

<b>THIS AMENDMENT:</b>		
_____ Passed _____	Passed as amended by _____	 <b>0000091756</b>
_____ Failed _____	Not Offered _____	

**ORIGINAL**

**GLEASON PROPOSED AMENDMENT #1**

DATE PREPARED: December 11, 2008

COMPANY: Arizona Public Service Company

DOCKET NO: E-01345A-07-0712

OPEN MEETING DATE: December 16 through 19, 2008

AGENDA ITEM: 25

Page 7, line 2, after "reasonable" INSERT "(see Exhibit A)"

Page 15, line 23

STRIKE: "repair and replace"

INSERT: "test and repair"

Page 17, line 20, after "cost" INSERT ", is hereby denied"

After page 20, INSERT a new Page 21 as follows:

Arizona Corporation Commission  
**DOCKETED**

DEC 11 2008

DOCKETED BY	<i>MM</i>
-------------	-----------

AZ CORP COMMISSION  
 DOCKET CONTROL

2008 DEC 11 P 11:17

RECEIVED

**Exhibit A**  
**Arizona Public Service Company Proposed**  
**2008 – 2010 DSM Portfolio Plan**  
**Average Annual Budget**  
**(Dollars)**

<b>Program</b>	<b>Rebates &amp; Incentives</b>	<b>Training &amp; Tech. Assistance</b>	<b>Consumer Education</b>	<b>Program Implement</b>	<b>Program Marketing</b>	<b>Planning &amp; Admin.</b>	<b>Program Total Cost</b>
<b>Residential</b>							
Consumer Products	2,500,000	1,000	15,000	1,295,000	146,000	104,000	<b>4,061,000</b>
Existing Home HVAC	1,711,000	68,000	140,000	420,000	414,000	48,000	<b>2,801,000</b>
New Construction	1,200,000	59,000	9,000	169,000	302,000	79,000	<b>1,818,000</b>
Low Income	1,366,000	10,000	10,000	96,000	10,000	75,000	<b>1,567,000</b>
<b>Total Residential</b>	<b>\$6,776,000</b>	<b>\$138,000</b>	<b>\$174,000</b>	<b>\$1,980,000</b>	<b>\$872,000</b>	<b>\$306,000</b>	<b>\$10,247,000</b>
% of Cost by Category	66.1%	1.3%	1.7%	19.3%	8.5%	3.0%	100.0%
<b>Non-Residential</b>							
Large Existing Facilities	4,790,000	20,000	14,000	1,283,000	562,000	182,000	<b>6,851,000</b>
New Construction	950,000	15,000	2,000	510,000	432,000	112,000	<b>2,021,000</b>
Small Business	947,000	10,000	12,000	220,000	106,000	68,000	<b>1,363,000</b>
Bldg. Operator Training	0	41,000	2,000	11,000	6,000	6,000	<b>66,000</b>
EIS	89,000	5,000	2,000	6,000	10,000	10,000	<b>122,000</b>
Schools	540,000	5,000	6,000	253,000	145,000	31,000	<b>981,000</b>
<b>Total Non-Residential</b>	<b>\$7,316,000</b>	<b>\$96,000</b>	<b>\$38,000</b>	<b>\$2,283,000</b>	<b>\$1,261,000</b>	<b>\$409,000</b>	<b>\$11,403,000</b>
% of Cost by Category	64.2%	0.8%	0.3%	20.0%	11.1%	3.6%	100.0%
<b>DSM Program Total</b>	<b>\$14,092,000</b>	<b>\$234,000</b>	<b>\$212,000</b>	<b>\$4,263,000</b>	<b>\$2,133,000</b>	<b>\$715,000</b>	<b>\$21,650,000</b>
% of Cost by Category	65.1%	1.1%	1.0%	19.7%	9.9%	3.3%	100.0%
<b>DSM Program Costs</b>							<b>\$21,650,000</b>
<b>Measurement, Evaluation &amp; Research</b>							<b>\$1,300,000</b>
<b>Performance Incentive</b>							<b>\$2,550,000</b>
<b>TOTAL</b>							<b>\$25,500,000</b>
Note: Numbers shown are rounded numbers and, as such, may not always add exactly either across or down							

Decision No. \_\_\_\_\_”

Make all conforming changes