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August 8, 2007

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

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 Madame:

Pursuant to Decision No. 69663 (June 28, 2007), Arizona Public Service Company is providing revisions to two of the service schedules previously filed in docket on June 29, 2007. Attached are the non-redline and the redline versions of Adjustment Schedule PSA-1 and Adjustment Schedule EIS corrected to that provided on June 29, 2007. Application language of each has been modified to add clarification and to conform these schedules to the literal language of Decision No. 69663.

As noted on the Plan of Administration (POA) for the Environment Improvement Charge, the Company had requested in its filing that this charge not apply to Rate Schedules Solar-3 and GPS-1 in addition to those specifically excluded in Decision No. 69663 (SP-1, GPS-2 and Solar-2). Because Schedules Solar-3 and GPS-1 are comparable in nature to the rate schedules specifically excluded and there was no apparent opposition to the exclusion of Solar-3 and GPS-1, APS believes the language in Decision No. 69663 likely reflected a simple oversight. Should this be the case, such oversight could and should be corrected as part of the POA approval process.

If you have any questions or concerns, please contact Greg DeLizio at (602) 250-2704.

Sincerely,

*Barbara Klemstine/sc*

Barbara Klemstine

BK/sc

Attachments

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

Arizona Corporation Commission  
**DOCKETED**  
AUG -8 2007

DOCKETED BY *NR*

AZ CORP COMMISSION  
DOCKET CONTROL

2007 AUG -8 P 3:28

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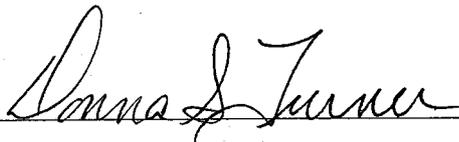
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**Redline**

**Version**



**ADJUSTMENT SCHEDULE PSA-1  
POWER SUPPLY ADJUSTMENT**

APPLICATION

The Power Supply Adjustment ("PSA") shall apply to all retail electric rate schedules in accordance with their terms with the exception of Solar-2, ~~SP-1, E-3, E-4, E-36~~ and Direct Access service. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

~~Deleted: Solar-3,~~  
~~Deleted: GPS-1, GPS-2,~~

RATES

The charges shall be calculated at the following rates:

PSA Adjustor Rate <sup>1/</sup>

All kWh	\$0.003987	per kWh
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PSA Historical Component

All kWh	\$0.000000	per kWh
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PSA Forward Component

All kWh	\$0.000000	per kWh
---------	------------	---------

PSA Transition Component

All kWh	\$0.000000	per kWh
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PSA Surcharge <sup>2/</sup>

All kWh	\$0.001176	per kWh
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<sup>1/</sup> Costs that were incurred in 2006 and 2007 from the prior PSA

<sup>2/</sup> Surcharge per Decision #####

ARIZONA PUBLIC SERVICE COMPANY  
Phoenix, Arizona  
Filed by: David J. Rumolo  
Title: Manager, Regulation and Pricing  
Original Effective Date: April 1, 2005

A.C.C. No. 5680  
Canceling A.C.C. No. 5644  
Adjustment Schedule PSA-1  
Revision No. 6  
Effective: July 1, 2007



**ADJUSTMENT SCHEDULE EIS  
ENVIRONMENTAL IMPROVEMENT SURCHARGE**

APPLICATION

The Environmental Improvement Surcharge ("EIS") shall apply to all retail Standard Offer service, excluding kWh served in accordance with rate schedules, SP-1 (Solar Partners), Solar-2, and Green Power Schedule, GPS-2. All provisions of the customer's current applicable rate schedule shall apply in addition to charges under this Adjustment Schedule EIS.

Deleted: E-36

Deleted: Solar-3,

Deleted: s GPS-1 and

Deleted: XXXXX

The EIS was approved by the Arizona Corporation Commission ("ACC") in Decision No. 69663.

The EIS recovers the cost associated with investment for environmental improvements at APS' generation facilities that the ACC has approved for recovery. Approved environmental improvements include those implemented on or after January 1, 2004, for which costs have not been fully recovered under current approved rates, ongoing environmental improvement projects and environmental improvement projects designed to comply with prospective environmental standards required by federal, state, tribal, or local laws or regulations.

Deleted: and expenses

RATE

The charge shall be calculated at the following rate:

EIS

All kWh

\$0.00016 per kWh

**Non-Redline**

**Version**



**ADJUSTMENT SCHEDULE PSA-1  
POWER SUPPLY ADJUSTMENT**

APPLICATION

The Power Supply Adjustment ("PSA") shall apply to all retail electric rate schedules in accordance with their terms with the exception of Solar-2, SP-1, E-3, E-4, E-36 and Direct Access service. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

RATES

The charges shall be calculated at the following rates:

PSA Adjustor Rate <sup>1/</sup>

All kWh \$0.003987 per kWh

PSA Historical Component

All kWh \$0.000000 per kWh

PSA Forward Component

All kWh \$0.000000 per kWh

PSA Transition Component

All kWh \$0.000000 per kWh

PSA Surcharge <sup>2/</sup>

All kWh \$0.001176 per kWh

<sup>1/</sup> Costs that were incurred in 2006 and 2007 from the prior PSA

<sup>2/</sup> Surcharge per Decision #####



**ADJUSTMENT SCHEDULE EIS  
ENVIRONMENTAL IMPROVEMENT SURCHARGE**

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APPLICATION

The Environmental Improvement Surcharge ("EIS") shall apply to all retail Standard Offer service, excluding kWh served in accordance with rate schedules, SP-1 (Solar Partners), Solar-2, and Green Power Schedule GPS-2. All provisions of the customer's current applicable rate schedule shall apply in addition to charges under this Adjustment Schedule EIS.

The EIS was approved by the Arizona Corporation Commission ("ACC") in Decision No. 69663.

The EIS recovers the cost associated with investment for environmental improvements at APS' generation facilities that the ACC has approved for recovery. Approved environmental improvements include those implemented on or after January 1, 2004, for which costs have not been fully recovered under current approved rates, ongoing environmental improvement projects and environmental improvement projects designed to comply with prospective environmental standards required by federal, state, tribal, or local laws or regulations.

RATE

The charge shall be calculated at the following rate:

EIS

All kWh

\$0.00016 per kWh