

**ORIGINAL**



0000073899

THIS AMENDMENT:  
 \_\_\_\_\_ Passed \_\_\_\_\_ Passed as amended by \_\_\_\_\_  
 \_\_\_\_\_ Failed \_\_\_\_\_ Not Offered \_\_\_\_\_

604

**3<sup>rd</sup> REVISED HEARING DIVISION PROPOSED AMENDMENT #1**

TIME/DATE PREPARED June 13, 2007/8:35 a.m.

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 2, Line 13 ½:**

DELETE: "Crocket"

INSERT: "Crockett"

**Page 4, Line 19:**

DELETE: "\$286,147,000"

INSERT: "286,410,000"

DELETE: "11.06"

INSERT: "10.97"

**Page 4, Line 20:**

DELETE: "\$2,587,363,000"

INSERT: "\$2,609,930,000"

DELETE: \$2,873,509,000"

INSERT: "\$2,896,340,000"

**Page 16, Line 7:**

DELETE: "\$1,437,983"

INSERT: "\$1,547,983"

RECEIVED  
2007 JUN 14 P 1:46  
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUN 14 2007

DOCKETED BY	nr
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And DELETE footnote 12

**Page 17, Line 23:**

DELETE: "\$226,500"

INSERT: "\$134,100"

**Page 17, Line 27:**

DELETE: "\$2,718,000"

INSERT: "\$1,609,228"

**Page 18, Line 21:**

DELETE: "5,768,000"

INSERT: "5,702,000"

**Page 18, Line 21:**

DELETE: "\$26,346,000"

INSERT: "\$26,032,000"

**Page 27, Line 17:**

DELETE: "\$3,391,467"

INSERT: "\$3,931,467"

**Page 31, Line 5: INSERT new paragraph:**

"SWEEP opposed APS' proposed pro forma adjustment to recover net lost revenues."

**Page 42, Line 13:**

DELETE: "\$607,000"

INSERT: "\$2,379,000"

**Page 42, Line 23 ½:**

DELETE: "Total Adjusted Operating Expenses \$2,395,397,000"

INSERT: "Total Adjusted Operating Expenses \$2,418,125,000"

**Page 42, Line 24:**

DELETE: "Net Operating Income "\$191,966,000"

INSERT; "Net Operating Income "\$191,805,000"

**Page 42, Line 28:**

DELETE: "\$1,555,000"

INSERT: "\$6,093,000"

**Page 44, Line 19:**

DELETE: "will"

INSERT: "willing"

**Page 56, Line 10:**

DELETE: "for"

**Page 60, Line 23:**

DELETE: " "fair"

INSERT: " "fair"

**Page 63, Line 5:**

DELETE: “)”

INSERT: “(”

**Page 64, Line 22:** after “does”

INSERT: “not”

**Page 68, Line 15:**

DELETE: “\$191,966,000”

INSERT: “\$191,805,000”

**Page 68, Line 17:**

DELETE: “\$174,405,000”

INSERT: “\$174,566,000”

**Page 68, Line 18:**

DELETE: “\$286,147,000”

INSERT: “\$286,410,000”

**Page 68, Line 18:**

DELETE: “11.06”

INSERT: “10.97”

**Page 68, Line 19:** after “revenues.”

INSERT new footnote: “Base rate increase”

**Page 77, Line 27:**

DELETE: "Surrebutal"

INSERT: "Surrebuttall"

**Page 85, Line 21:**

DELETE: "improvement"

INSERT: "improvements"

**Page 86, Line 2: after "made."**

INSERT: "APS should file for Commission approval, a plan of administration that appropriately reflects the EIC as set forth herein, within 30 days of this Decision."

**Page 90, Line 10: after "Direct")"**

INSERT: "SWEEP supported the DSM performance incentive proposed by APS and the related recommendations made by Staff."

**Page 96, Line 4:**

DELETE: "\$.0225"

INSERT: "\$.166"

**Page 104, Line 15:**

DELETE: "The"

**Page 109, Line 19: after "agreement"**

INSERT new footnote: "Long-term purchased power agreements are those with a term greater than or equal to three years."

**Page 114, Line 12 ½:**

DELETE: "2006."

INSERT: "2006"

**Page 124, Line 25: after "p. 7))"**

DELETE: "s"

**Page 129, Line 16: after "unable"**

INSERT: "to"

**Page 133, Line 17:**

DELETE: \$2,250,000

INSERT: \$2,550,000"

DELETE: "\$13,936,000"

INSERT: "\$13,636,000"

**Page 137, Line 25:**

DELETE: "\$2,587,363,000"

INSERT: "\$2,609,930,000"

DELETE: "\$2,395,397,000"

INSERT: "\$2,418,125,000"

**Page 137, Line 25:**

DELETE: "\$191,966,000"

INSERT: "\$191,805,000"

**Page 138, Line 5:**

DELETE: "\$286,147,000"

INSERT: "\$286,410,000"

**Page 139, Line 25:** after "schedules"

INSERT: "including eliminating existing rate schedules DA E-12, DA ET-1, DA ECT-1R, DA E-32, DA E-34, DA E-35, EC-1, E-10, E-38, E-38-8T, EPR-3, EQF-S, EQF-M, E-52, and Solar 1 and the Direct Access Rate Schedules; eliminating rate schedule E-51 in APS' next rate case; and closing (freezing) existing rate schedules SP-1, E-32R and E-55 to new customers and eliminating them in APS' next rate case; and consolidating schedule EPR-4 into the revised Schedule EPR-2, and"

**Page 139, Line 27:**

INSERT new Findings of Fact:

"Customers on experimental TOU rates E-21, E-22, E-23, and E-24 will have a six-month transition period to evaluate and choose a rate option, and at the end of the transition period, APS will cancel E-21, E-22, E-23, and E-24 and customers who have not chosen an alternative rate schedule will be automatically switched to the default rate E-32 TOU."

**Page 140, Line 3:** after "herein"

INSERT: "and should file with Docket Control as a compliance item in this docket, a plan of administration for Commission approval within 30 days of the date of this Decision."

**Page 140, Line 4:**

INSERT new Finding of Fact:

"APS should prepare and file with Docket Control as a compliance item in this docket, a climate management plan, carbon emission reduction study, and commitment and action plan with public input and the opportunity for Commission review."

**Page 140, Line 13-16:**

DELETE: “APS should convene a Collaborative Working Group Meeting with the 60 days of this Decision and make a presentation showing where APS believes the research stands and what additional information is needed before a reduction plan can be implemented, and when that information will be obtained.”

INSERT: “APS should convene a Collaborative Working Group Meeting within 60 days of this Decision to address urban heat island reduction issues and programs and, upon consultation with the Collaborative Working Group members, invite presentations by knowledgeable individuals to establish where the research stands and what additional information is needed, if any, before a heat island reduction plan can be implemented, and when that information will be obtained.”

**Page 141, Line 5:**

INSERT new Finding of Fact:

“WRA’s recommendation for APS to file a renewable energy acquisition plan is appropriate and will insure that APS maintains a focus on the long term use of renewables.”

**Page 141, Line 9: after “proposed”**

INSERT: “amortization and”

**Page 148, Line 16: after “duties”**

INSERT: “.”

**Page 148, Line 25:**

DELETE: “May 31”

INSERT: “June 29”

**Page 148, Line 28: after “increase”**

INSERT: “.”

**Page 149, Line 2:**

DELETE: "June"

INSERT: "July"

**Page 149, Line 13: INSERT new ordering paragraphs:**

"IT IS FURTHER ORDERED that Arizona Public Service Company shall conduct a study to identify what types of Demand Response and Load Management programs would be most beneficial to APS' system, relying on a cost-benefit analysis based on the Societal Cost Test and shall file the study with the Commission's Docket Control as a compliance item in this docket, within one year of the date of this Decision.

IT IS FURTHER ORDERED that Arizona Public Service Company shall file with the Commission's Docket Control as a compliance item in this docket, for Commission approval, one or more cost effective Demand Response or Load Management Programs that the Company believes would be most beneficial to its system and its ratepayers, within one year of the date of this Decision."

**Page 149, DELETE Lines 16-18**

**Page 149, Line 24:**

INSERT new ordering paragraph:

"IT IS FURTHER ORDERED that Arizona Public Service Company shall file with Docket Control as a compliance item in this Docket, a plan of administration for the Environmental Improvement Charge adopted herein for Commission approval, within 30 days of the date of this Decision."

**Page 149, Line 24:**

INSERT new ordering paragraph:

"IT IS FURTHER ORDERED that Arizona Public Service Company shall prepare and file with Docket Control as a compliance item in this docket, a climate management plan, carbon emission reduction study, and commitment and action plan with public input and the opportunity for Commission review."

**Page 149, Line 24:**

INSERT new ordering paragraph:

"IT IS FURTHER ORDERED that Arizona Public Service Company shall file with Docket Control as a compliance item in this docket, within four months of the date of this Decision, its renewable energy acquisition plan that incorporates input from interested parties obtained via a collaborative process."

**Page 149, Line 26:** after "Decision"

INSERT: "and shall file its revised E-56 and E-57 tariffs within 60 days of this Decision."

**Page 150, Lines 6-9:**

DELETE: "IT IS FURTHER ORDERED that Arizona Public Service Company shall convene a Collaborative Working Group Meeting within the 60 days of this Decision and make a presentation showing where APS believes the research stands and what additional information is needed before a reduction plan can be implemented, and when that information will be obtained."

INSERT: "IT IS FURTHER ORDERED that Arizona Public Service Company shall convene a Collaborative Working Group Meeting within 60 days of this Decision to address urban heat island reduction issues and programs and, upon consultation with the Collaborative Working Group members, invite presentations by knowledgeable individuals to establish where the research stands and what additional information is needed, if any, before a heat island reduction plan can be implemented, and when that information will be obtained."

**Page 150, Line 26:** after "proposed"

INSERT: "amortization and"

Make all conforming changes