FILED
JAN 5 - 1998
STATE ENGINEER'S OFFICE

IN THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 63275
FILED BY AEROJET
OF SACRAMENTO CALIFORNIA,
ON JULY 24, 1997, TO APPROPRIATE
THE WATERS OF UNDERGROUND

PROTEST

Comes now David G Barneby, on behalf of the Nevada Power Company, whose post office address is P. O. Box 230, Las Vegas, Nevada 89151, whose occupation is Vice President, Power Delivery, and protests the granting of Application Number 63275 filed on July 24, 1997, by Aerojet of Sacramento California, to appropriate the waters of Underground, situated in Clark County, State of Nevada, for the following reasons and on the following grounds, to wit:

See Exhibit A Attached

THEREFORE the Protestant requests that the application be denied, unless it can be reasonably demonstrated the proposed appropriation would not affect the priority applications of Nevada Power Company in the Muddy Springs Area Groundwater Basin.

Signed David G. Barneby
Agent or Protestant

David G. Barneby
Printed or typed, if agent

Address P.O. Box 230
Street No. or P.O. Box No.

Las Vegas, Nevada 89151
City, State and Zip Code No.

Subscribed and sworn to before me this 31st day of December, 1997

Linda M. Melvin
Notary Public

Notary Public-State Of Nevada
County Of Clark
LINDA M. MELVIN
My Appointment Expires
November 16, 2000
No: 92-4267-1

State of NEVADA

County of CLARK

My Commission expires 11-16-2000

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31-Dec-97

NSD

IN THE MATTER OF APPLICATION 63275
EXHIBIT A

Protest by David G. Barneby
on behalf of the Nevada Power Company, Las Vegas, Nevada

INTRODUCTION

Nevada Power Company (Nevada Power or Company) is an investor-owned electric utility serving a population of more than a million people in portions of Clark and Nye Counties in Southern Nevada. Nevada Power's service territory continues to be one of the fastest growing areas in the nation with rates below the national average and substantially below other areas in the Southwest. The continued population growth, increasing electricity needs during the summer months, infrastructure financing needs, and the transition to a competitive industry have played a significant role in the way Nevada Power plans for its customers' increasing electric energy needs.

THE PLANNING PROCESS

Nevada Power's resource planning process is a continuous internal effort to forecast our customers' electric needs for 20 years and prepare detailed plans on how the Company will meet those needs. An important part of this planning effort is to ensure the quality and reliability of service through infrastructure construction and financing, while continuing to keep customer rates as low as possible.

In arriving at its 1997 Resource Plan, Nevada Power analyzed different resources to create a reasonable "mix" to meet its customers' needs. Resources include power purchases from other utilities; independent power producers (IPPs), or power marketers; the use of Demand-Side Management (DSM) programs to reduce the consumption or increase the efficiency of electricity; and power generating plants including low-sulfur coal, natural gas, and Hoover Dam hydro power.

Over the past few years, a relatively plentiful and low cost surplus of power has been available from other utilities and marketers. Those conditions are expected to continue in the near-term as sufficient resources still exist and new power plants are constructed, such as the recently announced Houston Industry plant in Boulder City. Approximately 50 percent of Nevada Power's electricity comes from wholesale purchases from surrounding utilities, marketers, and IPPs. This plan contains two key assumptions:

1. NPC will continue to purchase 50 percent of its power requirements.

2. All new generation will be constructed at the Harry Allen Generating Power Station.

Through analysis of all resource options, Nevada Power recommends the plan that fulfills the goal of providing the most reliable, cost-effective water for its generation plants.

Nevada Power Company has applications filed with the State Engineer for water for Harry Allen as follow:

App #	Filing Date	Point of Diversion QQ	Qtr	Sec	Twp	Rng	Div Rate (cfs)	Annual Duty
60222	7/20/81	TR	38	38	21S	64E	0.150	74.60 AFY
46777	3/31/83	SE	SE	23	13S	63E	10.000	5000 AFY
49606	12/30/85	SE	SE	23	13S	63E	10.000	2,358.5 MGA
49607	12/30/85	SE	SE	23	13S	63E	10.000	2,358.5 MGA
49608	12/30/85	NW	NE	26	13S	63E	10.000	2,358.5 MGA
49609	12/30/85	NW	NE	26	13S	63E	10.000	2,258.5 MGA
49610	12/30/85	NW	NW	25	13S	63E	10.000	2,258.5 MGA
54484	2/26/90	SW	NE	2	18S	63E	2.000	1448 AFY
21728	3/3/94	NW	NW	22	21S	63E		30 AFY
62996	4/3/97	NE	NE	14	16S	63E	8.35	
62997	4/3/97	NW	SE	27	15S	63E	5.57	
62998	4/3/97	SW	NE	11	16S	63E	8.35	
62999	4/3/97	NW	SE	29	16S	63E	22.28	

The State Engineer issued a ruling on permit 46777 on June 19, 1997. Said ruling approved the discharge listed above subject to conditions. The original application was for a diversion rate of 55.000 cfs.

All of the water will not be developed. Nevada Power Company is only interested in meeting its projected need. The point of use is located in T17S, R63E, MDM in Section 12-SE1/4, E1/2 W1/4 (Portion); Section 13-E1/2,SW1/4, NW1/4 (Portion); Section 24; Section 25; section 35;- E1/2; Section 36, T18S, R63E, MDM;Section 1-NW1/4; Section 2- NE1/4, T17E, R64E; Section 7- S1/2; Section 18; Section 19; Section 30; Section 31.

It is in Nevada Power Company's best interest to identify and develop the water supply that is the closest point to the point of use. This is because water will have to be transported to the point of use by pipeline or trucked if only a limited quantity is needed. With the exception of permits 60222 and 54484 all of the above applications are for the appropriation of water from a deep regional groundwater flow system referred to as the carbonate aquifer. Since there is not sufficient data available to prove the availability of water, the first action will be to conduct exploratory drilling and test pump wells in the vicinity of the future point of diversion. After additional testing of the aquifer, the least cost option for water can be determined.

After additional test results are known, Nevada Power Company will be in a position to amend the applications for water from points of diversion it does not intend to develop.

POTENTIAL ADVERSE EFFECTS

Nevada Power Company has filled a "DRAFT" Monitoring Program identifying Nevada Power's commitment to continue to collect data to ensure that actions taken by others or itself do not adversely affect the priority water rights in the Muddy Springs Area Groundwater Basin. Any additional withdrawals must be reviewed to make sure that any effects can be defined and delineated so that the curtailment, if necessary, can be directed to the party causing the adverse action.

FINDING

In Ruling No. 4542, the State Engineer "... Since the quantity of water available for appropriation in the carbonate aquifer is unknown, the issue is of whether the additional diversion requested under Application 46777 from the carbonate aquifer in the Coyote Springs Groundwater Basin would reduce the spring flow and the inflow to the alluvial aquifer in the Muddy Springs Area Groundwater Basin in an amount that would interfere with existing water rights within the Muddy River Springs Groundwater Basin."

CONCLUSION

The State Engineer by offering Appropriation of water to Aerojet failed to address permits in the Coyote Springs Basin in priority order; therefore, the public interest would not be served by granting a permit to this application. Furthermore, no additional permits should be issued by the State Engineer until such time as an approved monitoring plan has been established. Said plan should identify trigger points as determined by the State Engineer and an appropriate method of determining which permitted withdrawal is culpable for the measured, quantitative adverse effects.