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January 31, 2002

Mr. Dale Lieb
Air Permits Manager
Maricopa County Environmental Service Department.
1001 North Central Avenue, Suite 200
Phoenix, AZ 85004-1942

Re: Santan Expansion Project
Emergency Oil Burning

Dear Mr. Lieb:

SRP submitted a Significant Permit Revision Application for an 825 Mw expansion project at the Santan Generating Station on November 30, 2001. The permit application contained a technical and regulatory analysis to support the burning of fuel oil in the existing four units during emergency situations. The technical analysis demonstrated that burning low sulfur diesel fuel in the existing units during emergency situations would not cause or contribute to a violation of ambient air quality standards. This analysis also demonstrated protection of visibility and other air quality related values at nearby Class I areas when burning diesel fuel during emergency events.

As you know, the Certificate of Environmental Compatibility issued by the Arizona Corporation Commission for the Santan Expansion Project contained a condition prohibiting the use of fuel oil at Santan. As we have discussed, SRP intended to address that restriction in the air permit by supplementing the standard emergency oil use language contained in most County issued power plant permits and the proposed County Power Plant Rule to include language requiring ACC approval prior to burning fuel oil at Santan.

SRP no longer intends to pursue an emergency fuel oil burning provision in the Santan air quality permit. Therefore, SRP will be submitting a supplement to the Significant Permit Revision Application excluding the technical and regulatory analysis addressing emergency fuel oil burning. In addition, SRP will accept a locally enforceable permit condition allowing only natural gas to be used in both the new and the existing units.



SRP is the proud recipient of the Points of Light Foundation Excellence in Corporate Community Service Award 2000

If you have any questions, please call me at 602-236-2968.

Sincerely,



Kevin Wanttaja, Manager
Environmental Compliance

KGW/css

cc: R. Hayslip
K. Barr
S. Peplau, MCESD
File: PRJ 12-2