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INTERVENTION ORIGINAL

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Arizona Corporation Commission
DOCKETED

AUG 30 2002

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August 29, 2002

Colleen Ryan, Supervisor
Document Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Re: Docket No. E-01933A-02-0345; E-01933A-98-0471
In the matter of Application of Tucson Electric Co., et. al

Dear Ms. Ryan:

Enclosed for filing in the above-captioned proceeding are the original and fourteen (14) copies of the Application for Leave to Intervene on behalf of Southwestern Power Group II, L.L.C. and Bowie Power Station, L.L.C. Also enclosed are two additional copies to be conformed and returned to our office in the self-addressed, stamped envelope provided for your convenience.

Please let me know if you have any questions, and thank you for your assistance.

Sincerely,

Lawrence V. Robertson, Jr.

LVR:cl
enclosures

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10 Attorneys for Southwest Power Group II, LLC and Bowie Power Station, L.L.C.

11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 **IN THE MATTER OF THE APPLICATION) Docket No. E-01933A-02-0345**
13 **OF TUCSON ELECTRIC POWER)**
14 **COMPANY FOR APPROVAL OF NEW)**
15 **PARTIAL REQUIREMENTS SERVICE)**
16 **TARIFFS, MODIFICATION OF EXISTING)**
17 **PARTIAL REQUIREMENTS SERVICE)**
18 **TARIFF 101, AND ELIMINATION OF)**
19 **QUALIFYING FACILITY TARIFFS.)**

20) Docket No. E-01933A-98-0471

21 **IN THE MATTER OF THE APPLICATION)**
22 **OF TUCSON ELECTRIC POWER)**
23 **COMPANY FOR APPROVAL OF ITS) APPLICATION FOR LEAVE TO**
24 **STRANDED COST RECOVERY.) INTERVENE**

25 Pursuant to A.A.C. R14-3-105 and the Fifth Ordering Paragraph of the August 1, 2002
26 Procedural Order issued by the Administrative Law Judge in the above-captioned consolidated
27 proceedings, Southwestern Power Group II, L.L.C. ("SWPG") and Bowie Power Station, L.L.C.
28 ("Bowie") make this Application for Leave to Intervene ("Application") in the above-captioned
consolidated proceedings. In support of the Application, SWPG and Bowie submit the following
information.

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I.

BACKGROUND INFORMATION ON APPLICANTS

SWPG is a Delaware limited liability company, and is qualified to do business in the State of Arizona. Bowie is a Delaware limited liability company, and is qualified to do business in the State of Arizona.

On March 7, 2002, in its Decision No. 64625, the Commission granted Bowie and its assigns a Certificate of Environmental Compatibility ("CEC") to site and construct the following facilities at a location near Bowie, Arizona:

A natural gas fired, combined cycle electric generating plant with an operating capability not to exceed a nominal site rating of 1000 megawatts (MW). The facilities shall consist of up to two (2) power blocks, each rated up to 500 MW nominal. Each power block shall consist of (i) two combustion turbine generators (CTG), (ii) two heat recovery steam generators (HRSG) and (iii) one steam turbine electric generator. The plant design may also incorporate supplementary or duct-firing of the HRSG for a given power block. The power plant and supporting infrastructure shall be located in Section 28 and a portion of Section 29, Township 12 South, Range 28 East, G&SRB&M.

That same day, in its Decision No. 64626, the Commission granted Bowie and its assigns a CEC to site and construct (i) a double-circuit 345 kV transmission line, which will interconnect the aforesaid electric generating facilities with the Western Systems Coordinating Council ("WSCC") transmission grid at Tucson Electric Power Company's ("TEP") 345 kV Greenlee-Vail transmission lines and Arizona Electric Power Company's ("AEPSCO") 230 kV Red Tail-Dos Candados transmission line; and (ii) a new Willow 345/ 230 kV switchyard through which the aforesaid electrical interconnections would be accomplished.

1 On August 8, 2002, Bowie filed a Notice of Self-Certification of Qualifying Facility Status
2 with the Federal Energy Regulatory Commission ("FERC") pursuant to FERC's applicable
3 regulations. The circumstances and details relating to that filing have also been discussed by
4 representatives of SWPG and Bowie with representatives of the Commission's Utilities Division and
5 Legal Division.
6

7 As indicated in the aforesaid FERC filing, the Bowie Power Station facility will be operated
8 as a topping-cycle cogeneration facility. In addition to the power generation facilities authorized in
9 Decision No. 64625, the Bowie facility will provide steam to an adjacent thermal host, which will
10 in turn produce distilled water as well as electricity to the aforementioned electrical grid. Electricity
11 will be generated using four (4) natural gas-fired combustion turbine generators ("CTG") and two
12 (2) steam turbine generators ("STG"). The exhaust heat from each CTG will enter into individual
13 heat recovery steam generators ("HRSG"). Steam from two HRSG's will enter into one STG and
14 exhaust to a condenser for a return to each HRSG. The source of process steam for the thermal host
15 will be either an extraction point from the STG or an intermediate pressure level of the HRSG.
16

17 The Bowie facility will export steam to a water distillation unit. Using the thermal energy
18 supplied by the export steam, the water distillation unit will manufacture distilled water through an
19 evaporative process. The resulting distilled water will be sold to commercial, industrial and/or
20 governmental users of distilled water. Electrical output from the facility will be available for sale
21 to TEP, APS, the Salt River Project and other wholesale purchasers of electric power, via the
22 aforementioned WSCC transmission grid.
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1 It is currently anticipated that construction of the aforesaid facilities will begin in June, 2003,
2 with the first power block commencing operations in June, 2005. The electric generating facilities
3 would be owned and operated by Bowie. The water distillation unit also would be owned and
4 operated by Bowie.
5

6 **II.**

7 **NATURE OF APPLICANTS' INTEREST**

8 Through its May 10, 2002 Tariff Application, TEP seeks to eliminate its existing Qualifying
9 Facility ("QF") tariffs. These would appear to be the tariffs under which sales of electricity
10 generated at Bowie could be effected to TEP, inasmuch as the Bowie facility will be a "QF" under
11 the Public Utility Regulatory Policy Act ("PURPA") and Part 292 of FERC's regulations
12 implementing PURPA. As previously noted, the Bowie facility will be a topping-cycle
13 cogeneration facility.
14

15 As a consequence, SWPG and Bowie would be directly and substantially affected by any
16 proceedings before the Commission which could result in an elimination or modification of TEP's
17 existing "QF" tariffs. Moreover, there is no other party to the above-captioned consolidated
18 proceedings whose circumstances are the same as SWPG's and Bowie's; and, there is no one else
19 who could adequately and fully represent their interests.
20
21

22 **III.**

23 **REQUESTED INTERVENTION WILL NOT**
24 **UNDULY BROADEN ISSUES**

25 Intervention and participation by SWPG and Bowie would not have the effect of unduly
26 broadening the issues heretofore presented in these consolidated proceedings. In large measure,
27

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1 Company, Inc.'s Petition to Intervene and Protest. In addition, SWPG and Bowie are willing to
2 accept and comply with the procedural schedule established in the aforementioned August 1, 2002
3 Procedural Order.
4

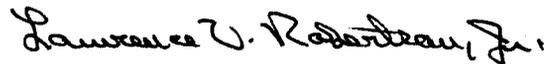
5 IV.

6 CONCLUSION

7 Wherefore, SWPG and Bowie hereby request that the Commission or Administrative Law
8 Judge assigned to these consolidated proceedings issue an order granting this Application, thereby
9 according to SWPG and Bowie all rights and privileges as parties of record.
10

11 DATED: August 28, 2002

12 Respectfully submitted,

13 

14 Lawrence V. Robertson, Jr.
15 Munger Chadwick, P.L.C.
16 Attorneys for Southwestern Power Group II, LLC and
17 Bowie Power Station, L.L.C.
18

19
20 Original and 14 copies of the
21 foregoing Application for Leave
22 to Intervene were mailed this
29th day of August, 2002 to:

23 Colleen Ryan, Supervisor
24 Docket Control
25 Arizona Corporation Commission
26 1200 W. Washington
27 Phoenix, AZ 85007
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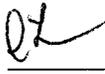
Copies of the foregoing Application
for Leave to Intervene were mailed this
29th day of August, 2002 to:

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