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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

June 1, 2012

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

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 (APS) submits its quarterly report summarizing transfers, sales, mortgages, leases or assignments entered into from December 31, 2011 through March 31, 2012. This report reflects the balance of these transactions, including accrued interest through March 31, 2012.

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 Corporation Commission
DOCKETED

JUN 01 2012

DOCKETED BY

ARIZONA PUBLIC SERVICE COMPANY
CALCULATION OF NET GAINS ON UTILITY PROPERTY
As of March 31, 2012

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
3/17/2012	Pad Mount Transformer sold to Hillcrest Electric	\$4,121	\$4,121	\$0	\$4,121	\$0	\$0	\$0	\$0.00	\$0
Account Balance as of December 31, 2011										
Interest on Account Balance from January through March 2012										
Total Transactions with Interest from January through March 31, 2012										
Total Account Balance as of March 31, 2012										

Account Balance as of December 31, 2011 \$261,409
Interest on Account Balance from January through March 2012 \$190
Total Transactions with Interest from January through March 31, 2012 **\$0**
Total Account Balance as of March 31, 2012 **\$261,599**

- (1) [(Sales Price less Tax Basis) * Tax Rate] - [(ADIT Net Book Basis - Tax Basis) * Tax Rate]
- (2) APS Composite Income Tax Rate: 2011 = 39.51%; 2012 = 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 March 31, 2012

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
First Quarter 2012

Pad Mount Transformer sold to Hillcrest Electric

On March 17, 2012, one 100Kva pad mount transformer was sold to Hillcrest Electric per the customers request to complete emergency work. This sale was a courtesy to the customer and the transaction was made at cost. There is no negative customer safety, quality or reliability impact resulting from this transaction.