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BEFORE THE ARIZONA CORPORATION C

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AZ CORP COMMISSION  
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COMMISSIONER
- 4 PAUL NEWMAN  
COMMISSIONER
- 5 BOB STUMP  
COMMISSIONER

7  
8 IN THE MATTER OF THE APPLICATION OF  
9 ARIZONA PUBLIC SERVICE COMPANY  
10 FOR A HEARING TO DETERMINE THE  
11 FAIR VALUE OF THE UTILITY PROPERTY  
12 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

NOTICE OF FILING

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14  
15 Pursuant to the Procedural Order dated May 11, 2009, the Residential Utility Consumer  
16 Office ("RUCO") hereby provides notice of filing the Summary of Reply Testimony of Jodi A.  
17 Jerich, Director of RUCO, in support of the Settlement Agreement in the above-referenced  
18 matter.

19 RESPECTFULLY SUBMITTED this 18th day of August, 2009

Arizona Corporation Commission  
DOCKETED

AUG 18 2009

DOCKETED BY

Daniel W. Pozefsky  
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES  
of the foregoing filed this 18th day  
2 of August, 2009 with:

3 Docket Control  
Arizona Corporation Commission  
4 1200 West Washington  
Phoenix, Arizona 85007  
5

6 COPIES of the foregoing **hand delivered**  
this 18th day of August, 2009 to:

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11 Janice Alward, Chief Counsel  
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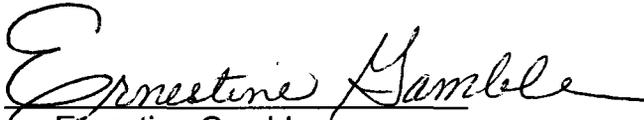
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Advisor to Commissioner Stump

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18 By   
19 Ernestine Gamble

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Summary of Reply Testimony in Support of the Settlement Agreement  
Jodi A. Jerich

APS Rate Case  
Docket No. E-01345A-08-0172

The Settlement Agreement preserves the line extension policy established by the Commission in the 2007 APS rate case and subsequently adopted in rate cases for other electric utilities such as TEP.

In an effort to address concerns about this policy change, the Settlement Agreement requires the Company to file a schedule of charges that itemizes the costs for line extensions as well as clearly inform customers that they may have non-APS personnel perform non-electrical work of trenching, backfilling and conduit work.

RUCO has sympathy for individual landowners who are affected by the 2007 elimination of the free footage allowance. RUCO notes that opposing testimony discusses how affected landowners feel trapped in their undeveloped lots due to increased costs of construction resulting from the 2007 policy change. Furthermore, the reality of the economic recession leaves realtors and homebuilders struggling to keep businesses open and looking for any relief available to attract homeowners. The emotional tug of this issue is clear. However, RUCO believes that the benefit of maintaining lower electric rates for *all* the ratepayers outweighs the interests of the impacted landowners.

RUCO maintains that there is nothing "free" about a free footage allowance. Any modification to the policy must be revenue neutral and would shift costs to other ratepayers. The Settlement Agreement finds that the treatment of Schedule 3 proceeds as revenue is a material provision to the Settlement Agreement.