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INTERVENTION

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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission  
 WILLIAM A. MUNDELL **DOCKETED**  
 Chairman  
 JIM IRVIN  
 Commissioner  
 MARC SPITZER  
 Commissioner

AZ CORP COMMISSION  
DOCUMENT CONTROL

SEP 27 2002

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IN THE MATTER OF THE APPLICATION  
 OF ARIZONA PUBLIC SERVICE  
 COMPANY FOR AN ORDER OR ORDERS  
 AUTHORIZING IT TO ISSUE, INCUR, OR  
 ASSUME EVIDENCES OF LONG-TERM  
 INDEBTEDNESS; TO ACQUIRE A  
 FINANCIAL INTEREST OR INTERESTS IN  
 AN AFFILIATE OR AFFILIATES; TO LEND  
 MONEY TO AN AFFILIATE OR  
 AFFILIATES; AND TO GUARANTEE THE  
 OBLIGATIONS OF AN AFFILIATE OR  
 AFFILIATES.

DOCKET NO. E-01345A-02-0707

**MOTION FOR LEAVE TO  
INTERVENE**

**APPLICATION OF HARQUAHALA GENERAL COMPANY, LLC  
FOR LEAVE TO INTERVENE**

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Pursuant to Arizona Administrative Code R14-3-105, Harquahala Generating Company, L.L.C. ("HGC") hereby applies to the Arizona Corporation Commission (the "Commission") for an order granting HGC leave to intervene in the above-captioned proceeding. The Commission should grant HGC leave to intervene because HGC will be directly and substantially affected by any decision by the Commission in these proceedings. As a merchant generator, HGC seeks to be an active participant in Arizona's competitive wholesale market. If approved, Arizona Public Service Company's ("APS") request to obtain a financial interest in, or guarantee the financial obligations of, its merchant affiliate, Pinnacle West Energy Corporation and/or its parent company, Pinnacle West Capital Corporation ("PWCC"), has the potential to impact the competitiveness of the upcoming procurement process by giving PWCC a significant competitive advantage. As a wholesale competitor seeking to provide power to APS, HGC has a substantial

1 interest in preventing PWCC from using APS to gain any direct or indirect competitive advantage  
2 in the solicitation process. Because APS is a potential primary customer of HGC, HGC has an  
3 interest in the health of APS, and we have been an intervenor in all the relevant electric  
4 restructuring proceedings up to this point. Finally, HGC is in a strong position to suggest  
5 alternative financing arrangements, and, therefore, HGC will be able to provide meaningful  
6 comment during these proceedings. Accordingly, HGC's intervention will not unduly broaden  
7 the issues or unduly delay the proceedings.

8 For the reasons outlined above, HGC respectfully requests that the Commission grant its  
9 Motion for Leave to Intervene in this matter and that HGC be accorded full status of an intervenor  
10 under the Commission's rules and regulations. HGC requests that all communications in  
11 connection with the above-captioned proceedings be directed to:

12 Roger K. Ferland  
13 Quarles & Brady Streich Lang LLP  
14 Renaissance One  
15 Two North Central Avenue  
16 Phoenix, Arizona 85004-2391  
17 Telephone: (602) 229-5607 Fax: (602) 420-5123  
18 Email: rferland@quarles.com

19 RESPECTFULLY SUBMITTED this 27th day of September, 2002.

20 QUARLES & BRADY STREICH LANG LLP  
21 One Renaissance Square  
22 Two North Central Avenue  
23 Phoenix, AZ 85004-2391

24 By   
25 Roger K. Ferland  
26 Laura Raffaelli

Attorneys for Harquahala Generating Company,  
L.L.C.

1 ORIGINAL and 10 copies of the foregoing  
2 filed this 27th day of September, 2002, with:  
3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

5 COPIES hand-delivered this 27<sup>th</sup> day of  
6 September, 2002, to:  
7 Chris Kempley, Chief Counsel  
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9 Legal Division  
10 1200 West Washington  
11 Phoenix, Arizona 85007

12 Ernest G. Johnson  
13 Director, Utilities Division  
14 ARIZONA CORPORATION COMMISSION  
15 1200 West Washington  
16 Phoenix, Arizona 85007

17 Lyn Farmer, Chief Administrative Law Judge  
18 Hearing Division  
19 ARIZONA CORPORATION COMMISSION  
20 1200 West Washington  
21 Phoenix, Arizona 85007

22 COPIES of the foregoing mailed  
23 this 27th day of September, 2002, to:

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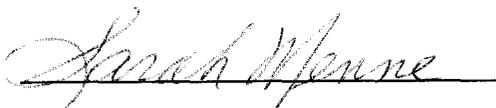
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