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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL  
January 24, 2013

Arizona Corporation Commission  
**DOCKETED**

JAN 24 2013

**HAND DELIVERED**

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

DOCKETED BY

Re: *AEPCO Comments on the Staff Report Dated January 22, 2013; AEPCO's Application for Authorization to Incur Debt and Secure Liens in Its Property to Finance Its Construction Work Plan (the "S-8 CWP Financing Request"); Docket No. E-01773A-12-0192*

Dear Sir or Madam:

AEPCO has received and reviewed the Staff Report dated January 22, 2013.<sup>1</sup> AEPCO agrees with the Staff's conclusion that the S-8 CWP Financing Request should be granted and also has no objection to any of Staff's recommendations at page 4 of its report. We would clarify in relation to the "Encumbrance" paragraph on page 3 of the report that AEPCO will not obtain a WIFA loan, but instead will secure interim financing from the Cooperative Finance Corporation and a permanent loan from the RUS/FFB as stated on page 4 of the Staff Report.

AEPCO has been notified by the RUS that its loan has been approved and expects to receive loan documents shortly. For that reason, we would request that this matter be placed on the Commission's February Open Meeting agenda and AEPCO waives the ten-day exception period to assist in that regard.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:

Michael M. Grant

MMG/plp  
10421-68/3226933  
cc (via email): Jane L. Rodda, Administrative Law Judge

**Original and 13 copies** filed with Docket Control this 24<sup>th</sup> day of January, 2013.

<sup>1</sup> The Staff Report was originally filed on January 17, but pages were inadvertently omitted. The January 22, 2013 Staff Report included the missing pages.