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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- BOB STUMP - Chairman
- GARY PIERCE
- BRENDA BURNS
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- SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

MAR 25 2014

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AZ CORP COMMISSION

DOCKETED BY [Signature]

DOCKET NO. E-01345A-11-0224

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, AND TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN.

ORIGINAL

PROCEDURAL ORDER (Sets Hearing)

BY THE COMMISSION:

On June 1, 2011, Arizona Public Service Company ("APS" or "Company") filed with the Arizona Corporation Commission ("Commission") an application to determine the fair value of the utility property of the Company for ratemaking purposes, to fix a just and reasonable rate of return thereon, and to approve rate schedules designed to develop such return.

On May 24, 2012, the Commission issued Decision No. 73183, which approved the Settlement Agreement dated January 6, 2012 as discussed therein. Decision No. 73183 ordered that the record in this matter remain open to allow APS to file by December 31, 2013, an application for approval to adjust its rates to reflect the acquisition of Four Corners Units 4 and 5.

On December 30, 2013, APS filed an Application to Approve Four Corners Rate Rider in this docket.

On January 30, 2014, the Sierra Club ("Sierra Club") filed a Motion to Intervene.

On March 4, 2014, a Motion For Temporary Admission Pro Hac Vice was filed on behalf of Travis Ritchie and Nellis Kennedy-Howard.

On March 6, 2014, Staff filed its Request for a Procedural Schedule.

On March 7, 2014, by Procedural Order, Sierra Club was granted intervention and Mr. Ritchie and Ms. Kennedy-Howard were granted temporary admission to appear pro hac vice.

1 On March 10, 2014, pursuant to Arizona Supreme Court Rule 38(a), Timothy M. Hogan, an
2 attorney with the Arizona Center for Law in the Public Interest, filed a Motion to Associate Counsel
3 Pro Hac Vice for Mr. Ritchie and Ms. Kennedy-Howard in this matter.

4 On March 14, 2014, Mr. Ritchie and Ms. Kennedy-Howard were granted admission to appear
5 *pro hac vice*.

6 There have been no objections to Staff's Request for Procedural Order, accordingly it should
7 be granted, as set forth herein.

8 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
9 commence on **August 4, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing Room
10 No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and continuing
11 as necessary, **on August 5 - 11, 2014**.

12 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **July 30, 2014,**
13 **at 10:00 a.m.**, at the Commission's offices, for the purpose of scheduling witnesses and the conduct
14 of the hearing.

15 IT IS FURTHER ORDERED that the **Staff Report and/or any direct testimony and**
16 **associated exhibits** to be presented at hearing on behalf of Staff shall be reduced to writing and filed
17 on or before **June 19, 2014**.

18 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits** to be
19 presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before **June**
20 **19, 2014**.

21 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits** to be
22 presented at hearing by the Company shall be reduced to writing and filed on or before **noon on July**
23 **3, 2014**.

24 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits** to be
25 presented at hearing by Staff or intervenors shall be reduced to writing and filed on or before **July 21,**
26 **2014**.

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1 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be
2 presented at hearing by the Company shall be reduced to writing and filed on or before **July 28,**
3 **2014.**

4 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
5 **filing is due, unless otherwise indicated.**

6 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
7 **pre-hearing conference, copies of an issues matrix** setting forth all disputed issues in the case.
8 Each party's matrix shall indicate the position of each party on each disputed issue and shall indicate
9 whether the disputed issue remains in dispute or has been resolved, in prefiled testimony or
10 otherwise.

11 IT IS FURTHER ORDERED that **any objections to prefiled testimony or exhibits shall be**
12 **made before or at the July 30, 2014,** pre-hearing conference.

13 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements**
14 **to prefiled testimony,** with the exception of rejoinder testimony, shall be reduced to writing and filed
15 no later than five calendar days before the witness is scheduled to testify. Substantive corrections,
16 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
17 the first day of hearing.

18 IT IS FURTHER ORDERED that any motion filed in this matter that is not ruled upon by the
19 Commission within 20 calendar days of the filing date of the motion shall be deemed denied.

20 IT IS FURTHER ORDERED that any response to a motion shall be filed within five calendar
21 days of the filing date of the motion.

22 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
23 calendar days of the filing date of the response to the motion.

24 IT IS FURTHER ORDERED that the **Arizona Public Service Company shall provide**
25 **public notice** of the hearing in this matter, in the following form and style, with the heading in no
26 less than 12 point bold type and the body in no less than 10 point regular type:
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PUBLIC NOTICE OF HEARING ON THE
APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR
APPROVAL OF A FOUR CORNERS RATE RIDER
(DOCKET NO. E-01345A-11-0224)

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On June 1, 2011, Arizona Public Service Company ("APS") filed an application with the Arizona Corporation Commission ("Commission") for a permanent base rate increase. The Commission issued Decision No. 73183 on the rate application on May 24, 2012, approving a Settlement Agreement that allowed APS to request a rate adjustment to reflect the rate base and expense effects associated with (1) the acquisition of Southern California Edison's ownership interest in Four Corners Units 4 and 5, and (2) the retirement of Units 1-3, as well as any cost deferral authorized in the Commission's Decision in the Four Corners acquisition docket.

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On December 30, 2013, APS filed its application for approval of a Four Corners Rate Rider to allow recovery of a \$62.53 million annual revenue requirement. APS estimates that the average residential monthly bill impact would be \$1.93 in the winter and \$3.58 in the summer.

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The Commission's Utilities Division ("Staff") and other intervenors are in the process of reviewing and analyzing the application and have not yet made a recommendation regarding APS' request. The Commission will issue a Decision regarding APS' application following consideration of testimony and evidence presented at an evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY APS, STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY APS OR OTHER PARTIES.**

How to View the Application and other Filings

Copies of the application and the proposed rates are available from APS [COMPANY INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours. All filings in this matter are also available via the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. E-01345A-11-0224.

Public Hearing and Comment Information

The Commission will hold a hearing on this matter beginning on **August 4, 2014**, at **10:00 a.m.**, in the Commission's offices, Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may also be submitted by mailing a letter referencing Docket No. E-01345A-11-0224 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment" button. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000 (outside the metro Phoenix area).

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Who to Contact if you have Questions

For further information on the APS Four Corners Rate Rider request and procedural schedule, please contact APS at 602-250-2767 or the Commission's Consumer Services Section at 602-542-4251, or 1-800-222-7000 (outside the metro Phoenix area).

IT IS FURTHER ORDERED that Arizona Public Service Company shall publish the above notice in a newspaper of general circulation within its service territory, to be completed on or before **May 1, 2014**.

IT IS FURTHER ORDERED that Arizona Public Service Company shall file certifications of publication of the above notice on or before **May 15, 2014**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon publication, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules 31, 38, 42 and A.R.S. §40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 25th day of March, 2014.

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9 LYN FARMER
10 CHIEF ADMINISTRATIVE LAW JUDGE

11 Copies of the foregoing mailed/delivered
12 this 25th day of March, 2014 to:

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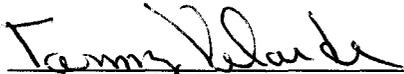
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