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Arizona Corporation Commission

DOCKETED

MAR 05 2001

March 5, 2001

Nancy Cole, Supervisor
Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY	<i>sl</i>
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Re: Gila Bend Power Partners
Docket No. L-00000V-01-109
Case No. 109

RECEIVED
2001 MAR -5 P 2 06
ARIZONA CORPORATION COMMISSION

Dear Ms. Cole:

Enclosed are an original and 25 copies of the following documents:

1. A February 26, 2001 letter that Industrial Power Technology, one of the Gila Bend Power Partners, sent to the Salt River Project summarizing the discussions which have occurred subsequent to those parties' execution of a January 31, 2001 Memorandum of Understanding on a contemplated transmission arrangement between the Hassayampa Switchyard and the Jojoba Switchyard.
2. A March 1, 2001 letter from the Town Manager of Gila Bend, expressing the town's support for the transmission line, which is the subject of the above-referenced proceeding.

We would appreciate your transmitting copies of the enclosed materials and this letter to the members of the Siting Committee as soon as possible. Thank you for your assistance.

Sincerely,

Lawrence V. Robertson, Jr.

LVR:cl

cc: Teena Wolfe, Legal Division, ACC
Gila Bend Power Partners
Karen L. Peters



February 26, 2001

Mr. Robert E. Kondziolka, P.E.
Manager, Transmission Planning
Salt River Project
Mail Station POB 100
P.O. Box 52025
Phoenix, Arizona 85072-2025

Re: Hassayampa Switchyard - Jojoba Switchyard
Transmission Rights Arrangement

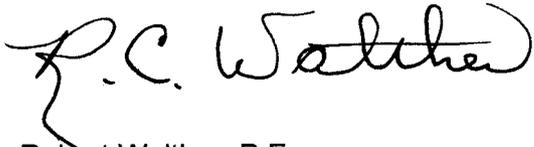
Dear Rob:

This letter is a follow-up to our meeting on February 21, 2001 in Phoenix at which representatives of the Salt River Project ("SRP") and Power Development Enterprises ("PDE") discussed several different arrangements under which electricity generated at the Gila Bend Power Partners' ("GBPP") Gila Bend Generation Station could be delivered to the Hassayampa switchyard by means of the 500 kV transmission line to be constructed between the Hassayampa switchyard and the Jojoba switchyard ("Segment 1") as a part of the Palo Verde - Saguaro 500 kV transmission line for which the Arizona Power Plant and Transmission Line Siting Committee and the Arizona Corporation Commission granted a Certificate of Environmental Compatibility in Decision No. 46802 (Case No. -24). As Mr. Robertson and I then indicated, GBPP and PDE are interested in an arrangement under which GBPP (or its designee) would acquire ownership equivalency rights in Segment 1 of the Palo Verde - Saguaro line.

During the meeting it was suggested that GBPP (or its designee) might want to consider obtaining a combination of ownership equivalency and reimbursement rights as consideration for such funding, as it might have occasion to provide in connection with the construction of the 500 kV-Segment 1. It is our understanding that such an arrangement could convey both transmission scheduling and capacity to the GBPP thereby avoiding wheeling charges on Segment 1. We have communicated that suggestion to our clients and will be prepared to discuss it further at our next negotiation session with you. In addition, we will want to further discuss a tentative time line for various activities associated with construction of Segment 1.

We concur with your suggestion that SRP should take the lead in preparing an initial draft of the documents needed to create the contemplated transmission arrangement. Hopefully, the results of our next meeting will enable SRP to prepare an initial draft shortly thereafter. In that regard, I will call you sometime this week to discuss when we might schedule our next meeting.

Sincerely,

A handwritten signature in black ink that reads "R.C. Walther". The signature is written in a cursive style with a large, sweeping initial "R".

Robert Walther, P.E.
President

Industrial Power Technology &
Owners' Engineer for GBPP

RCW: crz
147100

cc: R.A. Innamorati
Pete Wright
L.V. Robertson, Jr.



TOWN OF GILA BEND

The Heart of Arizona

March 1, 2001

Industrial Power Technology
Attn: James H. Cloud
2227 Capricorn Way, Suite 101
Santa Rosa, CA 95407

RE: Gila Bend Power Partners, L.L.C. Power Project & Transmission Line

To Whom It May Concern:

As a property owner of land adjacent to Watermelon Road in the Town of Gila Bend, AZ, I would like to take this opportunity to again reemphasize the Town's support for the Gila Bend Power Partners (GBPP) Project and the associated transmission line schedule to be routed along Watermelon Road.

The Town is aware of the visual as well as the environmental effects of the above mentioned power line, and is looking forward to working with GBPP to ensure that all property owners effected by the GBPP Project receive individual attention for the intent to resolve any/all concerns.

The Town welcomes the GBPP Project, which is expected to provide long-term economic benefits to this community, to provide resources to help create a more attractive environment for Gila Bend residents as well as current / prospective businesses, and to provide needed energy to the this Southwest Region.

Please feel free to contact either myself or any other member of the Town Council regarding this Project.

Sincerely,

Shane Dille
Town Manager

Cc: Town Council

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