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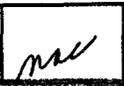
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Arizona Corporation Commission

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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE ARIZONA
PUBLIC SERVICE COMPANY'S
REQUEST FOR A VARIANCE OF
CERTAIN REQUIREMENTS OF A.C.C.
R14-2-1606

Docket No. E-01345A-01-0822

APPLICATION OF RELIANT RESOURCES,
INC. FOR LEAVE TO INTERVENE

Pursuant to A.A.C. R14-3-105, Reliant Resources, Inc. ("Reliant") hereby moves the Commission for leave to intervene in the above-captioned proceeding.

A subsidiary of Reliant has constructed and is currently operating a major electric generating facility in Arizona.¹ This facility, known as Desert Basin, is a \$263 million, 563 megawatt natural gas-fired merchant power plant. With operations commencing this summer, Desert Basin provides electricity to Reliant Resources Services which markets the electric power to a wholesale customer in the state of Arizona. In addition to Desert Basin, a subsidiary of Reliant is proceeding with a second facility, which Reliant anticipates may be ready for commercial operation in 2004. Phase I of Signal Peak will include two natural gas-powered turbines and one steam-powered turbine and will have a total capacity of 580 megawatts. The electricity from this facility will also be provided to Reliant Resources Services for marketing to wholesale customers and large energy consumers in Arizona and the western United States.

¹ Reliant obtained a Certificate of Environmental Compatibility authorizing the construction of the facility. See Decision Nos. 61852/62426.

1 To date, Reliant has expended several hundred million dollars, and will expend additional
2 hundreds of millions of dollars to construct such facilities in Arizona. In doing so, Reliant has
3 acted in direct reliance on the existence and continued application of the provisions of R14-2-
4 1606, including, specifically, R14-2-1606(B). In addition, since it was entered, Reliant has
5 directly relied on this Commission's Decision No. 61973 (the "Decision"), which Decision
6 approved that Settlement Agreement dated May 14, 1999, as amended, between Arizona Public
7 Service Company ("APS") and various parties (the "Settlement Agreement") in continuing to
8 pursue its operations in this State. The Settlement Agreement specifically provides that "... APS
9 shall procure generation for Standard Offer customers from the competitive market as provided
10 for in the Electric Competition Rules." See Addendum to Settlement Agreement, ¶ 5.(4.1.(3)).

11 In addition to its interest in the continued success of its Desert Basin and Signal Peak
12 plants, Reliant has a real interest in the continued availability of access to transmission capacity
13 within APS' transmission grid. The approval of the request of APS for a Purchase Power
14 Agreement ("PPA") will undoubtedly impact the availability of such access.

15 Reliant has made significant investment toward its operations in the State of Arizona in
16 direct reliance on the existence and application of R14-2-1606, the Decision, and the Settlement
17 Agreement. Reliant also has an interest in the continuing availability of transmission capacity on
18 the APS grid. Reliant is concerned that APS's proposed PPA will have a significant impact on
19 that transmission capacity. Therefore, the relief APS seeks will have an impact on Reliant and its
20 Arizona operations. Accordingly, Reliant will be directly and substantially affected by any
21 decision of the Commission in these proceedings. Moreover, the granting of intervenor status to
22 Reliant will not unduly delay the proceedings or cause the issues to be unduly broadened.

23 Reliant requests that all communications in connection with the above-captioned
24 proceedings be directed to:

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For the reasons discussed above, Reliant respectfully requests that it be granted leave to intervene in these proceedings, and that Reliant be accorded the full status of an intervenor under the Commission's rules and regulations.

DATED this 5th day of November, 2001.

FENNEMORE CRAIG

By 

C. Webb Crockett
Jay L. Shapiro
Attorneys for Proposed Intervenor
Reliant Resources, Inc.

Original and 10 copies
hand-delivered this 5th
day of November, 2001 to:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Copy of the foregoing
hand-delivered this 5th
day of November, 2001 to:

Lyn Farmer
Chief Administrative Law Judge
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Phoenix, AZ 85007

Chris Kempley, Chief Counsel
Legal Division
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And a copy mailed this 5th
day of November, 2001, to:

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Attorneys for APS

By 