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May 30, 2013

Docket Control
Arizona Corporation Commission
1200 W. Washington
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RE: Arizona Public Service Company
Docket Nos. E-01345A-12-0290, E-01345A-10-0394, E-01933A-12-0296 and
E-04204A-12-0297; Track and Record Testimony Summary

Pursuant to the Procedural Order in the above consolidated dockets dated February
26, 2013:

IT IS FURTHER ORDERED that the parties shall prepare a brief, written
summary of the prefiled Testimony of each of their witnesses and shall
file each summary at least two working days before the witness is
scheduled to testify. [Emphasis omitted]

Attached please find a summary of the Direct Testimony of Gregory L. Bernosky on
behalf of Arizona Public Service Company. Mr. Bernosky is the Company's sole witness
in this proceeding. APS filed no rebuttal or surrebuttal testimony.

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

Sincerely,

Jeffrey Johnson
JJ/bgs

Attachment

cc: Parties of Record

Arizona Corporation Commission
DOCKETED
MAY 30 2013
DOCKETED BY JM

SUMMARY OF THE DIRECT TESTIMONY OF GREGORY L. BERNOSKY

My Direct Testimony presents APS's proposal to use a "Track and Record" method of attaining compliance with its Distributed Energy requirements under the Renewable Energy Standard (RES) rules in the absence of direct cash incentives, and describes why APS believes that proposal is appropriate.

APS proposes that the Commission implement a Track and Record policy that would no longer require APS to obtain RECs from DE sources as contemplated in A.A.C. R14-2-1805. Under this policy, customers installing DE would keep their RECs. However, because DE activity is still of interest, APS proposes to track the energy produced by DE installations through the continued deployment of DE production meters. Energy produced by DE sources would then be reported annually to the Commission for informational purposes rather than for compliance purposes. A requirement for Affected Utilities to acquire a specific amount of RECs from DE would no longer be in effect. This proposal represents a compromise between the Company's need to comply with DE requirements and the desire of customers to retain RECs from their systems, and allows the acquisition of renewable energy within a broader resource plan which leverages decreasing prices and obtains the lowest cost for all APS customers.

Copies of the foregoing delivered
This 30th day of May, 2013 to:

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