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ARIZONA CORPORATION COMMISSION
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March 29, 2002

Commissioner William A. Mundell
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Decision No. 64446

RE: Toltec Power Station (Case Number 112 and 113) L-00000Y-01-0112
Bowie Power Station (Case Number 118) L-00000B-01-0118

Decision No. 64625

Dear Commissioner Mundell:

The purpose of this letter is to advise you that the environmental firm that prepared the Certificate of Environmental Compatibility application for Toltec and Bowie is owned by one of the owners of Toltec and Bowie. The environmental firm is EPG, Inc. (ACC company 0885136-2) whose President and CEO is Garlyn Bergdale. Garlyn Bergdale is also the general manager of WGP Consultants II, LLC (ACC LLC L-09500862), a company that stands to make a substantial amount of money upon the construction of Toltec and Bowie – as shown in the enclosed document. I feel that there is an inherent conflict of interest in the firm preparing the environmental assessment being an owner of the project and hope that you will investigate this matter further.

Sincerely,

Concerned citizen

Arizona Corporation Commission

DOCKETED

Cc: Max Jarman, Arizona Republic

APR 08 2002

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**MINUTES OF A SPECIAL MEETING
OF THE MEMBERS OF SOUTHWESTERN
POWER GROUP, II, LLC**

A special meeting of the Members of Southwestern Power Group II, LLC, (SWPG II) was held at 4350 East Camelback Road, Suite B150, Phoenix, AZ 85018, on the 21st day of February, 2001. Present and in attendance were the following Members: MMR Power Group, LLC, through its General Manager, James B. Rutland; WGP Consultants II, LLC, through its General Manager, Garlyn Bergsdale; MARCO Power Group, LLC, through its General Manager, Maurice C. Richard; and Papago Power Group, LLC, through its General Manager, Tom Wray

WHEREAS, due to the greater dilution of ownership interests of the members below, it is hereby:

RESOLVED, that, upon a sale, disposal, encumbrance, mortgage, or lease of a substantial percentage of SWPG II's assets and/or any of its projects, MMR Power Group, LLC and WGP Consultants II, LLC are to receive the following:

- A. A Continued Financial Interest in Toltec on the Basis Shown Below:
- A cash payment of \$5,000,000 at financial closing
 - A cash payment of \$5,000,000 at commercial operations
- B. A Continued Financial Interest in Bowie on the Bases Shown Below:
- A cash payment of \$2,500,000 at financial closing
 - A cash payment of \$2,500,000 at commercial operations
- C. A Continued Financial Interest in Pyramid Lake on the Basis Shown Below:
- A cash payment of \$2,500,000 at financial closing
 - A cash payment of \$2,500,000 at commercial operations

If any of the above projects do not reach financial closing, the next project to reach financial closing will owe MMR Power Group, LLC and WGP Consultants, II, LLC, \$5,000,000 at financial closing until MMR Power Group, LLC is paid \$20,000,000 in development fees.

MMR Power Group, LLC will receive 75.385% and WGP Consultants II, LLC will receive 24.615% of the combined total cash payments referred to above.

There being no further business, the meeting was adjourned.

CERTIFICATE

I, Tom Wray, do hereby certify that I am the Secretary and Keeper of the Records of Southwestern Power Group II, LLC, and that the foregoing is a true and correct representation of the events of the meeting described hereinabove on the 21st day of February, 2001.

IN WITNESS WHEREOF, I have affixed my name as Secretary on this 21st day of February, 2001.

SOUTHWESTERN POWER GROUP II, LLC

By: Tom Wray
TOM WRAY, Secretary