



Arizona Lifestyle

State – August / September 2005

APS
THE POWER TO MAKE IT HAPPEN®

PLEASE READ! IMPORTANT NEWS ABOUT YOUR ELECTRIC BILL

Dear APS Customer:

As we move into the heart of another Arizona summer, APS expects to meet the highest demand for electricity in our history. And, while we're well prepared and do not expect a repeat of last summer's events, we are facing other challenges this year. The cost of natural gas and, to a lesser extent, other fuels used to generate electricity has increased and remains stubbornly high. As a result, we have asked the Arizona Corporation Commission (ACC) for a temporary adjustment to our rates to recover the higher costs of fuel that are not included in current rates. (A power supply adjuster is a commonly-used regulatory mechanism to reflect changes in fuel and purchased power costs)

In the last year, I am sure that you have been impacted by the soaring cost of gasoline at the pump. The price of natural gas has increased in a similar manner. Costs incurred by APS for fuel and purchased power currently exceed the cost included in APS' rates by about 24 percent. By the end of August, the company could see a shortfall in its fuel-costs collection of about \$100 million. That's why we've requested a temporary surcharge of about 2.2 percent to recover this under-collection over two years, beginning this Fall.

The plain fact is that fuel is the largest single cost of providing electricity to our customers, and we only charge our customers what the fuel costs us — we add no mark-up. If approved,

the surcharge would add about \$2.74 to the average monthly residential bill. And, if fuel costs continue to increase, we could be faced with further price adjustments.

The positive news is that our customers will continue to receive the top-notch, reliable service they have come to expect from us. Just as important, the price you pay for our service will remain a strong value. Even with the proposed surcharge, our rates will still be lower than they were in 1991. By comparison, the Consumer Price Index has increased by 43 percent over the same period.

But, using energy wisely makes good sense for all of us. That's why I encourage you and your family to adopt energy-efficient practices. Conservation not only helps keep our fuel costs down, it helps lower your overall energy bills.

To learn more about energy saving tips or the power supply adjuster, log on to our web site at www.aps.com.

Sincerely,



Jack Davis
President & CEO

We're available 7-days-a-week, 24-hours-a-day, aps.com
Metro Phoenix area: 602-371-7171 — Other areas: 800-253-9405

Energy Star Appliances

To conserve energy and help the environment always purchase energy efficient products bearing the Energy Star insignia. Energy Star is a federal government-backed program helping businesses and individuals protect the environment through superior energy efficiency in products ranging from business equipment to appliances to new homes. Energy Star products can save consumers about a third on their energy bill and bring a similar savings of greenhouse gas emissions, without sacrificing features, style or comfort.

So whether it's a computer, an air conditioner or a new home you're shopping for, look for the Energy Star and conserve energy, save money and help the environment. For more information on Energy Star, visit energystar.gov.

Summer Energy-saving Tips

Gas costs have increased in 2005, which will impact the recently approved Power Supply Adjustor (PSA). By working together to conserve energy, we can minimize the impact of the PSA. So, keep these tips in mind to stay cool, save money and conserve energy this summer:

- Set your thermostat a few degrees higher. For every degree you raise your thermostat, you can save two to three percent on the air conditioning portion of your energy bill.
- Use fans along with your air conditioner. They can help reduce energy costs by circulating the cool air. Ceiling fans also can allow for air conditioners to be set three to four degrees higher with minimal change in comfort.
- Repair any broken windows or gaps that can allow cool air to escape. Seal gaps in your home's doors and windows.
- Cover windows with awnings, sunscreens or reflective film and keep drapes, blinds or shades closed during the day to keep out unwanted heat.

- Plant vegetation adjacent to windows — particularly on the west side of the home. This will help reduce heat by blocking the sun's rays.
- Do heat-producing chores such as laundry, cooking and dishwashing during the cooler times of the day. These tasks produce heat, which requires the air conditioner to work harder.
- Avoid using the oven as much as possible. Summer is the time for cookouts.
- Turn off electronic equipment such as computers and televisions when not in use.
- Take the APS Energy Survey on aps.com. In as little as 10 minutes, this online tool will help you evaluate your home and learn where you can reduce energy use.

For more energy-saving tips or information on the PSA and current gas prices, visit aps.com.

Save with the APS Energy Survey

Reducing your home's energy use is as easy as a click of the mouse with the APS Energy Survey at aps.com. In as little as 10 minutes, this online tool will help you evaluate your home and learn where you can reduce energy use. The APS Energy Survey analyzes your energy use and provides helpful suggestions on how to make

your home more energy efficient. You can even compare your energy usage to homes of similar size.

Access this free tool by visiting aps.com and selecting "Energy Survey" in the residential section.



The image shows a screenshot of the APS Energy Survey form. At the top, it says "BROUGHT TO YOU BY... APS The Power to Make it Happen". Below that is a "Return user?" link and a "Sign in" button. The main section is titled "My Home Profile" and asks the user to describe their home. It includes several questions with radio button options:

- What best describes your home?
 - Detached single family
 - Townhouse
 - Semi-detached duplex
 - Apartment/condo
 - Multi-family
 - Mobile home
- How many beds does your home have, including basement and unfinished attic?
 - 1
 - 2
 - 3
 - 4+
- How old is your home (in years)?
 - Less than 5 years
 - 5-9
 - 10-15
 - 16-20
 - 21-40
 - Over 40
- Does your home have an attic?
 - Yes
 - No
- Do you have a basement?
 - Finished
 - Unfinished
 - No
- Excluding basements and hallways, how many rooms are in your home?
 -
- How would you describe the size of your house?
 - Above average
 - Average
 - Below average
- How is an estimate of the size of your home based on your previous answers. If this is not accurate, you can change it to:
 -
 - No
- How many people live in your home?
 -