

Mr Robert Gray
c/o Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ. 85007

September 13, 2003
Phoenix, AZ.

Re: Comments Submitted Pursuant to Arizona Corporation Commission's Strawman Proposal on Natural Gas Infrastructure Matters in Arizona (NOI) (Submitted Electronically)

Dear Mr. Gray:

At the September 10th Arizona Corporation Commission (ACC) Workshop on the Notice of Inquiry on Natural Gas Infrastructure Matters (NOI), the ACC invited additional comments from the public in response to the questions raised either in the Staff Strawman Proposal or in the NOI itself.

The Arizona Power Authority is a public power entity and works primarily with hydropower generation on the Colorado River. However the Authority has also been investigating the viability of various wind power projects within the State.

Question Number 12 of the NOI asks "[h]ow should the Commission balance goals such as reliability, cost, portfolio diversity, and operational flexibility as it considers the use of interstate pipeline facilities by Arizona utilities"?

Question Number 14 of the NOI also asks "[a]re there other areas where the concept of a diversified supply portfolio can and should be applied by the Commission"?

The Authority notes that much of the United States' energy system- power plants, dams, refineries, pipelines, and storage facilities present some security and safety risks. Renewable energy facilities are small, geographically dispersed, and do not require transporting or storing combustible or radioactive materials.

Use of renewables within the State could help reduce the impact of any disruption to energy infrastructure caused by loss or failure of a vulnerable facility; reduce the size, and cost of constructing additional gas-related facilities; and help reduce the quantities of oil or natural gas imported into the State of Arizona. A number of former federal officials have called for increasing renewable portfolio standards as a method to improve energy security and reliability. Those include James Woolsey, former head of the CIA; Robert MacFarland, former National Security Advisor to President Reagan; and Admiral Thomas Moorer, former head of the Joint Chiefs of Staff.

Thank you for your time.

Sincerely,

Doug Fant
For the Arizona Power Authority