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Jana Van Ness
Manager
Regulatory Compliance

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Tel 602/250-2310
Fax 602/250-3003
e-mail: Jana.VanNess@aps.com
<http://www.apsc.com>

Mail Station 9908
P.O. Box 53999
Phoenix, AZ 85072-3999

AZ CORP COMMISSION
DOCUMENT CONTROL

September 15, 2004

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: PUBLIC NOTICE UNDER DOCKET NO. E-01345A-03-0437

Dear Sir or Madam:

Attached please find Arizona Public Service Company's ("APS") filing of the Public Notice in the above referenced proceeding and the signed affidavit.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Jana Van Ness
Manager
Regulatory Compliance

Attachment

Cc: Docket Control (Original plus 13 with attachments)
Parties of Record

Arizona Corporation Commission
DOCKETED

SEP 15 2004

DOCKETED BY

STATE OF ARIZONA
COUNTY OF MARICOPA }

ss.

Donna L. Avery, being first duly sworn,
upon oath deposes and says:

That she is the agent of Phoenix Newspapers Inc., publishers of

The Arizona Republic
Arizona Business Gazette

a newspaper of general circulation in the County of Maricopa, State of Arizona, published at Phoenix, Arizona, and that the copy hereto attached is a true copy of the advertisement published in the said paper

for a period of 1 { day } as follows:

APS advertisement appeared in the Arizona Republic
on September 11, 2004
3 X 10 column inches.

09/13/04 
Agent

Subscribed and sworn to before me this 13th day of September,

A. D. 2004

My Commission Expires


Cassandra Hall Notary Public
Maricopa County
My Comm. Expires Dec 7, 2004

**NOTICE OF PROPOSED
SETTLEMENT AGREEMENT AND
PUBLIC NOTICE OF HEARING
ON THE APPLICATION FOR
RATE INCREASE AND APPROVAL
OF PURCHASED POWER
CONTRACT BY ARIZONA
PUBLIC SERVICE COMPANY
DOCKET NUMBER
E-01345A-03-0437**

On June 27, 2003, Arizona Public Service Company, ("APS") filed an application with the Arizona Corporation Commission for a 9.8 percent increase (\$175.0 million) over adjusted test year revenues, and for approval of a purchased power contract with Pinnacle West Energy Corporation. Copies of APS' application and proposed tariffs are available at APS' office, 400 N. 5th Street, Phoenix, AZ, 602-371-3633, and the Commission's offices at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours.

On August 18, 2004, following approximately 4 months of negotiation among over 20 parties to the proceeding, a Proposed Settlement Agreement was filed with the Commission. Provisions of the settlement agreement include a 3.77 percent (\$67.55 million) rate increase and a .44% (\$8 million) surcharge to recover previously incurred costs associated with the introduction of retail electric competition. Copies of the Proposed Settlement Agreement are also available at the locations indicated above.

The Commission will hold a hearing on this matter beginning November 8, 2004 at 10:00 a.m. at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.cc.state.az.us/utility/cons/index.htm> for instructions), or by mailing a letter referencing Docket Number E-01345A-03-0437 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing. The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Yvonne McFarlin, ADA Coordinator, voice phone number 602-542-3931, email YMcFarlin@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.