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BEFORE THE ARIZONA CORPORATION COMMISSION
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WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

2002 OCT -3 P 4: 54
AZ CORP COMMISSION
DOCUMENT CONTROL

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

Arizona Corporation Commission
DOCKETED
OCT 03 2002

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CAR

**PPL's REPLY TO ARIZONA PUBLIC SERVICE COMPANY'S RESPONSE TO
MOTIONS TO INTERVENE**

Pursuant to Arizona Administrative Code ("A.A.C.") R14-3-105, PPL Southwest Generation Holdings, LLC; PPL Energy Plus, LLC; and PPL Sundance Energy, LLC (collectively "PPL") applied to the Arizona Corporation Commission (the "Commission") for an order granting PPL leave to intervene in the above-captioned proceeding. Arizona Public Service Company ("APS") filed a Response opposing intervention by PPL and others.

The essence of APS' objection is to persuade the ALJ that the instant docket involves solely and exclusively the "mere act of APS borrowing [lending] money or providing a corporate guarantee." They expound case law to illuminate us with legal interpretations of what does not constitute a direct and substantial interest. APS asserts that, by definition, neither merchant generating companies nor several other parties in the pending Generic Docket proceedings could have any direct or substantial interest in such a

1 "plain and simple" financing application. APS would have the ALJ conclude that
2 permissive participation in the instant docket should be adjudged as if APS' Application
3 were standing alone in a vacuum, having no relationship to nor implication upon the
4 Generic Docket proceedings.

5 To the contrary, however, by its own pleadings APS also clearly demonstrates the
6 inescapable fact that the instant docket is inextricably related to and has inevitable
7 implications upon the broader proceedings of the Generic Docket. Both APS' Application
8 and its Response to Motions to Intervene are, throughout their own arguments, replete with
9 the obvious entanglements between APS' proposed financing and its argued merits,
10 motivations, justifications, needs and consequences, on the one hand, and the Track A
11 proceedings, Decision No. 65154, Track B proceedings and other components of the
12 Generic Docket on the other hand.

13 Indeed, though PPL does not hereby move for such, ample argument certainly exists
14 for consolidation of APS' Application into the Generic Docket. At a minimum, however, it
15 should be self-evident merely from reading APS' own filings, without resort to debatable
16 interpretations of prior case law or any other rationale beyond common sense and equity,
17 that the interconnections between this docket and the Generic Docket are so pervasive and
18 substantive as to mandate that any party to the Generic Docket has the statutorily requisite
19 interest and, if it so requests, should be granted permissive participation in this docket.

20 APS presumes that the merchant generators will all oppose APS' Application,
21 although PPL has taken no such position. But the ALJ need make no presumptions about
22 the positions of any party to the Generic Docket who seeks intervention here in order to
23 properly grant such intervention as a matter of the "fundamental fairness to all parties"
24 about which APS is, correctly, so concerned.

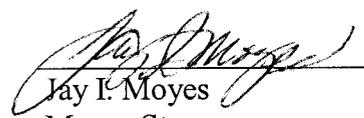
25 PPL again respectfully requests that the Commission grant its Motion for Leave to
26 Intervene in this matter.

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RESPECTFULLY SUBMITTED this 3rd day of October, 2002.

MOYES STOREY LTD.



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