

ORIGINAL



0000004663

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



RECEIVED

ARIZONA CORPORATION COMMISSION

2004 MAY 14 A 10: 25

Direct Phone No.: 602-542-3933 *06CC*
Fax No.: 602-542-5560
e-mail: mspitzer@cc.state.az.us

May 14, 2004 AZ CORP COMMISSION
DOCUMENT CONTROL

Commissioner William Mundell
Commissioner Jeff Hatch-Miller
Commissioner Mike Gleason
Commissioner Kristin Mayes
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

Re: APS Rate Case
Docket No. E-01345A-03-0437

Dear Colleagues:

I am hopeful the settlement discussions within this docket yield at a minimum valuable discussions if not consensus on specific issues.

In addition to the matters under discussion, I repeat my desire to see the demand side management/energy efficiency subject considered. The presentations to the Commission by Southwest Energy Efficiency Project are of great interest and benefit to ratepayers.

In addition, the Commission's prior vote on purchased power and gas adjusters does not preclude, and in fact mandates, further consideration. I believe wind energy is now economically viable and could be a component of purchased power contracts to serve load. Given the volatility and cost of natural gas, this result would advance environmental interests in an economic manner. The long-term nature of contracts to finance wind energy projects cries out for treatment under the rubric of purchased power.

Very truly yours,

Marc Spitzer
Chairman

Arizona Corporation Commission
DOCKETED

MAY 14 2004

DOCKETED BY	
-------------	--