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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF  
 AEPCO THAT THE COMMISSION, PURSUANT  
 TO A.R.S. § 40-252, REOPEN ITS JANUARY 6,  
 2011 RATE DECISION NO. 72055 FOR THE  
 LIMITED PURPOSE OF AUTHORIZING  
 AMENDMENTS TO ADDRESS THE RATE  
 DESIGN AND COST RECOVERY ISSUES  
 DESCRIBED HEREIN

Docket No. E-01773A-09-0472

**EXCEPTION TO STAFF  
RECOMMENDED OPINION  
AND ORDER**

GALLAGHER & KENNEDY, P.A.  
2575 E. CAMELBACK ROAD  
PHOENIX, ARIZONA 85016-9225  
(602) 530-8000

AEPCO has reviewed and fully supports the Staff Report and Recommended Opinion and Order ("ROO") filed in this Docket on December 8, 2011, but does request one conforming correction to the First Ordering Paragraph at page 8, line 12 of the ROO.

As the ROO indicates in Findings 18-21, AEPCO has requested, and Staff recommends the Commission grant, four approvals to remedy the rate design issue described in its Application: (1) approve revised rates shown in Exhibit B; (2) approve the PPFAC rates in Exhibit A; (3) approve a surcharge to collect further fixed gas cost under-collections in the second half of this year; and (4) authorize AEPCO not to recover approximately \$1.998 million in fixed costs incurred in the first half of this year.

The First Ordering Paragraph at page 8, lines 11-12 of the ROO, however, has inadvertently left out the fourth approval recommended in Finding 21, i.e., non-recovery of the fixed costs incurred January through June.



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