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**AZ CORP COMMISSION
DOCUMENT CONTROL**

February 22, 2002

VIA HAND DELIVERY

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

Re: *Arizona Electric Power Cooperative, Inc. ("AEPSCO") PPFAC Audit*
Docket No. E-01773A-01-0833

Dear Sir/Madam:

Enclosed is a revised Board resolution dated February 19, 2002. It clarifies the recovery instruction as to the full under-collected PPFAC balance of \$8,294,176.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: 
Michael M. Grant

ORIGINAL and 10 copies filed
with Docket Control this 22nd
day of February 2002.

COPY delivered via hand delivery
this 22nd day of February 2002 to:

John Thornton
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
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Docket Control
February 22, 2002
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cc: Dirk Minson (via U.S. mail)
Pat Cooper (via U.S. mail)

MMG:bo
Enclosure
10421-0029/996923v1

ARIZONA ELECTRIC POWER COOPERATIVE, INC.
Benson, Arizona

The following resolution was adopted at a **regular meeting** of the Board of Directors of Arizona Electric Power Cooperative, Inc. (AEPSCO), held in Benson, Arizona on February 19, 2002.

RESOLUTION

***WHEREAS**, Management has discussed with the Board of Directors of Arizona Electric Power Cooperative, Inc. (AEPSCO) the under collected \$8.2 million balance in the Purchased Power and Fuel Adjustment Clause (PPFAC) as of July 31, 2001 and the fuel cost, purchased power expenses and other factors which caused the under collected balance; and*

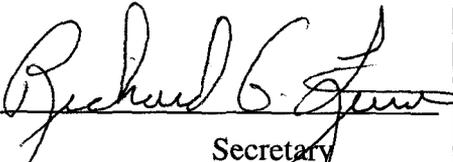
***WHEREAS**, by Board Resolution dated December 12, 2001 the Board of Directors of AEPSCO authorized Management to seek an affirmative order from the Arizona Corporation Commission (ACC) which would, among other things, authorize the collection of the under collected PPFAC balance at a rate not to exceed 2 mills per kWh; and*

***WHEREAS**, the December 12, 2001 Board Resolution did not fully express the under collected PPFAC balance to be \$8,294,176; and*

***WHEREAS**, the ACC Staff has requested a Board Resolution authorizing the fully expressed PPFAC balance.*

***NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of Arizona Electric Power Cooperative, Inc. hereby authorize Management to seek recovery of \$8,294,176 which is the fully expressed under collected balance of the PPFAC as of July 31, 2001.*

I, Richard G. Lunt, do hereby certify that I am Secretary of AEPSCO, and that the foregoing is a true and correct copy of the Resolution adopted by the Board of Directors at a **regular meeting** held on February 19, 2002.


Secretary

(seal).