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SOUTHWESTERN
Power Group II, LLC
An Energy Company - Alliance Builder

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AZ CORP COMMISSION
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Jerry Strange
Director of Transportation
El Paso Natural Gas
PO Box 1087
Colorado Springs, CO 80944

Dear Mr. Strange:

Southwestern Power Group II, LLC is currently developing a 1000 MW natural gas-fired, combined-cycle electric generating plant known as Bowie Power Station in Southeastern Arizona. Bowie Power Station is located approximately two miles north of the town of Bowie, Arizona (Section 28 & 29, Township 12 South, Range 28 East in Cochise County). Bowie Power Station may request interconnection to El Paso's Southern System as the permitting and development process continues.

Construction of Bowie Power Station will occur in two 500 MW phases and is scheduled to begin in the first quarter of 2003 with commercial operation of phase one occurring during the first quarter of 2005. The plant will be designed to operate continuously in a base-loaded mode. It is estimated that the project will consume approximately 100,000 MMBtu daily per 500 MW phase.

As a condition to the Certificate of Environmental Compatibility approved by the Arizona Corporation Commission on March 7, 2002, Bowie Power Station is required to request that El Paso Natural Gas Company provide a written report describing the operational integrity of El Paso's Southern System facilities through the Bowie and San Simon Areas and include the following information:

- A. Inspection, replacement and/or repairs performed on this segment of El Paso's pipeline facilities since 1996 and those planned through 2006.
- B. El Paso's assessment of ground subsidence impacts on the integrity of this segment of pipeline, together with any mitigation steps taken to date or planned in the future.

Thank you for your assistance in providing this information. We look forward to your response.

Sincerely,

Tom C. Wray
General Manager

Arizona Corporation Commission

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CC: Arizona Corporation Commission, Docket Control
Lawrence V. Robertson, Esq.

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