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Ladies and Gentlemen:

A quick review of your request for comments on the Proposed Rule for Retail Electric Competition would show the ACC should provide additional time to provide comments on these rules since they are so detailed and involved. We applaud the Commission for investigating this particular issue.

In addition, we believe that proposed Rule 14-2-xxx9, while laudable, should also include "renewal projects" so that other renewable resource projects are not precluded from participation or credit. We have in mind the generation of electricity by hydropower as being a renewable project so that it would qualify under this proposed rule.

We further believe that proposed Rule R14-2-xxx11 does not consider the existing situations in Arizona. For example, the Certificate of Convenience and Necessity of Arizona Public Service Company overlays various municipal utilities, such as this district where the municipal utility can only serve certain loads, while the same loads are eligible for APS service. This lack of reciprocity provides discriminatory treatment for customers within these areas versus other areas, because the consumers may not be allowed access to the cheaper hydro resources of the municipal district versus the power supplies of APS.

We appreciate the opportunity to submit these comments.

Sincerely yours,

William D. Baker

William D. Baker
 Assistant Secretary

WDB/fms

c: H. Clifton Douglas, Chairman
 Ken R. Saline