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**BEFORE THE ARIZONA CORPORATION COMMISSION**

Arizona Corporation Commission

1  
2 WILLIAM A. MUNDELL  
3 Chairman  
4 JIM IRVIN  
5 Commissioner  
6 MARC SPITZER  
7 Commissioner

**DOCKETED**

APR 05 2002  
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DOCKETED BY	
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7 IN THE MATTER OF THE GENERIC  
8 PROCEEDINGS CONCERNING  
9 ELECTRIC RESTRUCTURING.

DOCKET NO. E-00000-02-0051

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

DOCKET NO. E-01345-01-0822

11 IN THE MATTER OF THE GENERIC  
12 PROCEEDINGS CONCERNING THE  
13 ARIZONA INDEPENDENT  
14 SCHEDULING ADMINISTRATOR.

DOCKET NO. E-00000A-01-0630

14 IN THE MATTER OF TUCSON  
15 ELECTRIC POWER COMPANY'S  
16 APPLICATION FOR A VARIANCE OF  
17 CERTAIN ELECTRIC COMPETITION  
18 RULES COMPLIANCE DATES

DOCKET NO. E-01933A-01-0069

17 IN THE MATTER OF THE  
18 APPLICATION OF TUCSON ELECTRIC  
19 POWER COMPANY FOR APPROVAL  
20 OF ITS STRANDED COST RECOVERY

DOCKET NO. E-01933A-98-0471

21 **SUBMISSION IN SUPPORT OF AND JOINDER IN THE REPLY OF**  
22 **PANDA GILA RIVER, L.P. TO ARIZONA PUBLIC SERVICE'S RESPONSE TO**  
23 **REQUEST FOR ORDER TO SHOW CAUSE**

24 By its filing of March 28, 2002, Harquahala Generating Company, LLC ("HGC")  
25 expressed its support of and joinder in the Request for Order to Show Cause filed in the  
26 above-captioned matter by Panda Gila River, L.P. ("Panda"). By this filing, HGC joins in  
and adopts the points, authorities and positions contained in Panda's April 5, 2002 Reply

1 to the Arizona Public Service Company's ("APS") Response to its Request for Order to  
2 Show Cause.

3 HGC would specifically call the Commission's attention to the testimony of Alan  
4 S. Taylor that was pre-filed by HGC on March 29, 2002. Mr. Taylor has conducted  
5 competitive bidding processes for retail power supplies for companies like APS in  
6 California, Colorado, Florida, Georgia, Iowa, Illinois, Minnesota, North Carolina, South  
7 Dakota and Texas. In his testimony he notes that the objections to the initiation of  
8 competitive bidding raised by APS are the same objections that have been raised in other  
9 jurisdictions, but actual experience in numerous contexts demonstrates the practical  
10 invalidity of these objections when a fair, open bidding process is actually conducted and  
11 contracts for wholesale power are negotiated.

12 The short term and long term markets for the purchase of wholesale electric power  
13 are extremely favorable at this time. It would be unfortunate if Arizona's consumers were  
14 denied the benefits of those markets by either the lengthy consideration and favorable  
15 action on the APS request to be relieved of its obligation to undertake competitive bidding  
16 under R14-2-1606(B) or a structure for the procurement of wholesale generation based  
17 upon the model of the APS Purchase Power Agreement ("PPA").

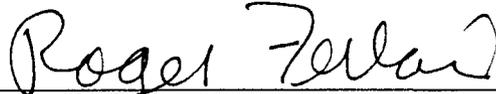
18 If the Commission is unwilling to grant the stay in this proceeding sought by  
19 Panda, HGC would request that the Commission order APS, within thirty (30) days, to  
20 prepare and submit a draft request for proposal ("RFP") including a proposed form of  
21 PPA and Plan of Administration that will allow APS to comply with the requirements of  
22 R14-2-1606(B) in a timely manner. Those documents should then be subject to public  
23 comment and testimony in this docket. Under all options presented to the Commission,  
24 bidding in one form or another is contemplated. Accordingly, it is worthwhile to  
25 immediately work toward finalizing an RFP and Plan of Administration. This will put  
26

1 APS in the best position to issue an RFP, award contracts for power and have those  
2 contracts in place, regardless of the outcome of this proceeding.

3 RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of April, 2002.

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**ORIGINAL** and 10 **COPIES** filed April 5, 2002 with:

Docket Control  
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**COPIES** of the foregoing hand-delivered April 5, 2002, to:

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1 **COPIES** mailed this 5<sup>th</sup> day of April, 2002 to:  
2 All parties of record on the service list for  
3 Consolidated Docket Nos. E-00000A-01-0051;  
4 E-1345A-01-0822; E-00000A-01-0630;  
5 E-01933A-02-0069; and E-01933A-98-0471

6 By *Sarah Menne*

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