.

APS is a vertically integrated public utility that is engaged in the generation, transmission and distribution of electricity in eleven of Arizona's fifteen counties. APS serves more than one million retail electric customers in Arizona and is an active participant in a number of regional planning organizations. APS currently has rights-of-way for approximately 775 miles of transmission and sub-transmission (69kV and above) lines over the lands of 16 tribal entities. A map detailing the APS service territory and Arizona tribal land is attached.

APS generally supports the work plan proposed by the Departments, including the planned scoping meeting and workshops, and appreciates the efforts of the Departments to complete the study by the statutory deadline. APS offers the following issues for consideration as the Departments further develop and implement that work plan:

APS • APS Energy Services • Pinnacle West Energy • SunCor • El Dorado

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- APS understands the tight timeframe that the Departments must meet to complete their study, but encourages the Departments to seek input from all interested parties, including tribes, utilities, and regulators.
- At one point, the Notice implies that the focus of the Departments will be on rights-of-way for pipelines, but it is important to recognize that electric utility transmission and distribution line rights-of-way have the same characteristics and issues as pipeline rights-of-way.
- APS encourages the Departments to work toward the development of a unified and timely process that is fair to both the tribes and those seeking rights-of-way across tribal lands. The Departments should look to established processes used on non-tribal lands (i.e., private, state and federal lands) for guidance.
- It is important that the work plan address not only a process for obtaining new rights-of-way, but also a process for ensuring timely renewal under reasonable terms and conditions of existing rights-of-way.
- In addition to considering the rates of compensation for rights-of-way on tribal lands, the Departments should address and encourage the development of other reasonable terms and conditions, including but not limited to access, the term of the right-of-way, renewal rights, appropriate valuation methodologies for the land impacted by the right-of-way, and the magnitude and scope of additional environmental studies to be required for new and renewal rights-of-way.
- The Departments should develop a process pursuant to which certain information that may be requested (such as rates of compensation on existing rights-of-way) can be kept confidential.

In addition to the above comments, APS also supports the comments submitted by the Edison Electric Institute ("EEI") and incorporates them here by reference.

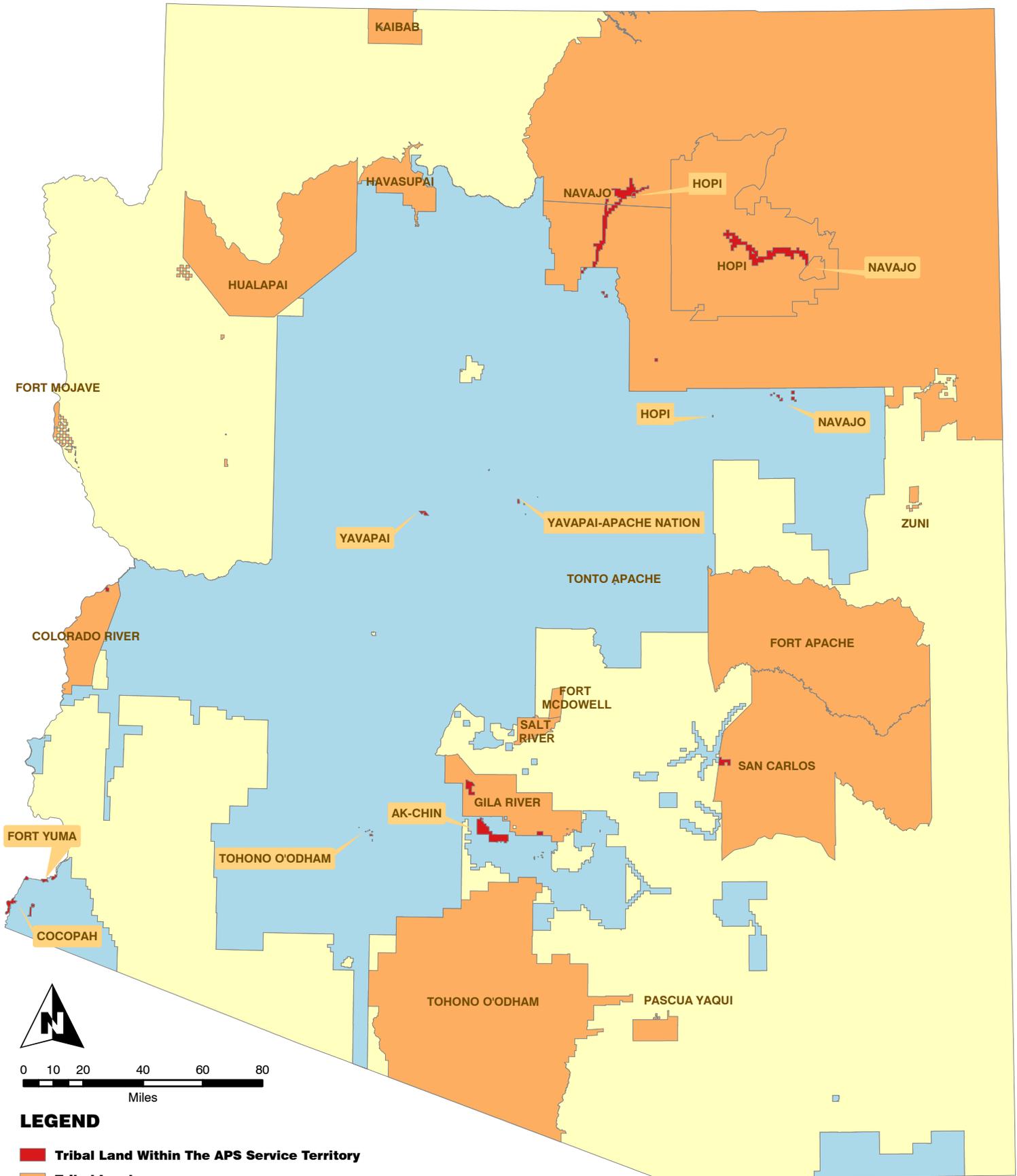
As indicated above, APS looks forward to participating further with the Departments efforts in response to Section 1813 of the Energy Policy Act of 2005. If you have any questions, please feel free to contact me at the number or email address listed above or John Sterling at 602-250-2295 or [john.sterling@aps.com](mailto:john.sterling@aps.com).

Sincerely,

ARIZONA PUBLIC SERVICE COMPANY

  
Karilee S. Ramaley

# APS CCN SERVICE TERRITORY AND TRIBAL LANDS MAP



**LEGEND**

- Tribal Land Within The APS Service Territory
- Tribal Land
- APS Service Territory
- Non-APS Service Territory