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February 6, 2006

Chairman Jeff Hatch-Miller
Commissioner William Mundell
Commissioner Mike Gleason
Commissioner Kris Mayes

**Re: APS Demand Side Management Program, Docket No. E-01345A-05-0477-
Proposed Standard and Poor's Presentation; Environmental Portfolio Standard
Docket No. RE:00000C-05-0030**

Dear Colleagues:

I appreciate the Chairman proposing to schedule a presentation by Standard & Poor's ("S&P"). A major surprise during my tenure as Commissioner has been learning about the technical and substantive distinctions between debt and equity analysis.

I do not share some of my colleagues' concerns that the proposed S&P presentation would delay the EPS or DSM dockets. I strongly believe the docketed APS DSM matter should be considered and voted on February 14, 2006. Additionally, my recent letter to the EPS docket suggests a vote on the EPS Rules would precede the S&P presentation.

The procedural tracks for EPS and APS DSM matters bear no connection with any future meeting day potentially set aside for S&P. In other words, there is no *nexus* between an S&P presentation and the two dockets my colleagues, and I, want to proceed apace. Further, while I appreciate the desire to prioritize the Commission's work, I do not believe there is a conflict as the Commission's schedule, not to mention S&P's, indicates the presentation will occur late this spring.

A presentation on the analysis of corporate debt would be worthwhile. I do believe the S&P presentation should be generic and no matters presently before the Commission should be discussed. With that *caveat*, I would welcome S&P to Phoenix.

Very truly yours,

Marc Spitzer
Commissioner

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