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April 9, 2009

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

RE: DEMAND SIDE MANAGEMENT ADJUSTMENT CHARGE SCHEDULE (DSMAC-1)
PURSUANT TO DECISION NO. 70961
DOCKET NO. E-01345A-03-0437 & E-01345A-05-0526

Pursuant to Decision 70961:

"Arizona Public Service Company's proposed Demand Side Management Adjustor Clause rate of \$0.000605 per kWh for all retail sales except demand billed General Service customers, and its DSMAC rate of \$0.273328 per kW for demand billed General Service customers, are hereby approved and shall become effective with APS' first April 2009 billing cycle."

Enclosed is Arizona Public Service Company's ("APS") updated Demand Side Management Adjustment Charge Schedule DSMAC-1.

APS has also attached updated rate schedules E-3 and E-4 pursuant to Decision 70961:

"Any residential customer on an Arizona Public Service Company low income discount rate shall not be charged the Demand-Side Management Adjustor Clause rate."

The adjustment and rate schedules are provided in redlined and non-redlined versions.

If you have any questions or concerns, please call Mr. Charles Miessner at 602-250-3081.

Sincerely,

Leland R. Snook

Attachment

LRS/dst

Cc: Ernest Johnson
Brian Bozzo
Terri Ford
Barbara Keene

Arizona Corporation Commission
DOCKETED

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AZ CORP COMMISSION
DOCKET CONTROL

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Non-Redlined Version



**ADJUSTMENT SCHEDULE DSMAC-1
DEMAND SIDE MANAGEMENT COST ADJUSTMENT**

APPLICATION

The Demand Side Management Adjustment Charge ("DSMAC") shall be applied monthly to every metered and/or non-metered retail Standard Offer or Direct Access service with the exception of customers served on rate schedules E-3 and E-4, and solar rates Solar-1, Solar-2 and SP-1. All provisions of the customer's currently applicable rate schedule will apply in addition to this adjustment charge. The DSMAC is applied to Standard Offer or Direct Access customer's bills as monthly charge to recover the cost of Commission approved demand side management programs above those costs included in base rates. The DSMAC will be changed in billing cycle 1 of the March revenue month and will not be prorated. The DSMAC and the EPS Surcharge adjustor may be combined on the customer's bill and appear on the "Environmental Benefits Surcharge" line. Details of how the DSMAC is derived and administered can be found in the Demand Side Management Adjustment Charge Plan for Administration.

RATE

The charge shall be calculated at the following rate:

For all residential customers and general service customers whose billing does not include demand charges:

All kWh	\$0.000605	per kWh
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For general service customers whose billing includes demand charges:

All metered kW	\$0.273328	per kW
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**RATE SCHEDULE E-3
RESIDENTIAL SERVICE
ENERGY SUPPORT PROGRAM**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. Customers may not receive discounts under this schedule and Rate Schedule E-4 Medical Support Care Program concurrently.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Residential Energy Support Program pursuant to Arizona Corporation Commission Decision Nos. 55931, 56680 and 69663. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

The Total Bill as calculated according to the applicable Residential Rate Schedule (before Taxes, Regulatory Assessments and Franchise Fees)

- | <u>A.</u> | <u>For Bills with Usage of:</u> | <u>Will be Discounted by:</u> |
|-----------|---------------------------------|-------------------------------|
| | 0 – 400 kWh | 40% |
| | 401 – 800 kWh | 26% |
| | 801 – 1200 kWh | 14% |
| | 1201-kWh and above | \$13.00 |
- B. Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.
- C. Adjustment Schedule DSMAC-1 will not apply to customers served under this rate schedule.



**RATE SCHEDULE E-4
RESIDENTIAL SERVICE
MEDICAL CARE EQUIPMENT SUPPORT PROGRAM**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. Customers may not receive discounts under this schedule and Rate Schedule E-3 Energy Support Program concurrently.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Medical Care Equipment Program pursuant to Arizona Corporation Commission Decision Nos. 59222 and 69663. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

		<p>The Total Bill as calculated according to the applicable Residential Rate Schedule (before Taxes, Regulatory Assessments and Franchise Fees)</p>
A.	<u>For Bills with Usage of:</u>	<u>Will be Discounted by:</u>
	0 – 800 kWh	40%
	801 – 1400 kWh	26%
	1401 – 2000 kWh	14%
	2001 – kWh and above	\$26.00
B.	Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.	
C.	Adjustment Schedule DSMAC-1 will not apply to customers served under this rate schedule.	

Redlined Version



**RATE SCHEDULE E-3
RESIDENTIAL SERVICE
ENERGY SUPPORT PROGRAM**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. Customers may not receive discounts under this schedule and Rate Schedule E-4 Medical Support Care Program concurrently.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Residential Energy Support Program pursuant to Arizona Corporation Commission Decision Nos. 55931, 56680 and 69663. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

The Total Bill as calculated according to the
applicable Residential Rate Schedule (before Taxes,
Regulatory Assessments and Franchise Fees)
Will be Discounted by:

A.	<u>For Bills with Usage of:</u>	<u>Will be Discounted by:</u>
	0 – 400 kWh	40%
	401 – 800 kWh	26%
	801 – 1200 kWh	14%
	1201-kWh and above	\$13.00

B. Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.

C. Adjustment Schedule DSMAC-1 will not apply to customers served under this rate schedule.



**RATE SCHEDULE E-4
RESIDENTIAL SERVICE
MEDICAL CARE EQUIPMENT SUPPORT PROGRAM**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. Customers may not receive discounts under this schedule and Rate Schedule E-3 Energy Support Program concurrently.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service billed under Residential Rate Schedules, where the customer has qualified for this rate as specified in the Company's Plan for Administration of the Medical Care Equipment Program pursuant to Arizona Corporation Commission Decision Nos. 59222 and 69663. All provisions of the applicable Residential Rate Schedule will apply except as modified herein.

RATES

The customer's bill shall be in accordance with the applicable specified schedule with the following exceptions:

The Total Bill as calculated according to the applicable Residential Rate Schedule (before Taxes, Regulatory Assessments and Franchise Fees)

A.	<u>For Bills with Usage of:</u>	<u>Will be Discounted by:</u>
	0 – 800 kWh	40%
	801 – 1400 kWh	26%
	1401 – 2000 kWh	14%
	2001 – kWh and above	\$26.00

B. Adjustment Schedule PSA-1 will not apply to customers served under this rate schedule.

C. Adjustment Schedule DSMAC-1 will not apply to customers served under this rate schedule.