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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY
FOR A HEARING TO DETERMINE THE
FAIR VALUE OF THE UTILITY PROPERTY
OF THE COMPANY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN

DOCKET NO. E-01345A-08-0172

**PROPOSED PUBLIC NOTICE
OF PERMANENT RATE CASE**

Arizona Corporation Commission

DOCKETED

JUL 25 2008

DOCKETED BY

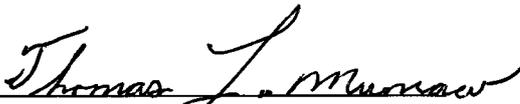
At the direction of the Presiding Officer herein and after consultation with Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff"), Arizona Public Service Company ("APS" or "Company") is proposing the attached form of public notice regarding its March 24, 2008 permanent rate case application, which application was amended on June 2, 2008. Such notice was based on the verbiage and font size utilized in the prior APS general rate proceeding.

APS and Staff decided against attempting to create a more abbreviated and less formal notice but have attempted to craft language that will both minimize potential confusion between the permanent rate request and the interim rate request and recognize that a portion of the permanent rate request encompasses costs that would otherwise be recoverable under the Power Supply Adjustment mechanism. As discussed during the Pre-Hearing Conference of July 21, 2008, APS requests that it be given until the end of the

1 September 2008 billing cycle (which technically ends on October 2nd) to complete the
2 prescribed notice.

3 RESPECTFULLY SUBMITTED this 25th day of July, 2008.

4 PINNACLE WEST CAPITAL CORPORATION
5 Law Department

6 
7 Thomas L. Mumaw
8 Meghan H. Grabel

9 Attorneys for Arizona Public Service Company

10
11 **ORIGINAL** and 13 copies of the foregoing
12 filed this 25th day of July 2008, with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, AZ 85007

17 **A COPY** of the foregoing was hand-delivered, mailed or e-mailed
18 this 25th day of July 2008, to:

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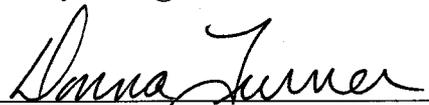
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PUBLIC NOTICE OF HEARING ON
ARIZONA PUBLIC SERVICE COMPANY'S
APPLICATION FOR A PERMANENT BASE
RATE INCREASE
DOCKET NUMBER E-01345A-08-0172

On March 24, 2008, Arizona Public Service Company, ("APS") filed an application with the Arizona Corporation Commission ("Commission") for a permanent base rate increase. On June 2, 2008, the Company filed an amended application. The amended application seeks a \$278.2 million net increase (10.55 percent on average) in base rates. This base rate increase does not include amounts that APS would recover in customer rates under its Power Supply Adjustment mechanism. APS has also requested that approximately \$115 million of that \$278.2 million be granted on an interim basis, subject to refund, pending a final decision by the Commission on the permanent rate request, as amended. For information on the APS interim rate increase request and procedural schedule, please contact APS or the Commission's Consumer Services Section at the numbers listed below. The Commission's Utilities Division ("Staff") is in the process of reviewing the requested permanent base rate increase and has not yet made a recommendation regarding APS's request. The Commission is not bound by the proposals made by APS, Staff, or any intervenors. The Commission will issue a Decision regarding APS's request for a permanent base rate increase following consideration of testimony and evidence presented at an evidentiary hearing.

The actual percentage rate increase for individual customers that would result from the amended application will vary depending upon the type and quantity of service provided. Copies of APS's amended application and proposed tariffs are available at its office, 400 N. 5th Street, Phoenix, Arizona, 602-250-2767, and the Commission's offices at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter beginning March 30, 2008 **[Insert time]** at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on that first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/divisions/utilities/forms/publiccomment.pdf> for instructions), or by mailing a letter referencing Docket Number E-01345A-05-0816 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, and you must send copies of the motion to APS or its counsel and to all parties of record in this case. The official service list may be obtained from APS or the Commission. Your motion to intervene must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer, stockholder of APS, etc.)
3. A statement certifying that a copy of the motion to intervene has been mailed to APS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before [xxxx]. For information about requesting intervention, visit the Arizona Corporation Commission's webpage at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have questions regarding the Company's application for an interim or permanent rate increase, you may contact APS at 602-250-2767, or the Commission at 1-800-222-7000 or 602-542-4251. If you want further information on intervention or how to make public comment, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or at 1-800-222-7000 or 602-542-4251.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan, E-mail Lhogan@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.