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BEFORE THE ARIZONA CORPORATION

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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

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

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

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[1] As a partial explanation for taking no position on the substance of the Company's Motion, Staff's response cites transcript references where the Company's attorneys stated 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.

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

CONCLUSION

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

RESPECTFULLY SUBMITTED this 9th day of November, 2006.

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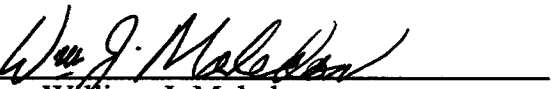
By 
William J. Maledon

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

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

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

All Parties of Record

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Birdie Cobb