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AZ CORP COMMISSION
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State Regulation

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February 8, 2013

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

Arizona Corporation Commission
DOCKETED
FEB 08 2013

RE: Quarterly Report on Transfers of Utility Property
Docket No. E-01345A-06-0770, Decision No. 69670

DOCKETED BY *TJM*

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, 2012 through December 31, 2012. This report reflects the balance of these transactions, including accrued interest through December 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 PUBLIC SERVICE COMPANY
CALCULATION OF NET GAINS ON UTILITY PROPERTY
As of December 31, 2012

SALES TRANSACTION DATE	PROPERTY DESCRIPTION	SALES PRICE	OCID	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
11/15/2012	Snow Bowl Asset Sale	\$104,000	\$57,063	\$46,937	\$57,063	\$18,545	\$28,392	\$14,196	\$5.15	\$14,201
Account Balance at the end of September 2012										
Interest on Account Balance for the Fourth Quarter										
<u>Total Transactions in Fourth Quarter 2012</u>										
<u>Total Account Balance as of December 2012</u>										

(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 End Date

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 2012

In November 2012 APS sold 6 line transformers, 2 pads, 2 switching cabinets, and 27,687 ft. of primary cable to the Arizona Snowbowl Resort Limited Partnership.