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ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
February 4, 2008

DOCKETED

FEB - 4 2008

DOCKETED BY
NR

Ms. Barbara Klemstine
Regulatory Affairs
Arizona Public Service Company
Post Office Box 53999, Mailstop 9908
Phoenix, Arizona 85004

RE: NOTICE OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR APPROVAL OF RENEWABLE ENERGY STANDARD IMPLEMENTATION PLAN, DISTRIBUTED ENERGY ADMINISTRATION PLAN, CUSTOMER SELF-DIRECTED RENEWABLE RESOURCE TARIFF, AND RESET OF RENEWABLE ENERGY ADJUSTOR (DOCKET NO. E-01345A-07-0468)

Dear Ms. Klemstine:

Arizona Public Service Company ("APS") is requested to provide substantial public notice of this application in the form and style shown in Attachment 1 with the heading in no less than 24 point bold type and the body in no less than 10 point regular type.

APS should mail to each of its customers a copy of the notice shown in Attachment 1 either as a bill insert or by special mailing to arrive at each customer's premises no later than March 20, 2008. In addition, APS should cause the notice (shown in Attachment 1) to be published at least twice in a newspaper of general circulation in all its service territories, with publication to be completed no later than March 20, 2008.

Please file certification of mailing/publication as soon as practicable after the mailing/publication has been completed. If you have any questions, please contact Ray Williamson at (602) 542-0828.

Sincerely,

Ernest G. Johnson
Director
Utilities Division

EGJ:RTW:lh

Enclosure

cc: Docket Control Center

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AZ CORP COMMISSION
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PUBLIC NOTICE OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF ITS RENEWABLE ENERGY STANDARD AND
TARIFF IMPLEMENTATION PLAN AND RELATED TARIFFS
DOCKET NO. E-01345A-07-0468

On August 7, 2007, Arizona Public Service Company ("APS") filed its 2008 Renewable Energy Standard Implementation Plan ("The Plan"), its Distributed Energy Administration plan, its Customer Self-Directed Renewable Resource Tariff, and its Reset of the APS Renewable Energy Adjustor with the Arizona Corporation Commission. This filing is in response to requirements in the certified Renewable Energy Standard and Tariff Rules ("REST Rules"). On August 30, 2007, APS filed an Amended Renewable Energy Standard Implementation Plan and an Amended Renewable Energy Standard Rate Schedule.

In the new Adjustment Schedule Renewable Energy Standard ("RES"), APS proposes a surcharge of \$0.004629 per kWh subject to monthly maximums by customer class. The proposed residential customer maximum is \$1.85 per month. The proposed commercial and industrial customer maximum is \$68.78 per month. The proposed maximum for industrial customers, with demand over 3MWs is \$206.33 per month. The proposed surcharge and monthly maximums constitute an increase over the existing Environmental Portfolio Standard ("EPS") Surcharge which is \$0.000875 per kWh with monthly maximums of \$0.35 for residential customers, a maximum of \$13 for non-residential customers, and \$39 for non-residential customers whose demand is 3MW or more.

On December 21, 2007, APS filed a letter and documents to support an alternative Implementation Plan which was jointly proposed by APS and the Solar Advocates on December 17, 2007. This alternative Implementation Plan would include an alternative two-step Adjustment Schedule RES, which would replace the Adjustment Schedule RES which was proposed on August 30, 2007.

In Step 1 of the two-step Adjustment Schedule RES, APS proposes a surcharge of \$0.003388 per kWh subject to monthly maximums by customer class. The proposed residential customer maximum is \$1.36 per month. The proposed commercial and industrial customer maximum is \$50.33 per month. The proposed maximum for industrial customers, with demand over 3MWs is \$150.99 per month. The proposed Step 1/Step 2 increase would constitute an increase over the existing EPS surcharge.

If certain triggers are met, with prior notice to the Corporation Commission, the Step 2 Adjustment Schedule RES would automatically be implemented.

In the new proposed Step 2, APS proposes a surcharge of \$0.004137 per kWh subject to monthly maximums by customer class. The proposed residential customer maximum is \$1.65 per month. The proposed commercial and industrial customer maximum is \$61.87 per month. The proposed maximum for industrial customers, with demand over 3MWs is \$184.41 per month.

The application is available for public inspection during regular business hours at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007, and on the internet via the Commission website (www.azcc.gov) using the eDocket function.

You may have the right to intervene in the proceeding. Intervention shall be in accordance with A.A.C. R14-3-105. If you wish to intervene, you must file a timely written motion to intervene with the Commission and send a copy of the motion to the applicant or their counsel and to all parties of record. A motion to intervene shall be considered timely if it is filed within (1) 5 days of the last date of publication or (2) 5 days of the date of direct notice by mail. The motion shall, at the minimum, contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if different from the intervener.
2. A short statement of your interest in the proceeding (e.g. a customer or potential customer of the Applicant, a shareholder of the Applicant, etc.)
3. A statement certifying that you have mailed a copy of the motion to intervene to applicant of their counsel and to all parties of record in the case.

Failure to intervene will not preclude any interested person or entity from providing public comment on the application. The Commission anticipates considering this matter at a future Open Meeting. Public comment regarding the application will be taken at that time.