

ORIGINAL INTERVENTION



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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

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Arizona Corporation Commission

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GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF )  
ARIZONA PUBLIC SERVICE COMPANY FOR )  
AUTHORIZATION FOR THE PURCHASE OF )  
GENERATING ASSETS FROM SOUTHERN )  
CALIFORNIA EDISON AND FOR AN )  
ACCOUNTING ORDER. )

DOCKET NO. E-01345A-10-0474  
APPLICATION FOR LEAVE TO INTERVENE

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P.O. Box 1448  
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(520) 398-0411

Pursuant to A.A.C. R14-3-105, Southwestern Power Group II, L.L.C. and Bowie Power Station, L.L.C. ("SWPG/Bowie") submit this Application for Leave to Intervene in the above-captioned proceeding. In support of their joint Application, SWPG/Bowie submit the following information.

I.

IDENTITY OF APPLICANTS

SWPG/Bowie have actively participated in a number of proceedings before the Commission in recent years relating to the development and maintenance of a viable competitive wholesale power market within the State of Arizona. Several of those proceedings related directly to the desire and ability of SWPG/Bowie to compete for current and future opportunities to provide capacity and energy at wholesale to Arizona Public Service Company ("APS") incident to the conduct of its operations as an electric public service corporation. Other proceedings involved issues bearing directly upon APS' financial integrity and creditworthiness, and thus its ability to viably participate as a purchaser in the competitive wholesale electric market in the State of Arizona.

Included among those proceedings were (i) the Track "A" proceeding, (ii) the Track "B" proceeding, (iii) APS' \$500 million financing proceeding, (iv) APS' acquisition of the Sundance Generating Station assets, (v) APS' 2003 rate case, (vi) the 2005 Power Supply

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1 Adjuster/Surcharge proceeding, (vii) APS' request for an emergency interim rate increase, (viii)  
2 APS' 2005 rate case, (ix) APS' Yuma RFP proceeding, (x) the APS "self-build" moratorium 40-  
3 252 proceeding and (xi) APS' 2007 rate case.

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5 **II.**  
6 **NATURE OF APPLICANTS' INTEREST**  
7 **IN THE INSTANT PROCEEDING**

8 In connection with their active participation in several of the proceedings involving APS  
9 listed in Section I above, SWPG/Bowie have supported the creation of resource acquisition  
10 procedures and procurement practices designed to insure that Arizona's load-serving electric  
11 utilities acquire resources in a transparent and market-based process which (i) facilitates the  
12 Commission's previously declared policy objective of promoting and maintaining a viable  
13 competitive wholesale electric market, and (ii) provides interested parties with an opportunity to  
14 offer comment and suggestions on what constitutes an appropriate mix of generation resource  
15 alternatives to meet Arizona's current and future needs for electricity.

16 APS' November 22, 2010 Application requesting Commission authorization for APS to  
17 purchase Southern California Edison's ("SCE") portion of Four Corners Generating Units 4 and  
18 5 represents a proposed power resource by APS to meet a perceived need for its system. As  
19 such, APS' suggestion represents one (1) of several alternatives that might actually be available  
20 to the Company. However, it would be premature to reach a conclusion on the merits of APS'  
21 proposal in the absence of an evidentiary hearing considering APS' proposal and other possible  
22 alternatives. Such alternatives conceivably could include (a) the purchase of one of several  
23 existing natural-gas fired generating plants (or parts thereof) in Arizona developed by  
24 independent developers/IPP firms and (b) a purchased power arrangement from either an existing  
25 generating resource or a new generating resource.

26 Inasmuch as a Commission decision in the instant proceeding could affect that portion of  
27 its power resource needs for which APS conceivably might otherwise look to the competitive  
28 wholesale power market to fill, SWPG/Bowie will be directly and substantially affected thereby.  
In that regard, SWPG/Bowie were active participants in Docket No. E-01345A-03-0437 in which

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1 the Commission's Decision No. 67744 was issued. As noted in the language of the form of  
2 Public Notice prescribed in the Commission's March 31, 2011 Procedural Order in the instant  
3 proceeding, Decision No. 67744 requires Commission approval of APS' proposed transaction  
4 with SCE.

5 **III.**

6 **APPLICANTS' INTERVENTION WILL**

7 **NOT UNDULY BROADEN THE ISSUES**

8 **TO BE CONSIDERED**

9 As of this juncture, SWPG/Bowie do not anticipate a need to raise any new issues of their  
10 own. Rather, they contemplate participating in the proceeding and addressing those issues which  
11 may exist at this time, or which may hereafter be raised by the Commission's Staff and/or other  
12 parties. Thus, their intervention will not unduly broaden the issues to be considered.

13 **IV.**

14 **MISCELLANEOUS**

15 In the event that SWPG/Bowie's request for intervention is granted, service of pleadings  
16 and documents should be made upon Lawrence V. Robertson, Jr., their counsel, whose contact  
17 information is set forth below:

18 Lawrence V. Robertson, Jr.  
19 P. O. Box 1448  
20 Tubac, Arizona 85646  
21 Phone: (520) 398-0411  
22 Fax: (520) 398-0412  
23 Email: [Tubaclawyer@aol.com](mailto:Tubaclawyer@aol.com)

24 In addition, as indicated in the service list included as a part of this Application for Leave  
25 to Intervene, service of the same is being made on counsel for APS and all known parties of  
26 record.  
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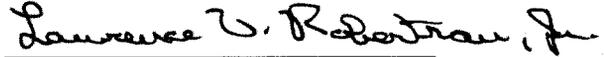
V.

CONCLUSION

WHEREFORE, for the reasons discussed above, SWPG/Bowie hereby request that the Commission issue a Procedural Order in the above-captioned proceeding (i) granting their joint request for intervention, and (ii) according them status and full rights as parties of record.

Dated this 11<sup>th</sup> day of April 2011.

Respectfully submitted,



Lawrence V. Robertson, Jr.  
Attorney for Southwestern Power  
Group, II, L.L.C. and Bowie  
Power Station, L.L.C.

Original and thirteen (13) copies of the foregoing mailed this 11<sup>th</sup> day of April 2011 to:

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

A copy of the same served by e-mail or first Class mail this same date to:

Lyn Farmer, Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Steve Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
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All parties of record.



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