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28

January 23, 2006

The Honorable Chairman Jeff Hatch-Miller
The Honorable Commissioner William Mundell
The Honorable Commission Spitzer
The Honorable Commissioner Gleason
The Honorable Commissioner Mayes

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Commissioner Mundell letter dated January 18, 2006 regarding communications with Rating Agencies – Docket Nos. E-01345A-03-0437 and E-01345A-05-0526

Dear Commissioners:

In response to Commissioner Mundell's letter dated January 18, 2006, APS is providing several documents related to communications with various rating agencies. Commissioner Mundell had requested that APS provide any e-mail, messages, memos or other correspondence sent from APS to Standard & Poor's, Fitch and Moodys. Enclosed is the requested information. Some of the documents are confidential because they include financial forecasts and will be provided to Staff pursuant to a protective agreement.

Please feel free to contact me if you have any further questions.

Sincerely,

Justin H. Thompson

Cc: Docket Control
Brian McNeil
Lyn Farmer
Ernest Johnson
Chris Kempley
Dean Miller
Adam Stafford
Phillip Dion
Ken Rosen
Matt Derr
Parties of Record

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 JAN 23 A 9 10

RECEIVED

Omanovic, Rufad (Z72366)

From: Omanovic, Rufad (Z72366)
Sent: Thursday, 19 January, 2006 14:46
To: 'Selting, Anne'
Cc: McGill, James T(Z71171)
Subject: RE: electronic versions of Aug forecast
Attachments: 0805 PNW S&P Pres v506.xls; 0805 APS S&P Pres v506.xls

Tracking:

Recipient	Read
'Selting, Anne'	
McGill, James T(Z71171)	Read: 1/19/2006 15:42

From: Selting, Anne [mailto:anne_selting@standardandpoors.com]
Sent: Thursday, 19 January, 2006 14:25
To: Omanovic, Rufad (Z72366)
Subject: electronic versions of Aug forecast

Can you send those? I think we did all of our analysis based on the flip book (entered the numbers). And even if that is not right, right now I am not able to quickly put my hands on the electronic versions (if we got them). So could you send/resend?

Thanks

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1/19/2006

Hoffman, Marty (Z03226)

From: Hoffman, Marty (Z03226)
Sent: Friday, January 06, 2006 4:50 PM
To: 'anne_seltin@sandp.com'
Subject: Updated forecast

Attachments: 2006 fuel deferral detail v539 final.xls; 0106 PNW S&P Pres v539 Final.xls; 0106 APS S&P Pres v539 Final.xls

Anne,

Attached please find an updated forecast for PNW and APS that takes into account an emergency increase effective April 2006. I have also attached the revised fuel deferral balance worksheet that corresponds with the new forecast.



2006 fuel deferral detail v539... 0106 PNW S&P Pres v539 Final.x... 0106 APS S&P Pres v539 Final.x...

Regards,

Marty Hoffman
(602) 250-3514

Hoffman, Marty (Z03226)

From: Hoffman, Marty (Z03226)
Sent: Friday, January 06, 2006 4:51 PM
To: 'laura.schumacher@moodys.com'
Subject: Updated forecasts

Attachments: 2006 fuel deferral detail v539 final.xls; 0106 PNW Moodys Pres v539 Final.xls; 0106 APS Moodys Pres v539 Final.xls

Laura,

Attached please find an updated forecast for PNW and APS that takes into account an emergency increase effective April 2006. I have also attached the revised fuel deferral balance worksheet that corresponds with the new forecast.



2006 fuel deferral detail v539... 0106 PNW Moodys Pres v539 Fina... 0106 APS Moodys Pres v539 Fina...

Regards,

Marty Hoffman
(602) 250-3514

Gomez, Barbara M(J38509)

From: Gomez, Barbara M(J38509)
Sent: Friday, January 06, 2006 4:19 PM
To: 'laura.schumacher@moodys.com'
Subject: FW: Application for Emergency Increase

Importance: High

Here is a PDF of the Emergency Application that we just filed a few minutes ago. Let me know if you have any trouble printing it.



Untitled.PDF (1 MB)

Gomez, Barbara M(J38509)

From: Gomez, Barbara M(J38509)
Sent: Tuesday, January 17, 2006 7:52 AM
To: 'laura.schumacher@moodys.com'
Subject: FW: PSA - APS Exceptions

Here is the exceptions brief we filed on Friday to the ALJ's Recommended Order.



Exceptions to
ecommended orde..

Gomez, Barbara M(J38509)

From: Gomez, Barbara M(J38509)
Sent: Friday, January 06, 2006 4:20 PM
To: 'Anne_selling@sandp.com'
Subject: FW: Application for Emergency Increase

Importance: High

Here is a PDF of the Emergency Application we just filed a few minutes ago. Let me know if you have any problems printing this document.



Untitled.PDF (1 MB)

Gomez, Barbara M(J38509)

From: Gomez, Barbara M(J38509)
Sent: Tuesday, January 17, 2006 7:51 AM
To: 'Anne_selling@sandp.com'
Subject: FW: PSA - APS Exceptions

Here is the exceptions brief we filed on Friday on the ALJ's Recommended Order.



Exceptions to
ecommended orde..

McGill, James T(Z71171)

From: Selting, Anne [anne_selting@standardandpoors.com]
Sent: Monday, December 19, 2005 2:37 PM
To: McGill, James T(Z71171)
Subject: RE: list of assumptions

What about 2007?

-----Original Message-----

From: James.McGill@pinnaclewest.com [mailto:James.McGill@pinnaclewest.com]
Sent: Wednesday, December 14, 2005 2:10 PM
To: Selting, Anne
Cc: Barbara.Gomez@pinnaclewest.com
Subject: RE: list of assumptions

Anne,
Here are assumptions for the forecast included in the presentation we did in August and assumed deferred power balances.

Deferred power balance:
2005 - \$135M
2006 - \$199M

Jim

From: Selting, Anne [mailto:anne_selting@standardandpoors.com]
Sent: Wednesday, December 14, 2005 4:02 AM
To: McGill, James T(Z71171)
Cc: Gomez, Barbara M(J38509)
Subject: list of assumptions

Jim

For the most recently received PWCC forecast, can you forward to us the assumptions made by the modeling group? Of particular interest, which I am hoping you can tell me in advance of receipt of assumptions, what is the assumed deferred power balance?

Thanks
Anne

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"MMS <apsc.com>" made the following annotations.

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IMPORTANT MESSAGE

FOR Lisa
DATE 12-21 TIME 11:20 ^{A.M.}/_{P.M.}
M. Phil Smyth
OF Fish Ratings
PHONE 212 908 0531

FAX AREA CODE NUMBER EXTENSION
 MOBILE AREA CODE NUMBER TIME TO CALL

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CAME TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		FLUSH	
RETURNED YOUR CALL		SPECIAL ATTENTION	

MESSAGE re: rating change, he
heard that there was one but
he's not sure

SIGNED _____

LM returned

IMPORTANT MESSAGE

FOR *Becky*

DATE *1/6* TIME *11:35* A.M.
P.M.

M *Phil Smith*

OF *Fitch*

PHONE _____

FAX _____

MOBILE *212 908-0531*

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CAME TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	RUSH	<input checked="" type="checkbox"/>
RETURNED YOUR CALL	<input type="checkbox"/>	SPECIAL ATTENTION	<input type="checkbox"/>

MESSAGE *rating action on company*

SIGNED _____