

ORIGINAL

THIS AMENDMENT:



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2006 MAR 31 P 4: 16

MUNDELL PROPOSED AMENDMENT 1

AZ CORP COMMISSION  
DOCUMENT CONTROL

TIME/DATE PREPARED: Friday, March 31, 2006

COMPANY: Arizona Public Service  
Time-Of-Use Rate Schedules

AGENDA ITEM NO. 1

DOCKET NO. E-01345A-05-0674

OPEN MEETING DATE: April 4-5, 2006

Page 7, DELETE Lines 21-22 and INSERT

“18. “While the Commission appreciates Staff’s position, we find that limiting residential customer participation in the new TOU rates is unnecessary. During the outages at Westwing in the summer of 2004, APS’ customers sufficiently demonstrated their ability and willingness to reduce their usage of electricity during the hours designated as “peak” by the Company. During that timeframe, APS made it known to consumers through the press that the “peak” hours where it was necessary for customers to reduce their consumption of electricity were from 3:00 p.m. to 6:00 p.m. At that time customers were motivated to alter their usage patterns in response to the danger of outage, not to reduce the amount of their bills; however, it is highly likely that customers would respond similarly if faced with drastically increased rates. In light of the recent rate increases granted to APS and the potential of further increases, it is only fair to APS’ residential customers that they be given every opportunity to take advantage of a TOU rate that will motivate them to reduce their consumption of electricity, resulting in lower bills for them and a decreased peak for the Company.”

19. While the Commission agrees with Staff that the recovery of costs such as APS’ implementation charges are better addressed through a general rate case, we recognize the fact that some of these costs may increase and go unrecovered depending on the level of customer participation in the new TOU rate schedules. It is therefore appropriate that at the time enrollment in the new TOU rates exceeds 50,000, APS may file an application with the Commission seeking to modify the daily Basic Service Charge.

20. Staff’s recommendations as set forth in Findings of Fact Nos. 9 through 17, as modified by Findings of Fact Nos. 18 and 19 are reasonable and should be adopted.”

Page 8, Line 9 DELETE remainder of sentence after “that” and INSERT “APS shall not impose a limit on customer participation on rate schedules ET-2 and ETC-2.”

Make all conforming changes.