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RESIDENTIAL UTILITY CONSUMER OFFICE

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Janet Napolitano  
Governor

Stephen Ahearn  
Director

October 6, 2006

Commissioner Kristin K. Mayes  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2996

RECEIVED  
2006 OCT -6 P 2:17  
AZ CORP COMMISSION  
DOCUMENT CONTROL

Re: Cost of Recent Palo Verde Unit 1 Unplanned Outage; Establishment of a Rate Stabilization Fund; Calculation of Rate Impact of the Parties' Rate Recommendations on Customer Bills; APS General Rate Case; Dockets No. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827.

Dear Commissioner Mayes:

Pursuant to your letter of October 2, 2006, paragraph entitled "Calculation of Rate Impact on Customers' Bills from the Parties' Rate Recommendations", RUCO provides the attached schedule.

RUCO's schedule on lines 1 through 5 displays the impact on Residential E-12 bills with 800 kWhs of consumption of each authorized rate increase or PSA increase since 2005. Displayed on line 6 is the impact of RUCO's proposed rate increase in this docket. We have provided this information for both summer and winter APS rates, since the rates differ. Please note that the bill impacts do not reflect "average" bill impacts since the 800 kWh analysis requested is not the average E-12 consumption. Average impacts would require 1425 kWhs for summer rates, and 899 kWhs for winter rates.

If RUCO can be of further assistance, let us know.

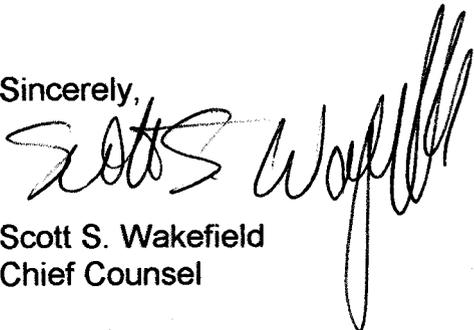
Arizona Corporation Commission  
DOCKETED

OCT -6 2006

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Commissioner Kristin K. Mayes  
October 6, 2006  
page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Scott S. Wakefield". The signature is written in a cursive, somewhat stylized font. The first name "Scott" is written in a larger, more prominent script, followed by "S." and "Wakefield". The signature is positioned to the right of the word "Sincerely,".

Scott S. Wakefield  
Chief Counsel

Attachment

cc: Chairman Jeff Hatch-Miller  
Commissioner William A. Mundell  
Commissioner Mike Gleason  
Commissioner Barry Wong  
Brian McNeil  
Ernest Johnson  
Heather Murphy  
Docket  
Parties of Record (via email)

ARIZONA PUBLIC SERVICE COMPANY  
 IMPACT OF RATE INCREASES ON AVERAGE RESIDENTIAL BILLS  
 RESPONSE TO COMMISSIONER MAYES OCTOBER 2, 2006 LETTER  
 SUBMITTED BY RUCO

LINE NO.	DESCRIPTION	SUMMER USAGE	INCREMENTAL % INCREASE	INCREMENTAL \$ INCREASE	WINTER USAGE	INCREMENTAL % INCREASE	INCREMENTAL \$ INCREASE
	<b>PREVIOUS</b>						
1	BILL PRE-2005 RATE INCREASE	\$78.44			\$68.72		
	<b>CURRENT:</b>						
2	BILL WITH 2005 RATE INCREASE (DEC. #67744)	\$80.71	2.89%	\$2.27	\$67.10	-2.36%	-\$1.62
3	BILL WITH FEB 2006 PSA ADJUSTOR (DEC. #68437)	\$83.91	3.96%	\$3.20	\$70.30	4.77%	\$3.20
4	BILL WITH APRIL 2006 PSA SURCHARGE (DEC. #68646)	\$84.35	0.53%	\$0.44	\$70.74	0.63%	\$0.44
5	BILL WITH MAY 2006 INTERIM PSA ADJUSTOR (DEC. #68685)	\$89.95	6.64%	\$5.60	\$76.34	7.92%	\$5.60
	<b>PROPOSED:</b>						
6	BILL WITH RUCO PROPOSED INCREASE	\$94.21	4.73%	\$4.25	\$78.79	3.20%	\$2.44
7	CUMMULATIVE INCREASE		20.10%	\$15.77		14.65%	\$10.07
	<b>DATA INPUTS:</b>						
	USAGE	800			800		
	MONTHLY SERVICE CHARGE						
	SUMMER - 1ST 400	0.0757					
	2ND 400	0.10556					
	OVER 800	0.12314					
	WINTER - ALL USAGE	0.07361					
	CRCC SURCHARGE	0.000338					
	PSA ADJUSTOR	0.004					
	EPS SURCHARGE	0.35					
	DSM SURCHARGE	0					
	PSA SURCHARGE	0.000554					
	PSA INTERIM ADJUSTOR	0.007					
			<b>PROPOSED RATES</b>				
			7.59				