

ORIGINAL THIS AMENDMENT:



0000038341

____ Passed _____ Passed as amended by _____

____ Failed _____ Not Offered _____

RECEIVED

600H

2006 JAN 17 P 2:27

HATCH-MILLER PROPOSED AMENDMENT #1

AZ CORP COMMISSION
DOCUMENT CONTROL

TIME/DATE PREPARED: 8:00am/January 17, 2006

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. U-1

DOCKET NO. E-01345A-03-0437
E-01345A-05-0526

OPEN MEETING DATE: 1-24-06

Page 20, Line 2, INSERT New Paragraph:

"During the proceeding held pursuant to Arizona Revised Statutes § 40-252 on January 24, 2006, the Commission took testimony regarding the amendment proposed Chairman Jeff Hatch-Miller. Fuel and purchased power costs incurred by APS during the latter part of 2005 have escalated faster than the company than anticipated. As a result, APS has accrued a significant undercollection for its fuel and purchase power costs. It is generally accepted that these costs will continue to mount in 2006. Under the current circumstances and for at least the near future, the Commission agrees with Staff that APS' undercollection should be addressed as soon as possible instead of later. The most expeditious way to begin recovery is to change the timing of the reset for the adjustor. Therefore, we will allow APS to implement the annual Adjustor Rate on February 1 of each year."

Page 20, Line 5

DELETE "Once APS calculates for 2005"

INSERT "Once APS calculates the amount the positive adjustor of \$0.004 per kilowatt hour will collect using projected sales and compares that amount to the actual costs for 2005"

Page 24, Line 1

DELETE Finding of Fact 36

INSERT New Finding of Fact 36:

"The Adjustor Rate shall be reset to a positive \$0.004 per kilowatt hour effective February 1, 2006."

Page 25, Line 12, INSERT New Ordering Paragraphs:

"IT IS FURTHER ORDERED that the Adjustor Rate shall be reset to a positive \$0.004 per kilowatt hour effective February 1, 2006."

"IT IS FURTHER ORDERED that the annual Adjustor Rate in subsequent years shall be reset on February 1 of each year."

MAKE ALL CONFORMING CHANGES AS NECESSARY