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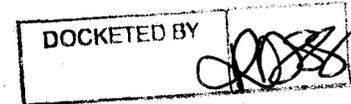
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February 8, 2012

Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

FEB - 8 2012



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 October 1, 2011 through December 31, 2011. This report reflects the balance of these transactions, including accrued interest through December 31, 2011.

If you have any questions regarding this information, please contact me at (602)250-2661.

Sincerely,

Jeffrey W. Johnson

JJ/cd
Attachment

cc: Brian Bozzo
Terri Ford
Docket Control

ARIZONA PUBLIC SERVICE COMPANY
 CALCULATION OF NET GAINS ON UTILITY PROPERTY
 As of December 31, 2011

SALES TRANSACTION DATE	PROPERTY DESCRIPTION	SALES PRICE	OC/LD	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
	Account Balance as of September 30, 2011.			\$0	\$0	\$0	\$0	\$0	\$0.00	\$0
	Interest on Account Balance from September 30, 2011 through December 31, 2011.			\$0	\$0	\$0	\$0	\$0	\$0.00	\$0
	Total Transactions with Interest from September 30, 2011 through December 31, 2011.									\$313
	Total Account Balance as of December 31, 2011.									\$431,750

- (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 December 31, 2011.

These transactions do not have a negative impact on the safety, quality, reliability, or economy of an APS customer's electric service per Arizona Corporation Commission Decision No. 69670.

SUMMARY OF TRANSACTIONS
Fourth Quarter 2011

There were no transfers, sales, mortgages, leases or assignments during this period.