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2008 APR 30 P 4:42

AZ CORP COMMISSION
DOCKET CONTROL

April 30, 2008

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

RE: Arizona Public Service Company Renewable Energy Standard
Docket No. E-01345A-07-0468

Dear Sir or Madam:

Pursuant to Decision No. 70313 (April 28, 2008), enclosed is Arizona Public Service Company's compliance filing for Adjustment Schedule Renewable Energy Standard (RES) and Adjustment Schedule Self-Directed Renewable Resources (SDR). Both clean and redlined versions of each are enclosed. The redlined versions compare the compliance tariff schedules with the proposed schedules filed in the Company's amended August 30, 2007 RES Implementation Plan. Both revised schedules will be effective May 1, 2008.

Additionally, pursuant to the above Decision, Adjustment Schedule RES supersedes Adjustment Schedule EPS-1, therefore the Company is cancelling Adjustment Schedule EPS-1. We have also enclosed a revised Schedule EPS-1 with the cancelled notation.

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

Sincerely,

Barbara Klemstine

BK/tem

Attachments

CC: Terri Ford
Ray Williamson
Barbara Keene
Janet Wagner
Brian Bozzo

Arizona Corporation Commission
DOCKETED

APR 30 2008

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**NON-REDLINED
VERSION**



**ADJUSTMENT SCHEDULE RES
RENEWABLE ENERGY STANDARD**

APPLICATION

The Renewable Energy Standard ("RES") Adjustor shall apply to all retail Standard Offer or Direct Access service, excluding kWhs served in accordance with rate schedules SP-1 (Solar Partners), Solar-2, Solar-3, and Adjustment Schedules GPS-1 and GPS-2. All provisions of the customer's current applicable rate schedule will apply in addition to the RES Adjustor. From time to time, the RES program spending requirements will be evaluated and if necessary the charge and/or caps may be modified by the Commission. Any new charges/caps will be applied in billing cycle 1 beginning in the month following Commission approval and will not be prorated. Details regarding the administration of this surcharge can be found in A.A.C. R14-2-1808. The RES Adjustor and the Demand Side Management Adjustor may be combined on the customer's bill and shown on the "Environmental Benefits Surcharge" line.

RATES

The bill shall be calculated at the following rates:

All kWh	\$0.003288	per kWh
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SURCHARGE LIMITS

The monthly total of the Renewable Energy Standard Adjustment Charge shall not exceed the following limits:

Residential Customers	\$1.32	per service per month
Non-residential Customers	\$48.84	per service per month
Non-residential Customers with demand of 3,000 kW or higher per month for three consecutive months	\$146.53	per service per month



ADJUSTMENT SCHEDULE SDR SELF-DIRECTED RENEWABLE RESOURCES

APPLICATION

Pursuant to Arizona Administrative Code (“A.A.C.”) R14-2-1809, Adjustment Schedule Self-Directed Renewable Resources (“SDR”) shall apply to any retail Standard Offer or Direct Access customers who, as a result of regular Company monthly billings, pay \$25,000 or more during a calendar year to the Company under Adjustment Schedule RES, Renewable Energy Standard (“RES”), which was approved by the Arizona Corporation Commission (“ACC”) in Decision No. 70313.

ELIGIBILITY REQUIREMENTS

1. Funding Eligibility:
 - a. The customer is eligible to receive funds pursuant to this schedule if the total of all RES related payments made to the Company for the customer’s service account or accounts, individually or collectively, total \$25,000 or more in any one calendar year (January – December).
 - b. Funds collected from the customer in any one year (the “Payment Year”) will be available to the customer for self-directed projects in the following year (the “Funding Year”). Funds received during the Funding Year will not exceed payments collected by the Company in the Payment Year. In addition, if the customer has facilities in multiple service territories, only those payments collected by the Company are eligible for SDR funding.
 - c. Customers requesting funds for self-directed projects must declare their intention by applying in writing to the Company on or before March 31 of the Payment Year. The application must include a description of the proposed project and its expected cost.
 - d. The customer shall provide at least half of the funds necessary to complete the proposed project, as required by A.A.C. R14-2-1809.B.
2. Project Eligibility:
 - a. SDR funds obtained by the customer from the Company may only be used for projects physically located within the Company’s service territory.
 - b. Projects specified in the Company’s Distributed Energy Administration Plan (“DEAP”) are eligible for SDR funding. Self-direct requesting customers must request incentives no greater than the prescribed incentives specified in the DEAP. If the customer wishes to apply funds to a project not specified in the DEAP, the customer must submit documentation detailing project economics and funding requirements.
 - c. Any project proposed by the customer must meet the requirements for a Distributed Renewable Energy Resource described in the ACC’s Renewable Energy Standard Rules (A.A.C. R14-2-1802.B).
 - d. For purposes of financing SDR projects, funds provided by the Company may be assigned to third parties. Such assignment will be at the customer’s sole discretion. The Company assumes no liability for third-party assigned funds.

RENEWABLE ENERGY CREDITS

All Renewable Energy Credits derived from any project funded through this schedule, including generation and Extra Credit Multipliers, shall be applied to satisfy the Company’s Annual Renewable Energy Requirement as provided for in A.A.C. R14-2-1809.C.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing

A.C.C. No. 5697
Adjustment Schedule SDR
Original
Effective: May 1, 2008



**ADJUSTMENT SCHEDULE EPS-1
ENVIRONMENTAL PORTFOLIO STANDARD**

This adjustment schedule is cancelled effective May 1, 2008.

**REDLINED
VERSION**



ADJUSTMENT SCHEDULE RES
RENEWABLE ENERGY STANDARD

APPLICATION

The Renewable Energy Standard ("RES") ~~Surcharge Adjustor~~ shall apply to all retail Standard Offer or Direct Access service, excluding kWhs served in accordance with rate schedules, SP-1 (Solar Partners), Solar-2, Solar-3, and Adjustment Schedules GPS-1 and GPS-2. All provisions of the customer's current applicable rate schedule will apply in addition to this ~~RES Adjustor surcharge~~. From time to time, the RES program spending requirements will be evaluated and if necessary the charge and/or caps ~~may be modified will be altered~~ if approved by the Commission. Any new charges/caps will be applied in billing cycle 1 beginning in the month following Commission approval and will not be prorated. Details regarding the administration of this surcharge can be found in the ~~A.A.C. R14-2-1808~~ filed Renewable Energy Standard Plan for Administration. The RES ~~Adjustment Charge~~ and the Demand Side Management ~~Adjustment Charge~~ may be combined on the customer's bill and shown on the "Environmental Benefits Surcharge" line.

RATES

The bill shall be calculated at the following rates:

All kWh \$0.004629003288 per kWh

SURCHARGE LIMITS

The monthly total of the Renewable Energy Standard Adjustment Charge shall not exceed the following limits:

Residential Customers	\$1.851.32	per service per month
Non-residential Customers	\$68.7848.84	per service per month
Non-residential Customers with demand of 3,000 kW or higher per month for three consecutive months	\$206.33146.53	per service per month



**ADJUSTMENT SCHEDULE SDR
SELF-DIRECTED RENEWABLE RESOURCES**

APPLICATION

Pursuant to Arizona Administrative Code (“A.A.C.”) R14-2-1809, Adjustment Schedule Self-Directed Renewable Resources (“SDR”) shall apply to any retail Standard Offer or Direct Access customers who, as a result of regular Company monthly billings, pay \$25,000 or more during a calendar year to the Company under Adjustment Schedule RES, Renewable Energy Standard (“RES”), which was approved by the Arizona Corporation Commission (“ACC”) in Decision No. XXXXX, 70313 pursuant to A.A.C. R-14-2-1808.

ELIGIBILITY REQUIREMENTS

1. Funding Eligibility:
 - a. The customer is eligible to receive funds pursuant to this schedule if the total of all RES related payments made to the Company for the customer’s service account or accounts, individually or collectively, total \$25,000 or more in any one calendar year (January – December).
 - b. Funds collected from the customer in any one year (the “Payment Year”) will be available to the customer for self-directed projects in the following year (the “Funding Year”). Funds received during the Funding Year will not exceed payments collected by the Company in the Payment Year. In addition, if the customer has facilities in multiple service territories, only those payments collected by the Company are eligible for SDR funding.
 - c. Customers requesting funds for self-directed projects must declare their intention by applying in writing to the Company on or before March 31 of the Payment Year. The application must include a description of the proposed project and its expected cost.
 - d. The customer shall provide at least half of the funds necessary to complete the proposed project, as required by (A.A.C. R-14-2-1809..B).
2. Project Eligibility:
 - a. SDR funds obtained by the customer from the Company may only be used for projects physically located within the Company’s service territory.
 - b. Projects specified in the Company’s Distributed Energy Administration Plan (“DEAP”) are eligible for SDR funding. Self-direct requesting customers must request incentives no greater than the prescribed incentives specified in the DEAP. If the customer wishes to apply funds to a project not specified in the DEAP, the customer must submit documentation detailing project economics and funding requirements.
 - c. Any project proposed by the customer must meet the requirements for a Distributed Renewable Energy Resource described in the ACC’s Renewable Energy Standard Rules (A.A.C. R-14-2-1802.B).
 - d. For purposes of financing SDR projects, funds provided by the Company may be assigned to third parties. Such assignment will be at the customer’s sole discretion. The Company assumes no liability for third-party assigned funds.

RENEWABLE ENERGY CREDITS

All Renewable Energy Credits derived from any project funded through this schedule, including generation and Extra Credit Multipliers, shall be applied to satisfy the Company’s Annual Renewable Energy Requirement as provided for in A.A.C. R-14-2-1809.C.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing

A.C.C. No. XXXX5697
Rate Adjustment Schedule E-SDSDR
Original
Effective: XXXX May 1, 2008