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August 29, 2003

AZ CORP CC COMMISSION
DOCUMENT CONTROL

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

AUG 29 2003

DOCKETED BY 

RE: DOCKET NO. E-01345A-97-0544, DECISION NO. 60481 and DECISION NO. 61708
SEMI-ANNUAL REPORT ON TRANSFERS OF UTILITY PROPERTY

Dear Mr. Johnson:

In accordance with Decision No. 61708, Arizona Public Service Company ("APS") submits it's semi-annual report summarizing sales, transfers or mortgages entered into under Decision 60481. This report reflects the balance of these transactions, including accrued interest through June 30, 2003.

Upon review of our previous report dated March 3, 2003, we found that the amount reflected in the "Balance to be Refunded" was incorrectly stated as \$23,653. The amount should have been the sum of the "Amount Allocated For Ratepayers" and "Interest to Date" for a total of \$63,024. This correction is informational only and does not impact the attached calculations.

All funds accrued from these sales will be utilized for funding of programs that will directly benefit customers, such as public education programs, as directed and approved by the Commission Staff in accordance with Decision No. 61708.

The original and thirteen copies are being filed in Docket Control. If you have any questions, please contact me at 250-2310.

Sincerely,

Jana Van Ness
Manager
Regulatory Compliance

JVN/srm

Attachments

CC: Docket Control (Original plus 13 Copies)

ARIZONA PUBLIC SERVICE COMPANY
 CALCULATION OF GAINS ON UTILITY PROPERTY
 January - June 2003

DATE OF TRANSFER	DESCRIPTION OF PROPERTY	SALES PRICE	OCLD	BOOK GAIN ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN	ACC NET GAIN (3)	AMOUNT ALLOCATED FOR RATEPAYERS (4)	INTEREST TO DATE (5)	BALANCE TO BE REFUNDED
03/05/2003	City of Florence	\$207,000	\$131,517	\$75,483	\$68,571	\$29,899	\$45,584	\$45,584	\$22,792	\$105	\$22,897
<p>Total for 2003 YTD:</p> <p>Previous Balance \$22,897</p> <p>Ratepayer Balance \$63,204</p> <p>Customer Education Program \$86,101</p> <p>Total Balance for 2003 YTD <u>\$0</u></p>											

(1) [(Sales Price less Tax Basis)*Tax Rate]-[(ADIT Net Book Basis-Tax Basis)* Tax Rate]

(2) Tax Rate = .3961

(3) Jurisdictional allocation of Net Gain

(4) Amount Allocated for Ratepayers based on 50% of jurisdictional split.

(5) Interest from Date of Transfer through June 30, 2003

ARIZONA PUBLIC SERVICE COMPANY
 CALCULATION OF GAINS ON UTILITY PROPERTY
 July - December 2002

DATE OF TRANSFER	DESCRIPTION OF PROPERTY	SALES PRICE	OCLD	BOOK GAIN ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN	ACC NET GAIN (3)	AMOUNT ALLOCATED FOR RATEPAYERS (4)	INTEREST TO DATE (5)	BALANCE TO BE REFUNDED
08/19/02	City of Eloy	\$347,000	\$137,325	\$209,675	\$71,666	\$84,646	\$125,029	\$125,029	\$62,515	\$690	\$63,204
<p>Total for 2002 YTD: Previous Balance \$63,204 Ratepayer Balance \$0 Customer Education Program \$63,204 Total Balance for 2002 YTD \$63,204</p>											

- (1) [(Sales Price less Tax Basis)*Tax Rate]-[(ADIT Net Book Basis-Tax Basis)* Tax Rate]
- (2) Tax Rate = .4037
- (3) Jurisdictional allocation of Net Gain
- (4) Amount Allocated for Ratepayers based on 50% of jurisdictional split.
- (5) Interest from Date of Transfer through June 30, 2003