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October 27, 2005

Chairman Jeffrey Hatch-Miller
Commissioner Marc Spitzer
Commissioner Mike Gleason
Commissioner Kris Mayes
AZ Corporation Commission

Re: APS Surcharge Request Docket Nos. E-01345A-03-0437 and E-01345A-05-0526

Dear Colleagues:

It is my understanding that in late November Commission Staff will be presenting us with a revised draft of the EPS Rules based on our comments at the Special Open Meeting on August 10 and 11, 2005. I suggest we consider the matter as soon as possible after the draft Rules are issued. As with any matter, I hope we would have consensus, but in my opinion we owe it to the people of Arizona to vote the proposed Rules up or down.

The reason that I have put this letter in the APS Surcharge docket is to emphasize the importance of looking at the big picture. Because of the quasi-judicial nature of the Commission we tend to view these issues in a vacuum on a docket-by-docket basis. However, I feel that it is vital that we keep in mind how these issues are interrelated and the importance of developing more renewable sources of energy, especially given the skyrocketing cost of natural gas.

Sincerely,

William A Mundell
Commissioner

cc: Brian McNeil
Heather Murphy