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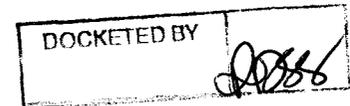
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August 4, 2011

Arizona Corporation Commission
DOCKETED

AUG 4 2011

Ronald L. Litzinger, President
Southern California Edison Company
2244 Walnut Grove Ave
Rosemead, CA 91770



David L. Mead, Senior Vice President
Transmission and Distribution
Southern California Edison Company
One Innovation Way
Pomona, CA 91768

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AZ CORP COMMISSION
DOCKET CONTROL

Re: Docket No. ~~E-01345A-10-0474~~
Docket No. E-20465A-06-0457
Docket No. ~~E-00000P-08-0570~~

Dear Mr. Litzinger and Mr. Mead:

I reviewed with interest Southern California Edison Company's ("SCE") July 7, 2011 letter to Chairman Pierce which contained an update on SCE's activities and status related to the Arizona portion of the Palo Verde-Devers 2 ("PVD2") transmission line project. While I was not a member of the Commission at the time the PVD2 matter was decided, based upon changed circumstances since that time I would be receptive to reconsideration of the matter. There are also other matters now pending or that may be pending before the Commission involving SCE including the sale of SCE's interest in Four Corners Units 4 and 5 to Arizona Public Service Company ("APS"), and potentially proceedings relating to the Commission's enforcement actions in the Palo Verde-Devers 1 ("PVD1") case. The PVD1 litigation could consume considerable time before the Commission and the courts. It occurred to me after reviewing SCE's letter that it may be beneficial to address and hopefully resolve all of SCE's outstanding issues before the Commission at the same time to the extent possible.

I am aware that preliminary meetings have occurred between SCE and Commission representatives related to reaching a settlement in the PVD1 litigation. I do not mean to interfere with the progress of those meetings or foreclose any other potential avenues for resolution. Nor do I want to introduce any potential obstacles to the prompt resolution of the Four Corners docket. I am aware of the testimony in the Four Corners docket that it is critical to achieve regulatory certainty for interested parties on the proposed transaction at the earliest possible date. However, I would like interested parties to at least consider whether the issues in these matters

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may be considered in tandem and thereby resolved in a way that will benefit all interested parties, serve the public interest and conserve scarce Commission resources. While SCE is not a party to the Four Corners docket, any global settlement could encompass issues relating to pending litigation as it has in other matters before the Arizona Commission.

While I will review and vote on any application that comes before me based on its merits, I sincerely hope that all these matters may be resolved at the same time as the issues in this docket are resolved, to the satisfaction of all interested parties. By this letter, I am asking SCE to file its comments and suggestions regarding the possibilities raised in this letter in the Four Corners docket. I look forward to all interested parties' comments to this letter to assist me in my full consideration of these matters.

Sincerely,

A handwritten signature in black ink that reads "Paul Newman". The signature is written in a cursive style with a large, stylized initial "P".

Paul Newman
Commissioner

cc: Chairman Gary Pierce
Commissioner Bob Stump
Commissioner Sandra D. Kennedy
Commissioner Brenda Burns
Ernest G. Johnson
Steve Olea
All parties in the above dockets