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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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Federal and State Compliance

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February 28, 2014

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

ORIGINAL

RE: Arizona Public Service Company's 2011 Rate Case
Docket No. E-01345A-11-0224

Pursuant to Decision No. 73183, Plan of Administration EIS, Section 6, dated May 24, 2012:

APS will file the calculated EIS rate including all supporting data, with the Commission for the previous year on or before February 1st.

On January 31, 2014, APS filed with Docket Control the updated EIS Calculations including Schedule 1: Qualified Investments for EIS Electric Plant In Service for Calendar Year 2013 and Schedule 2 Capital Carrying Costs and Adjustor Calculation Plant In Service for Calendar Year 2013. Schedule 2 was redacted to exclude confidential information until such time APS filed its Form 10K with the Security and Exchange Commission (SEC). On February 21, 2014, APS filed its 2013 Form 10K Annual Report with the SEC.

In accordance with APS's January 31, 2014 letter previously filed with Docket Control, attached is a complete copy of Schedule 2 Capital Carrying Costs and Adjustor Calculation Plant In Service for Calendar Year 2013.

In accordance with the EIS Plan of Administration approved in Decision No. 73183, the EIS Rate of \$0.000021/kWh will go into effect on April 1, 2014.

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

Sincerely,


Lisa Malagon
LM/cd
Attachment

cc: Brian Bozzo
Parties of Record

Arizona Corporation Commission
DOCKETED

FEB 28 2014

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Schedule 2: Capital Carrying Costs and Adjustor Calculation
 Plant in Service Calendar Year 2012 - 2013
 Billing Period 4/1/2014 - 3/30/2015

Line No.	EIS Calculation		
	Qualified Plant		
1.	Environmental Improvement Projects (Schedule 1, Total Line Column F)		\$5,060,996
2.	Accumulated Depreciation ¹		44,477
3.	Cumulative Deferred Tax/Tax Credits ¹		931,591
4.	Qualified Net Plant (Line 1 - Line 2 - Line 3) ¹	\$	4,084,928
5.	Pre-tax Weighted Average Cost of Capital		11.8560%
	Capital Carrying Cost		
6.	Composite Return on EIS Net Plant (Line 4 * Line 5) ¹	\$	484,309
7.	Annual Depreciation of Plant In Service ¹		41,865
8.	Applicable Property Tax ¹		33,458
9.	Associated O&M Expense ¹		-
10.	Total EIS Revenue Requirement (Line 6 + Line 7 + Line 8 + Line 9) ¹	\$	559,632
11.	Total Company Sales ^{1,2}		26,917,500,772
12.	Calculated EIS Adjustment (\$/kWh) (line 10/Line 11)	\$	0.000021
13.	EIS Rate Cap (\$/kWh)	\$	0.000160
14.	EIS Rate (\$/kWh) (Lesser of Line 12 and Line 13)	\$	0.000021

Note: ¹ The information provided on lines 2 through 4 and lines 6 through 11 in this document is confidential until such time APS files its Form 10K (no later than end of first quarter 2014), at which time the information will be made public.

² Calendar year 2013 actual retail sales less kWh sales for Rate Schedule E-36-XL and Rate Rider AG-1.