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AZ CORP COMMISSION
DOCKET CONTROL

December 30, 2011

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

RE: Arizona Corporation Commission's Sixth Biennial Transmission Assessment
Docket No. E-00000D-09-0020

In Decision No. 72031, dated December 10, 2010, the Commission ordered that Southwest Transmission Cooperative ("SWTC"), Arizona Public Service Company ("APS"), Tucson Electric Power and Sulphur Springs Valley Electric Cooperative jointly complete additional actions and file specified information related to the Cochise County Study Group ("CCSG") plan of service¹ with the Commission as follows:

"By December 31, 2011, substantially complete contractual negotiations with affected parties over cost responsibility, wheeling arrangements, Engineering, Procurement and Construction ("EPC"), operations and maintenance, etc. (described as pending items in the CCSG 2009 report), and file a draft memorandum of understanding among affected parties addressing these items with the Commission."

The CCSG has developed a draft Memo of Understanding ("MOU") regarding the projects being pursued at this time by the CCSG; however, discussions between parties are currently ongoing and certain material terms and conditions are still being negotiated. Some of the projects APS is pursuing (as set forth in the draft MOU) will require facilities to be built by other parties; however, APS is committed to making the necessary changes to its 69 kV system that will enhance system reliability. APS intends to assume cost responsibility for those projects or improvements that provide direct benefits to APS's electric system and its customers.

SWTC will file the draft MOU and progress report on behalf of the CCSG participants. This letter serves as notice to the Commission that APS has complied with the filing requirement in Decision 72031 via SWTC's filing described above.

If you have any questions regarding this information, please contact Jennie Vega at (602)250-2038.

Sincerely,

Jeffrey W. Johnson
JJ/cd
cc: Brian Bozzo

Arizona Corporation Commission

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¹ Sixth BTA 2010-2019 Staff Report, Section 4.2.1(Cochise County Import Assessment), p. 50 (November 5, 2010) and Decision No. 72031, Section 7(d), p. 6 (December 10, 2010).