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BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

- KRISTIN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

Arizona Corporation Commission

DOCKETED

DEC 6 2010

DOCKETED BY *[Signature]*

IN THE MATTER OF THE APPLICATION OF THE ARIZONA ELECTRIC POWER COOPERATIVE, INC. FOR A HEARING TO DETERMINE THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN

Docket No. E-01773A-09-0472

**AEPCO'S EXCEPTIONS TO RECOMMENDED OPINION AND ORDER**

GALLAGHER & KENNEDY, P.A.  
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 (602) 530-8000

The Arizona Electric Power Cooperative, Inc. ("AEPCO") has reviewed the Recommended Opinion and Order ("ROO") of Administrative Law Judge Jane Rodda dated November 23, 2010 and requests that the Commission approve it with the two changes requested in these exceptions.

The First Ordering Paragraph at page 16 of the ROO instructs AEPCO to file the rate schedules attached as Exhibits A and B. ROO Exhibit B is GEP-6 to Mr. Pierson's Rejoinder Testimony. After filing the testimony, however, a mistake was discovered and a Notice of Errata was filed on October 13, 2010 to correct the typographical error in Exhibit GEP-6.<sup>1</sup> To assure that the correct rate schedule is authorized to be filed, AEPCO requests that the phrase "as corrected by the October 13, 2010 Notice of Errata" be inserted after "Exhibits A and B" at page 16, line 13.

<sup>1</sup> Finding 38, ROO.

1 The second requested change to the ROO pertains to the Contract and Contract  
2 Amendments between AEPCO and its Arizona Class A member distribution cooperatives which  
3 were filed for Commission approval on June 2, 2010 (the "Contracts"). Findings 67 and 78 state  
4 that the Contracts are "fair and reasonable" and "should be approved conditioned upon RUS  
5 approval" and Conclusion of Law 5 indicates the "Contracts approved herein are just and  
6 reasonable and in the public interest." However, there is no companion ordering paragraph  
7 which actually approves the Contracts.

8 Therefore, AEPCO requests that the following ordering paragraph be inserted at page 16,  
9 line 25:

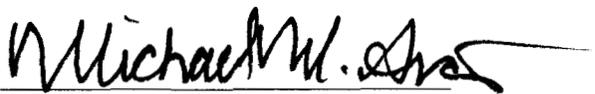
10 IT IS FURTHER ORDERED that, conditioned upon RUS approval, the  
11 Contracts filed in this Docket on June 2, 2010, be and hereby are approved.

12 RESPECTFULLY SUBMITTED this 2<sup>nd</sup> day of December, 2010.

13 GALLAGHER & KENNEDY, P.A.

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By 

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19 **Original and 13 copies** filed  
20 this 2<sup>nd</sup> day of December, 2010, with:

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1 **Copies** of the foregoing delivered  
2 this 2<sup>nd</sup> day of December, 2010, to:

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18 **Copies** of the foregoing mailed and emailed  
19 this 2<sup>nd</sup> day of December, 2010, to:

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