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Via Overnight Mail

December 29, 2011

Arizona Corporation Commission
Attn: Docket Filing Window
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

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DEC 30 2011

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AZ CORP COMMISSION
DOCKET CONTROL

Re: Docket No. E-01345A-11-0224

Dear Sir or Madam:

Attached please find the original and 13 copies of RESPONSES OF THE KROGER CO. TO ARIZONA PUBLIC SERVICE COMPANY'S FIRST SET OF DATA REQUESTS for filing in the above-referenced matter.

All parties of record have been served. Please place this document of file.

Very Truly Yours,

Kurt J. Boehm, Esq.
BOEHM, KURTZ & LOWRY

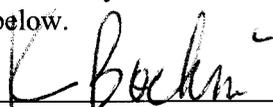
John William Moore, Jr., (Az. Bar No. 021942)

COUNSEL FOR THE KROGER CO.

KJB/kew
Attachments

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) and regular U.S. mail 29th day of December, 2011 on the parties listed below.



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John William Moore., Jr., (AZ Bar No. 021942)

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COUNSEL FOR THE KROGER CO.

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AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS:

Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

In The Matter Of The Application Of Arizona Public Service Company For A Hearing To Determine The Fair Value Of The Utility Property 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-11-0224
	:	
	:	
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RESPONSES OF THE KROGER CO. TO
ARIZONA PUBLIC SERVICE COMPANY'S FIRST SET OF DATA REQUESTS

General:

APS 1.1 For each Kroger Witness, please provide all work papers associated with testimony filed in this case and any schedules or attachments to testimony in their original electronic form with all formulae intact.

ANSWER:

See attached workpapers and schedules.

APS 1.2 For each Kroger Witness, please provide a copy of all documents referenced in their testimony and not attached thereto. If a document is readily available without charge through a website, reference to such website is a sufficient response for purposes of this question.

ANSWER

N/A

APS 1.3 For each Kroger Witness, please provide copies of all testimony including schedules, attachments, or exhibits that the witness or members of the witness's firm have sponsored before regulatory or judicial bodies over the past 5 years that addresses the same or similar subject matter on which the witness is sponsoring testimony in this case. If testimony was provided orally, please provide a written summary of the testimony including the identity of the utility, date of the testimony, substance of the witness's recommendations and the basis for such recommendation. Please provide a copy to the final decision in each such matter. Electronic links to testimony that is publically available on internet websites are acceptable in lieu of electronic or printed copies of testimony.

ANSWER

Objection. This request is overly burdensome. Mr. Baron has appeared in over 60 cases in the past 5 years. Mr. Baron addressed cost allocation, rate design and/or decoupling in most of those cases. A list of Mr. Baron's testimony and subject matter is included in Exhibit SJB-1. These testimonies can be obtained on the websites of the respective state utility commission.

APS 1.4 Please provide curriculum vitae for each Kroger Witness, including identification of any degrees held by the witness and listing all professional licenses and/or accreditation.

ANSWER

Mr. Baron's curriculum vitae is incorporated into his testimony.

For Kroger Witness Stephen J. Baron:

APS 1.5 Please describe your understanding of the annual energy efficiency requirements APS would be subject to in order to comply with the Arizona Corporation Commissions Energy Efficiency Rules.

ANSWER

Mr. Baron has not analyzed the annual energy efficiency requirements that APS would be subject to in order to comply with the Commission's Energy Efficiency Rules as part of his testimony and analysis in this case.

APS 1.6 Does Kroger believe energy efficiency programs have the potential to reduce customer peak demand? Please explain the basis for your responses.

ANSWER

Mr. Baron agrees that energy efficiency programs have the potential to reduce peak demand. To the extent that direct load control programs are included in the category of energy efficiency programs, these types of programs can directly reduce peak demand by curtailing customer loads at the time of peaks. Other types of energy efficiency programs would also likely provide some reduction in peak demand, depending on the type of program (e.g., residential weatherization programs).

APS 1.7 Please describe your understanding of the Arizona Corporation Commission's Policy Statement regarding Decoupling.

ANSWER

Mr. Baron has reviewed the Commission's Policy Statement regarding Decoupling. The policy statement discusses issues that were considered in Commission sponsored workshops on Decoupling, identifies issues raised in these workshops and provides the Commission's guidance on mechanisms to address financial disincentives that may impact the ability of the State's utilities to achieve Arizona's energy efficiency goals. The Policy Statement permits utilities to file Decoupling mechanisms or alternative mechanisms to address utility financial disincentives to energy efficiency.

APS 1.8 Does Mr. Baron believe his testimony is consistent with the above Policy Statement?
Please explain your answer.

ANSWER

Yes. Mr. Baron believes that his proposal is consistent with the Policy Statement. Mr. Baron recommends in his testimony that the Commission reject the Company's proposed decoupling mechanism for the reasons stated in his testimony and believes that the APS can meet its required energy efficiency goals without charging customers an additional charge for asserted load fixed cost recovery. In addition, Mr. Baron recommends modifications to the Company's proposed mechanism to correct some identified flaws.

DATED this 29th day of December, 2011.



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