



0000077195

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2 MIKE GLEASON
Chairman
3 WILLIAM A. MUNDELL
Commissioner
4 JEFF HATCH-MILLER
Commissioner
5 KRISTEN K. MAYES
Commissioner
6 GARY PIERCE
Commissioner
7

Arizona Corporation Commission
DOCKETED

SEP 27 2007

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8 IN THE MATTER OF THE APPLICATION)
OF ARIZONA PUBLIC SERVICE)
9 COMPANY – APPLICATION FOR)
10 APPROVAL OF CHANGES TO ITS)
11 SCHEDULE 1 WITH RESPECT TO)
AND DISCOUNTS RELATED TO ITS SUREPAY)
12 AND AUTOPAY PAYMENT OPTIONS)

DOCKET NOS. E-01345A-05-0816
E-01345A-05-0826
E-01345A-05-0827

DECISION NO. 69923
ORDER

13 Open Meeting
September 18 and 19, 2007
14 Phoenix, Arizona

15 BY THE COMMISSION:

FINDINGS OF FACT

17 1. Arizona Public Service Company (“APS”) is engaged in providing electric service
18 within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission.

19 2. On July 26, 2007, Arizona Public Service Company (“APS”) filed an application
20 for approval of changes to its Schedule 1 reflecting discounts for customers who utilize the
21 SurePay and AutoPay payment options. SurePay is the APS automatic payment program and
22 AutoPay is the on-line version of SurePay.

23 3. Decision No. 69663 ordered APS to file, for Commission approval, a tariff
24 providing for a monthly discount of at least \$0.48 to be given to those customers who participate in
25 automatic payment plans. APS’ Schedule 1 contains provisions about automatic payment plans.
26 In the above-referenced application, APS proposed new language for Section 4.3.3 of Service
27 Schedule 1 regarding this discount, reading as follows:
28 ...

1 “Where Company is responsible for rendering the customer’s bill, Company will
2 provide a monthly incentive of \$0.48 per customer for customers who elect to pay
3 their bills using the Company’s offered electronically transmitted payment options
AutoPay, SurePay or similar programs.”¹

4 4. Staff has recommended that APS include information about the discounts in all of
5 its marketing materials on SurePay and AutoPay. APS markets SurePay and AutoPay through: (i)
6 its website; (ii) the Lifestyles and APS newsletters; (iii) an annual APS letter; (iv) monthly bills;
7 (v) email and direct mail campaigns; (vi) the APS call center; and (vii) APS offices.

8 5. In a cost-benefit analysis conducted pursuant to Decision No. 67744, APS
9 calculated savings of \$0.48 resulting from each APS customer utilizing SurePay or AutoPay. APS
10 has updated its original analysis to indicate savings of \$0.45 per customer, a \$0.03 decrease in
11 savings per customer since the original analysis. The decrease in savings arises primarily from
12 decreases in the cost of processing payments through methods other than SurePay and AutoPay,
13 including payments made at APS business offices and through the mail.

14 6. Staff has recommended that APS’ proposed changes to its Schedule 1 related to its
15 SurePay and AutoPay payment options be approved, with deletion of the word “offered.”

16 7. Staff also analyzed this application in terms of whether there were fair value
17 implications. Compared to APS’ total revenues, any impact from these proposed tariff changes
18 would be de minimus, and any impact on APS’ fair value base rate and rate of return would also be
19 de minimus.

20 8. Staff has also recommended that APS docket tariff pages, as a compliance item in
21 this matter, consistent with the terms of this Decision within 15 days from the effective date of this
22 Decision.

23 CONCLUSIONS OF LAW

24 1. APS is an Arizona public service corporation within the meaning of Article XV,
25 Section 2, of the Arizona Constitution.

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28 ¹ With respect to wording, Staff recommends that “offered” be deleted from the third line, to improve clarity and
reduce redundancy. In its response to Staff’s data request on this issue, APS agreed to the deletion.

1 IT IS FURTHER ORDERED that APS docket tariff pages, as a compliance item in this
2 matter, consistent with the terms of this Decision within 15 days from the effective date of this
3 Decision.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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9 CHAIRMAN


COMMISSIONER

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11 
12 COMMISSIONER


COMMISSIONER


COMMISSIONER

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14 IN WITNESS WHEREOF, I DEAN S. MILLER, Interim
15 Executive Director of the Arizona Corporation Commission,
16 have hereunto, set my hand and caused the official seal of
17 this Commission to be affixed at the Capitol, in the City of
18 Phoenix, this 27th day of September, 2007.

19 
20 DEAN S. MILLER
21 Interim Executive Director

22 DISSENT: _____

23
24 DISSENT: _____

25 EGJ:JMK:lhm\CCK

SERVICE LIST FOR: ARIZONA PUBLIC SERVICE COMPANY
DOCKET NOS. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Ms. Barbara Klemstine
Director, Regulation and Pricing
Post Office Box 53999
Mail Station 9708
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Christopher C. Kempley
Chief Counsel
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007