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**ARIZONA CORPORATION COMMISSION**

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AZ CORP COMMISSION  
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September 11, 2008

The Honorable Sylvia Allen  
Arizona State Senate  
1700 West Washington  
Phoenix, Arizona 85007

RE: Arizona Public Service Company – Elimination of 1000 Feet of “Free Extension”  
Docket Nos. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Senator Allen:

Thank you for your letter of August 20, 2008 expressing concern with the Arizona Corporation Commission’s Decision to do away with 1000 feet of free line extension in APS’ service territory. As you know, I was the sole dissenting vote on the amendment making that change during the summer of 2007. I also proposed an amendment against the elimination of free line extension in UNS Electric’s service territory during the Commission’s Special Open Meeting on May 14, 2008.

Like you, I recognize the harsh effects felt by customers following the elimination of free line extension, particularly in rural areas such as your district. Following the APS decision the Commission received numerous complaints from customers who felt frustrated and betrayed with what they saw as a unilateral policy change. Customers purchased land planning on the allocation of free footage only to find out later that they would be forced to spend thousands of dollars to have their service connected, and worse yet, there was nothing they could do to improve the situation. As you mentioned in your letter, in some cases the costs are absolutely outrageous, particularly for rural customers with lower incomes who struggle to provide for their basic needs.

Please rest assured that I continue to stand with you on this important issue and support addressing the issue of hook-up fees in a generic docket where all of the relevant factors can be considered and all affected stakeholders can have the chance to be heard rather than blindsided. If there is anything else I can do to assist you or your constituents please do not hesitate to contact me. Thank you again for writing.

Sincerely,

Jeff Hatch-Miller  
Commissioner

Arizona Corporation Commission  
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