



*A subsidiary of Pinnacle West Capital Corporation*

**Daniel Froetscher**  
Vice President  
Energy Delivery

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June 15, 2009

Dear APS Customer,

We have new information to share with you about APS' proposed sale of electric distribution facilities in the Maricopa and Stanfield areas to Electrical District No. 3 (ED-3).

On June 8, 2009, an administrative law judge issued an opinion and order in the matter, recommending the sale be approved by the five-member Arizona Corporation Commission (ACC). The ACC is tentatively scheduled to consider the sale on June 23 and 24 at its regular open meeting. The meetings are scheduled to begin at 10 a.m. each day and are open to the public.

Those interested in following the proceeding can attend in person at the ACC, 1200 W. Washington St., Hearing Room 1, Phoenix. The meetings also can be heard via a listen line that can be accessed through the ACC's Web site: [www.cc.state.az.us](http://www.cc.state.az.us). Once at the site, select "ACC Streaming Audio" at the bottom of the main page, then select "Live Audio PHOENIX Open Meeting."

Keeping you up to date through the process has been a top priority:

- In August 2008, APS first informed you that it had submitted an application to the ACC for approval to sell its electric distribution facilities in the area to ED-3. Pending approval from the ACC, about 4,000 APS customers who reside within ED-3's proposed service boundary will be served in the future by ED-3 as of a yet undetermined effective date.
- In October 2008, APS sent a second letter inviting those impacted by the sale to two area open house events, where APS and ED-3 personnel addressed questions about the sale.
- In March 2009, APS sent public notice to its customers and area property owners informing them that a public hearing for the sale was scheduled for April at the ACC. As we have indicated in previous communications and at the April public hearing, we believe the sale and transfer of customers to ED-3 offers benefits to safety, operations and planning with minimal impact to customers.

Additional details about the proposed sale can be found at our project Web site, [www.aps.com/ED3](http://www.aps.com/ED3). Should you have further questions about the transition, you can call (520) 421-8455 or e-mail us at [ED3@aps.com](mailto:ED3@aps.com).

If there is anything we can do to assist you during this transition, please let us know.

Sincerely,

Daniel Froetscher  
APS Vice President of Energy Delivery