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OPEN MEETING ITEM

AZ CORP COMMISSION
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February 19, 2002

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FEB 21 2002
By _____

Chairman William A. Mundell
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

FEB 21 2002

Re: **Bowie Power Station, LLC**
Docket No. L00000BB-01-0118

DOCKETED BY 

Dear Chairman Mundell:

Panda Energy International ("Panda") is an independent energy company that is actively involved in Arizona's energy markets. Our 2,380 MW Gila River Power Project located Southwest of Phoenix received it's Certificate of Environmental Compatibility on October 30, 2000, is now under construction and is expected to commence operations in 2003. We have ownership interests in 3,700 MW of operational power generation projects and in 5,640 MW of generation under construction.

Panda has been following the events regarding development of the Bowie Power Station ("Bowie"). We are in confidential discussions with SouthWestern Power Group regarding ownership and investment in Bowie. In addition, our FERC- licensed energy-marketing subsidiary, Panda Power Corporation, is evaluating contracting for approximately 300MW of electrical output from the first 500MW phase of the project.

Panda is interested in Bowie because we believe it will provide an economic new generation resource for central and southeastern Arizona to meet a growing need. Panda also understands that the project is proposing to obtain commercial contracts for at least 50% of the project's output with load serving entities prior to commencing construction on each power block. This approach should provide significant comfort to the Commission as a means of additional protection for the citizens of Arizona.

(over)

Panda believes that a gas-fired combined cycle generation facility like Bowie presents substantially fewer environmental impacts and lower bussbar costs than any coal generation alternative.

Panda appreciates the important role that the Commission plays in determining that an adequate, reliable and economic supply of electrical power is available for the citizens of Arizona, consistent with minimizing associated environmental impacts.

Panda understands that the Commission will be meeting on February 26, 2002, to consider the CEC application for Bowie. We encourage you to affirm the nearly unanimous approval of the project's CEC made by the Power Plant and Transmission Line Siting Committee on December 6, 2001.

Respectfully yours,



Steven W. Crain
Managing Director - Business Development

CC: Bowie Power Station, LLC