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 12 Arizonans for Electric Choice and Competition
 13

BEFORE THE ARIZONA CORPORATION COMMISSION

10 IN THE MATTER OF THE APPLICATION
 11 OF ARIZONA PUBLIC SERVICE
 12 COMPANY FOR AN EMERGENCY
 13 INTERIM RATE INCREASE AND FOR
 14 AN INTERIM AMENDMENT TO
 15 DECISION NO. 67744.

Docket No. E-01345A-06-0009

**PHELPS DODGE MINING
 COMPANY AND ARIZONANS FOR
 ELECTRIC CHOICE AND
 COMPETITION'S NOTICE OF
 FILING PROPOSED AMENDMENT**

14 Phelps Dodge Mining Company and Arizonans for Electric Choice and
 15 Competition (hereafter collectively "AECC") hereby submit this Notice of Filing
 16 Proposed Amendment to the Recommended Opinion and Order ("Recommended Order"),
 17 issued by Chief Administrative Law Judge Lyn Farmer on April 19, 2006, in the above-
 18 captioned matter. The Proposed Amendment, attached hereto as Exhibit A, modifies the
 19 Recommended Order to include AECC's compromise proposal on rate design that
 20 apportions the interim rate increase equally among customer classes.
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RESPECTFULLY SUBMITTED this 28th day of April 2006.

FENNEMORE CRAIG, P.C.

By:



C. Webb Crockett
Patrick J. Black
3003 N. Central Avenue, Ste. 2600
Phoenix, AZ 85012-2913

Attorneys for Phelps Dodge Mining Company and
Arizonans for Electric Choice and Competition

ORIGINAL and 13 COPIES FILED:

this 28th day of April 2006 with:

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

COPIES HAND DELIVERED

this 28th day of April 2006 to:

Lyn Farmer
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Christopher Kempley
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Ernest Johnson
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

COPIES E-MAILED AND MAILED

this 28th day of April 2006 to *the remaining parties of record.*

By 

EXHIBIT A

THIS AMENDMENT:

_____ Passed _____ Passed as amended by: _____
_____ Failed _____ Not Offered _____ Withdrawn

AECC/PHELPS DODGE PROPOSED AMENDMENT # 1

TIME/DATE PREPARED: _____

COMPANY: AECC/PHELPS DODGE AGENDA ITEM NO. 1

DOCKET NO. E-01345A-06-0009 OPEN MEETING DATE: May 2, 2006

Page 26, Lines 21 – 27, DELETE: “There is merit...the pending rate case.”

Page 26, Line 21, INSERT:

“We find merit in the AECC/Phelps Dodge compromise proposal that incorporates elements of rate design proposals supported by APS, Staff, RUCO and AECC/Phelps Dodge. Applying the PSA mechanism through a kWh charge to Residential customers is warranted and consistent with how the existing PSA mechanism is billed. However, A flat kWh charge causes disparate impacts on different customer groups, with high-load-factor E-34 customers experiencing percentage increases that are 70 percent higher than the system average. It would also cause a disproportionate impact on higher load factor E-32 customers. Therefore, because of the exigent nature of the rate increase approved herein, it is appropriate to apply the increase as a percentage on bills for Non-Residential customers.

Page 34, Line 10, DELETE:

“53. Because these are energy costs that recovered through the PSA mechanism, it is appropriate to collect these costs through the PSA’s kWh charge.”

Page 34, Line 10, INSERT:

“53. Because a flat kWh charge causes disparate impacts on different customer groups, it is appropriate to adopt the compromise proposed by AECC/Phelps Dodge so that Residential and Non-Residential customers will bear a proportionate burden of the rate increase approved herein.”

Page 34, Line 12, DELETE:

“54. There is no reason to alter the formula for collecting the costs solely because they are being collected sooner.”

Page 34, Line 12, INSERT:

“54. Because of the exigent nature of the rate increase approved herein, it is appropriate to apply the increase as a percentage on bills for Non-Residential customers.”

Page 34, Line 14, after “should” INSERT: “also”