COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

ARIZONA CORPORATION COMMISSION

Brian McNeil
Executive Secretary

Direct Line: (602)542-3935
Fax: (602)542-0752
E-Mail wmundell@cc.state.az.us

April 19, 2004

Chairman Marc Spitzer
Commissioner Hatch-Miller
Commissioner Gleason
Commissioner Mayes

Re: UniSource Energy Corporation and Citizens Communications Sale of Assets, Docket Nos. E-01933A-02-0914, E-01032C-02-0914, G-01032A-02-0914 and Public Comment Sessions on Reorganization of UniSource Energy Corporation, Docket No. E-04230A-03-0933

Dear Colleagues:

As you all know, we are in the process of scheduling public comment sessions throughout the state in the areas affected by the UniSource reorganization case. In addition to taking comments on the proposed sale, I suggest we discuss UniSource's efforts to renegotiate its purchased power contract with Pinnacle West as well as the company's willingness to allow its customers to obtain wholesale power from a competitive supplier.

I have met with UniSource on these issues and have read the Company's status reports including the April 2, 2004 report. While UniSource has explained its position in these documents filed with the Commission, I believe that it is imperative for the Company to explain the current situation to its customers in an open meeting. Comments from an informed public will help the Commission make wise policy decisions that are in the public interest.

Sincerely,

William A. Mundell

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Docket Control
All parties of record