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A subsidiary of Pinnacle West Capital Corporation

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March 27, 2006

Chairman Jeff Hatch-Miller
Commissioner William Mundell
Commissioner Marc Spitzer
Commissioner Mike Gleason
Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007-2996

RE: Application for Emergency Interim Rate Increase and Interim Amendment to Decision No. 67744; Docket No. E-01345A-06-0009

Dear Commissioners:

Attached are the modeled outcomes of widening the bandwidth on the annual PSA adjustor as requested in Chairman Hatch-Millers letter of March 23, 2006, as well as the scenarios proposed by other parties as we understand them. Also included is the "status-quo" 4 mill bandwidth that Judge Farmer requested as part of this analysis.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Brian Brumfield
Supervisor
Regulation, Pricing and Administration

BB/bec

Cc: Parties to the Docket
Original and 13 copies to Docket Control

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ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ -	$ 108	$ 47,629
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ 174	$ 85,316
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 311	$ 143,751
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 525	$ 201,539
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ 33,324	$ 736	$ 200,538
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 732	$ 213,278
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 778	$ 211,779
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ 144,287	$ 773	$ 68,680
12.5													$ 251	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 177,611	$ 4,477	$ 68,930
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	*Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)*	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] *Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.*

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 200,538	$ 213,278	$ 211,778
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ 174	$ 311	$ 525	$ 736	$ 732	$ 778	$ 773
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (33,324)	$ -	$ -	$ (144,287)
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 200,538	$ 213,278	$ 211,778	$ 68,679
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,844	$ 27,120	$ 24,858	$ 156,403
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 188,875	$ 215,738	$ 256,187	$ 295,870	$ 307,195	$ 302,948	$ 287,294	$ 263,487
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 690	$ 787	$ 935	$ 1,080	$ 1,121	$ 1,105	$ 1,049

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
Staff Proposal with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Account Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.001201 0.001201	0.001201	0.001201	0.005159 0.006360
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ -	$ -	$ -	$ -	$ 33,324	$ 29,844	$ 27,120	$ 169,145
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,480	$ 2,833	$ 2,361	$ 12,832
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 109	$ 99	$ 91
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,844	$ 27,120	$ 24,858	$ 156,403

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
Staff Modified by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 85,000	$ 108	$ (37,371)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (136)	$ 6
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 0	$ 58,129
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 212	$ 115,604
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 422	$ 147,614
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 539	$ 160,161
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ 93,641	$ 585	$ 64,827
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 237	$ 65,478
12.5													$ 239	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 178,641	$ 2,294	$ 65,717
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments.
Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
***Staff Modified* by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market**
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
Staff Modified by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619
2	Amounts Removed due to Authorized Surcharge					$ 15,292							
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 167	$ 168	$ 168	$ 169	$ 170	$ 170
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619	$ 46,789

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
Staff Modified by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554							
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.000554	0.000554	0.000554	0.000554	0.000554	0.000554
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 1,659	$ 1,664	$ 1,605	$ 1,307	$ 1,089	$ 1,118
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 47	$ 41	$ 35	$ 30	$ 25	$ 21
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775	$ 4,678

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
Staff Modified by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (37,372)	$ 6	$ 58,129	$ 115,604	$ 147,614	$ 160,161	$ 64,827
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (136)	$ -	$ 212	$ 422	$ 539	$ 585	$ 237
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (85,000)	$ -	$ -	$ -	$ -	$ -	$ (93,641)	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (37,372)	$ 6	$ 58,129	$ 115,604	$ 147,614	$ 160,161	$ 64,827	$ 65,479
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 18,137	$ 96,768	$ 81,648
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 167	$ 168	$ 168	$ 169	$ 170	$ 170
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619	$ 46,789
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 47	$ 41	$ 35	$ 30	$ 25	$ 21
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 1,659	$ 1,664	$ 1,605	$ 1,307	$ 1,089	$ 1,118
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775	$ 4,678
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 180,313	$ 196,408	$ 228,699	$ 260,169	$ 267,018	$ 259,085	$ 233,723	$ 210,330
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 659	$ 717	$ 835	$ 950	$ 975	$ 946	$ 853

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
Staff Modified by APS plus AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Account Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.004312 0.004312	0.004312	0.004312	0.004312	0.004312	0.004312	0.003357 0.007669	0.007669
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 85,000	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 111,778	$ 96,768
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 8,561	$ 10,737	$ 12,913	$ 12,950	$ 12,494	$ 10,172	$ 15,077	$ 15,473
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 279	$ 241	$ 195	$ 148	$ 103	$ 66	$ 353
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 18,137	$ 96,768	$ 81,648

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ -	$ 108	$ 47,629
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ 174	$ 85,316
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 311	$ 143,751
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ 33,324	$ 525	$ 168,215
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 614	$ 200,417
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 732	$ 213,156
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ 144,287	$ 778	$ 67,369
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 246	$ 68,030
12.5													$ 248	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 177,611	$ 3,825	$ 68,278
14	Interest Rate [7]		4.38%											

[1] *PSA Retail Energy Sales are the calendar month's* kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 168,214	$ 200,416	$ 213,156	$ 67,369
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ 174	$ 311	$ 525	$ 614	$ 732	$ 778	$ 246
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (33,324)	$ -	$ -	$ (144,287)	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 168,214	$ 200,416	$ 213,156	$ 67,369	$ 68,030
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,711	$ 26,334	$ 23,592	$ 155,430	$ 143,133
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 188,875	$ 215,738	$ 256,187	$ 292,257	$ 303,563	$ 299,298	$ 273,457	$ 249,567
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 690	$ 787	$ 935	$ 1,067	$ 1,108	$ 1,092	$ 998

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
Staff Proposal as Modified by APS with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Account Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.001203 0.001203	0.001203	0.001203	0.005173 0.006376	0.006376
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ -	$ -	$ -	$ 33,324	$ 29,711	$ 26,334	$ 167,879	$ 155,430
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,613	$ 3,486	$ 2,838	$ 12,535	$ 12,864
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 108	$ 96	$ 86	$ 567
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,711	$ 26,334	$ 23,592	$ 155,430	$ 143,133

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ -	$ 108	$ 47,629
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ 174	$ 85,316
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 311	$ 143,751
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 525	$ 201,539
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 736	$ 233,862
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 854	$ 246,724
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 901	$ 245,346
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 896	$ 246,657
12.5													$ 900	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ -	$ 5,493	$ 247,557
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments.
Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] *Based on one-year Nominal* Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 233,862	$ 246,724	$ 245,347
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ 174	$ 311	$ 525	$ 736	$ 854	$ 901	$ 896
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 233,862	$ 246,724	$ 245,347	$ 246,658
4.5	*Tracking Account Surcharge*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	*Beginning Balance*	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 188,875	$ 215,738	$ 256,187	$ 295,870	$ 310,675	$ 309,274	$ 296,005	$ 285,062
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 690	$ 787	$ 935	$ 1,080	$ 1,134	$ 1,129	$ 1,081

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
No Relief, other than Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Account Surcharge Rate ($/kWh)	*0.000000*	*0.000000*	*0.000000*	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 85,000	$ 108	$ (37,371)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (136)	$ 6
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 0	$ 58,129
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 212	$ 115,604
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 422	$ 147,614
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 539	$ 160,161
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 585	$ 158,468
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 578	$ 159,461
12.5													$ 582	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 85,000	$ 2,979	$ 160,043
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619
2	Amounts Removed due to Authorized Surcharge					$ 15,292							
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 167	$ 168	$ 168	$ 169	$ 170	$ 170
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619	$ 46,789

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554							
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.000554	0.000554	0.000554	0.000554	0.000554	0.000554
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 1,659	$ 1,664	$ 1,605	$ 1,307	$ 1,089	$ 1,118
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 47	$ 41	$ 35	$ 30	$ 25	$ 21
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775	$ 4,678

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (37,372)	$ 6	$ 58,129	$ 115,604	$ 147,614	$ 160,161	$ 158,468
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (136)	$ -	$ 212	$ 422	$ 539	$ 585	$ 578
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (85,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (37,372)	$ 6	$ 58,129	$ 115,604	$ 147,614	$ 160,161	$ 158,468	$ 159,461
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 18,137	$ 9,726	$ 1,062
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 167	$ 168	$ 168	$ 169	$ 170	$ 170
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 45,944	$ 46,112	$ 46,280	$ 46,449	$ 46,619	$ 46,789
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 47	$ 41	$ 35	$ 30	$ 25	$ 21
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 1,659	$ 1,664	$ 1,605	$ 1,307	$ 1,089	$ 1,118
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 11,309	$ 9,686	$ 8,116	$ 6,839	$ 5,775	$ 4,678
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 180,313	$ 196,408	$ 228,699	$ 260,169	$ 267,018	$ 259,085	$ 240,322	$ 223,726
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 659	$ 717	$ 835	$ 950	$ 975	$ 946	$ 877

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
AECC Proposal (updated) with Surcharge Step 1 effective May - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Account Surcharge Rate ($/kWh)	0.0000	0.0000	0.0000	0.0000	0.004312	0.004312	0.004312	0.004312	0.004312	0.004312	0.004312	0.004312
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 85,000	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 18,137	$ 9,726
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 8,561	$ 10,737	$ 12,913	$ 12,950	$ 12,494	$ 10,172	$ 8,477	$ 8,700
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 279	$ 241	$ 195	$ 148	$ 103	$ 66	$ 36
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 76,439	$ 65,980	$ 53,309	$ 40,553	$ 28,207	$ 18,137	$ 9,726	$ 1,062

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ -	$ 108	$ 47,629
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ 174	$ 85,316
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 311	$ 143,751
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 525	$ 201,539
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 736	$ 233,862
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 854	$ 246,724
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 901	$ 245,346
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 896	$ 246,657
12.5													$ 900	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ -	$ 5,493	$ 247,557
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 233,862	$ 246,724	$ 245,347
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ 174	$ 311	$ 525	$ 736	$ 854	$ 901	$ 896
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 47,628	$ 85,316	$ 143,750	$ 201,538	$ 233,862	$ 246,724	$ 245,347	$ 246,658
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 188,875	$ 215,738	$ 256,187	$ 295,870	$ 310,675	$ 309,274	$ 296,005	$ 285,062
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 690	$ 787	$ 935	$ 1,080	$ 1,134	$ 1,129	$ 1,081

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
4 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 27,604	$ 108	$ 20,025
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ 73	$ 57,612
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 210	$ 115,945
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 423	$ 173,631
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 634	$ 205,853
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 751	$ 218,612
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 798	$ 217,132
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 793	$ 218,340
12.5													$ 797	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 27,604	$ 4,677	$ 219,137
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year *Nominal Treasury Constant Maturities rate contained* in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 20,024	$ 57,611	$ 115,944	$ 173,630	$ 205,852	$ 218,611	$ 217,131
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ 73	$ 210	$ 423	$ 634	$ 751	$ 798	$ 793
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (27,604)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ 20,024	$ 57,611	$ 115,944	$ 173,630	$ 205,852	$ 218,611	$ 217,131	$ 218,339
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 25,619	$ 23,222	$ 20,312	$ 17,383	$ 14,549	$ 12,243	$ 10,322	$ 8,342
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 186,889	$ 211,255	$ 248,693	$ 285,345	$ 297,214	$ 293,404	$ 278,111	$ 265,085
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 682	$ 771	$ 908	$ 1,042	$ 1,084	$ 1,071	$ 1,016

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
5 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.001000 0.001000	0.001000	0.001000	0.001000	0.001000	0.001000	0.001000	0.001000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 27,604	$ 25,619	$ 23,222	$ 20,312	$ 17,383	$ 14,549	$ 12,243	$ 10,322
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 1,985	$ 2,490	$ 2,995	$ 3,003	$ 2,898	$ 2,359	$ 1,966	$ 2,018
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 94	$ 85	$ 74	$ 63	$ 53	$ 45	$ 38
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 25,619	$ 23,222	$ 20,312	$ 17,383	$ 14,549	$ 12,243	$ 10,322	$ 8,342

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 55,208	$ 108	$ (7,579)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (28)	$ 29,907
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 109	$ 88,139
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 322	$ 145,724
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 532	$ 177,844
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 649	$ 190,501
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 695	$ 188,918
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 690	$ 190,023
12.5													$ 694	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 55,208	$ 3,860	$ 190,716
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (7,580)	$ 29,906	$ 88,138	$ 145,723	$ 177,843	$ 190,500	$ 188,917
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (28)	$ 109	$ 322	$ 532	$ 649	$ 695	$ 690
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (55,208)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (7,580)	$ 29,906	$ 88,138	$ 145,723	$ 177,843	$ 190,500	$ 188,917	$ 190,022
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 51,237	$ 46,444	$ 40,624	$ 34,766	$ 29,098	$ 24,486	$ 20,643	$ 16,683
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 184,904	$ 206,772	$ 241,199	$ 274,821	$ 283,754	$ 277,536	$ 260,218	$ 245,110
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 675	$ 755	$ 881	$ 1,003	$ 1,036	$ 1,013	$ 950

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
6 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.002000 0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 55,208	$ 51,237	$ 46,444	$ 40,624	$ 34,766	$ 29,098	$ 24,486	$ 20,643
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 3,971	$ 4,980	$ 5,989	$ 6,007	$ 5,795	$ 4,718	$ 3,932	$ 4,035
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 187	$ 170	$ 148	$ 127	$ 106	$ 89	$ 75
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 51,237	$ 46,444	$ 40,624	$ 34,766	$ 29,098	$ 24,486	$ 20,643	$ 16,683

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 82,812	$ 108	$ (35,183)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (128)	$ 2,202
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ 8	$ 60,333
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 220	$ 117,816
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 430	$ 149,834
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 547	$ 162,389
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 593	$ 160,704
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 587	$ 161,706
12.5													$ 590	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 82,812	$ 3,044	$ 162,296
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (35,184)	$ 2,202	$ 60,333	$ 117,816	$ 149,834	$ 162,389	$ 160,704
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (128)	$ 8	$ 220	$ 430	$ 547	$ 593	$ 587
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (82,812)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (35,184)	$ 2,202	$ 60,333	$ 117,816	$ 149,834	$ 162,389	$ 160,704	$ 161,706
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 76,856	$ 69,666	$ 60,936	$ 52,149	$ 43,647	$ 36,729	$ 30,965	$ 25,025
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 182,918	$ 202,290	$ 233,706	$ 264,297	$ 270,294	$ 261,668	$ 242,327	$ 225,135
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 668	$ 738	$ 853	$ 965	$ 987	$ 955	$ 885

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
7 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.003000 0.003000	0.003000	0.003000	0.003000	0.003000	0.003000	0.003000	0.003000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 82,812	$ 76,856	$ 69,666	$ 60,936	$ 52,149	$ 43,647	$ 36,729	$ 30,965
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 5,956	$ 7,470	$ 8,984	$ 9,010	$ 8,693	$ 7,077	$ 5,898	$ 6,053
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 281	$ 254	$ 222	$ 190	$ 159	$ 134	$ 113
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 76,856	$ 69,666	$ 60,936	$ 52,149	$ 43,647	$ 36,729	$ 30,965	$ 25,025

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
8 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 110,416	$ 108	$ (62,787)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (229)	$ (25,503)
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ (93)	$ 32,527
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 119	$ 89,909
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 328	$ 121,825
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 445	$ 134,278
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 490	$ 132,490
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 484	$ 133,389
12.5													$ 487	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 110,416	$ 2,227	$ 133,875
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
8 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] *Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.*

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
8 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
8 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
8 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (62,788)	$ (25,503)	$ 32,527	$ 89,909	$ 121,825	$ 134,278	$ 132,490
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (229)	$ (93)	$ 119	$ 328	$ 445	$ 490	$ 484
3	*Post-Sharing (Over)/Under Collection (From Sch. 1)*	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (110,416)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (62,788)	$ (25,503)	$ 32,527	$ 89,909	$ 121,825	$ 134,278	$ 132,490	$ 133,389
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 102,474	$ 92,888	$ 81,248	$ 69,532	$ 58,196	$ 48,972	$ 41,287	$ 33,367
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 180,933	$ 197,807	$ 226,212	$ 253,773	$ 256,834	$ 245,800	$ 224,435	$ 205,160
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 661	$ 722	$ 826	$ 926	$ 938	$ 897	$ 820

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
***8 mill Hatch-Miller* Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market**
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.004000 0.004000	0.004000	0.004000	0.004000	0.004000	0.004000	0.004000	0.004000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 110,416	$ 102,474	$ 92,888	$ 81,248	$ 69,532	$ 58,196	$ 48,972	$ 41,287
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 374	$ 339	$ 297	$ 254	$ 212	$ 179	$ 151
6	*Ending Balance* (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 102,474	$ 92,888	$ 81,248	$ 69,532	$ 58,196	$ 48,972	$ 41,287	$ 33,367

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 138,020	$ 108	$ (90,391)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (330)	$ (53,207)
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ (194)	$ 4,721
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ 17	$ 62,002
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 226	$ 93,816
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 342	$ 106,166
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 388	$ 104,276
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 381	$ 105,072
													$ 384	
12.5														
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 138,020	$ 1,411	$ 105,455
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	Monthly Interest ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: *Revenue from Surcharge* Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY

Schedule 6

Summary of 2006 Monthly Calculations

9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market

($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (90,392)	$ (53,208)	$ 4,721	$ 62,001	$ 93,815	$ 106,165	$ 104,275
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (330)	$ (194)	$ 17	$ 226	$ 342	$ 388	$ 381
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (138,020)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (90,392)	$ (53,208)	$ 4,721	$ 62,001	$ 93,815	$ 106,165	$ 104,275	$ 105,071
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 128,093	$ 116,110	$ 101,561	$ 86,915	$ 72,745	$ 61,215	$ 51,608	$ 41,709
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 178,947	$ 193,324	$ 218,718	$ 243,248	$ 243,373	$ 229,929	$ 206,541	$ 185,184
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 653	$ 706	$ 798	$ 888	$ 888	$ 840	$ 754

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
9 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.005000 0.005000	0.005000	0.005000	0.005000	0.005000	0.005000	0.005000	0.005000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 138,020	$ 128,093	$ 116,110	$ 101,561	$ 86,915	$ 72,745	$ 61,215	$ 51,608
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 9,927	$ 12,451	$ 14,973	$ 15,016	$ 14,488	$ 11,795	$ 9,830	$ 10,088
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 468	$ 424	$ 371	$ 317	$ 266	$ 223	$ 188
6	*Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)*	$ -	$ -	$ -	$ -	$ 128,093	$ 116,110	$ 101,561	$ 86,915	$ 72,745	$ 61,215	$ 51,608	$ 41,709

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 1
2006 Annual Tracking Account
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.	Month	(a) PSA Retail [1] Energy Sales (MWh)	(b) Native Load [2] Wholesale Energy Sales (MWh)	(c) Native Load Energy Sales (MWh) (a + b)	(d) System [3] Book Fuel and Purchased Power Costs	(e) System Book [4] Off-System Sales Revenue	(f) Net Native Load Power Supply Cost (d - e)	(g) PSA Retail [5] Power Supply Cost (a/c * f)	(h) Base Rate [6] Power Supply Cost (a * Base Rate)	(i) Pre 90/10 Sharing (Over)/Under Collection (g - h)	(j) Post 90/10 Sharing (Over)/Under Collection (i * 0.9)	(k) Tracking Acct. Surcharge Authorized for Collection	(l) Interest (m * rate/12)	(m) Cumulative Amount (j + k + l + m)
1	January	1,973,106	59,892	2,032,998	$ 50,733	$ 5,474	$ 45,258	$ 43,925	$ 40,928	$ 2,997	$ 2,697	$ -	$ -	$ 2,697
2	February	1,717,598	64,909	1,782,507	$ 45,695	$ 4,245	$ 41,451	$ 39,941	$ 35,628	$ 4,313	$ 3,882	$ -	$ 10	$ 6,589
3	March	1,853,941	74,143	1,928,085			$ 49,832	$ 47,915	$ 38,456	$ 9,459	$ 8,513	$ -	$ 24	$ 15,126
4	April	1,879,071	64,758	1,943,829			$ 57,034	$ 55,134	$ 38,978	$ 16,156	$ 14,540	$ -	$ 55	$ 29,721
5	May	2,362,657	78,278	2,440,936			$ 71,065	$ 68,786	$ 49,009	$ 19,777	$ 17,799	$ 165,624	$ 108	$ (117,995)
6	June	2,731,974	81,579	2,813,553			$ 101,288	$ 98,351	$ 56,669	$ 41,682	$ 37,514	$ -	$ (431)	$ (80,912)
7	July	3,185,559	94,760	3,280,318			$ 134,546	$ 130,659	$ 66,078	$ 64,581	$ 58,123	$ -	$ (295)	$ (23,084)
8	August	3,143,508	79,190	3,222,698			$ 132,076	$ 128,831	$ 65,206	$ 63,625	$ 57,263	$ -	$ (84)	$ 34,094
9	September	2,603,844	69,796	2,673,640			$ 91,499	$ 89,110	$ 54,012	$ 35,098	$ 31,588	$ -	$ 124	$ 65,807
10	October	2,128,552	63,607	2,192,159			$ 59,213	$ 57,495	$ 44,153	$ 13,342	$ 12,008	$ -	$ 240	$ 78,055
11	November	1,895,524	79,817	1,975,341			$ 38,337	$ 36,788	$ 39,319	$ (2,531)	$ (2,278)	$ -	$ 285	$ 76,062
12	December	2,171,928	64,166	2,236,094			$ 46,857	$ 45,513	$ 45,052	$ 461	$ 415	$ -	$ 278	$ 76,754
12.5													$ 280	
13	Total	27,647,263	874,894	28,522,157	$ 96,428	$ 9,719	$ 868,455	$ 842,448	$ 573,488	$ 268,960	$ 242,064	$ 165,624	$ 595	$ 77,035
14	Interest Rate [7]		4.38%											

[1] PSA Retail Energy Sales are the calendar month's kWh sales. Cumulative Retail Energy Sales under rate schedule E-36 were excluded from the PSA Calculations.

[2] Includes traditional sales-for-resale and Pacificorp supplemental sales.

[3] Includes native load and off-system fuel and purchased power costs less those costs associated with E-36, ISFSI and mark-to-market accounting adjustments. Excludes net savings of $784,000 per month associated with the Sundance units pursuant to Decision No. 67504.

[4] Includes off-system revenue less mark-to-market accounting adjustments.
Definitions of commonly used terms for this filing are included in the PSA Plan for Administration. Any new terms will be defined on this page.

[5] The maximum annual amount that can be used for the PSA calculation is $776,200,000. However, Decision No. 68437 allows deferral of costs in excess of the cap until this issue has been further examined in Docket No. E-01345A-06-0009.

[6] Base Rate Power Supply Cost is $.020743/kWh from January through December.

[7] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 3
2006 Annual Adjustor Account
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December	2007 January
1	Annual Adjustor Rate ($/kWh)	0.0000	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs) [1]		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608	2,133,624
3	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
4	Revenue True-up from January Estimate [2]													
5	Less Revenue from Applicable Adjustor Rate (Ln. 1 * Ln. 2)	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070	$ 8,534
6	*Monthly Interest* ([Line 3 + Line 4] * [4.38% / 12]) [3]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72	$ 43
7	Ending Balance (Ln. 3 + Ln. 4 - Ln. 5 + Ln. 6)	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736	$ 3,244

[1] Sales amounts are for energy billed beginning the first billing cycle of February 2006.

[2] True-up is the result of using estimated revenue for January in the ammual PSA Adjsutor Rate Calcuation because the actual amount was not available at the time of filing that schedule.

[3] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 4
2006 Paragraph 19d Balancing Account
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
2	Amounts Removed due to Authorized Surcharge					$ 15,292		$ 44,562					
3	Monthly Interest (Line 1 * [4.38% / 12]) [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
4	Ending Balance (Ln. 1 - Ln. 2 + Ln. 3)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 5
2006 Surcharge Account
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	New Additions to Surcharge Rate ($/kWh)					0.000554		0.001611					
1	Surcharge Rate ($/kWh)					0.000554	0.000554	0.002165	0.002165	0.002165	0.002165	0.002165	0.002165
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)	-	1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
4	Less: Revenue from Surcharge Rate (Line 1 * Line 2)	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
5	Monthly Interest (Line 3 * [4.38% / 12]) [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
6	Ending Balance with Interest (Line 3 - Line 4 + Line 5)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 6
Summary of 2006 Monthly Calculations
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
	2006 Annual Tracking Account												
1	Beginning Balance	$ -	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (117,996)	$ (80,913)	$ (23,085)	$ 34,094	$ 65,806	$ 78,054	$ 76,061
2	Monthly Interest [1]	$ -	$ 10	$ 24	$ 55	$ 108	$ (431)	$ (295)	$ (84)	$ 124	$ 240	$ 285	$ 278
3	Post-Sharing (Over)/Under Collection (From Sch. 1)	$ 2,697	$ 3,882	$ 8,513	$ 14,540	$ 17,799	$ 37,514	$ 58,123	$ 57,263	$ 31,588	$ 12,008	$ (2,278)	$ 415
3.5	Amounts to be Collected with Special Charges	$ -	$ -	$ -	$ -	$ (165,624)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Ending Balance with Interest (Ln. 1 + Ln. 2 + Ln. 3 + Ln. 3.5)	$ 2,697	$ 6,589	$ 15,126	$ 29,721	$ (117,996)	$ (80,913)	$ (23,085)	$ 34,094	$ 65,806	$ 78,054	$ 76,061	$ 76,754
4.5	Tracking Account Surcharge	$ -	$ -	$ -	$ -	$ 153,711	$ 139,331	$ 121,873	$ 104,298	$ 87,294	$ 73,458	$ 61,930	$ 50,050
	Annual Adjustor Account												
5	Beginning Balance	$ 109,724	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735
6	Monthly Interest [1]	$ 400	$ 402	$ 375	$ 350	$ 325	$ 297	$ 262	$ 219	$ 176	$ 134	$ 100	$ 72
7	Less Revenue from Applicable Adjustor Rate	$ -	$ 7,747	$ 7,345	$ 7,154	$ 7,942	$ 9,961	$ 11,978	$ 12,013	$ 11,590	$ 9,436	$ 7,864	$ 8,070
8	*Ending Balance with Interest (Ln. 5 + Ln. 6 - Ln. 7)*	$ 110,124	$ 102,779	$ 95,809	$ 89,005	$ 81,388	$ 71,725	$ 60,008	$ 48,214	$ 36,800	$ 27,498	$ 19,735	$ 11,736
	Paragraph 19d Balancing Account												
9	Beginning Balance	$ 59,858	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238
10	Monthly Interest [1]	$ 218	$ 219	$ 220	$ 221	$ 166	$ 166	$ 4	$ 4	$ 4	$ 4	$ 5	$ 5
11	Transfers to/from Other Accounts	$ -	$ -	$ -	$ -	$ (15,292)	$ -	$ (44,562)	$ -	$ -	$ -	$ -	$ -
12	Ending Balance with Interest (Ln. 9 + Ln. 10 + Ln. 11)	$ 60,077	$ 60,296	$ 60,516	$ 60,737	$ 45,611	$ 45,777	$ 1,220	$ 1,224	$ 1,229	$ 1,233	$ 1,238	$ 1,242
	Surcharge Account												
13	Beginning Balance	$ -	$ -	$ -	$ -	$ 15,292	$ 14,248	$ 57,482	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686
14	Monthly Interest [1]	$ -	$ -	$ -	$ -	$ 56	$ 52	$ 210	$ 187	$ 164	$ 142	$ 123	$ 108
15	Less Revenue from Applicable Surcharge Rate	$ -	$ -	$ -	$ -	$ 1,100	$ 1,380	$ 6,483	$ 6,502	$ 6,273	$ 5,107	$ 4,256	$ 4,368
16	Less Transfers to Other Accounts												
17	Ending Balance with Interest (Ln. 13 + Ln. 14 - Ln. 15 - Ln. 16)	$ -	$ -	$ -	$ -	$ 14,248	$ 12,920	$ 51,209	$ 44,894	$ 38,785	$ 33,819	$ 29,686	$ 25,426
18	**Combined Balance (Ln.4, 4.5, 8, 12, 17)**	$ 172,898	$ 169,664	$ 171,451	$ 179,463	$ 176,962	$ 188,841	$ 211,225	$ 232,724	$ 229,913	$ 214,061	$ 188,649	$ 165,209
19	Combined Monthly Interest (Ln. 2, 6, 10, 14)	$ 619	$ 631	$ 619	$ 626	$ 655	$ 646	$ 690	$ 771	$ 849	$ 839	$ 781	$ 689

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.

ARIZONA PUBLIC SERVICE COMPANY
Schedule 7
2006 Tracking Account Surcharge
10 mill Hatch-Miller Request with Surcharge Step 1 effective May, Step 2 effective July - 2/28/06 Market
($ in thousands)

Line No.		January	February	March	April	May	June	July	August	September	October	November	December
1	Tracking Accoung Surcharge Rate ($/kWh)	0.000000	0.000000	0.000000	0.000000	0.006000 0.006000	0.006000	0.006000	0.006000	0.006000	0.006000	0.006000	0.006000
2	Retail Billed Sales Excluding E-3, E-4, E-36 Sales (MWhs)		1,936,737	1,836,348	1,788,435	1,985,474	2,490,130	2,994,552	3,003,268	2,897,508	2,359,096	1,965,969	2,017,608
3	Beginning Balance					$ 165,624	$ 153,711	$ 139,331	$ 121,873	$ 104,298	$ 87,294	$ 73,458	$ 61,930
4	Less Revenue from Applicable Rate (Ln. 1 * Ln. 2)	$ -	$ -	$ -	$ -	$ 11,913	$ 14,941	$ 17,967	$ 18,020	$ 17,385	$ 14,155	$ 11,796	$ 12,106
5	Monthly Interest ([Line 3] * [4.38% / 12]) [1]		$ -	$ -	$ -	$ -	$ 561	$ 509	$ 445	$ 381	$ 319	$ 268	$ 226
6	Ending Balance (Ln. 3 - Ln. 4 + Ln. 5)	$ -	$ -	$ -	$ -	$ 153,711	$ 139,331	$ 121,873	$ 104,298	$ 87,294	$ 73,458	$ 61,930	$ 50,050

[1] Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15.