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March 11, 2008

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

RE: Arizona Public Service Company Transmission Cost Adjustor Charges
Docket No. E-01345A-07-0713

Dear Sir or Madame:

Pursuant to Decision No. 70179, on February 29, 2008 Arizona Public Service Company (APS) filed revised rate Schedule TCA-1. After review, the Arizona Corporation Commission Staff (Staff) requested a change in language and to correct a typographical error. Enclosed please find both redline and non-redline versions of rate Schedule TCA-1 that reflect the language proposed by Staff.

If you have any questions or concerns please contact David Rumolo at (602) 250-3933.

Sincerely,

Barbara Klemstine

BK/tem

Attachments

CC: Ernest Johnson
Christopher Kempley
Barbara Keene
Janet Wagner

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**REDLINED
VERSION**



**ADJUSTMENT SCHEDULE TCA-1
TRANSMISSION COST ADJUSTMENT**

APPLICATION

The Transmission Cost Adjustment ("TCA") charge shall apply to all Standard Offer retail electric schedules, with the exception of solar rates Solar-1, Solar-2, and SP-1. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

ANNUAL ADJUSTMENT

Standard Offer rate schedules covered by this charge include a transmission component of base rates that was established at \$0.00476 per kilowatt-hour in accordance with A.C.C. Decision No. 67744. Decision No. 67744 also established the TCA. Decision No. 69663 modified the collection of transmission costs in retail rates to tie to the costs found in the FERC approved Open Access Transmission Tariff.

RATE

The charge shall be calculated at the following rate:

Customer Class	July 1, 2007 Charge	March 1, 2008 Charge	TCA Charge
Residential			
Network transmission	\$0.00417/kWh	\$0.00516/kWh	\$0.00099/kWh
Scheduling	\$0.000069/kWh	\$0.000069/kWh	
Regulation	\$0.000267/kWh	\$0.000267/kWh	
Spinning Reserve	\$0.000618/kWh	\$0.000618/kWh	
Operating Reserve	<u>\$0.000078/kWh</u>	<u>\$0.000078/kWh</u>	
Total	\$0.00520 /kWh	\$0.00619 /kWh	
General Service < 20 kW			
Network transmission	\$0.00340/kWh	\$0.00435/kWh	\$0.00095/kWh
Scheduling	\$0.000056/kWh	\$0.000056/kWh	
Regulation	\$0.000217/kWh	\$0.000217/kWh	
Spinning Reserve	\$0.000502/kWh	\$0.000502/kWh	
Operating Reserve	<u>\$0.000064/kWh</u>	<u>\$0.000064/kWh</u>	
Total	\$0.00424 /kWh	\$0.00519 /kWh	
General Service over 20kW, under 3,000 kW			
Network transmission	\$1.271/kW	\$1.796/kW	\$0.525/kW
Scheduling	\$0.0208/kW	\$0.0208/kW	
Regulation	\$0.0813/kW	\$0.0813/kW	
Spinning Reserve	\$0.1879/kW	\$0.1879/kW	
Operating Reserve	<u>\$0.0238/kW</u>	<u>\$0.0238/kW</u>	
Total	\$1.5848 /kW	\$2.1098 /kW	
General Service over 3,000 kW			
Network transmission	\$1.421/kW	\$1.735/kW	\$0.314/kW
Scheduling	\$0.0236/kW	\$0.0236/kW	
Regulation	\$0.0919/kW	\$0.0919/kW	
Spinning Reserve	\$0.2124/kW	\$0.2124/kW	
Operating Reserve	<u>\$0.0269/kW</u>	<u>\$0.0269/kW</u>	
Total	\$1.7758 /kW	\$2.0898 /kW	

**NON-REDLINED
VERSION**



**ADJUSTMENT SCHEDULE TCA-1
TRANSMISSION COST ADJUSTMENT**

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