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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Regulatory Affairs Manager  
State Regulation

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Jeffrey.Johnson@aps.com

November 22, 2013

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

Arizona Corporation Commission  
DOCKETED

NOV 22 2013

DOCKETED BY 

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 July 1, 2013 through September 30, 2013. This report reflects the balance of these transactions, including accrued interest through September 30, 2013.

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 September 30, 2013

SALES TRANSACTION DATE	PROPERTY DESCRIPTION	SALES PRICE	OC/LD	BOOK GAIN/(LOSS) ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN/(LOSS) (3)	AMOUNT ALLOCATED TO CUSTOMERS (4)	INTEREST TO DATE (5)	CUSTOMER BALANCE
7/1/2013	Mayo Clinic Asset Sale	\$211,871	\$287,209	(\$75,338)	\$287,209	(\$23,766)	(\$45,572)	(\$22,766)	(\$17)	(\$22,802)
Account Balance at the end of June 2013										\$18,595
Interest on Account Balance for the Third Quarter 2013										\$13
Total Transactions in Third Quarter 2013										(\$22,802)
Total Account Balance as of September 2013										(\$4,194)

- (1) [(Sales Price less Tax Basis)/(Tax Rate)]\*(ADIT Net Book Basis-Tax Basis)\* Tax Rate
- (2) APS Composite Income Tax Rate: 2012 = 39.51%; 2013 = 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. 68670.

**SUMMARY OF TRANSACTIONS**  
**Third Quarter 2013**

In July 2013 APS sold 8 line transformers, 13 switching cabinets, and 5,400 ft. of underground wire to Mayo Clinic Arizona.

In September 2013 APS sold a 10% interest in transmission land rights related to the Palo Verde - Morgan 500kV Transmission Project to Central Arizona Water Conservation District. This transaction is excluded from the account balance as it falls under FERC jurisdiction.