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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, AND TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN.

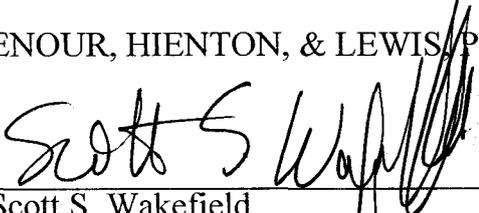
NO. DOCKET NO. E-01345A-11-0224

**WAL-MART STORES, INC. AND
SAM'S WEST, INC.'S NOTICE OF
FILING TESTIMONY SUMMARIES
OF STEVEN W. CHRISS AND CHRIS
HENDRIX**

Wal-Mart Stores, Inc. and Sam's West, Inc. (collectively "Wal-Mart"), hereby provides notice of filing Steven W. Chriss and Chris Hendrix's testimony summaries in the above-referenced matter.

Dated this 26th day of January, 2012.

RIDENOUR, HIENTON, & LEWIS, P.L.L.C.

By 
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Sam's West, Inc.

Arizona Corporation Commission

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Wal-Mart Stores Inc. and Sam's West, Inc.
Summary of the Settlement Testimony of Steve W. Chriss

Arizona Public Service Company Rate Case
Arizona Docket No. E-01345A-11-0224

Mr. Chriss testifies in support of the Proposed Settlement Agreement ("Settlement") in this docket filed on January 6, 2012, and recommends that the Arizona Corporation Commission should approve the Settlement as filed. The Settlement is the just and reasonable outcome of extensive arms-length negotiations conducted in good faith between the parties in this docket. Additionally, the settlement process greatly aids in administrative efficiency, which can reduce costs to all parties and ratepayers. Mr. Chriss specifically addresses the provisions related to the change in base rates, four-year rate case stability, and rate design.

As a result of this case, all of the APS's customers will not receive a base rate increase. Electricity represents a significant portion of a commercial customer's operating costs. When rates increase, that increase in cost to the commercial customer puts pressure on consumer prices and on the other expenses required by a business to operate. Rate increases also directly impact the business's customers, who are APS's residential and small business customers. Given current economic conditions, the Settlement provides important immediate relief, versus the increase initially proposed by the Company, for all APS customers, including commercial customers.

The four-year rate case stability provision provides for stable base rates through at least July 1, 2016. This provides for certainty in base rate levels and aides in the development of cost forecasting and budgeting. Additionally, the stability provision provides for litigation resource savings for customers who participate in the rate case process.

The changes in rate design for Schedule E-32 L remove the collection of demand-related costs from the energy charge, which better reflects the Company's cost of service and improves fixed cost recovery for the Company. Additionally, moving the collection of demand-related costs to the demand charge corrects the shift in demand cost responsibility from lower load factor customers to higher load factor customers that occurs when demand-related costs are recovered through energy charges.

Wal-Mart Stores Inc. and Sam's West, Inc.
Summary of the Settlement Testimony of Chris Hendrix

Arizona Public Service Company Rate Case
Arizona Docket No. E-01345A-11-0224

Mr. Hendrix testifies in support of the Proposed Settlement Agreement ("Settlement") in this docket filed on January 6, 2012, and recommends that the Arizona Corporation Commission should approve Experimental Rate Rider Schedule AG-1 ("AG-1") as filed in the Settlement.

In general, commercial customers such as Wal-Mart participate in competitive markets across the United States in order to have more control over their energy expenses. Competitive electricity market purchases allow customers to apply their specific risk appetites and operating goals to purchase electricity to better match their company strategies, which are likely different than the regulated recovery schedules of an electric utility.

In addition, Wal-Mart specifically has an aggressive corporate sustainability program and is actively installing solar at facilities in Arizona and will be exploring the possibility of purchasing larger scale renewables within AG-1; however it could prove to be a challenge given the limited contract term of AG-1. As a market comparison, Wal-Mart currently has a longer term power purchase agreement from a wind developer in Texas but has never been able to consummate a large scale renewable energy transaction in any regulated market.

Wal-Mart is currently planning on applying for service under AG-1 during the initial enrollment period as long as it is economically viable at then current market conditions.