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March 24, 2014

**ORIGINAL**

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

RE: Arizona Public Service Company Application for Approval of Lost Fixed Cost Recovery Mechanism, Docket No. E-01345A-11-0224

On January 15, 2014 Arizona Public Service Company ("APS") filed with the Commission its application for approval of Revision 2 of the Adjustment Schedule Lost Fixed Cost Recovery Mechanism. The Commission approved the revision in Decision No. 74394, dated March 19, 2014.

Attached please find Adjustment Schedule LFCR Lost Fixed Cost Recovery Mechanism Revision 2, effective 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

Arizona Corporation Commission  
**DOCKETED**

MAR 24 2014

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**ADJUSTMENT SCHEDULE LFCR  
LOST FIXED COST RECOVERY MECHANISM**

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**APPLICATION**

The Lost Fixed Cost Recovery (“LFCR”) Mechanism shall be applied monthly to all retail Standard Offer or Direct Access service, except for Customers served under Rate Schedules E-30, E-32L, E-32 TOU L, E-34, E-35, E-36XL, and unmetered lighting schedules including E-47, E-58, E-59, and Contract 12. All provisions of the customer’s currently applicable rate schedule will apply in addition to this adjustment charge. The LFCR adjustment will go into effect upon Commission approval and will not be prorated. Details of how the adjustment is derived and administered can be found in the Lost Fixed Cost Recovery Mechanism Plan of Administration approved by the ACC in Decision No. 73183.

**RATE**

The LFCR charge will be applicable to the customer’s total billed amount (not be less than zero) including all other adjustors, excluding sales tax, transaction privilege tax, regulatory assessments, and franchise fees.

LFCR Charge:                    0.9509%