

ORIGINAL



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THIS AMENDMENT:	
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 AZ CORP COMMISSION
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GLEASON PROPOSED AMENDMENT #11

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
Arizona Corporation Commission

DOCKETED

JUN -1 2007

Page 85, line 24 after "adopt." STRIKE the remainder of the line

Page 85, STRIKE lines 25 and 26

Page 86, STRIKE line 1

DOCKETED BY	<u>nr</u>
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Page 86, line 2, STRIKE "actual capital investment already made." and INSERT:

"Therefore, we will not adopt any adjustor, such as the EIC adjuster proposed by APS, which would include forecasted costs. Instead, we will authorize APS to collect a surcharge from all standard offer customers except those on Schedules SP-1 (Solar Partners), Schedule GPS-2 (Green Power Percent) and Schedule Solar-2 beginning July 1, 2007. This surcharge will be known as the 'Environmental Improvement Surcharge' ('EIS'). We will set the EIS at \$.00016 per kWh, which shall remain in effect until further order by the Commission.

APS shall deposit all monies collected by the EIS in a separate interest-bearing account. APS may draw from this account only for the purpose of funding environmental improvements (either mandatory or voluntary, but not for payment of fines or penalties). The balance in the EIS account shall be considered a regulatory liability, and amounts withdrawn shall be considered Contributions in Aid of Construction ('CIAC'). Each August, beginning in August 2008, APS shall file, as a compliance item in this case, a report of EIS transactions for the most recent July 1 through June 30 period. The report shall indicate 1) the beginning balance for the period, 2) the total amount of money collected by the EIS for the period, 3) the amount of interest earned by the EIS account for the period, 4) the total withdrawals for the period, 5) the ending EIS account balance, 6) a detailed list of the dates and amounts of withdrawals with the total reconciled to item 4 above, 7) a narrative description of each EIS project to which EIS funds were applied for the period, 8) the accounts and amounts of CIAC recognized for each EIS project for the period, 9) the cumulative EIS funds collected from July 1, 2007 through June 30th of the current period, 10) the cumulative interest earned by the EIS account from July 1, 2007 through June 30th of the current period and 11) the cumulative amounts

withdrawn from the EIS account from July 1, 2007 through June 30th of the current period. If the Commission were to order an end to the EIS, any residual amounts in the EIS account will be used as directed by the Commission."

Page 140, line 3

STRIKE: "EIC adjustor"

INSERT: "Environmental Improvement Surcharge"

Page 149, line 23

STRIKE: "Environmental Improvement Charge adjustor"

INSERT: "Environmental Improvement Surcharge"

Make all conforming changes