



**Sempra  
Energy**



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AZ CORP COMMISSION  
DOCUMENT CONTROL

January 24, 2001

ORIGINAL

Mr. Brian McNeil  
Executive Secretary  
1200 West Washington  
Phoenix, AZ 85007-2996

*L-000005 -01 - 0101*

Re: Application of Mesquite Power, LLC for Commission Determination of Exempt Wholesale Generation Status

Dear Mr. McNeil:

Enclosed, for your information only, is a copy of the above-referenced application which is being filed with the Federal Energy Regulatory Commission.

Very truly yours,

Brian E. Cromer  
Corporate Counsel

Arizona Corporation Commission  
**DOCKETED**

JAN 26 2001

DOCKETED BY	<i>BC</i>
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cc: Janice Alward, Assistant Chief Counsel  
Larry V. Robertson

Arizona Corporation Commission  
**DOCKETED**

**JAN 26 2001**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

DOCKETED BY JM

Mesquite Power, LLC )  
)  
)

Docket No. EG01-\_\_\_-000

**APPLICATION OF MESQUITE POWER, LLC FOR COMMISSION  
DETERMINATION OF EXEMPT WHOLESALE GENERATOR STATUS**

Pursuant to Section 32(a)(1) of the Public Utility Holding Company Act of 1935, as amended ("PUHCA"), 15 U.S.C. § 79z-5a, and Part 365 of the regulations of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. Part 365 (1999), Mesquite Power, LLC ("Applicant"), a Delaware limited liability company, hereby files this application ("Application") for a determination that it is an Exempt Wholesale Generator ("EWG") within the meaning of Section 32(a)(1) of PUHCA. In support of this Application, Applicant hereby states as follows, and affirms such statements in the sworn statement that accompanies this Application:

**I. PRINCIPAL OFFICE OF APPLICANT**

The principal office of Applicant is:

Mesquite Power, LLC  
101 Ash Street  
San Diego, CA 92101

**II. COMMUNICATIONS**

All communications regarding this Application should be directed to:

Mr. Marty Swartz  
Manager, Project Development  
Mesquite Power, LLC  
101 Ash Street, HQ01H  
San Diego, CA 92101  
Tel: (619) 696-2943  
Fax: (619) 696-2911

### **III. DESCRIPTION OF APPLICANT AND ELIGIBLE FACILITY**

Applicant is a limited liability company organized under the laws of the State of Delaware, whose sole member is SEP II, a California corporation. SEP II is owned by Sempra Energy Resources, a California corporation. Sempra Energy Resources is a wholly owned subsidiary of Sempra Energy, an exempt holding company under PUHCA.

Applicant will be engaged directly and exclusively in the business of operating an approximately 1,000 MW electric generating plant and related facilities, to be located in Maricopa County, Arizona (the "Facility"). The Facility will be nominally owned by First Security Bank, National Association, as Trustee, under a synthetic lease structure. Under the synthetic lease structure, the Trustee will lease the Facility to Sempra Energy Resources. Sempra Energy Resources will then either sublease or assign the Facility to the Applicant. Applicant will sell the electricity from the Facility exclusively at wholesale.

### **IV. REPRESENTATION OF EWG STATUS**

1. Upon the completion and commencement of commercial operation of the Facility, Applicant will be engaged directly, or indirectly through affiliates, as defined in Section 2(a)(11)(B) of PUHCA, and exclusively in the business of operating an "eligible facility" and selling electric energy at wholesale.

2. The Facility is an "eligible facility" within the meaning of Section 32(a)(2) of PUHCA because it will be used for the generation of electric energy exclusively for sale at wholesale.

3. None of the electricity produced by the Facility will be sold at retail by Applicant to consumers within or outside of the United States.

4. The Facility includes only those transmission interconnection components necessary to effect sales of power to wholesale customers.

5. The Facility is subject to a Master Lease between Sempra Energy Resources, a parent company of the Applicant, and First Security National Association, not in its individual capacity but solely as Trustee, dated as of September 15, 2000. The Master Lease is a synthetic lease and serves as a financing vehicle for the Facility. Sempra Energy Resources will sublease or assign the Facility to the Applicant. There are no other lease arrangements involving the Facility, and no leases to any public utility companies. Applicant will retain sole control over the maintenance, care, custody and operations of the Facility.

6. The Applicant is an associate company of an electric utility company, San Diego Gas & Electric. No part of the Facility is or will be owned by an electric utility company that is an affiliate or associate of the Applicant.

7. No rate or charge for, or in connection with, the construction of the Facility, or for electric energy produced thereby, was in effect under the laws of any State of the United States on October 24, 1992.

8. A form of notice of this Application suitable for publication in the Federal Register is included herewith as Attachment A. A form of the notice also is provided on a 3-1/2 inch diskette in ASCII format.

9. A sworn statement by a representative legally authorized to bind Applicant and attesting to the facts and representations presented herein to demonstrate eligibility for EWG status is included herewith as Attachment B.

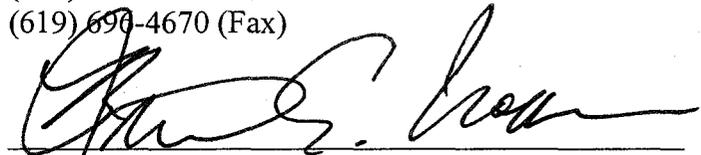
10. Applicant has served a copy of this Application on the Securities and Exchange Commission, the California Public Utilities Commission and the Arizona Corporation Commission.

**V. CONCLUSION**

WHEREFORE, based on the facts, representations, and statements set forth herein, Applicant respectfully requests that the Commission determine that it is an exempt wholesale generator, as defined under Section 32(a)(1) of PUHCA.

Respectfully submitted,

SEMPRA ENERGY  
101 Ash Street, HQ 12  
San Diego, CA 92101-3017  
(619) 696-4375  
(619) 696-4670 (Fax)



By: Brian E. Cromer  
Attorney for Mesquite Power, LLC



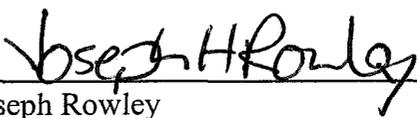
Energy Regulatory Commission at 888 First Street, N.E., Washington, D.C. 20426, in accordance with Sections 385.211 and 385.214 of the Commission's rules of Practice and Procedure. The Commission will limit its consideration of comments to those that concern the adequacy or accuracy of the Application. All such motions or comments should be filed on or before \_\_\_\_\_ and must be served on the Applicant. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection or on the Internet at <http://www.ferc.fed.us/online/rims.htm> (please call (202) 208-2222 for assistance).

Secretary

**ATTACHMENT B**

**AFFIDAVIT OF JOSEPH ROWLEY – VICE PRESIDENT, PROJECT DEVELOPMENT**

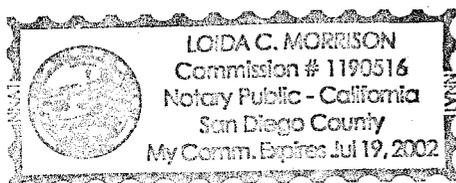
The undersigned, Joseph Rowley, being first duly sworn, attests that he is the Vice President of Project Development of Mesquite Power, LLC; that as such he is legally authorized to bind Mesquite Power, LLC; that he has read the foregoing Application of Mesquite Power, LLC for Commission Determination of Exempt Wholesale Generator Status and knows the contents thereof; and that the facts and representations set forth in the Application are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Joseph Rowley

Subscribed and sworn before me, a Notary Public in and for the State of California, this 17<sup>th</sup> day of January, 2001.

  
\_\_\_\_\_  
Notary Public in and for  
the State of California

My Commission expires: 7/19/02



**Certificate of Service**

I hereby certify that the foregoing Application of Mesquite Power, LLC for Commission Determination of Exempt Wholesale Generator status was served by first-class mail, postage prepaid, upon the Securities and Exchange Commission, the California Public Utilities Commission and the Arizona Corporation Commission on this 24<sup>th</sup> day of January, 2001.

  
\_\_\_\_\_  
Brian E. Cromer