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06 700 S.W. Fifth Avenue, Suite 26C
Portland, Oregon 97204
phone 503.224.3380
fax 503.220.2480
tdd 503.221.1045
www.stoel.com

JAMES M. VAN NOSTRAND
Direct (503) 294-9679
jmvannostrand@stoel.com

March 30, 2004

Ms. Colleen Ryan
Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Re: **Arizona Public Service Company**
Docket No. E-01345A-03-0437

Dear Ms. Ryan:

The Chief Administrative Law Judge has established March 30, 2004 as the deadline for intervenors in the above-captioned proceeding to file rebuttal testimony in response to direct case testimony previously filed by other intervenors. In that regard, in its direct case filing, the Residential Utility Consumers Office ("RUCO") has testimony recommending that the Commission find that retail electric competition in Arizona has failed and declare that the Commission no longer supports such competition as a matter of policy.

The Arizona Competitive Power Alliance ("Alliance") is not going to be submitting rebuttal testimony in response to this aspect of RUCO's filed direct case testimony. However, as a procedural matter, and in fairness to all concerned, the Alliance does want to note for the record that it believes RUCO has chosen the wrong proceeding and the wrong time to assert its position as to the future of retail electric competition in Arizona. Arguments of the type that RUCO is advancing are of a state-wide nature, and appropriately should be made within the context of the proceeding the Commission is conducting to re-examine the Retail Electric Competition rules in their entirety.

As and to the extent necessary, the Alliance may have occasion to raise this procedural point again during the course of the above-referenced proceeding.

Very truly yours,

Dreg Patterson for
Jamie Van Nostrand
James M. Van Nostrand

JMV:jlf

cc: All parties of Record

Arizona Corporation Commission
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