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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLOMBIA

05

April 10, 2006

Colleen Ryan, Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Arizona Public Service Company
Docket No. E-01345A-06-0009

Dear Ms. Ryan:

Enclosed for filing in the above-captioned proceeding are the original and thirteen (13) copies of a Post-Hearing Brief on behalf of Mesquite Power, L.L.C., Southwestern Power Group II, L.L.C., and Bowie Power Station, L.L.C.

Also enclosed are two additional copies of the Post-Hearing Brief to be conformed and returned to our office in the enclosed addressed and stamped envelope.

Pursuant to an April 7, 2006 Procedural Order entered by Chief Administrative Law Judge Lyn Farmer in the above referenced matter, copies of the enclosed Post-Hearing Brief are also being filed and served on all parties of record today electronically.

Please let me know if you have any questions and thank you for your assistance.

Sincerely,

Lawrence V. Robertson, Jr.
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BEFORE THE ARIZONA CORPORATION COMMISSION

2006 APR 12 P 12: 28

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE) DOCKET NO. E-01345A-06-0009
APPLICATION OF ARIZONA PUBLIC)
SERVICE COMPANY FOR AN) INTERVENORS MESQUITE/
EMERGENCY INTERIM RATE) SOUTHWESTERN POWER GROUP/
INCREASE AND FOR AN INTERIM) BOWIE POST-HEARING BRIEF
AMENDMENT TO DECISION NO. 67744)

Pursuant to the request of Chief Administrative Law Judge (“CALJ”) Farmer, Intervenors Mesquite Power L.L.C, Southwestern Power Group II, L.L.C and Bowie Power Station, L.L.C. (“Mesquite/SWPG/Bowie”) hereby submit their Post-Hearing Brief in the above-captioned proceeding.

I.

INTRODUCTION

The above-captioned proceeding includes 8 days of public hearings, 2,227 pages of transcript, 15 witnesses and 55 exhibits. However, in the final analysis, this proceeding revolves around two (2) central questions, which the Commission must resolve. First, are Arizona Public Service Company’s (“APS”) present financial circumstances such as to warrant some form of remedial action by the Commission? Second, if so, what should be the nature and form of that

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2 remedial action, and when should it be implemented? Admittedly, there are a number of
3 additional questions or issues which should or can be addressed or resolved by the Commission
4 incident to rendering a decision in this matter. But each of those is subsidiary to these two (2)
5 central questions.
6

7
8 **II.**
9 **DISCUSSION**

10 **A. Question No. 1: Are APS's Present Financial Circumstances Such As To Warrant**
11 **Some Form Of Remedial Action By The Commission?**

12 The evidence clearly demonstrates that this question should be answered in the
13 affirmative. On December 21, 2005, Standard & Poors downgraded the credit rating on APS's
14 bonds from BBB to BBB-, the last level of investment grade rating before "junk" status; and, it
15 changed APS's business profile for credit rating purposes from a 5 to a 6, which requires that a
16 higher Funds From Operations ("FFO")/Debt ratio or credit metric be maintained¹. In addition,
17 on January 10, 2006, Moody's placed APS's debt securities under review for possible
18 downgrading². In this regard, Exhibit No. APS-9 indicates that, absent prompt remedial action
19 by the Commission, APS's FFO/Debt ratio or credit metric will be on the order of 15.1% at the
20 end of calendar year 2006, which is well below the FFO/Debt ratio or credit metric of 18.0%
21 necessary to maintain a BBB- rating³.
22

23 The reality is that none of the members of the Commission, nor CALJ Farmer, nor any of
24 the parties know to a certainty whether or not Standard & Poors and/or Moody's will downgrade
25 APS's debt securities to "junk" status, if the Commission should either decide not to undertake
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27 ¹ Tr. 288, l. 22-Tr. 289, l.3; Tr. 289, l. 21-Tr. 290, l. 7

28 ² Tr. 817, l. 19-Tr. 818, l. 7

³ Tr. 672, l. 19-Tr. 673, l. 7; Tr. 674, l. 2-8

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2 any remedial action in this proceeding, or such action as it might choose to undertake is
3 inadequate and/or untimely⁴. However, what is known is that APS would be confronted with an
4 increase of somewhere between \$600 million and \$1.2 billion in its cost of capital in the event
5 that its debt securities were to be downgraded to “junk”⁵; and its access to the capital markets
6 during a period of substantially increased capital expenditures on its system could be severely
7 restricted, if not perhaps foreclosed⁶. Further, a downgrading to “junk” status could have
8 operating expense implications as well, in the form of higher prices for fuel and purchased
9 power, and the imposition of more exacting credit terms and conditions under which those
10 necessary procurements could be effected⁷. Moreover, in the final analysis, the ultimate impact
11 of the aforementioned increases in the cost of capital and fuel and purchased power expense
12 would ultimately be borne by APS’s ratepayers, assuming that APS had acted prudently in
13 connection with such capital acquisition and fuel and purchased power transactions⁸.
14

15
16 What is also known is that there is a range of risk exposure to a credit rating downgrade
17 to “junk” status associated with the various levels of remedial action which have been proposed
18 or considered in this proceeding. Six (6) of these proposals are depicted on Exhibit No. APS-6.
19 When examined in the context of both Exhibit Nos. APS-6 and Exhibit No. APS-9, it is possible
20 to determine the FFO/Debt ratio or credit metric, and the percentage of risk of credit
21 downgrading to “junk” status, associated with each of these six (6) proposals. Further, and as
22 discussed below in Subsection II (B), it is also possible to extrapolate the FFO/Debt ratio or
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25 ⁴ Tr. 1272, l. 1-6

26 ⁵ Tr. 312, l. 9-22; Tr. 1270, l. 13-20

27 ⁶ Tr. 312, l. 23-Tr. 313, l. 23; Tr. 781, l. 17-Tr. 782, l. 5

28 ⁷ Exhibit No. Mesquite/Bowie – 1; Tr. 783, l. 3-15, Tr. 935, l. 8-Tr. 936, l. 8; Tr. 1197, l. 20-Tr. 1198, l. 10; Tr. 1651-Tr. 1684

⁸ Tr. 675, l. 8-22; Tr. 766, l. 22-Tr. 767, l. 5; Tr. 1273, l. 25-Tr. 1274, l. 8

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2 credit metric, and degree of risk exposure to downgrading to “junk” status, associated with
3 several other possible remedial approaches and examine them within the analytical framework of
4 these two (2) exhibits. Those approaches entailed various adjustments (by way of increase) to
5 the current 4 mil bandwidth, and the results are depicted on Exhibit Nos. APS-19 and APS-19A.
6 In that regard, it is important to note that no other party offered evidence demonstrating a
7 different way to calculate the FFO/Debt ratio or to quantify the risk exposure to a credit rating
8 downgrade to “junk” status.
9

10 Against this background, Mesquite/SWPG/Bowie submit that it is patently clear that
11 APS’s present financial circumstances are such as to warrant some form of remedial action by
12 the Commission in this proceeding. All of the parties are in agreement that a downgrading of
13 APS’s debt securities to “junk” status would be to the severe financial detriment of APS’s
14 ratepayers and shareholders at a minimum⁹. There is also evidence in the record that a
15 downgrading to “junk” status could adversely affect the economies of the State of Arizona and
16 APS’s service areas as well¹⁰. Similarly, no party has suggested that the status quo should be
17 maintained. Exhibit APS-6 indicates that the risk of a credit rating downgrade to “junk” if the
18 status quo was to be maintained is on the order of 97%-98% likelihood of occurrence; and, even
19 the most modest proposed forms of remedial action contemplate modifications to APS’s existing
20 Power Supply Adjuster (“PSA”). Thus, the question becomes one of what should be the nature
21 and form of that remedial action to be undertaken by the Commission; and, when should it be
22 implemented?
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27 ⁹ Tr. 767, l. 10-13

28 ¹⁰ Tr. 767, l. 7-10; Exhibit No. APS-17; Tr. 1184, l. 1-Tr. 1191, l. 7

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2 B. Question No. 2: What Should Be The Nature And Form Of That Remedial Action To
3 Be Undertaken By The Commission; and, When Should It Be Implemented?
4

5 **1. The Record Supports Commission Action On**
6 **Either An Emergency Interim Rate Relief Basis,**
7 **Or Under The Auspices Of A.R.S. § 40-252,**
8 **Incident To Undertaking That Remedial Action**
9 **Which The Commission Deems Appropriate.**

10 As noted above, APS's present financial circumstances are such that the Commission
11 does not have the luxury of acting in an inadequate or untimely manner. If the Commission's
12 attempted remedial action is "too little" and/or "too late," and a downgrading of APS's debt
13 securities to "junk" status subsequently occurs, APS will be well beyond what an emergency
14 interim rate increase or other regulatory action could then address. The record in this proceeding
15 indicates that it can take years for an electric utility to regain an investment grade credit rating
16 for its securities, once they have been downgraded to "junk" status, even within the context of a
17 post-downgrade "supportive" regulatory environment¹¹; and, Nevada Power Company provides a
18 recent and nearby example of where such "regained" status has been sought by both the affected
19 electric utility and the regulatory commission in question for several years now, but has yet to be
20 achieved¹². Moreover, none of the witnesses had any meaningful or concrete suggestions as to
21 how the Commission might seek to address APS's financial situation in the aftermath of a
22 downgrading of its debt securities to "junk"¹³ status. Thus, there is no "Plan B" within the
23 context and record of this proceeding.
24

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27 ¹¹ Tr. 1289, l. 2-Tr. 1291, l. 14

¹² Tr. 576, l. 6-20

¹³ Tr. 1287, l. 16-Tr. 1288, l. 15; Tr. 1702, l. 5-15

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2 While Opinion No. 71-17 of the Arizona Attorney General does not include APS's
3 precise circumstances among the examples of financial emergencies that are discussed, the
4 underlying rationale for granting an emergency interim rate increase is equally applicable to the
5 situation before the Commission in this proceeding. More specifically, the Commission must do
6 that which it believes is necessary to remedy or mitigate a financial condition that could
7 otherwise impair the ability of the affected utility to continue to provide adequate and reliable
8 service to present and future ratepayers¹⁴. What is at risk in this instance, in the event of a credit
9 rating downgrade to "junk," is not only a substantial increase in the costs of capital and fuel and
10 purchased power for APS, but also its very access to both the debt and equity capital markets.
11 Thus, the Commission must act now in an effort to avert that risk, and not after the risk (and all
12 of its attendant adverse consequences) have become a detrimental reality. Furthermore, to the
13 extent that the Commission might have a concern about granting too much of an increase in its
14 effort to avert the risk of downgrading, it has the authority to include the prospect of a refund
15 obligation as a condition to its decision; and, it has the proximity and context of APS's currently
16 pending permanent rate increase request within which to further review its action.
17
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20 ¹⁴ In this regard, Opinion No. 71-17 notes that

21 "...the rationale for allowing interim rate relief being that the
22 company needs immediate, emergency relief to avoid serious
23 damage." [at page 47]

24 Moreover, while the risk of a credit rating downgrade is not among the four (4) examples of an emergency situation
25 listed in Opinion No. 71-17, the uncertainty as to whether or when such a downgrading may occur if the
26 Commission does not undertake meaningful remedial action in this proceeding perilously approaches the third and
27 fourth examples set forth in the Opinion:

28 "...when the condition of the company is such that its ability
to maintain service pending a formal rate determination is in
serious doubt..." [at page 50]

and

"...the inability of the Commission to grant permanent rate
relief with a reasonable time...[given the financial
circumstances surrounding the utility]" [at page 50]

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3 Alternatively, and should the Commission prefer not to act upon the basis of an
4 emergency interim rate increase, the Commission has the authority to undertake the necessary
5 remedial action in this instance under the auspices of A.R.S. § 40-252. Under that statutory
6 provision, the Commission

7 “...may at any time...rescind, alter or amend any
8 [previous] order or decision made by it...”

9 provided that the requisite notice has been provided. In this instance, the potentially affected
10 “previous order or decision” is Decision No. 67744 (and Decision No. 68437 to the extent
11 necessary); and, as a result of the combined actions of APS, the Commission’s Staff and CALJ
12 Farmer, the requisite notice has been provided. Each of the remedial approaches under
13 consideration entails some form of modification of either the structure or manner of
14 implementation of APS’s existing PSA (inclusive of bandwidth adjustments) and surcharge
15 mechanism, and these are all within the ambit of an alteration or amendment of Decision No.
16 67744 (and Decision No. 68437 to the extent necessary). The fact that APS brought its present
17 financial situation to the attention of the Commission by means of its January 6, 2006 application
18 for an emergency rate increase, as contrasted with the Commission instituting an inquiry on its
19 own initiative, does not detract one iota from the authority of the Commission to act “at any
20 time” to address that situation.
21

22 Thus, whether the Commission chooses to proceed upon the basis of an emergency
23 interim rate increase, or an alteration or amendment of a prior order or decision, or both, it is
24 clearly within the authority and prerogative of the Commission to proceed with the requisite
25 remedial action. In this instance, the legal “nature” of that action is less important than its
26 substantive content and effect(s).
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3 **2. The Form of The Remedial Action Selected Is**
4 **Less Important Than Achieving The Intended**
5 **Result.**

6 The various remedial courses of action available to the Commission include (i) the
7 Commission Staff's quarterly surcharge proposal, which is also supported by the Residential
8 Utility Consumer Office ("RUCO") and the Federal Executive Agencies ("FEA"), (ii) the
9 emergency surcharge proposal presented by Arizonans for Electric Choice and Competition and
10 Phelps Dodge Corporation (collectively "AECC"), (iii) APS's suggested modifications to the
11 quarterly surcharge proposal, (iv) APS's suggested modifications to the AECC (or "Higgins")
12 emergency surcharge proposal, (v) a combination of APS's suggested modifications to the
13 Commission's Staff and the Higgins' proposals, and (vi) APS's original emergency interim rate
14 increase proposal, as revised during the course of the public hearings by APS to reflect a
15 reduction in projected fuel expenses, which presumably is also supported by the Arizona Utility
16 Investors Association ("AUIA"). In addition, the Commission also has before it the several
17 increase in bandwidth approaches which certain members of the Commission expressed interest
18 in exploring as a possible means of remedial action.

19
20 In arriving at their position in this proceeding, Mesquite/SWPG/Bowie have been
21 substantially influenced by the following considerations. First, a BBB- credit rating is a "very
22 dangerous spot" or a "very dangerous circumstance" for an electric utility to be in for very
23 long¹⁵. Second, a credit rating downgrade to "junk" status could substantially increase APS's
24 cost of debt capital, and severely limit, if not preclude, its access to equity capital markets¹⁶.
25 Third, such a credit downgrading would also adversely affect, and perhaps preclude, the terms
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27 ¹⁵ Tr. 543, l. 19-Tr. 544, l. 8

28 ¹⁶ See footnotes 5 and 6

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2 and conditions under which competitive wholesale power providers could offer product to APS,
3 thereby increasing its costs of and access to purchased power¹⁷. Fourth, a downgrading of APS
4 to “junk” status could incrementally increase its cost of debt by as much as \$1.2 billion¹⁸.
5 Finally, if a credit rating downgrade to “junk” status should occur, APS ratepayers would pay
6 substantially more long term, by reason of such increased capital costs, than they would under an
7 immediate rate increase designed to improve APS’s FFO/Debt ratio and reduce the risk of
8 downgrading to “junk”¹⁹.
9

10 As stated at one point during the public hearings, Mesquite/SWPG/Bowie believe that
11 APS is currently very near the “precipice of downgrading,” and they do not want to see it tumble
12 into the “valley of the downgraded”²⁰. Accordingly, they believe that the Commission should
13 undertake a course of remedial action in this proceeding that will enable APS to achieve an
14 FFO/Debt ratio or credit metric on the order of 18.3% or 18.4% by the end of calendar year
15 2006. In this regard, Mesquite/SWPG/Bowie have in mind APS witness Steven Fetter’s
16 observation that an electric utility that remains at a BBB- credit rating for very long is in a “very
17 dangerous spot” or a “very dangerous circumstance,”²¹ where additional adverse developments
18 beyond the control of both it and the Commission could force the company over the “precipice of
19 downgrading.” The record in this proceeding indicates that a FFO/Debt ratio or credit metric of
20 18.0% is necessary to maintain a BBB- credit rating for a business profile 6 company, such as
21 APS²². However, that leaves no “margin for error” as to potential future adverse and
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25 ¹⁷ See footnote 7

26 ¹⁸ See footnote 5

27 ¹⁹ Tr. 918, l. 10-20

28 ²⁰ Tr. 339, l. 1-16

²¹ See footnote 15

²² Tr. 613, l. 15-23

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2 uncontrollable circumstances. Moreover, it is important that APS's financial circumstances be
3 such that it can begin moving forward to a more stable level of creditworthiness.
4

5 Thus, Mesquite/SWPG/Bowie recommend a FFO/Debt ratio or credit metric of 18.3% or
6 18.4% as the guideline the Commission should use in fashioning a remedial course of action in
7 this proceeding, whether it be in the form of an emergency surcharge increase, an expansion of
8 the current 4 mil bandwidth, or both. In that regard, they would suggest that the recommended
9 FFO/Debt ratio or credit metric is not a "target," but rather a "guideline" by means of which the
10 effectiveness of a given course of action in achieving a goal or hitting a target may be measured.
11 The goal or target in this proceeding is the selection of a course of action that will meaningfully
12 reduce the risk of APS's credit rating being downgraded to "junk" status.
13

14 In connection with the foregoing, APS Exhibits Nos. APS-6, APS-9, APS-19 and APS-
15 19A are of assistance, because they indicate (either directly or by extrapolation) the effectiveness
16 of a given course of possible remedial action in terms of its resulting FFO/Debt ratio or credit
17 metric, and the related reduction in the percentage of risk exposure to a credit rating downgrade
18 to "junk" status. For example, Exhibit No. APS-9 indicates that the "Higgins and Staff Proposals
19 As Modified By APS" approach would produce an FFO/Debt ratio or credit metric of 18.3% by
20 the end of calendar year 2006; and that it would reduce the risk of a credit rating downgrade to
21 "junk" status from 97%-98% under the status quo to 30%. Similarly, as indicated in APS
22 Exhibit Nos. APS-19 and APS-19A, an increase in the existing bandwidth to 10 mils effective
23 May 1, 2006, with or without a quarterly surcharge feature, would result in a FFO/Debt ratio or
24 credit metric of 18.4%; and, as APS witness Donald Brandt testified, would reduce the risk
25 exposure to a credit rating downgrade to "junk" status to approximately 25%, as expressed in the
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2 context and format of Exhibit No. APS-6²³. Conversely, the Commission Staff's quarterly
3 surcharge proposal, both by itself and as modified by APS's suggestions, would result in
4 FFO/Debt ratios of 16.6% and 17.0%, respectively, by the end of calendar year 2006; and, the
5 associated degree of risk of credit rating downgrade to "junk" status would be on the order of
6 80% and 60%, respectively²⁴. Mesquite/SWPG/Bowie believe that those levels of risk exposure
7 should be unacceptable to the Commission.
8

9 Similarly, Exhibit No. APS-9 indicates that the Higgins proposal would produce an
10 FFO/Debt ratio or credit metric of 18.0% at the end of calendar year 2006; and, Exhibit No.
11 APS-6 indicates that the resulting risk exposure to a credit rating downgrade to "junk" status
12 would be on the order of 45%. Likewise, Exhibit No. APS-19 indicates that an increase in the
13 bandwidth to 9 mils effective May 1, 2006 would produce a calendar 2006 year end FFO/Debt
14 ratio or credit metric of 18.0%; and, APS witness Donald Brandt testified that this would result
15 in a risk exposure to credit rating downgrade to "junk" status of approximately 35%²⁵. However,
16 while each of these might be enough to allow APS to maintain its current BBB- credit rating for
17 the time being, neither of them provides for that desired "margin of error" discussed above. Nor,
18 do either of them contribute significantly towards enabling APS to begin moving away from that
19 "very dangerous spot" or "very dangerous circumstance" which can be associated with a
20 prolonged BBB- credit rating²⁶.
21
22

23 Thus, and as previously noted, Mesquite/SWPG/Bowie have concluded (and recommend)
24 that the Commission should adopt a FFO/Debt ratio or credit metric of 18.3% or 18.4% for use
25

26 ²³ Tr. 1876, l. 19-Tr. 1877, l. 17

²⁴ As Exhibit Nos. APS-19 and APS-19A indicate, adjustments of the existing 4 mil bandwidth to levels of 5, 6, 7 and 8 mils also do not reach the 18.0% FFO/Debt ratio or credit metric threshold.

27 ²⁵ Tr. 1876, l. 19-Tr. 1877, l. 17

28 ²⁶ Tr. 810, l. 11-Tr. 811, l. 3

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2 as a guideline incident to fashioning a remedial course of action in this proceeding. In that
3 regard, they express no opinion as to whether the needed rate increase should be accomplished
4 by means of an adjustment to the current 4 mil bandwidth, a revision of the current PSA
5 procedure and a surcharge increase, or a combination of these approaches. What is crucial is the
6 ultimate financial result.
7

8 Through their comments and questions, several of the parties have expressed their belief
9 that APS and its shareholders should bear a portion of the burden of moving APS away from the
10 "precipice of downgrading" and towards a more creditworthy financial status.
11 Mesquite/SWPG/Bowie believe that a sharing of the burden of that nature is appropriate from a
12 philosophical perspective, but defer to the Commission as to how APS's role in that regard
13 would be best defined and discharged. However, they also believe that time will be needed to
14 implement and realize results from measures of that nature, and that the financial results of such
15 measures may be limited within the overall context of APS's current financial circumstances.
16 Moreover, such measures would not be a substitute for that prompt and effective remedial action
17 by the Commission which is imperative at this juncture. Rather, a FFO/Debt ratio or credit
18 metric of 18.3% or 18.4% by the end of calendar year 2006 represents an appropriate and
19 meaningful balancing of the burden between APS's ratepayers and the company and its
20 shareholders, and a stable platform from which to begin the restoration of APS's
21 creditworthiness. It is clearly in APS's interest to look for and pursue additional ways to
22 strength its financial situation beyond that point.
23
24

25 **3. The Time For Implementation of That Course**
26 **of Remedial Action Selected By The Commission**
27 **Is Now.**
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3 For the reasons discussed above, Mesquite/SWPG/Bowie believe that the time for
4 implementation of that course of remedial action selected by the Commission is “now,” or, in
5 other words, as soon as is administratively possible. The form of remedial action selected may
6 have some influence on the “start date.” But, given the need to have APS in a position where the
7 remedial course of action selected will allow APS to be at a FFO/Debt ratio or credit metric by
8 the end of calendar year 2006 which is substantially above its projected FFO/Debt ratio of
9 15.275%²⁷ under the status quo, Mesquite/SWPG/Bowie urge the Commission to make its
10 remedial course of action effective as of either May 1, 2006 or June 1, 2006.

11
12 **III.**

13 **CONCLUSION**

14 Mesquite/SWPG/Bowie’s position(s) on the two (2) central questions presented in
15 Section I above has been discussed at length in Section II above, and requires no further
16 elaboration at this time. However, and to the extent relevant and applicable to that form of
17 remedial action selected by the Commission, Mesquite/SWPG/Bowie believe that the 90%/10%
18 cost sharing feature provided for in the 2005 Settlement Agreement and approved by the
19 Commission in Decision No. 67744 should be retained for purposes of this proceeding. As
20 indicated by APS witness Peter Ewen, elimination of that cost-sharing feature would not
21 materially improve APS’s financial circumstances from what they otherwise would be under any
22 remedial course of action²⁸.

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26 ²⁷ This calculation is based upon an estimate of the effect of the Commission’s approval of Step 1 of APS’s
27 proposed surcharge for the recovery of 2005 fuel and purchased power expense in Docket No. E-01345A-06-0063
28 on April 4, 2006.

²⁸ Tr. 1564-Tr. 1565

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Dated this 10th day of April, 2006

Respectfully submitted,

Lawrence V. Robertson, Jr.
Attorney for Southwestern Power
Group II, L.L.C. and Bowie
Power Station, L.L.C.

And

Theodore Roberts
Lawrence V. Robertson, Jr.
Attorneys for Mesquite Power, L.L.C.

By: Lawrence V. Robertson, Jr.
Lawrence V. Robertson, Jr.

Original and 13 copies of the foregoing
Post-Hearing Brief mailed this 10th day of
April, 2006 to:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

A copy of the foregoing Post-Hearing Brief
Emailed to this 10th day of April, 2006 to
Chief Administrative Law Judge Lyn Farmer and
All Parties of Record

ARJ.