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2007 JUN -1 P 4:43

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AZ CORP COMMISSION
DOCKET CONTROL

GLEASON PROPOSED AMENDMENT #9

DATE PREPARED: June 1, 2007

COMPANY: Arizona Public Service Company

DOCKET NOs: E-01345A-05-0816, E-01345A-05-0826 and E-01345A-05-0827

OPEN MEETING DATES: June 13, 2007

AGENDA ITEM: U-1

Page 105, line 12, after "adjustor." STRIKE remainder of line

Page 105, STRIKE lines 13 through 16 and INSERT:

"APS and other parties⁶² have included approximately \$200,000 in broker fees in the calculation of Base Fuel Cost. (Tr. Vol. XXIII at 4438 [Ewen]). It is undisputed that such fees are a legitimate cost of acquiring fuel and purchased power for the benefit of APS customers. (Tr. Vol. XXI at 4010 [Antonuk]). Excluding such fees would have the effect of not only denying the Company any recovery of cost increases attributable to such fees, but denying recovery of even the amount included in the Base Fuel Cost. (Tr. Vol. XXI at 4010 [Antonuk]). Accordingly, it is appropriate to allow broker fees to flow through the adjustor."

Page 105, after line 28, INSERT a new footnote to read:

⁶² The RUCO, Staff and AECC Base Fuel Cost recommendations are all variants of the original Base Fuel Cost proposed by APS, and thus implicitly reflect the level of broker fees included by APS."

Re-number footnotes to conform

Page 109, line 23, after "above" INSERT "and broker fees"

Make all conforming changes

Arizona Corporation Commission
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