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ARIZONA CORPORATION COMMISSION  
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April 18, 2005

Arizona Corporation Commission  
**DOCKETED**

APR 18 2005

DOCKETED BY 

The Honorable William A. Mundell  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007-2996

Re: *Docket Nos. E-01345A-03-0775 and E-01345A-04-0657*

Dear Commissioner Mundell:

During the hearing of this matter on April 7, 2005, you requested that Arizona Public Service Company ("APS" or "Company") provide you a breakout of the attorney time spent by APS and its outside counsel, Osborn Maledon, on these matters, as well as the associated investigation by Commission Staff ("Staff") into the Company's meter reading and bill estimation practices. In that regard, I have the following information:

Through the above date, Mr. Bruce Gardner and I (the two in-house lawyers assigned to first the Read Superior Court complaint and then later to the Company's Application for Declaratory Order and the Staff investigation) have recorded approximately 1500 hours over nearly a three year period on the internal charge number utilized for all three of these proceedings. Of this, only a few hundred hours, mostly by Mr. Gardner, were devoted to demonstrating that the Read complaint (both in Superior Court and at the Commission) was without merit as regards to its allegations that Mrs. Read was over-billed or that the Company systematically engaged in over-estimation. Staff likewise concluded that neither of these allegations was true. The balance of the time was attributable to the Application and the resultant Staff investigation, the latter of which resulted in nearly some 300 data requests from Staff, 37 APS employee interviews by Staff, and numerous meetings with Staff and the Staff consultants.

APS • APS Energy Services • Pinnacle West Energy • SunCor • El Dorado

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April 18, 2005  
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Osborn Maledon attorneys have incurred approximately 1400 hours (including both attorney and paralegal hours) on these various matters dating back to June 2002. Approximately 500 of those hours were directly related to the Staff investigation (including Staff's request for detailed information and documentation about the Superior Court litigation). The balance of the Osborn Maledon hours were incurred in the Superior Court litigation, with the vast majority of those hours devoted to responding to Plaintiff's unsuccessful class certification motion, other motions filed by Plaintiff, discovery and discovery motions, and APS' eventual motion to dismiss.

I believe this has been responsive to your request. As noted below, and as directed by the Presiding Officer, I have docketed this letter for inclusion in the record of these proceedings.

Sincerely,



Thomas L. Mumaw

cc: Chairman Jeff Hatch-Miller  
Commissioner Marc Spitzer  
Commissioner Mike Gleason  
Commissioner Kristin K. Mayes  
Lyn A. Farmer, Chief Administrative Law Judge  
Parties to the Docket