

**ORIGINAL**



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**THIS AMENDMENT:**

\_\_\_\_ Passed \_\_\_\_\_ Passed as amended by \_\_\_\_\_

Failed \_\_\_\_\_ Not Offered \_\_\_\_\_

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2007 JUN -6 P 2:39

**MUNDELL PROPOSED AMENDMENT #1**

AZ CORP COMMISSION  
DOCKET CONTROL

TIME/DATE PREPARED: Wednesday, June 06, 2007

COMPANY: Arizona Public Service Co. AGENDA ITEM NO. U-1

DOCKET NO. E-01345A-05-0816 et al. OPEN MEETING DATE: June 13, 2007

E-01345A-05-0826  
E-01345A-05-0827

Page 76, Line 10 INSERT new paragraph:

“We will, however, reject Staff’s recommendation that the rate designs for ET-2 and ECT-2 remain revenue neutral compared to ET-1 and ECT-1’s respective adopted rates. In light of the rate increases granted to APS in the 2005 Settlement Agreement, the emergency rate case, this general rate case, and the potential of further increases due to the operation of the PSA, it is only fair to APS’ residential customers that they be given every opportunity to take advantage of a TOU rate that will motivate them to reduce their consumption of electricity, resulting in lower bills for them and a decreased peak for the Company. During the outages at Westwing in the summer of 2004, APS’ customers sufficiently demonstrated their ability and willingness to reduce their usage of electricity during the hours designated as “peak” by the Company. During that timeframe, APS made it known to consumers through the press that the “peak” hours where it was necessary for customers to reduce their consumption of electricity were from 3:00 p.m. to 6:00 p.m. At that time customers were motivated to alter their usage patterns in response to the danger of outage, not to reduce the amount of their bills. Now that consumers are again faced with drastically increased rates, it is only fair that they be allowed a real opportunity to mitigate the effects of these rate increases. Accordingly, we will adopt Staff’s recommended rates for ET-1 and ECT-1 and apply those rates to ET-2 and ECT-2 as well.”

Page 138, Line 12 INSERT new Finding of Fact No. 34:

“In light of the rate increases granted to APS in Decision No. 67744 (the 2005 Settlement), Decision No. 68685 (the emergency rate case), this general rate case, and the potential of further increases due to the operation of the PSA, it is only fair to APS’ residential customers that they be given every opportunity to take advantage of a TOU rate that will motivate them to reduce their consumption of electricity, resulting in lower bills for them and a decreased peak for the Company. Accordingly, we find it just and reasonable to set the rates for ET-2 and ECT-2 equal to ET-1 and ECT-1’s respective adopted rates.”

Renumber accordingly. Make all other conforming changes.

Arizona Corporation Commission  
**DOCKETED**

JUN -6 2007

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