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HAND-DELIVERED

Janice M. Alward, Esq.
Arizona Corporation Commission
Legal Division
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. E-01345A-01-0822

Dear Ms. Alward:

In response to your inquiry of November 7, 2001 concerning the Application of October 18, 2001, let me make the following statements on behalf of Arizona Public Service Company ("APS") or "Company"):

1. APS fully intends to transfer to an affiliate or affiliates all of its non-renewable generating assets as authorized by Decision No. 61973 and as required by A.A.C. R14-2-1615, prior to December 31, 2002.
2. Decision No. 61973 requires APS to provide the Arizona Corporation Commission ("Commission") with 30-days prior notice of the transfer of any of the Company's generating assets in the form specified at page 10 of that Decision.
3. The Company's October 18, 2001 filing in the above Docket was not nor was it intended to be the 30-day notice described in Decision No. 61973.

I hope this has removed any doubt in the Commission's mind as to both the Company's intentions and the legal import of the October 18th filing.

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AZ CORP COMMISSION
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November 8, 2001



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Arizona Corporation Commission
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Janice M. Alward, Esq.
November 8, 2001
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Very truly yours,

SNELL & WILMER L.L.P.



Thomas L. Mumaw
Attorneys for Arizona Public Service Company

cc: Docket Control

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