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March 13, 2006

Via Hand-Delivery

Jeff Hatch-Miller, Chairman
William A. Mundell, Commissioner
Marc Spitzer, Commissioner
Mike Gleason, Commissioner
Kristin K. Mayes, Commissioner
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

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AZ CORP COMMISSION
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Re: In the Matter of the Application of Arizona Public Service Company
for Determination of Prudence and Approval of Ratemaking
Treatment Related to Natural Gas Infrastructure
Docket No. E-01345A-05-0895

Dear Commissioners:

Arizona Public Service Company ("APS" or "Company") is writing in response to the letter submitted by El Paso Natural Gas Company ("El Paso") requesting that the above-referenced matter be pulled from the agenda for the Arizona Corporation Commission ("Commission") Open Meeting on March 15, 2006. APS opposes that request. As indicated in its Application, APS has requested a timely decision by the Commission to provide added assurance that the project will move forward and to facilitate the Company's ability to most effectively manage its gas transportation. Those reasons also are discussed in the Staff Report. The Company's Application was filed on December 16, 2005. APS provided to El Paso pursuant to the Protective Agreement all of the confidential responses to Commission Staff Data Requests on March 1, 2006 and the confidential Staff Report on March 7, 2006. APS therefore believes that El Paso has had sufficient time to analyze the information provided by APS to the Commission Staff supporting the Company's Application, including the assumptions used by the Company with respect to future El Paso rates and basin differentials.

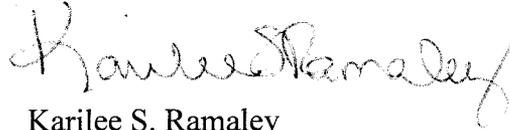
APS • APS Energy Services • Pinnacle West Energy • SunCor • El Dorado

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Arizona Corporation Commission
March 13, 2006
Page Two

APS respectfully requests that the matter not be pulled from the March 15, 2006 Open Meeting Agenda.

Sincerely,



Karilee S. Ramaley

KSR/na

cc: Parties to the Docket;
Original and 13 copies to
Docket Control