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AZ CORP COMMISSION
DOCKET CONTROL

Regulatory Programs Leader
State Regulation

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August 5, 2011

Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

AUG 5 2011

DOCKETED BY 

RE: Quarterly Report on Transfers of Utility Property
Docket No E-01345A-06-0770, Decision No. 69670

Dear Mr. Olea:

Pursuant to Decision No. 69670:

The Company shall file in Docket Control, quarterly reports summarizing each transfer, sale, mortgage, lease, or assignment entered into pursuant to this order and further shall state how each transaction complies with condition/limitation. This reporting requirement shall be met by continuing the reporting currently being submitted by APS in compliance with Decision No. 60481, as amended by Decision No. 61708, replacing and superseding that requirement, and increasing the frequency of the report to quarterly.

Arizona Public Service Company submits its quarterly report summarizing transfers, sales, mortgages, leases or assignments entered into from April 1, 2011 to June 30, 2011. This report reflects the balance of these transactions, including accrued interest through June 30, 2011.

If you have any questions regarding this report please contact Jeff Johnson at (602)250-2661.

Sincerely,



Susan Casady

SC/sl
Attachment

cc: Brian Bozzo
Terri Ford
Docket Control

ARIZONA PUBLIC SERVICE COMPANY
CALCULATION OF NET GAINS ON UTILITY PROPERTY
As of June 30, 2011

SALES TRANSACTION DATE	PROPERTY DESCRIPTION	SALES PRICE	OCLD	BOOK GAIN/(LOSS) ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN (3)	AMOUNT ALLOCATED TO CUSTOMERS (4)	INTEREST TO DATE (5)	CUSTOMER BALANCE
4/28/2011	Glendale Dusk to Dawn sale	\$0	\$941	(\$941)	\$941	(\$372)	(\$569)	(\$285)	(\$0.14)	(\$285)
5/10/2011	Avondale Dusk to Dawn sale	\$0	\$6,504	(\$6,504)	\$6,504	(\$2,570)	(\$3,934)	(\$1,967)	(\$0.79)	(\$1,968)
5/21/2011	Pinnacle Peak land sale	\$57,708	\$694	\$57,013	\$694	\$22,526	\$34,487	\$17,244	\$5.42	\$17,249
5/21/2011	Saguaro Switchyard sale	\$5,250	\$43	\$5,207	\$43	\$2,057	\$3,150	\$1,575	\$0.49	\$1,575
4/11/2011	Pinal County Metering Station transformer sale	\$177,287	\$112,358	\$64,929	\$112,358	\$25,653	\$39,276	\$19,638	\$12.50	\$19,650
Account Balance as of March 31, 2011										\$383,908
Interest on Account Balance from March 31, 2011 through June 30, 2011.										\$278
Total Transactions with Interest from March 31, 2011 through June 30, 2011.										\$36,222
Total Account Balance as of June 30, 2011.										\$420,408

(1) [(Sales Price less Tax Basis) * Tax Rate] - [(ADIT Net Book Basis - Tax Basis) * Tax Rate].

(2) APS Composite Income Tax Rate: 2010 = 39.51%; 2011 = 39.51%.

(3) Jurisdictional allocation of Net Gain.

(4) Amount allocated for customers based on 50% of jurisdictional split.

(5) Interest from Date of Transfer through June 30, 2011.

SUMMARY OF TRANSACTIONS
Second Quarter 2011

City of Glendale and City of Avondale Dusk to Dawn sales

The Glendale and Avondale Dusk to Dawn lights had effectively been abandoned and produced no revenue for APS. By giving these facilities to the respective cities, APS may generate some future revenue.

Pinnacle Peak land sale to Sinai Cemetery

APS sold .464 acres of land at the Pinnacle Peak Substation to Sinai Cemetery for ingress and egress.

Saguaro land sale to TEP

APS sold .78 acres of land to TEP for the expansion of the Tortolita Substation.

Transformer sale to Pinal County Metering Station

APS sold select transformers to the Pinal County Metering Station per their request.