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INTERVENTION

ARIZONA CORPORATION COMMISSION

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In the matter of the application of)
Arizona Public Service Company for)
Approval of its Plan for Stranded)
Cost Recovery)

RECEIVED
AZ CORP COMMISSION
Docket No.
RE-01345A-98-0473
Oct 8 2 18 PM '98

Arizona Corporation Commission
DOCKETED

OCT 8 1998

DOCUMENT CONTROL

APPLICATION FOR LEAVE TO INTERVENE OF

DOCKETED BY THE PARTNERSHIP OF JOHN T. TRAVERS & WILLIAM H. NAU

THE PARTNERSHIP OF JOHN T. TRAVERS & WILLIAM H. NAU

Pursuant to Rule 14-3-105 of the Rules of Practice of the Arizona Corporation Commission, the partnership of John T. Travers & William H. Nau ("Travers & Nau") respectfully makes application for leave to intervene in the above captioned proceeding. In support thereof, Travers & Nau states as follows:

I.

All correspondence and communication in regard to this application to intervene (this "Application") should be addressed to the following:

John T. Travers & William H. Nau
272 Market Square, Suite 2724
Lake Forest, Illinois 60045
Telephone: (847) 482-1315
Fascimile: (847) 482-1320

and to

Timothy Michael Toy, Esq.
Winthrop, Stimson, Putnam & Roberts
One Battery Park Plaza
New York, New York 10004-1490
Telephone: (212) 858-1344
Fascimile: (212) 858-1500

II.

Travers & Nau is an Illinois general partnership. Travers & Nau advises institutional investors with respect to the sale, re-lease, and management of personal property subject to lease.

III.

Travers & Nau provides lease advisory and sales services to an equipment leasing company that is the owner, through an intermediary trust, of the West Phoenix Power Plant (the "West Phoenix Plant"). The West Phoenix Plant is comprised of three combined cycle generating units. The West Phoenix Plant is presently under lease to Arizona Public Service Company ("APS") through June 24, 2001, with certain fair market rental and fair market purchase options thereafter.

For the reasons cited below, Travers & Nau, as advisor to the lessor/owner of the West Phoenix Plant, has a direct and substantial legal interest in these proceedings:

1. As noted Staff's comments dated September 21, 1998 in the above referenced docket, "APS has not identified which option it is electing for stranded cost recovery as required by Decision No. 60977". The West Phoenix Plant would be subject to divestment by APS in the event that APS were to elect Option No. 1 - Divestiture/Auction Methodology - under Decision No. 60977.
2. Pursuant to A.A.C. Rule R14-2-1616, by January 1, 2001, APS is required to separate its competitive generation assets, including the West Phoenix Plant from its regulated assets, where such separation is to be to an unaffiliated party or to a separate corporate affiliate. APS' lease of the West Phoenix Plant contains provisions that restrict APS' ability to transfer its rights to the West Phoenix Plant to another party.

IV.

WHEREFORE, for the foregoing reasons, Travers & Nau respectfully requests that the Arizona Corporation Commission permit it to intervene in this proceeding with full rights as a party in all stages of the proceeding as might be ordered by the Commission.

Respectfully submitted,
John T. Travers & William H. Nau

By: _____


William H. Nau
Partner

CERTIFICATE OF SERVICE

I hereby certify that:

(A) an original and ten (10) copies of the foregoing Application for Leave to Intervene were filed with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

--and--

(B) a copy of the foregoing Application for Leave to Intervene was sent via Federal Express to:

Jerry L. Rudibaugh
Chief Hearing Officer
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Paul A. Bullis
Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

--and--

(C) a copy of the foregoing Application for Leave to Intervene was sent via Federal Express to:

Barbara A. Klemstine
Manager, Regulatory Affairs
Arizona Public Service Company
Mail Stop 9909
400 North Fifth Street
Phoenix, Arizona 85004

Steven M. Wheeler, Esq.
Thomas L. Mumaw, Esq.
Snell & Wilmer LLP
One Arizona Center
Phoenix, Arizona 85004

Dated at Lake Forest, Illinois this 7th day of October, 1998


William H. Nau
John T. Travers & William H. Nau
272 Market Square, Suite 2724
Lake Forest, Illinois 60045