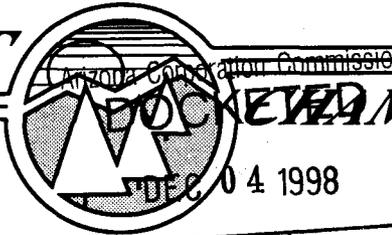


PRESCOTT



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CHAMBER OF COMMERCE

DOCKETED BY *[Signature]*

December 1, 1998

Renz Jennings, Commissioner
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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Dear Mr. Jennings:

RE-00000C-94-0165

The continued viability of the Prescott area's largest business, Cyprus Bagdad Copper Corporation, could be threatened by the Deregulation Settlement proposed by Arizona Public Service Company, (APS), and the Arizona Corporation Commission Staff. The possibility of losing a number of high paying jobs and a major tax base in the community causes the Prescott Chamber much concern.

Representatives from Cyprus Bagdad Copper Corporation recently brought to the Prescott Chamber's attention that terms of the Settlement would increase by 10% the already high power costs at the Bagdad mine. The Chamber is troubled that unintended consequences of this Settlement could jeopardize the very existence of the largest taxpayer in Yavapai County and over 500 of the highest paying jobs in the area.

The Chamber feels that a solution should be found that will usher in a competitive, deregulated market that will provide parity to all utility customers. The Chamber awaits a positive resolution for Bagdad. Thank you for your consideration in this matter.

Sincerely,

[Signature: David Sommer]

David Sommer
Chief Executive Officer

/hs

c: Commissioner Jim Irvin
Commissioner Carl Kunasek