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AZ CORP COMMISSION
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December 1, 2008

Chairman Mike Gleason
Arizona Corporation Commission
1200 West Washington, 2nd Floor
Phoenix, AZ 85007

Dear Chairman:

Scottsdale Healthcare is the preeminent healthcare provider in the Northeast Valley serving over 250,000 patients a year through three hospitals, outpatient centers, home health services and a wide range of community health education and outreach programs. As the largest employer in Scottsdale, we also have over 6,700 staff members and physicians that are dedicated to healing and patient care. Hospitals have unique and intense energy use requirements. We require lighting, heating, ventilation and cooling 24 hours a day, 7 days a week along with extensive energy for ventilation, equipment, sterilization, laundry and food preparation. Healthcare organizations annually spend over \$6.5 billion on energy to meet patient needs. Our ability to serve the community and our patients depends on critical energy delivery from APS.

The explosive growth that Arizona has experienced in the last decade has put a strain on infrastructure. A strong utility company like APS is critical to Arizona's ability to grow our state's infrastructure including hospitals who are constantly expanding to meet the growing healthcare needs of our state. APS must be ready and able to serve all customers and should not cut back on necessary costs needed to build our energy infrastructure.

APS has been the electric provider to Scottsdale Healthcare for decades and has also been an important partner in identifying energy-saving improvements for our facilities. The APS Solutions for Business program helped Scottsdale Healthcare reduce its electricity bills by installing energy efficient lighting and adding variable speed drives (VSDs) to several air handlers. These energy efficient measures produce significant cost savings for Scottsdale Healthcare and save nearly one million kWh annually.

The future health of Arizona depends on our ability to grow and expand our hospital and healthcare services. APS is an important partner in delivering healthcare and meeting the needs of our community. Please take this into consideration as you consider APS' rate request.

Sincerely,

Thomas J. Salvary
President and Chief Executive Officer

Arizona Corporation Commission
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SCOTTSDALE HEALTHCARE

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