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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN, AND TO AMEND DECISION NO. 67744.

Docket No. E-01345A-05-0816

REPLY MEMORANDUM OF ARIZONA PUBLIC SERVICE COMPANY IN SUPPORT OF ITS MOTION TO PREVENT DISCLOSURE OF ITS CONFIDENTIAL CUSTOMER STUDY INTO THE PUBLIC RECORD

IN THE MATTER OF THE INQUIRY INTO THE FREQUENCY OF UNPLANNED OUTAGES DURING 2005 AT PALO VERDE NUCLEAR GENERATING STATION, THE CAUSES OF THE OUTAGES, THE PROCUREMENT OF REPLACEMENT POWER AND THE IMPACT OF THE OUTAGES ON ARIZONA PUBLIC SERVICE COMPANY'S CUSTOMERS

Docket No. E-01345A-05-0826

IN THE MATTER OF THE AUDIT OF THE FUEL AND PURCHASED POWER PRACTICES AND COSTS OF THE ARIZONA PUBLIC SERVICE COMPANY

Docket No. E-01345A-05-0827

Arizona Corporation Commission

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1 RUCO and AUIA have filed responses to the Company's Motion to Prevent
2 Disclosure of its Confidential Customer Study ('the Motion') indicating that they
3 agree that the customer study should remain confidential and subject to the Protective
4 Agreement between the Company and the Commission in this proceeding.
5 Commission Staff (the only other party responding to the Motion) has indicated that,
6 without taking a position on the substance of the Company's Motion, they do "not
7 necessarily oppose the Company's Motion" (Staff response at 1) in order to "avoid
8 any additional proceedings to assess the issue within the context of the rate case
9 proceeding." (Id. at 3.)¹ Thus, there is no opposition by any party to the Company's
10 Motion to prevent disclosure of its confidential customer study, and the provisions of
11 the Protective Agreement between the Company and the Commission should not be
12 disregarded under these circumstances.

13
14 In response to Staff's alternative suggestion that the Company should be asked
15 to explain why the study could not be redacted or summarized in such a way as to
16 preserve the study's confidential contents, the answer is quite simple -- the very
17 nature of the study (as explained in Mr. Fox's affidavit) is a series of proprietary ,
18 Company-specific questions to customers (and customer responses thereto) that were
19 designed to provide feedback that would be useful to the Company in assessing
20 customer attitudes and potential marketing opportunities. Thus, redaction of the
21 study's confidential contents would require redaction of virtually the entire study.
22 Similarly, any summary of the study or its results, beyond the summaries and

23
24 ¹ As a partial explanation for taking no position on the substance of the Company's
25 Motion, Staff's response cites transcript references where the Company's attorneys stated
26 that the customer study is confidential (Staff response at 2) and Staff seems to imply that
those statements of counsel are the only factual support for the Company's confidentiality
assertion. In fact, the Company's Motion is supported by a detailed affidavit of Edward Fox
setting forth the basis for the Company's confidentiality assertion.

1 descriptions that have already been provided in testimony or in the Company's
2 Motion, would be virtually impossible without negating the confidentiality of the
3 information contained in the study. In short, the nature and purpose of the study does
4 not lend itself to the type of redaction or summary that Staff suggests the Company
5 should "consider." (Staff response at 3.)

6
7 **CONCLUSION**

8 For these reasons and the reasons set forth in its Motion, the Company
9 respectfully submits that its Motion should be granted and the Company's
10 confidential customer study should remain subject to the Protective Agreement in this
11 proceeding.

12
13 RESPECTFULLY SUBMITTED this 9th day of November, 2006.
14

15
16 Thomas L. Mumaw
17 PINNACLE WEST CAPITAL CORP.
18 Law Department

19 Deborah R. Scott
20 SNELL & WILMER L.L.P.

21 William J. Maledon
22 Ronda R. Fisk
23 OSBORN MALEDON, P.A.

24 Attorneys for Arizona Public Service Company

25 By 
26 William J. Maledon

1 ORIGINAL and 15 copies of the foregoing
filed this 9th day of November, 2006, with:

2 Docket Control
3 Arizona Corporation Commission
1200 West Washington
4 Phoenix, Arizona 85007

5 AND copies of the foregoing mailed, faxed or
transmitted electronically this ____ day of
6 November, 2006, to:

7 All Parties of Record

8 _____
9 Birdie Cobb

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