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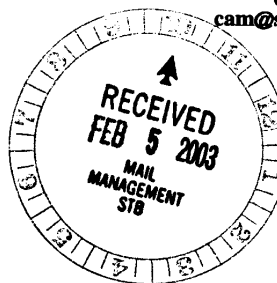
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February 5, 2003



BY HAND DELIVERY

The Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Docket No. 42058, Arizona Electric Power Cooperative, Inc. v.
The Burlington Northern and Santa Fe Ry. and Union Pacific R.R.

Dear Secretary Williams:

Arizona Electric Power Cooperative, Inc. ("AEPCO") has reached a settlement with Union Pacific Railroad Company concerning the subject coal movements from Colorado and Powder River Basin ("PRB") origins to AEPCO's Apache Generating Station near Cochise, AZ. As a result of this settlement, AEPCO hereby withdraws its challenge to the Defendants' rates from Colorado and PRB origins and its request for a prescription of rates from those origins. AEPCO's Complaint should be considered amended accordingly.

AEPCO's opening evidence, to be filed February 7, 2003, will be limited to the Defendants' joint rates from New Mexico origins to Cochise, and AEPCO will seek a rate prescription and reparations only with respect to movements from the New Mexico Origins.

ENTERED
Office of Proceedings

FEB 05 2003

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Public Record

Sincerely,

A handwritten signature in cursive script that reads "Christopher A. Mills".

Christopher A. Mills

CAM/dmb

cc: David M. Konschnik
Counsel for Defendants