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AZ CORP COMMISSION  
DOCKET CONTROL

July 1, 2008

Docket Control  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, AZ 85007

**RE: Tucson Electric Power Company's Direct Load Control Program  
Docket No. E-01933A-07-0401**

Dear Docket Control:

Tucson Electric Power Company ("TEP") filed its Demand-Side Management ("DSM") Portfolio on July 2, 2007 in the docket referenced above. The DSM Portfolio included ten DSM programs for consideration and approval by the Arizona Corporation Commission ("Commission").

TEP hereby provides notice of its withdrawal of the Direct Load Control ("DLC") program that it filed as part of its DSM Portfolio. In order to achieve the savings anticipated for TEP's DLC program, advances in thermostat technology and metering communication infrastructure are still required. TEP anticipates that these technologies will be available in the near-term, and plans to re-file its DLC program, incorporating these new technologies, as soon as is practical. TEP discussed this information with Commission Staff, who does not oppose TEP's withdrawal and re-filing. TEP also discussed this withdrawal with the Southwest Energy Efficiency Project, who indicated that it was not opposed to the withdrawal and re-filing.

Please contact me at (520) 884-3708 with questions. Thank you.

Sincerely,

Philip J. Dion

Arizona Corporation Commission

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