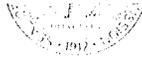


JIM IRVIN
COMMISSIONER-CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER



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JACK ROSE
EXECUTIVE SECRETARY



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ARIZONA CORPORATION COMMISSION

JAN 4 11 00 AM '99

December 31, 1998

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Commissioner Carl Kunasek
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

JAN 04 1999

Re: Docket No. RE-00000C-94-0165

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Dear Commissioner Kunasek:

The Commission has read, considered, and rejected all of these arguments in the past. Moreover, I reviewed the reprised arguments again and finding nothing new or compelling, voted to deny the petitions. To suggest, as you, Tony West and Michael Grant have, that the scheduled Open Meeting somehow deprives parties of due process is laughable. The parties have had four years to make their arguments, and they continue to press those arguments in court. In fact, if the Commission acts to deny the applications for rehearing, or simply lets the applications be denied by operation of law, the parties will have yet another opportunity to present their arguments to the court. I am at a loss to see how acting quickly on applications for rehearing, thereby accelerating the opportunity of parties to proceed to court, deprives anyone of due process.

Let me add that your and Tony West's reading of the recent Supreme Court action is not only self-serving, it is wrong. Certainly you recognize that it wasn't the Supreme Court, but only one justice, that took action. The Supreme Court never determined that the Commission deprived anyone of their due process rights. Furthermore, Vice Chief Justice Jones' order addressed only the Commission's planned consideration of the APS/TEP Settlement Agreements. There was no sweeping indictment of the Commission process. To the contrary, the stay order was very narrow and limited. The Commission's process has been lengthy and open, with full opportunity for participation by all interested parties.

Finally, any party seriously making a new argument as a practical matter would have filed their comments before 5:00 p.m. All that has come in has been reviewed, giving me plenty of time to review anything new.

Respectfully,

RENZ D. JENNINGS
Commissioner

RDJ:ahh