



A subsidiary of Pinnacle West Capital Corporation

Daniel Froetscher
General Manager
Energy Delivery

318 N. Marshall
Casa Grande, AZ 85222

October 6, 2008

Dear APS Customer,

In August, we informed you that APS submitted an application to the Arizona Corporation Commission (ACC) for approval to sell its electric distribution facilities in the Maricopa and Stanfield areas to Electrical District No. 3 (ED-3).

Pending approval from the ACC, about 4,000 APS customers who reside within ED-3's proposed service boundary will be served by ED-3. We believe customers affected by this change will benefit from operational efficiencies that result from the consolidation of facilities under one company. These efficiencies will help reduce confusion and delays in service restoration, improve employee and public safety, and reduce costs.

As we indicated in our previous letter to you, we are committed to keeping you informed throughout the application process. Part of this effort includes hosting two community open houses, where personnel from APS and ED-3 will be available to answer any questions you may have. The two scheduled open house events:

Thursday, October 23, 6 to 8 p.m.
Stanfield School Cafeteria
515 S. Stanfield Road
Stanfield, AZ 85272

Tuesday, October 28, 5:30 to 7:30 p.m.
Global Water Conference Center
22590 N. Powers Parkway
Maricopa, AZ 85238

In addition, more details about the transaction – including the original letter we sent in August – can be found at our project Web site, aps.com/ED3. In the meantime, if there is anything we can do to assist you during this transition or should you have further questions, please call (520) 421-8455 or e-mail us at ED3@aps.com.

Sincerely,

Daniel Froetscher
APS General Manager of Energy Delivery