



BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN, AND FOR APPROVAL OF PURCHASED POWER CONTRACT.

DOCKET NO. E-01345A-03-0437

**HELPS DODGE CORPORATION
STATEMENT OF POSITION ON
PROPOSED SETTLEMENT
AGREEMENT**

Pursuant to the Amended Rate Case Procedural Order dated August 20th, 2004, Phelps Dodge Corporation ("Phelps Dodge") hereby sets forth the position of Phelps Dodge on the Proposed Settlement Agreement.

Phelps Dodge recognizes the time and effort that has been expended by the parties to the Settlement Agreement in an effort to arrive at a settlement that is just and reasonable for the parties and in the public interest. To reach agreement on the many complex issues involved in this proceeding has required parties to compromise on issues that, standing alone, a party would not otherwise have agreed to except for the issue's interrelationship with other issues. This has required good-faith negotiating and the balancing of interests among the parties. Phelps Dodge, therefore, supports the Settlement Agreement as structured.

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RESPECTFULLY SUBMITTED this 27th day September 2004.

FENNEMORE CRAIG, P.C.

By: 
C. Webb Crockett
3003 North Central Avenue
Suite 2600
Phoenix, AZ 85012
Attorneys for Phelps Dodge Corporation

The **ORIGINAL** and **13 copies** of the foregoing were filed this 27th day of September 2004, with:

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

COPY of the foregoing **hand-delivered** this 27th day of September 2004, to:

MARC SPITZER, Chairman
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

WILLIAM A. MUNDELL, Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

JEFF HATCH-MILLER, Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

MIKE GLEASON, Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 KRISTIN K. MAYES, Commissioner
Arizona Corporation Commission
2 1200 West Washington
Phoenix, Arizona 85007

3 Lyn Farmer
4 Chief Administrative Law Judge
Hearing Division
5 Arizona Corporation Commission
1200 West Washington
6 Phoenix, Arizona 85007

7 Christopher Kempsey, Chief Counsel
Legal Division
8 Arizona Corporation Commission
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9 Phoenix, Arizona 85007

10 Janet F. Wagner
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13 Ernest Johnson, Director of Utilities
Utilities Division
14 Arizona Corporation Commission
1200 West Washington
15 Phoenix, Arizona 85007

16 **COPIES** of the foregoing
17 **MAILED/*E-MAILED**
this 27th day of September 2004, to:
18 all Parties of Record.

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