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0000095120

**Duncan
& Allen**
COUNSELLORS AT LAW

1575 Eye Street, Northwest
Washington, D.C. 20005-1175
Telephone (202) 289-8400
FAX (202) 289-8450

ORIGINAL

March 30, 2009

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

Re: ACC Docket No. E-01345A-08-0426 -- *In the
Matter of the Sale and Transition by Arizona
Public Service Co. to Electric District No. 3*

Ladies and Gentlemen:

Enclosed for filing please find an original and fifteen copies of the Supplemental Testimony of Jeffrey J. Woner on behalf of Electrical District No. 3 ("ED3"), whose application for intervenor status was approved by the Procedural Order issued September 12, 2008 in this proceeding. The Supplemental Testimony is being submitted in accordance with the requirements of the Commission's Notice of Public Hearing, which established March 30, 2009 as the date for submission of such updates. Copies of this letter and the accompanying testimony have been served on each party whose name appears on the Service List in this proceeding. Please contact the undersigned if any further is required.

Very truly yours,

Paul M. Breakman

Attachment

cc (w/attach.): Service List

Arizona Corporation Commission
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Original and 13 copies of the foregoing were
filed this 30th day of March, 2009 with:

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

All Parties of Record

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

PAUL NEWMAN

Commissioner

SANDRA D. KENNEDY

Commissioner

BOB STUMP

Commissioner

**IN THE MATTER OF THE SALE AND
TRANSITION BY ARIZONA PUBLIC SERVICE
TO ELECTRICAL DISTRICT NO. 3 OF
CERTAIN ELECTRICAL FACILITIES IN PINAL
COUNTY PURSUANT TO A.R.S. § 40-285(A) AND
FOR DELETION FROM ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY CERTAIN
AREAS OF PINAL COUNTY**

DOCKET NO. E-01345A-08-0426

SUPPLEMENTAL DIRECT TESTIMONY

OF

JEFFREY J. WONER

**On Behalf of
Electrical District No. 3**

**Filed on:
March 30, 2009**

1 **I. BACKGROUND**

2

3 **Q. ARE YOU THE SAME JEFFREY J. WONER WHO FILED TESTIMONY**

4 **IN THIS PROCEEDING ON BEHALF OF ED3 ON AUGUST 13, 2008**

5 **A.** Yes I am.

6

7 **Q. HAVE YOU HAD THE OCCASION TO UPDATE EXHIBIT ED3-12?**

8 **A.** Yes. I have prepared an update of the comparison of estimated monthly billings

9 for residential customers. The original comparison was attached to my August

10 13, 2008 pre-filed testimony (Exhibit ED3-4) and marked as Exhibit ED3-12

11

12 **Q. WHAT IS THE PURPOSE OF THIS UPDATE?**

13 **A.** The purpose of this update is to illustrate the customer bill impacts of rate changes

14 by both ED3 and APS subsequent to the filing of ED3's original intervention

15 application on August 12, 2008, and to show the effects of ED3's recently

16 adopted a Residential Overhead time-of-use rate.

17

18 **Q. SPECIFICALLY, WHAT DOES THE NEW EXHIBIT ED3-15**
19 **DEMONSTRATE?**

20 **A.** The new exhibit, Exhibit ED3-15, is an updated comparison of estimated seasonal

21 and annual billings under ED3's residential rates (including ED3's recently

1 adopted Residential Overhead time-of-use rate) based on an average energy
2 profile of the APS customers to be transferred to ED3. As the Exhibit shows,
3 forecasted annual billing under ED3's rates compare favorably to APS' current
4 and proposed rates.
5

6 Consistent with my August 12, 2008 pre-filed testimony, the updated estimate of
7 customer bill impacts (Exhibit ED3-15) demonstrates that the transition to being
8 ED3 retail customers, if the Application in this proceeding is granted by the
9 Commission, will not adversely affect the current APS customers whose retail
10 electricity provider would change as a result of the proposed modification of
11 APS's CCN in this case. The annual billing under ED3's rates compare favorably
12 to APS' current and proposed rates
13

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

15 **A. Yes.**

Exhibit ED3-15

**Updated Comparison of Estimated Seasonal and Annual
Billings under ED3's Residential Rates
(Including ED3's Overhead Time-Of-Use Rate)
Based on an Energy Profile of the APS Customers**

Comparison of Residential Rates
(ED-3 OH, UG, and TOU vs. APS E-12, ET-1).

CUSTOMERS TRANSITIONING TO ED3 WILL BE SERVED UNDER ED3 OH SERVICE RATES

Monthly Bills	Non-TOU Rates			
	APS		ED-3 ³	
	APS Current E-12 ¹	APS Proposed E-12 ²	Res. Service-01 Overhead Service	Res. Service-01 Underground Service
Avg. Annual	\$189.11	\$200.39	\$189.98	\$217.68
Avg. Summer	\$239.49	\$254.42	\$208.32	\$239.77
Avg. Winter	\$138.71	\$146.33	\$171.63	\$195.59

TOU Rates (60/40 Off/On Peak Split)⁴

Monthly Bills	APS		ED-3 ³	
	APS Current ET-1 ¹	APS Proposed ET-1 ²	Res. Service-01 TOU Overhead Service	Res. Service-01 TOU Underground Service
	Avg. Annual	\$168.20	\$180.83	\$168.87
Avg. Summer	\$193.60	\$208.79	\$192.95	\$216.40
Avg. Winter	\$142.77	\$152.84	\$144.78	\$162.59

¹ Rate calculations include Interim Rate adjustor, PSA, TCA, CRCC, EIS, RES, and DSMAC A.C.C. approved adjustors. Current rates reflect rates approved in A.C.C. Decision No. 69663 effective July 1, 2007 and A.C.C. Decision No. 70667 effective January 1, 2009.

² Rate calculations include CRCC, EIS, RES, and TCA A.C.C. approved adjustors. Proposed rates reflect the rates filed in APS'S Amended 2008 General Rate Case filed on June 2, 2008 to be effective in October 2009 if approved.

³ ED-3 rate calculation includes ED-3's PPCA adjustor set at \$0.02351 and ED-3's renewable adjustor with a \$0.30 cap.

⁴The on peak hours for these rates are 9am to 9pm in both summer and winter seasons. Summer and winter seasons are defined as follows: summer - May to October and winter - November to April.