

APS Fiber Optics FACTS:

1. APS regularly installs fiber optics cables on its power lines for internal telecommunications use, and for cost-neutral shared-use, and exchange with partner utilities around the state.

Most fiber optics cables are installed on APS' overhead power lines in or between the power wires as the lines are being built or re-built, providing highly reliable communications pathways, well away from "backhoe fades".

2. APS occasionally permits commercial telecommunications service providers to install fiber optics cable on APS power lines, at market rates for ROW, in accordance with applicable regulatory requirements and ROW restrictions.

In these situations, APS may accept some portion of the installed fiber optics cable capacity as partial compensation for permission to use ROW.

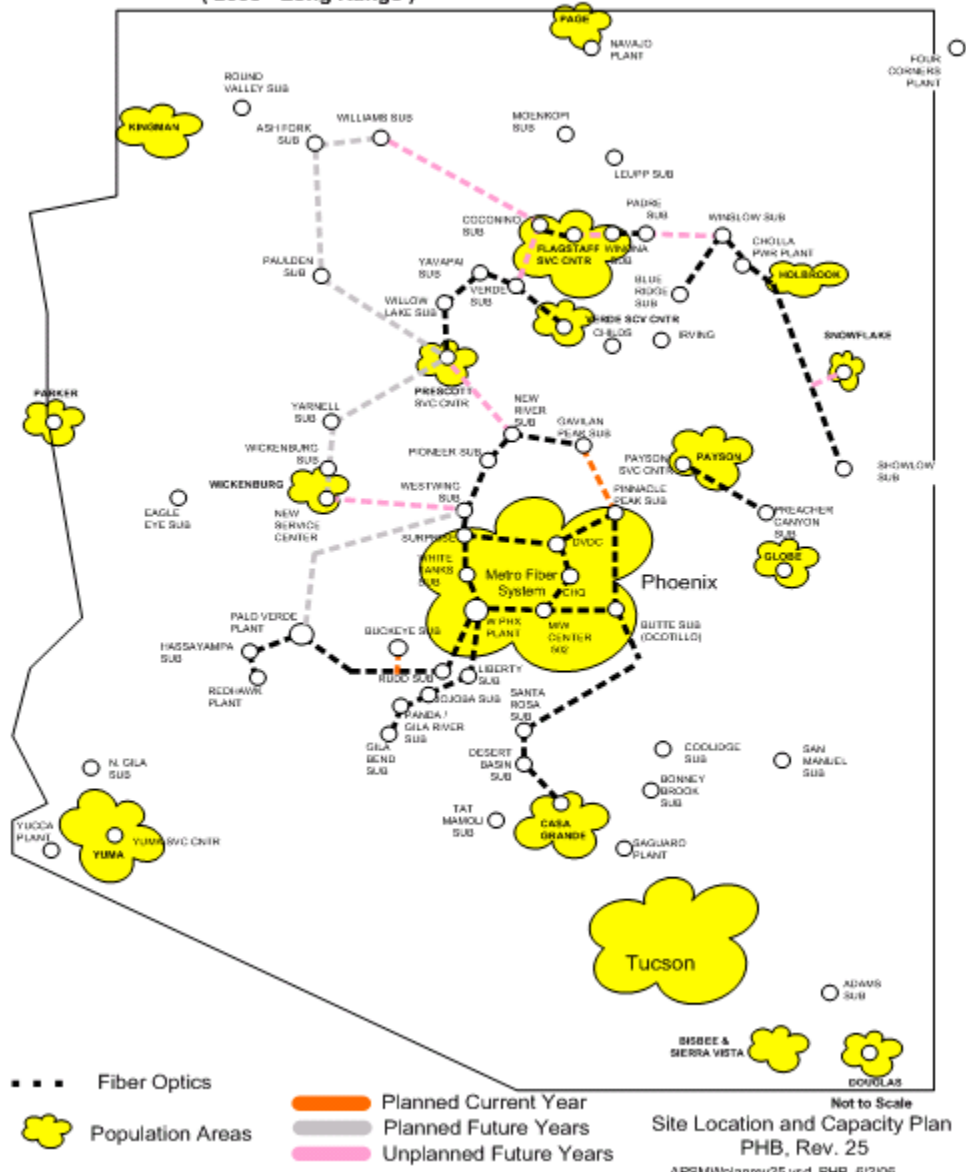
APS manages the installation and maintenance of the fiber optics cable on APS lines to ensure safety of the public and reliability of the power system.

3. APS has growing needs for internal telecommunications services in its state-wide Service Territory, and desires to extend fiber optics communications capacity to numerous locations in Arizona, where APS power lines exist, or are planned to be built.

However, some locations important to APS may not have new lines or rebuilds planned, or may be impractical to reach via APS power lines. These gaps may present opportunities for APS to cooperate with other entities to build and/or exchange fiber optics cable capacity to create comprehensive multi-purpose fiber networks, designed and operated to high reliability standards.

APS may also consider managing wholesale of excess fiber capacity on or interconnecting with APS lines and existing fiber systems.

APS Digital Infrastructure Plan (2005 - Long Range)



6/14/06

APS Fiber Facts, Paul H. Bolt

4. APS has a strong history of public and community service, and will work with ATIC and others to support mutually beneficial and cost-effective development and extension of high-quality fiber optics communications networks in Arizona.

- For more information, Please contact:

Paul H. Bott, P.E.
Sr. System Consultant
Network Telecommunications Engineering & Construction
Arizona Public Service Company
MS 3864, 2124 W. Cheryl Dr.
Phoenix, AZ 85021

Phone 602-371-6301
Cellular 602-319-5694
FAX 602-371-7820

e-mail Paul.Bott@APS.com