



**TOM YOST**  
*Manager,*  
*Energy Delivery*

50 N. Brown Ave.  
Casa Grande, AZ 85122  
T : 520.421.8228  
F : 520.421.8372

June 17, 2010

Dear APS Customer,

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

On May 26, 2010, the Arizona Corporation Commission (ACC) unanimously approved APS' application to sell and transfer certain transmission and distribution facilities in Pinal County to ED-3. As a result of this decision, current APS customers who reside within ED-3's proposed service boundary will be served by ED-3.

As we have indicated in previous communications, APS customers in the area are served by APS power lines that are connected with ED-3's electric system. This unique arrangement creates occasional confusion regarding which utility is responsible for repairs, can result in delays in restoring service, increases costs for both utilities, and poses a potential risk to the safety of the companies' employees and the public. The agreement between APS and ED-3 will result in a single electric utility with the responsibility of maintaining critical infrastructure and ensuring reliable service in the area.

We take great pride in the service we provide our customers, and we struggle with the idea of seeing almost 3,800 loyal customers transition to another electric service provider. However, we believe our customers will be best served by the move. Our colleagues at ED-3 have demonstrated to the ACC they are more than capable of providing the level of service you have come to expect. As we move forward with the transition, we remain confident you will be in good hands with ED-3.

APS customers affected by the sale need to take no action at this time; APS and ED-3 will work together to manage the entire transition. In the coming months, you can expect to receive further communications from APS and ED-3 regarding the transition and its expected timeframe. We are working toward completion of the transition this fall.

In the interim, you are welcome to contact us with questions at 520.421.8455 or by e-mail at [ED3@aps.com](mailto:ED3@aps.com). In addition, we have posted all previous communications about the sale on our project website, [aps.com/ED3](http://aps.com/ED3).

On a final note, I want to thank all of our customers in the area for their patience as APS and ED-3 have worked to sort through the myriad issues involved with the sale. As we continue to work through the transition, it is important that you know we appreciate the opportunity to have served you.

Sincerely,

Tom Yost  
APS Manager of Energy Delivery