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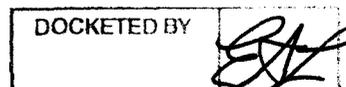
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Tel 602-250-2661
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November 27, 2013

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

NOV 27 2013



RE: Arizona Public Service Company's Quarterly Financial Reporting
Docket No. E-01345A-08-0172

Pursuant to Commission Decision No. 71448, Section 13.4(b) "Financial Reporting," Arizona Public Service Company ("APS") was ordered to provide the following:

- i. Information regarding the Company's earned return on equity ("ROE") for the preceding 12 months, including supporting calculation detail and identification of the major factors impacting that ROE. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term;
- ii. Information regarding the Company's Funds from Operations ("FFO") to Debt ratio, FFO/Interest ratio, and Total Debt/Capital ratio for the preceding 12 months, including supporting calculation detail and identification of the major factors impacting those metrics. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term.
- iii. Information regarding Pinnacle West Capital Corporation's ("PNW") stock price, net book value and the relationship of PNW's stock price to net book value. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term."

Attached is the information in compliance with the quarterly financial reporting requirement. Confidential supporting calculations will be provided to parties who have an executed Protective Agreement in this matter.

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

Sincerely,



Jeffrey W. Johnson

JJ/cd

cc: Brian Bozzo
Steve Olea
Terri Ford
Barbara Keene
Parties of Record

**APS's ROE, FFO/Debt, FFO/Interest and Total Debt/Capital Ratio
Pursuant to Sections 13.4(b)(i) & (ii) of the Settlement
September 30, 2013**

ROE:	10.1%
FFO/Debt Ratio:	29.1%
FFO/Interest Ratio:	6.3
Total Debt/Capital Ratio:	49.6%

**APS Return on Average Common Equity and Major Factors Impacting Return on Average Common Equity
for Twelve Months Ended (TME) September 2013 compared to TME June 2013
Pursuant to Decision No. 71448, Section 13.4(b)(i) "Financial Reporting"**

(\$ in millions)

Line		\$ 435	\$ 4,101	10.6%
1	TME June 2013 - APS net income attributable to common shareholder			
2	TME June 2013 - APS 13 point average common equity			
3	TME June 2013 - APS return on 13 point average common equity			
	<u>Major factors impacting the change in return on average common equity</u>			
4	Lower retail sales due to lower customer usage partially offset by customer growth	(17)		(10)
5	Higher depreciation and amortization primarily due to increased plant in service	(7)		(4)
6	Higher property taxes are primarily due to higher property tax rates	(7)		(4)
7	Higher margin due to effects of weather	4		2
8	Higher demand side management, renewable energy and similar regulatory surcharges net of related expenses	4		2
9	Lower generation costs primarily due to lower plant maintenance work done this period	5		3
10	All other	(3)		(2)
11	Total change in APS after-tax earnings	(13)		
12	TME September 2013 - APS net income attributable to common shareholder			
13	TME September 2013 - APS 13 point average common equity			
14	TME September 2013 - APS return on 13 point average common equity	\$ 422	\$ 4,174	10.1%
15	Change in APS return on 13 point average common equity for TME September 2013 compared to TME June 2013			<u><u>-0.5%</u></u>

Pages 2-4 Intentionally Omitted – Contains Confidential Information

**Pinnacle West Capital Corporation Stock Price and Book Value
Pursuant to Section 13.4(b)(iii) of the Settlement
September 30, 2013**

Stock Price per Share:	\$54.74
Book Value per Share:	\$38.86
Market-to-Book Value ratio:	1.41