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

RE: Renewable Resources
Docket No. E-01345A-03-0437, Decision No. 67744

Pursuant to the Settlement Agreement ("Agreement") approved in Decision No. 67744, APS was required to issue "a special RFP" seeking to acquire at least 100 MW of renewable resources subject to the conditions outlined in Paragraph 69. Paragraph 71 of the Agreement requires APS to file notice with the Commission if it has failed to acquire the 100 MW by December 31, 2006. This notice was to include a description of the shortfall, circumstances leading to the shortfall, and recommended actions to the Commission.

This letter is to inform the Commission and all Parties of Record that APS has acquired at least 100 MW of renewable resources pursuant to Paragraph 69. APS has therefore complied with this portion of the Settlement Agreement and the notice described in Paragraph 71 will not be necessary.

If you have any questions, please contact me at 602-250-4563.

Sincerely,

Barbara A. Klemstine
Director, Regulatory Affairs

Cc: Brian Bozzo
Ray Williamson
Parties of record

Arizona Corporation Commission
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