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July 26, 2007

AZ CORP COMMISSION
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Arizona Corporation Commission
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JUL 26 2007

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

DOCKETED BY *JAR*

RE: Arizona Public Service Company General Rate Case
Docket Nos. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Sir or Madam:

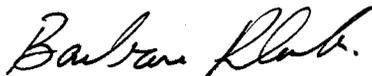
Arizona Public Service Company is hereby providing notification of compliance with certain requirements of Decision No. 69663 (issued June 28, 2007) that the Company has completed. Decision No. 69663 did not require that any documentation be filed for the following items:

1. On June 29, pursuant to Ordering Paragraph No. 3 of Decision No. 69663 (page 153, lines 26-28 through page 154, line 1), APS submitted to Staff for approval, language notifying its affected customers of the revised schedules of rates and charges authorized by Decision No. 69663. Such approval was received via e-mail from Ms. Vicki Wallace on July 2, 2007.
2. Pursuant to Section IX(C) of Decision No. 69663 (page 81, lines 17½ - 21½), APS has scheduled, on August, 6, 2007, a working group with interested parties to discuss the proposed E-56 & E57 Rate Schedules, which will culminate in a tariff filing for E-56 & E-57 by August 27, 2007.
3. Beginning July, 2007, pursuant to Ordering Paragraph No. 4 of Decision No. 69663 (page 154, lines 2-5), APS began accounting for amounts collected in rates for the Sundance Units non-routine maintenance as a current period expense as well as the establishment of a regulatory liability on its balance sheet for use when such non-routine maintenance costs associated with the Sundance Units are incurred by the Company.
4. Beginning July 2007, pursuant to Ordering Paragraph No. 25 of Decision No. 69663 (page 156 lines 19-22), APS' Accounting Department began accounting separately for each new depreciation rate between service life and net salvage value similar to the rates shown in Appendix A to decision No. 67744.
5. Beginning July 2007, the Environmental Improvement Surcharge (EIS) is delineated on the customer's bill as a "Federal Environmental Improvement Charge". The back of the bill message states: "A charge to recover a portion of the cost of investments for environmental improvements at APS' generation facilities designed to comply with environmental standards mandated by federal laws or regulations."

6. In July 2007, pursuant to Section X(C) of Decision No. 69663, (page 86, lines 12-14), APS began accounting for deposited money collected under the EIS to ensure it will only be utilized to fund environmental improvements.

If you have any questions or concerns, please contact Susan Casady at (602) 250-2709.

Sincerely,



Barbara Klemstine

BK/sc

CC: Brian Bozzo
Ernest Johnson
Christopher Kempley
Barbara Keene
Lyn Farmer
Gordon Fox