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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

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DOCKETED BY [Signature]

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 AN ORDER OR ORDERS AUTHORIZING IT TO ISSUE, INCUR, AND AMEND EVIDENCES OF LONG-TERM INDEBTEDNESS AND SHORT-TERM INDEBTEDNESS, TO EXECUTE NEW SECURITY INSTRUMENTS TO SECURE ANY SUCH INDEBTEDNESS, TO REPAY AMOUNTS PAID UNDER ANY PINNACLE WEST CAPITAL CORPORATION GUARANTEE OF ARIZONA PUBLIC SERVICE COMPANY INDEBTEDNESS AND FOR DECLARATORY ORDER.

DOCKET NO. E-01345A-06-0779

IN THE MATTER OF THE APPLICATION OF PINNACLE WEST CAPITAL CORPORATION FOR AN ORDER OR ORDERS AUTHORIZING IT TO GUARANTEE THE INDEBTEDNESS OF ARIZONA PUBLIC SERVICE COMPANY.

DECISION NO. 73619

ORDER EXTENDING THE TERMINATION DATE FOR CONTINUING LONG-TERM DEBT ORDERED BY DECISION NO. 69947

Open Meeting
December 11 and 12, 2012
Phoenix, Arizona

BY THE COMMISSION:

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On October 30, 2007, the Arizona Corporation Commission ("Commission") issued Decision No. 69947 in this docket, approving short-term and long-term financing authority requested

1 by Arizona Public Service Company (“APS” or “Company”). Under the terms of Decision No.  
2 69947, APS’s authority to enter into new long-term debt expires on December 31, 2012.

3 2. The parties to Decision No. 69947 were APS and Staff.

4 3. On November 11, 2011, APS filed with the Commission, in Docket No. E-01345A-11-  
5 0423, an application for authority to issue, incur, and amend evidences of long-term indebtedness,  
6 short-term indebtedness, and other long-term securities, to manage interest rate risk, to execute new  
7 security instruments to secure any such indebtedness or other long-term securities, and for  
8 declaratory order concerning variable interest entities. The application in that docket requests a  
9 Commission determination no later than December 31, 2012, with an effective date no later than  
10 December 31, 2012.

11 4. On October 23, 2012, APS filed, in Docket No. E-01345A-11-0423, copies of public  
12 notice of the application and affidavits of publication indicating that the notice was published in the  
13 *Arizona Republic* on October 16, 2012. The public notice indicated that intervention requests should  
14 be filed within 15 days of the public notice.

15 5. On November 2, 2012, Staff filed, in Docket No. E-01345A-11-0423, a Staff Report on  
16 the application. The Staff Report requested that responses to the Staff Report be filed by November  
17 9, 2012.

18 6. No requests for intervention were filed in Docket No. E-01345A-11-0423.

19 7. On November 9, 2012, APS filed, in Docket No. E-01345A-11-0423, Comments on the  
20 Staff Report.

21 8. On November 19, 2012, APS filed, in Docket No. E-01345A-11-0423, Supplemental  
22 Comments on the Staff Report.

23 9. On November 20, 2012, Staff filed, in Docket No. E-01345A-11-0423, a Response to  
24 APS’s Supplemental Comments.

25 10. In its Supplemental Comments filed in Docket No. E-01345A-11-0423, APS urges that  
26 if the Commission cannot fully resolve the pending application in that docket by December 31, 2012,  
27 the Commission issue an order extending the long-term debt authorizations of Decision No. 69947  
28 until further order of the Commission. APS states that it would be appropriate to amend Decision

1 No. 69947 to extend the termination date for long-term debt until the Commission issues a new  
2 financing order in Docket No. E-01345A-11-0423. APS states that it waives any right to notice and  
3 hearing to which it would be entitled for an amendment of Decision No. 69947.

4 11. In its Response to APS's Supplemental Comments filed Docket No. E-01345A-11-  
5 0423, Staff states that it supports an extension of the long-term debt authorizations. Staff states that it  
6 believes an extension of the long-term debt authorizations granted in Decision No. 69947 is  
7 appropriate under the circumstances, and good cause exists to extend the authorizations.

8 12. Decision No. 69947 orders as follows:

9 IT IS FURTHER ORDERED that the short-term and long-term debt levels  
10 authorized in this Order will terminate on December 31, 2012, provided that all short-  
11 term and long-term debt outstanding at December 31, 2012 that was previously  
12 authorized pursuant to the Order shall remain authorized and valid obligations of  
13 Arizona Public Service Company. The December 31, 2012 termination date will be  
14 extended for Continuing Short-Term Debt until the Commission issues a new  
financing order replacing the then-existing order, provided that (a) Arizona Public  
Service Company files an application for a new financing order on or before  
December 31, 2011 and (b) the Commission has not issued an order pursuant to such  
application on or before December 31, 2012.

15 13. APS filed an application for a new financing order before December 11, 2011, in  
16 Docket No. E-01345A-11-0423.

17 14. The Commission will not issue an order in Docket No. E-01345A-11-0423 prior to  
18 December 31, 2012.

19 15. APS's long-term debt capacity should not be allowed to expire prior to a Commission  
20 determination in Docket No. E-01345A-11-0423.

21 16. It is in the public interest to extend the termination date for Continuing Long-Term  
22 Debt should be extended in the same manner that Decision No. 69947 extends the termination date  
23 for Continuing Short-Term Debt, which is until the Commission issues a new financing order in  
24 Docket No. E-01345A-11-0423.

25 17. Decision No. 69947 should be reopened for the sole and limited purpose of amending  
26 it to extend the termination date for Continuing Long-Term Debt in the same manner that the  
27 Decision extends the termination date for Continuing Short-Term Debt.

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**CONCLUSIONS OF LAW**

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2 1. APS is a public service corporation within the meaning of Article XV of the Arizona  
3 Constitution and A.R.S. §§ 40-250, 40-251, 40-301, 40-302, and 40-303.

4 2. The Commission has jurisdiction over APS and the subject matter of this proceeding.

5 3. It is not in the public interest to allow APS's long-term debt capacity to expire prior to  
6 a Commission determination in Docket No. E-01345A-11-0423.

7 4. It is reasonable and in the public interest to reopen Decision No. 69947 pursuant to  
8 A.R.S. § 40-252 for the sole and limited purpose of amending it to extend the termination date for  
9 Continuing Long-Term Debt in the same manner that the Decision extends the termination date for  
10 Continuing Short-Term Debt.

11 **ORDER**

12 IT IS THEREFORE ORDERED that Decision No. 69947 is hereby reopened pursuant to  
13 A.R.S. § 40-252 for the sole and limited purpose of extending the termination date for Continuing  
14 Long-Term Debt in the same manner that the Decision extends the termination date for Continuing  
15 Short-Term Debt.

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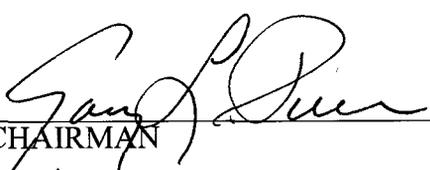
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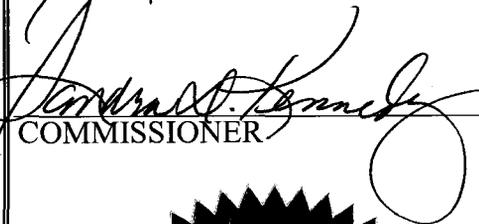
1 IT IS FURTHER ORDERED that Decision No. 69947 is hereby amended to extend the  
2 termination date for Continuing Long-Term Debt until the Commission issued a new financing order  
3 in Docket No. E-01345A-11-0423.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

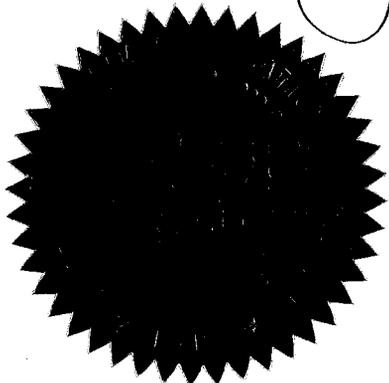
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8 CHAIRMAN

  
COMMISSIONER

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11 COMMISSIONER

**EXCUSED**  
COMM. NEWMAN  
COMMISSIONER

  
COMMISSIONER



12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation Commission,  
14 have hereunto set my hand and caused the official seal of the  
15 Commission to be affixed at the Capitol, in the City of Phoenix,  
16 this 12<sup>th</sup> day of December, 2012.

17   
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

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19 DISSENT \_\_\_\_\_

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21 DISSENT \_\_\_\_\_

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SERVICE LIST FOR:

ARIZONA PUBLIC SERVICE COMPANY

DOCKET NO.:

E-01345A-06-0779

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