



0000091164

ORIGINAL

06

RECEIVED

P.O. Box 52025
Phoenix, AZ 85072-2025
(602) 236-5886
Fax (602) 236-5444

2002 JAN 15 P 4: 06

RICHARD H. SILVERMAN
GENERAL MANAGER

AZ CORP COMMISSION
DOCUMENT CONTROL

January 15, 2002

Arizona Corporation Commission
DOCKETED

JAN 15 2002

Commissioner Marc Spitzer
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY 

Re: Your Letter dated January 10, 2002 regarding Salt River Project's Compliance with ACC Decision No. 63611 — Docket No. L-00000B-00-0105

Dear Commissioner Spitzer:

I want to apologize for SRP's failure to adequately communicate with the ACC on this issue. At a minimum, SRP should have contacted the Commission prior to filing the air quality permit application to inform the ACC on SRP's reasons for including the diesel provisions at issue. I have instituted steps to ensure that such miscommunications do not occur in the future.

Let me be clear: SRP intends to fully comply with all conditions contained in the Santan Certificate of Compatibility (CEC), including the prohibition on the burning of diesel fuel.

I can understand that the filing of the air quality permit application without an explanation of SRP's rationale for including the diesel provisions raised concerns. However, SRP did not intend to circumvent the CEC process. Rather, we sought to preserve the Commission's ability to require the burning of diesel fuel in emergency situations. Absent the appropriate air quality permit provisions, SRP would be prohibited from burning diesel fuel under Federal law, even if mandated by the ACC.

I understand that the Commission has begun to require applicants to prepare annual reports outlining their compliance with the CEC conditions. To improve communications with the ACC on the status of the Santan project, SRP commits to filing quarterly reports. Our first report will be submitted before the end of the month. This report will



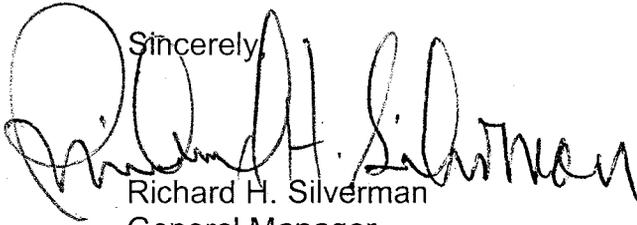
**POINTS
OF LIGHT
FOUNDATION**
&
VOLUNTEER CENTER
NATIONAL NETWORK

Commissioner Marc Spitzer
January 15, 2002
Page Two

provide up-to-date information and documentation on the status of SRP's efforts to acquire the necessary permits and to successfully complete the Community Working Group process.

I hope that this letter addresses your concerns.

Sincerely,



Richard H. Silverman
General Manager

/seb

cc: William A. Mundell, Chairman
Jim Irvin, Commissioner
Lyn Farmer, Chief Administrative Law Judge
Ernest Johnson, Utilities Director
Chris Kempley, Legal Director
Brian McNeil, Executive Secretary
Docket Control

Kelly J. Barr, Manager Regulatory Affairs and Contracts
Richard M. Hayslip, Manager, Environmental, Land, Risk Management &
Telecom