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aps

Federal and State Compliance

Mail Station 9712
PO Box 53999
Phoenix, Arizona 85072-3999
Tel 602-250-5671
Elisa.Malagon@aps.com

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AZ CORP COMMISSION
DOCKET CONTROL

May 15, 2014

Arizona Corporation Commission
DOCKETED

MAY 15 2014

DOCKETED BY

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

RE: Arizona Public Service Company Transmission Cost Adjustor
Docket No. E-01345A-09-0255

Pursuant to Decision No. 71244, dated August 6, 2009, Arizona Public Service Company ("APS") was ordered as follows:

> Arizona Public Service Company shall prepare a report each year detailing the transmission plant or other costs underlying the TCA reset and docket the report with Arizona Public Service Company's Application for a TCA reset.

Although such an "Application for a TCA reset" is no longer required (see Decision No. 73183), attached is a copy of APS's Transmission Cost Adjustor compliance filing dated May 15, 2014 in Docket No. E-01345A-11-0224, which included the above-mentioned report.

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

Sincerely,

Lisa Malagon

LM/gad
Attachment

cc: Brian Bozzo

Lisa Malagon
Leader
Federal and State Compliance

Mail Station 9712
PO Box 53999
Phoenix, Arizona 85072-3999
Tel 602-250-5671
Elisa.Malagon@aps.com

May 15, 2014

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

RE: Arizona Public Service Company Transmission Cost Adjustor ("TCA") Charges
Docket No. E-01345A-11-0224

Pursuant to Decision Nos. 73262 and 73183, Arizona Public Service Company submits its calculated TCA rates, including all supporting data. This rate will go into effect with the first billing cycle in June 2014 (without proration), unless otherwise ordered by the Commission. The TCA rates will remain in effect for the subsequent 12-month period. APS estimates that the new TCA rates would increase overall retail revenues by $4.7 million annually.

The Open Access Transmission Tariff ("OATT") rates are approved by the Federal Energy Regulatory Commission ("FERC") and are designed to recover transmission costs from users of APS transmission facilities. The OATT rates are calculated and reset annually through use of a FERC approved formula. APS recovers its transmission costs, reflected by the FERC approved OATT rate, through the sum of two distinct rate components; (1) a transmission charge embedded in base rates established in APS's last rate case and (2) the TCA charge which accounts for changes in the OATT rate between APS rate cases.

Included within this compliance filing are the following attachments:

1. Attachment A - a non-redlined version of the new Adjustment Schedule TCA-1 Revision No. 10.

2. Attachment B – a redlined version of the new Adjustment Schedule TCA-1 Revision No. 10.

3. Attachment C – the numerical inputs used to develop the new TCA-1 rates.

4. Attachment D - the estimated monthly bill impacts of the new TCA-1 rates.

5. Attachment E – a table illustrating the percentage demand of each of the classes for the 2012 OATT and 2013 OATT as filed with FERC.

6. Attachment F – a table illustrating the transmission cost embedded in base rates, the current and proposed TCA rates, and the differences in the current and new rates.

7. Attachment G - actual and estimated transmission additions, dollars and estimated O&M for calendar years 2013 through 2015.

8. Attachment H – APS's Annual Update of transmission service rates pursuant to the APS OATT as filed with FERC.

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

Sincerely,

Lisa Malagon

LM/gad
Attachments

cc: Steve Olea, Arizona Corporation Commission
Maureen Scott, Arizona Corporation Commission
Ed Stoneburg, Arizona Corporation Commission

ADJUSTMENT SCHEDULE TCA-1
TRANSMISSION COST ADJUSTMENT

APPLICATION

The Transmission Cost Adjustment ("TCA") charge shall apply to all Standard Offer retail electric schedules. All provisions of the customer's current applicable rate schedule will apply in addition to this charge.

ANNUAL ADJUSTMENT

Standard Offer rate schedules covered by this charge include a transmission component of base rates that was originally established at $0.00476 per kilowatt-hour in accordance with A.C.C. Decision No. 67744. Decision No. 67744 also established the TCA. Decision No. 69663 modified the collection of transmission costs in retail rates to tie to the costs found in the FERC approved Open Access Transmission Tariff.

RATE

The charge shall be applied as follows:

Customer Class	TCA Charge
Residential	$0.007003/kWh
General Service 20 kW or less	$0.002610/kWh
General Service over 20 kW, under 3,000 kW	$0.822/kW
General Service 3,000 kW and over	$1.167/kW

ADJUSTMENT SCHEDULE TCA-1
TRANSMISSION COST ADJUSTMENT

APPLICATION

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ANNUAL ADJUSTMENT

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RATE

The charge shall be applied as follows:

Customer Class	TCA Charge
Residential	$0.~~006471~~007003/kWh
General Service 20 kW or less	$0.~~002503~~002610/kWh
General Service over 20 kW, under 3,000 kW	$0.~~848~~822/kW
General Service 3,000 kW and over	$1.~~305~~167/kW

TCA Rate Calculation - Plan of Administration

Line	Service Type	Residential $/kWH (A)	GS≤20 kW $/kWh (B)	GS > 20 kW and < 3MW $/kW (C)	GS≥3 MW $/kW (D)
1.	NITS	0.011173	0.006010	2.092516	2.588186
2.	Scheduling	0.000069	0.000056	0.0208	0.0236
3.	Regulation & Frequency	0.000267	0.000217	0.0813	0.0919
4.	Spinning Reserve	0.000618	0.000502	0.1879	0.2124
5.	Operating Reserve	0.000078	0.000064	0.0238	0.0269
6.	Energy Imbalance	0.000000	0.000000	0	0
7.	Total (Lines 1 thru 7)	0.012205	0.006849	2.406316	2.942986
8.	Included In Retail Base Rates	0.005202	0.004239	1.5848	1.7758
9.	TCA (Line 7) - (Line 8)	0.007003	0.002610	0.822	1.167

ARIZONA PUBLIC SERVICE COMPANY
TCA projected increase

	AVERAGE MONTHLY BILL IMPACTS				SEASONAL BILL IMPACTS			
	Current	Proposed			Current	Proposed	Current	Proposed
Residential (Avg - All Rates)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	1,100				1,337	1,337	863	863
Base Rates	$ 123.90	$ 123.90			$ 161.07	$ 161.07	$ 86.72	$ 86.72
PSA	$ 1.71	$ 1.71			$ 2.08	$ 2.08	$ 1.34	$ 1.34
TCA	$ 7.12	$ 7.70	$ 0.58	0.41%	$ 8.65	$ 9.36	$ 5.58	$ 6.04
RES	$ 4.11	$ 4.11			$ 4.11	$ 4.11	$ 4.11	$ 4.11
DSMAC	$ 2.03	$ 2.03			$ 2.47	$ 2.47	$ 1.59	$ 1.59
EIS	$ 0.03	$ 0.03			$ 0.03	$ 0.03	$ 0.02	$ 0.02
Four Corners	$ -	$ -			$ -	$ -	$ -	$ -
LFCR	$ 1.32	$ 1.33	$ 0.01	0.01%	$ 1.70	$ 1.70	$ 0.94	$ 0.95
Total	$ 140.22	$ 140.81	$ 0.59	0.42%	$ 180.11	$ 180.82	$ 100.30	$ 100.77

Residential (Rate E-12)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	691				780	780	602	602
Base Rates	$ 86.40	$ 86.40			$ 108.04	$ 108.04	$ 64.76	$ 64.76
PSA	$ 1.08	$ 1.08			$ 1.22	$ 1.22	$ 0.94	$ 0.94
TCA	$ 4.48	$ 4.84	$ 0.36	0.37%	$ 5.05	$ 5.46	$ 3.90	$ 4.22
RES	$ 4.11	$ 4.11			$ 4.11	$ 4.11	$ 4.11	$ 4.11
DSMAC	$ 1.28	$ 1.28			$ 1.44	$ 1.44	$ 1.11	$ 1.11
EIS	$ 0.02	$ 0.02			$ 0.02	$ 0.02	$ 0.01	$ 0.01
Four Corners	$ -	$ -			$ -	$ -	$ -	$ -
LFCR	$ 0.93	$ 0.93			$ 1.14	$ 1.14	$ 0.71	$ 0.71
Total	$ 98.30	$ 98.66	$ 0.36	0.37%	$ 121.02	$ 121.43	$ 75.54	$ 75.86

Commercial XS (E-32)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	1,430				1,575	1,575	1,285	1,285
Base Rates	$ 202.38	$ 202.38			$ 233.37	$ 233.37	$ 171.39	$ 171.39
PSA	$ 2.23	$ 2.23			$ 2.45	$ 2.45	$ 2.00	$ 2.00
TCA	$ 3.58	$ 3.73	$ 0.15	0.07%	$ 3.94	$ 4.11	$ 3.22	$ 3.35
RES	$ 14.68	$ 14.68			$ 16.17	$ 16.17	$ 13.19	$ 13.19
DSMAC	$ 2.64	$ 2.64			$ 2.91	$ 2.91	$ 2.37	$ 2.37
EIS	$ 0.03	$ 0.03			$ 0.03	$ 0.03	$ 0.03	$ 0.03
Four Corners	$ -	$ -			$ -	$ -	$ -	$ -
LFCR	$ 2.15	$ 2.15			$ 2.46	$ 2.46	$ 1.83	$ 1.83
Total	$ 227.69	$ 227.84	$ 0.15	0.07%	$ 261.33	$ 261.50	$ 194.03	$ 194.16

ARIZONA PUBLIC SERVICE COMPANY
TCA projected increase

AVERAGE MONTHLY BILL IMPACTS

Commercial S (E-32)	Current Average Monthly Bill [1]	Proposed Average Monthly Bill [1,2]	$ Impact	% Impact
Average kWh per Month	7,182			
Averge kW per Month	23.7			
Base Rates	$ 842.33	$ 842.33		
PSA	$ 11.18	$ 11.18		
TCA	$ 20.10	$ 19.48	$ (0.62)	-0.06%
RES	$ 73.72	$ 73.72		
DSMAC	$ 16.50	$ 16.50		
EIS	$ 0.15	$ 0.15		
Four Corners	$ -	$ -		
LFCR	$ 9.17	$ 9.16	$ (0.01)	0.00%
Total	$ 973.15	$ 972.52	$ (0.63)	-0.06%

Commercial - M (E-32)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact
Average kWh per Month	62,238	62,238		
Averge kW per Month	195.7			
Base Rates	$ 6,431.10	$ 6,431.10		
PSA	$ 96.91	$ 96.91		
TCA	$ 165.92	$ 160.83	$ (5.09)	-0.07%
RES	$ 256.60	$ 256.60		
DSMAC	$ 136.17	$ 136.17		
EIS	$ 1.31	$ 1.31		
Four Corners	$ -	$ -		
LFCR	$ 67.40	$ 67.36	$ (0.04)	0.00%
Total	$ 7,155.41	$ 7,150.28	$ (5.13)	-0.07%

Commercial - L (E-32)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact
Average kWh per Month	290,507	290,507		
Averge kW per Month	716.5			
Base Rates	$ 24,707.54	$ 24,707.54		
PSA	$ 452.32	$ 452.32		
TCA	$ 607.59	$ 588.97	$ (18.62)	-0.07%
RES	$ 513.20	$ 513.20		
DSMAC	$ 498.69	$ 498.69		
EIS	$ 6.10	$ 6.10		
Four Corners	$ -	$ -		
LFCR	$ -	$ -		
Total	$ 26,785.44	$ 26,766.82	$ (18.62)	-0.07%

SEASONAL BILL IMPACTS

Commercial S (E-32)	Current Summer Monthly Bill	Proposed Summer Monthly Bill	Current Winter Monthly Bill	Proposed Winter Monthly Bill
Average kWh per Month	7,752	7,752	6,612	6,612
Averge kW per Month	26.8	26.8	20.6	20.6
Base Rates	$ 987.28	$ 987.28	$ 697.38	$ 697.38
PSA	$ 12.07	$ 12.07	$ 10.29	$ 10.29
TCA	$ 22.73	$ 22.03	$ 17.47	$ 16.93
RES	$ 79.57	$ 79.57	$ 67.87	$ 67.87
DSMAC	$ 18.65	$ 18.65	$ 14.34	$ 14.34
EIS	$ 0.16	$ 0.16	$ 0.14	$ 0.14
Four Corners	$ -	$ -	$ -	$ -
LFCR	$ 10.65	$ 10.65	$ 7.68	$ 7.67
Total	$ 1,131.11	$ 1,130.41	$ 815.17	$ 814.62

Commercial - M (E-32)	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	68,381	68,381	56,094	56,094
Averge kW per Month	209.5	209.5	181.8	181.8
Base Rates	$ 7,407.24	$ 7,407.24	$ 5,454.95	$ 5,454.95
PSA	$ 106.47	$ 106.47	$ 87.34	$ 87.34
TCA	$ 177.66	$ 172.21	$ 154.17	$ 149.44
RES	$ 256.60	$ 256.60	$ 256.60	$ 256.60
DSMAC	$ 145.81	$ 145.81	$ 126.53	$ 126.53
EIS	$ 1.44	$ 1.44	$ 1.18	$ 1.18
Four Corners	$ -	$ -	$ -	$ -
LFCR	$ 76.98	$ 76.93	$ 57.82	$ 57.78
Total	$ 8,172.20	$ 8,166.70	$ 6,138.59	$ 6,133.82

Commercial - L (E-32)	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	314,925	314,925	266,089	266,089
Averge kW per Month	795	795	638	638
Base Rates	$ 29,453.69	$ 29,453.69	$ 19,961.38	$ 19,961.38
PSA	$ 490.34	$ 490.34	$ 414.30	$ 414.30
TCA	$ 674.16	$ 653.49	$ 541.02	$ 524.44
RES	$ 513.20	$ 513.20	$ 513.20	$ 513.20
DSMAC	$ 553.32	$ 553.32	$ 444.05	$ 444.05
EIS	$ 6.61	$ 6.61	$ 5.59	$ 5.59
Four Corners	$ -	$ -	$ -	$ -
LFCR	$ -	$ -	$ -	$ -
Total	$ 31,691.32	$ 31,670.65	$ 21,879.54	$ 21,862.96

ARIZONA PUBLIC SERVICE COMPANY
TCA projected increase

	AVERAGE MONTHLY BILL IMPACTS				SEASONAL BILL IMPACTS			
	Current	Proposed			Current	Proposed	Current	Proposed
Industrial - XL (E-34,35)	Average Monthly Bill [1]	Average Monthly Bill [1,2]	$ Impact	% Impact	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Average kWh per Month	3,693,933	3,693,933			3,841,873	3,841,873	3,545,992	3,545,992
Averge kW per Month	6,369.5				6,681	6,681	6,058	6,058
Base Rates	$ 251,228.00	$ 251,228.00			$ 262,539.00	$ 262,539.00	$ 239,917.00	$ 239,917.00
PSA	$ 5,751.45	$ 5,751.45			$ 5,981.79	$ 5,981.79	$ 5,521.11	$ 5,521.11
TCA	$ 8,312.20	$ 7,433.21	$ (878.99)	-0.32%	$ 8,718.71	$ 7,796.73	$ 7,905.69	$ 7,069.69
RES	$ 3,335.00	$ 3,335.00			$ 3,335.00	$ 3,335.00	$ 3,335.00	$ 3,335.00
DSMAC	$ 4,433.18	$ 4,433.18			$ 4,649.98	$ 4,649.98	$ 4,216.37	$ 4,216.37
EIS	$ 77.58	$ 77.58			$ 80.68	$ 80.68	$ 74.47	$ 74.47
Four Corners	$ -	$ -			$ -	$ -	$ -	$ -
LFCR	$ -	$ -			$ -	$ -	$ -	$ -
Total	$ 273,137.41	$ 272,258.42	$ (878.99)	-0.32%	$ 285,305.16	$ 284,383.18	$ 260,969.64	$ 260,133.64

Notes:
(1) Bill excludes regulatory assessment charge, taxes and fees. All Adjustor levels in effect as of May 1, 2014.
(2) Bill includes the projected increase to the TCA adjustor

Class Coincident Peak Demand

Class	2012		2013	
	MW	% of Coincident Demand	MW	% of Coincident Demand
Residential	3545.2	62.03%	3643.2	63.31%
General Service < 3MW	1784.7	31.23%	1734.6	30.14%
General Service > 3 MW	385.7	6.75%	376.5	6.54%
Total	5715.6	100.00%	5754.2	100.00%

Transmission Rates Embedded in Base Rates and TCA

Customer Group	Embedded Base Rate	Current TCA Rate	Proposed TCA Rate	Difference	Percentage Difference	
					TCA Rate	Total
	(A)	(B)	(C)	(D) = (C) - (B)	(E) = (D)/(B)	(F) = (D)/[(A)+(B)]
Residential	$ 0.005202 /kWh	$ 0.006471 /kWh	$ 0.007003 /kWh	$ 0.000532 /kWh	8%	5%
General Service 20 kW or less	$ 0.004239 /kWh	$ 0.002503 /kWh	$ 0.002610 /kWh	$ 0.000107 /kWh	4%	2%
General Service over 20 kW and under 3,000 kW	$ 1.585 /kW	$ 0.848 /kW	$ 0.822 /kW	$ (0.026) /kW	-3%	-1%
General Service 3,000 kW and over	$ 1.776 /kW	$ 1.305 /kW	$ 1.167 /kW	$ (0.138) /kW	-11%	-4%

Arizona Public Service Company
2013 Transmission Actual Addition Dollars and Estimated O&M

Line No.	WA#	Description	Actual Cost	Purpose	Renewables Impact	Miles	Estimated O&M	In-Service Date
1	WA71948	Digital Fault Recorder (DFR) Replacement - 5 Cholla 345kv Control House	263,343	DFR Replacement - 5 Cholla 345kv Control House	N/A	N/A	$1,492	11/1/2013
2	W415129	Sonoran Pkwy UG 69 KV - Paloma Pkwy	301,609	Provide a six hole 69KV duct bank along Sonoran Blvd from Paloma Parkway Rd to 10th Street that will be the designated first segment of the Horse Tail to Dove Valley 69KV line segment (phase 1). W415129 interface the duct bank from W439431. This duct bank is being installed in conjunction with the City of Phoenix improvement project ST85100292 to reduce trenching and permitting costs. Conductor will be installed at a later date.	N/A		$855	12/1/2012
3	WA158766	Circuit Breaker 500kV Replacement	304,335	This is a 500KV breaker that was replaced at Four Corners after a failure on 4/2/13. It was an emergency replacement	N/A	N/A	$7,761	4/1/2013
4	WA117290	Palo Verde - North Gila Right-Of-Way (ROW) #1 Line	322,685	Palo Verde - North Gila Right of Way #1 Line	N/A	N/A	$10,971	1/1/2013
5	WA102875	2012 Climbing Inspection - 115-1	330,975	This project included the time and material associated with replacing items that are found during climbing inspections and were eligible for capitalization.	N/A	N/A	$11,253	1/1/2013
6	W421823	Dugas-Morgan 500Kv Line	332,324	This project installed a fiber optic cable on the 500kv power line from Morgan Sub to Dugas Sub. This work increased the communications bandwidth and reliability to Dugas, Yavapai, Willow Lake, and Verde subs plus greatly enhanced the communications at the Prescott and Cottonwood service centers. The microwave system had been at its communications carrying limits, and without fiber optic cable to the north part of the state of Arizona, the data needs of APS could not be reliably and economically met. This fiber addition is a small piece of a much larger fiber optic cable plan to install fiber to the northern part of the APS service territory as well as critical substations. Applications such as new substations, Smart Grid, Critical Infrastructure Protection (CIP), physical security, and ACC reliability requirements are a few of the drivers increasing the need for communications and data. Fiber has a virtual unlimited bandwidth, and without it, the long-term needs of APS cannot be met.	N/A	N/A	$942	12/6/2012
7	WA22500	Westwing Substation: Add 500KV Reactor	341,290	A 170 MVAR reactor was needed for light load conditions. EHV system and western Phoenix 230kV network exhibit high voltages during light load conditions. Palo Verde generation units are typically at full bucking during light load, and Redhawk generating units are run to buck additional VARS off the system (e.g. reducing system voltages). Addition of SR270 will allow for more operational flexibility of voltage control, and partially mitigate the need for Redhawk to run during light load conditions.	N/A	N/A	$11,604	1/1/2012
8	W499751	69Kv Relocation Loop 303 & Cactus Rd	344,984	The new construction on work order W499751 included the installation of 2- special order self supporting steel poles, installing the new overhead 69Kv wire, FOC, and then removing the temporary 69Kv shoo-fly poles, wire, and FOC that were installed on APS work order number W503543.			$10,752	2/13/2013
9	WA32046	Downtown Phoenix Communications Upgrade	360,789	The objective of this project to upgrade the communications equipment in the downtown Phoenix area that is used for coordination of critical power line protective relaying and monitoring of substations.			$2,044	11/21/2011
10	WA166267	Wenden Temp Sub Lines	370,863	3250 HP was added in 2013. The new temp sub split load off of Salome 1 to feed load growth and help correct the existing voltage imbalance in the area affecting local irrigation customers. A +/- 5% voltage fluctuation has been occurring causing the irrigation pump motor protection equipment to trip, shutting down the pumps. The temporary sub is needed to help correct the immediate issues while a new permanent substation and line is designed and built during the next 2 years.	N/A	300 ft.	$2,102	11/16/2013
11	WA147337	Move 500/230KV Transformer 8A	372,572	A new Kyrene 500/230kV Bank 8 transformer uses three single phase transformers. This project covered costs associated with moving the failed unit out of the 6A position and moving 8A into the 6A position.	N/A	N/A	$10,556	3/31/2012
12	WA142266	Sw-2-10 - Copperstone Tap To Quartz	394,041	This WA funded all costs associated with replacement of 44 poles. The area has a high frequency of storm related events resulting in extended outages due to equipment (pole) failures. The pole replacement project is targeted to minimize the impact due to the storm events.	N/A	N/A	$13,397	1/1/2013
13	CK3TH	Main Transformer Replacement 3R17	409,893	Replace main transformer	N/A	N/A	$1,161	12/1/2013
14	WA142265	Sw-2-8- Black Peak - Copperstone	410,123	This WA funded all costs associated with replacement of 40 poles. The area has a high frequency of storm related events resulting in extended outages due to equipment (pole) failures. The pole replacement project will help reliability.	N/A	N/A	$13,944	1/1/2013
15	WA145195	Circuit Breaker 345kV Replace 1 - Preacher Canyon Substation	412,246	Emergency breaker replacement at the Preacher Canyon substation.	N/A	N/A	$14,016	1/1/2013
16	WA126699	Arroyo In and Out 69kV Line	451,153	Reliability analysis and standards requested the construction of a 69kV In & Out at the Arroyo Substation. The purpose is to provide improved reliability to the ASU West Campus	N/A	1400 ft.	$15,339	1/1/2012
17	WA54186	Moenkopi 500kV: Upgrade Moenkopi-El Dorado	464,246	The relays were over 20 years old and the manufacturer no longer supports them. Spare parts are in short supply. For the same reasons, the Moenkopi Four Corners 525kv line relays also needed to be replaced. These two lines were the only 525kv lines in the APS system to have the original relays still in service. In addition, the relaying communications equipment needed to be replaced.	N/A	N/A	$15,784	1/1/2013
18	WA130013	Q205 (Net.Upg.) - 69kV Line Upgrade	476,489	This work order to account for the labor and materials needed to upgrade the Foothills to North Gila 69kV line in an effort to accommodate a new fiber line from the Foothills substation to the Desert Sands switchyard (new switchyard at the Foothills Solar site - Q205 AZ Sun).	Yes	1.4	$1,350	12/8/2012
19	WA20548	South O'Neil 69kV In & Out	526,166	This work order accounted for the labor and materials needed to construct 2 miles of overhead 69kV line to the planned South O'Neil switchyard located on the Yuma Marine Corp Air Station.	N/A	2	$17,890	1/1/2012

Arizona Public Service Company
2013 Transmission Actual Addition Dollars and Estimated O&M

Line No.	WA#	Description	Actual Cost	Purpose	Renewables Impact	Miles	Estimated O&M	In-Service Date
20	W309115	Wellfield In & Out, OH 69kV	593,732	Build 1/2 Mile Of Double Circuit 69Kv Tap Line To Serve The New Wellfield Substation. Energize One Circuit Only To Provide Radial Service To Substation. The Second Circuit Is For Future In & Out. New Line Taps The Existing Willow Lake To Lonesome Valley 69Kv Circuit. This Substation Replaces The Glassford Hills Temporary Substation.	N/A	3847 ft.	$20,187	1/1/2012
21	FCC03853	GSU North Phase Replacement	673,812	GSU North Phase Replacement			$15,273	5/1/2013
22	W394163	Change Out Multiple Fixtures	691,439	The conductors were re-sagged and brought up to the correct Ruling Span tension. This project also increased the ground clearance for this span to 27'.	N/A	N/A	$3,918	11/30/2009
23	WA28449	Relocate 69 KV/Loop 303 and Olive	699,385	Relocated 69kV overhead facilities in conflict with new Loop 303 & Olive freeway bridge improvements.	N/A	N/A	$13,871	6/28/2012
24	WF13RWTRA	Transmission R/W Capital Leases	752,803	This project includes the Right of Way capital leases	N/A	N/A	$25,595	1/1/2013
25	WA129219	Transformer Fans Replacement	756,383	Replace fans with greater protective hand guards. This was a potential OSHA violation so the fans were replaced.	N/A	N/A	$2,143	12/18/2013
26	FTHL1102	Foothills 1 EPC	764,344	This project includes the replacement Foothills 1 EPC			$25,988	1/1/2013
27	W259457	56 ST & Mayo Blvd/ Clinic SUB UG6	858,448	Mayo Hospital is installing a proton beam treatment facility which will require an additional 12Mw of load serving capacity. A new substation (Clinic Substation) along with 2-12kV feeders was built in order to serve the hospital's increased load and future projected load growth.	N/A	6155 ft.	$29,187	1/1/2013
28	W466919	Young's Canyon Sub 345/69kV Sub: 69k	947,155	Young's Canyon Sub 345/69kV Sub: 69kV In & Out	N/A	0.25	$29,520	2/7/2013
29	W493449	2010 Capital 230-2	1,119,328	Replaced arms on several structures near Verde substation. Crews have replaced 226 arms including 7 complete fixtures, 9 knee-braces, 18 x-braces, 12 wood guy insulators, three poles, multiple bells, misc. hardware, and stubbed 5 poles on the 65 mile Cholla-Willow Lake 230kv line (230-2).	N/A	N/A	$12,686	9/1/2013
30	WA129096	*Antelope Sub - In & Out 69kV*	1,907,987	*Loss of the Old Home Manor-Willow Lake 69kV line drops the entire load served by Antelope,* Prescott-Chino Wells and Sturm Ruger substations. However, with the 69kV In-and-out, Antelope will be able to be fed from the north, Old Home Manor, or the south, Willow Lake, 69kV line.	N/A	.35 miles to double circuit	$43,248	5/24/2013
31	CK3NT	New Main Transformer 3R17	1,938,161	New Main Transformer 3R17	N/A	N/A	$5,491	12/1/2013
32	W495430	69KV and 12 KV OH Conflict Relocation	1,951,940	Provide an interconnection from the Perrin Ranch Substation to the APS transmission system. This consists of the construction of the following items; a new 500kV switchyard, named Cedar Mountain, a tie to the Moenkopi -Yavapai 500 line and upgrade the relaying at Moenkopi and Yavapai Substations and communications upgrades at Bill Williams Mountain. In addition, a 21kv line will be constructed from Red Lake Substation. *This line provides station power to the APS switchyard and* Nextera substation. This line also provides an Interim communications path to Red Lake substation. Upgrades at Red Lake substation include the upgrading of the transformer to accommodate the added load that this project requires.	N/A	2.4	$66,366	1/1/2013
33	W495431	Abengoa Solar Network Upgrades 69kV	2,132,123	The Gila Bend - Cotton Center 69kV Line was 3- R336V+S wire and could not handle load that is delivered from Solana Solar Field through the APS 230/69kV Transmission system (Q44 WA46633 & WA46654). By rebuilding to 795 ACSS, APS is able to distribute the newly added 250 MW through PND-GBkV and GB-CC69kV System	Yes	28000 ft.	$60,410	3/5/2013
34	FCC90402	No. 8 Xfmr T542 Replace - Alloc 2	2,253,573	The purpose of this project is to ensure the reliability of the 345/230 kiva switchyard inter-tie and reduce the risk of a five unit outage.	N/A	N/A	$63,851	3/1/2013
35	PRES2000	Prescott Solar 20MW Plant Sun Edison	2,452,352	Prescott Solar 20MW Plant Sun Edison	N/A	N/A	$83,380	1/1/2012
36	WA81120	Abengoa Solar Network Upgrades 69kV	2,818,128	Abengoa Solar Network Upgrades 69kV improvements Phase 2 of 2	This project was needed to accommodate the interconnection of the Abengoa Solar plant, which is 280MW of solar power.	19	$79,847	3/5/2013
37	W399038	Dale Substation to Via Donna Substation 69KV Line	3,170,116	The purpose of this project is to purchase land for Dale Substation to Via Donna Substation 69KV Line	N/A	N/A	$26,946	10/1/2010
38	WA47436	Replace Transformer	3,410,456	The purpose of this project is to replace one of the four 500/230kV transformers (transformer 3A) at the Rudd Substation that experienced distress and caught fire due to bushing failure.	N/A	N/A	$96,630	3/31/2012
39	W360179	Gateway 69kV Line to Gavilan Peak	4,876,964	This project redesigned the 69kV OH lines from west side of 7th Ave to east side to be in lead with existing 12kV OH lines. In addition to change in line route, poles were changed from galvanized to core ten (rustic) color.	N/A	28798 ft.	$69,090	8/20/2013
40	WA145391	Kofa Substation: Close In Ring Bus	5,224,774	The cap bank is needed to mitigate the 5% post transient voltage deviation at the Kofa bus for the loss of Hoodoo Wash - North Gila 500kV line.	N/A	N/A	$103,625	6/17/2013

Arizona Public Service Company
2013 Transmission Actual Addition Dollars and Estimated O&M

Line No.	WA#	Description	Actual Cost	Purpose	Renewables Impact	Miles	Estimated O&M	In-Service Date
41	WA115147	Young's Canyon - Sandvig 69 line	5,524,530	This WA provides the materials and man-hour costs to build 5.3 miles of 69kv (3-A795X+F656V NS) *with 12kv underbuild (3-A795V+R2/0V NC) from pole 9/12* to Sandvig Sub in Flagstaff. This project includes costs for installation of steel weathered poles, hole digging under energized lines, environmental assessment and monitoring, tree trimming, rental equipment to mobilize the poles, security, cranes, fly yard construction, helicopter costs, traffic control and police, materials labor and trenching for underground cutovers, operational switching, replacement of existing transformer banks on poles, and permitting costs, etc. Costs for spreading the 12kv lines energized (hot) to set the new poles in place are also included.	This project is identified in APS's Renewable Transmission Action Plan (RTAP) filing at the Arizona Corporation Commission(ACC). This project was identified as a project that has the potential to increase the renewable energy development in Arizona and is also one of the 'Top 3' renewable Transmission projects in a filing at the ACC. The Delany substation provides the interconnection point for three solar generation projects, totaling 1500 MWs and the line back to Palo Verde is needed to transmit their output. Also, as part of the overall Palo Verde-Sun Valley 500kV project it will increase the ability to schedule renewables to Phx Valley by increasing the scheduling capability from PV Hub.	5.3	$78,264	8/20/2013
42	W490387	Black Peak / Bouse Expansion	6,804,683	This project replaced the 161/69kV, 35 MVA transformer at Black Peak with 100 MVA transformer. The transformer is capable of operating with a 230kV high side. The scope included the installation of a breaker to support the new transformer. The transformer will be placed in the location to support the future re-build of the sub. That re-build is needed to accommodate WAPA's plans to upgrade to 230kv.	N/A	N/A	$38,560	11/13/2013
43	W485005	Black Peak - Eagle Eye: Phase 5 of	7,195,166	*Rebuild Vicksburg Tap-Salome 69kV line to 795ACSS*	N/A	12.25	$142,704	6/27/2013
44	WA94239	Moenkopi 500kV Capacitor Bank C4 r	11,440,442	This project replaced a 525kV capacitor bank over 40 years old and had reached end of its life. The bank is essential to maintain reliability and capacity of the EHV transmission system.	N/A	N/A	$388,975	1/1/2013
45	W213771	Young's Canyon Substation: 345/69KV Build	11,974,010	This project constructed a new 345/69kV substation in Winona, Arizona. This substation supports the load in the Northern Arizona area. The feed for the substation will come from WAPA's Flagstaff Substation at 345kV. The power will be transformed to 69 kiva and will be tied in to the existing Cocomino - Winslow 69 line.	N/A	N/A	$33,926	12/9/2013
		Work Orders > $250k	90,122,361					
		Work Orders < $250K	(12,242,600)				$1,722,896	
			77,879,761					

Arizona Public Service Company
2014 Transmission Estimated Addition Dollars and O&M

Line No.	WA#	Description	CWIP Amount	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
1	WA164331	EV2 Substation: Build a new 69kV/12kV substation	5,735,592	Rio Salado Project is being constructed to support the electric needs for the Marina Heights Development, in Tempe, Arizona. Marina Heights is a customer driven project to construct a commercial development along the north side of Rio Salado Parkway, west of Rural Road. This work is needed because of the lack of distribution capacity in this area.	N/A	N/A	$16,251	12/1/2014
2	WA1779	Scatter Wash Sub(TS6):230/69kV Site Prep	3,924,505	Scatter wash substation formerly known as TS6 site prep located on SW corner of Happy Valley Road & Central Ave. Partial site prep only to install wall and do offsite improvements. Land has purchased 24 acres for 230/69kV substation.	N/A	N/A	$77,836	6/2/2014
3	W466908	Country Club / Evans Churchill 69kv Reconductor	3,307,904	The Country Club-Evans Churchill line can be overloaded by 8% for loss of the West Phoenix-Fillmore line. Replacing the conductor eliminates this overload concern.	N/A	2.7	$65,607	6/2/2014
4	W465525	Polk Substation: Upgrade (2) 20MVA Transformers for (2) 41MVA Transformers For IO Data Centers	2,232,584	The load is expected to increase due to Data Center's business. The current transformers will not allow for the planned expansion in the customer's load. Transformers T1397 and T1398 will be removed and credited back to the job.	N/A	N/A	$25,303	9/30/2014
5	WA106829	Verde Relay Upgrade	2,192,012	The Coconino Substation ring bus upgrade requires upgrades at Verde Substation: The DTA presently connected to the L1 relay RS232 port will need to be removed and metering for the Coconino line provided by the SEL2030. The SEL2030 settings need to be modified along with the RTU configuration. The RS232 port's on both the L1 and L2 relay will be used for the mirrored bit interface to communications.	N/A	N/A	$6,211	12/30/2014
6	WA136740	Country Club Sub 69kv Expansion	2,148,117	Loss of the existing Country Club / Evans Churchill 69kv line may cause a 4% overload on the Fillmore / West Phoenix 69kv line. A second 69kv line from Country Club to Evans Churchill is needed to correct the 4% overload under N-1 conditions. Both circuits will be re-built at 3-795ACSS to gain full capacity. McDowell Substation has already been removed this line section to the Durango / Encanto 69kv lines to mitigate potential overloads. The second 69kv line also eliminates the need to re-build the Fillmore / West Phoenix line in the near future.	N/A	N/A	$42,604	6/2/2014
7	WA161329	Kofa Substation: Add Cap Bank (ATS Participant Cost)	2,125,364	The cap bank is needed to mitigate the 5% post transient voltage deviation at the Kofa bus for the loss of Hoodoo Wash - North Gila 500kV line.	N/A	N/A	$66,241	2/1/2014
8	WA182460	345kV Spare Unit at Young's Canyon	1,837,924	This WA will capture costs to commission the 345kV/69kV unit that arrives at Young's Canyon Sub in 2014. The transformer will be set and assembled on the existing concrete pad by the Supplier.	N/A	N/A	$20,830	9/1/2014
9	WA117182	Century-Roadrunner 69kV Line: Double	1,784,473	The Doubletree In & Out Rebuild will increase reliability by eliminating the radial line into the substation.	N/A	N/A	$55,616	2/1/2014
10	WA131711	Adams Tap MOI & Communication	1,673,087	.The interrupters need replacement because parts are obsolete. The old MOs are mechanical and the last one stopped working 6-months ago. The root of the problem is when opened, they won't open together, causing the line to trip.	N/A	N/A	$33,183	6/1/2014
11	W371913	Sundance to Pinal Central 230kV	1,328,057	Provide an interconnection from the Perrin Ranch Substation to the APS transmission system. This consists of the construction of the following items; a new 500kV switchyard, named Cedar Mountain, a tie to the Moenkopi -Yavapai 500 line and upgrade the relaying at Moenkopi and Yavapai Substations and communications upgrades at Bill Williams Mountain.	N/A	N/A	$37,628	3/1/2014
12	WA127844	Pinnacle Peak 345kV SFA breaker replacement PP832	994,849	Pinnacle Peak-345kV pressure, live tank breaker are obsolete, require high maintenance, and are expensive to overhaul. Replacement needed for reliability.	N/A	N/A	$2,819	12/31/2014
13	WA164409	EV2 69kV Line: New 69kV Line to the EV2 Substation	976,812	This portion of the Rio Salado (EV2) project is for the construction of a new 69kV overhead line from Butte substation to the new Rio Salado (EV 2) substation. In addition, the Butte – Ocotillo #3 line will be moved to a new substation bay to allow for the termination of the new Butte- Rio Salado 69 line.	N/A	0.5	$2,768	12/1/2014
14	WA138380	Reach Access Rd & Mitigation: Civil Eng & Construction for Land Easement	857,341	Revise Reach access road to follow future Mayo expansion. Provide all survey work for line relocation, access road, plant salvage, 404 wash improvements.	N/A	N/A	$2,429	12/1/2014
15	WA121351	TS8 Substation Property Acquisition	817,034	This work order is to capture the land acquisition, survey and right of way costs associated with the new Substation - TS-8 Substation. The project includes a double circuit 230kV transmission line approximately 13 miles in length and begins at the existing North Gila Substation northeast of the City of Yuma and terminates at a future TS-8 Substation to the southwest.	N/A	N/A	$16,205	6/13/2014
16	WF14RWTRA	Transmission Right of Wayapital Leases	727,009	Transmission Right of Way capital lease	N/A	N/A	$24,718	1/15/2014
17	W214014	Mazatzal Sub access road	719,640	Construction of Mazatzal Sub access road	N/A	N/A	$20,390	3/1/2014
18	WA156683	Show Low 69KV Pole Installation	670,556	The Overhead 69kV job includes setting 4 - 69A60 transition poles and 2 -65-H3 poles. Two 69kV switches will be removed and replaced with current standard switches. Additional poles were necessary to limit the uplift on the wire created by the new 69kv underground transition poles to the 50' existing pole line. All 69kV and 12kV removals, within our easement, are included in this job.	N/A	N/A	$15,199	5/1/2014
19	WA86390	Transformer 10MVA Refurb, upgrade to 12MVA. MBL#8. Vendor is Delta Star. [WPDM]	634,448	Transformer 10MVA Refurbishment MBL#8.complete refurbishment of Mobile, including replacement of present transformer T1118	NA	NA	$12,583	6/9/2014

Arizona Public Service Company
2014 Transmission Estimated Addition Dollars and O&M

Line No.	WA#	Description	CWIP Amount	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
20	WA96482	MCDOT 69KV Northern Parkway Phase 2/Northern AV/Dysart RD to 111 AVE	618,774	69KV needs to be relocated due to being in potential conficit with New MCDOT Northern Parkway Bridge and Road Realignment improvements.	N/A	0.5	$3,506	11/30/2014
21	WA170692	Lower River Substation - Adding second 6.25MVA Transformer	592,169	The purpose of the second transformer will be to provide a second source to feed the Hassayampa Water Pumping Station, which serves as the primary water pumping facility for Palo Verde Nuclear Generating Station ("PVNGS").	N/A	N/A	$6,711	9/1/2014
22	WA160669	Orangewood Substation - Wall	524,496	The purpose of the project is to upgrade the perimeter wall at Orangewood Substation, a much needed improvement that will addresses safety concerns, since the current wall height is a non-standard 6 foot tall, and should alleviate the visual impact to the neighbors living in the surrounding community	N/A	N/A	$1,486	12/1/2014
23	WA137897	Rebuild Feeder (Sedona)	468,152	Re-conductoring this line will relieve overload and allow for adequate contingency for resort communities	N/A	N/A	$9,285	6/1/2014
24	WA138388	Reach Substation: 69kV OH Lines	457,869	Install 10 new single circuit galvanized 69kV poles from Tatum Blvd west to Reach Substation. Wire is 69kV R795X ACSS with F656B 48 count fiber in the static position. This line needs to be relocated to satisfy State's requirement prior to them granting APS a perpetual easement for Reach Sub.	N/A	0.74	$14,270	2/1/2014
25	WA174403	Vr-1 12Kv Feeder Extension/Boynton Canyon Rd	455,506	The Northwest Division reports low voltage at the TAO Fellowship development during winter peak conditions. The development is served from the CP04 12 kV feeder, a single phase 4R line that extends for more than 13 miles from Boyton Canyon Road. The line currently has two voltage regulators and one capacitor bank. The addition of a new single phase 69/12 kV platform substation connected to this feeder will provide the required voltage support.	N/A	).6	$3,872	10/1/2014
26	WA118660	Raceway Permanent Access	363,820	This WA is to construct a permanent bridge over the Beardsley Canal to allow access via public rights of way. It is expected that construction will be complete in 2014.	N/A	N/A	$7,216	6/15/2014
27	WA175887	Hang II - Install UG Fiber Conduit From Hassayampa To Redhawk Sub	340,549	Install 4402 Feet Of 4-2" Duct And 327 Feet 2-2" Duct, All Encased In 3000 Psi Concrete, With Two Conduits Tying Hang II Tower #4 To Redhawk Switchyard Control Building, And With The Other Two Conduits Tying Hang II Tower #4 To Existing Vault Located 112 Ft South Of Control Building. .	N/A	N/A	$965	12/31/2014
28	WA118945	Breaker Replace 69kV WAPA Oracle	340,053	The project is for replacement of equipment at Oracle Sub. CT's associated with Bay 5 are leaking and associated transformer (PT) was also identified as needing replacement.	N/A	N/A	$9,635	3/15/2014
29	W398649	Estrellita to Proposed GY5 Substation	334,091	Land Department pulled this work order for the purpose of acquiring all necessary rights of way for the Estrellita to Willis 69kv project.	N/A	9	$6,626	6/30/2014
30	W393890	Verde-Coco NW-5	325,202	Verde-Coco NW-5			$10,135	2/1/2014
31	WA146270	Climbing Inspection	315,331	2013 Capital work performed during climbing inspections. Pending work; reconcile materials, design and close	N/A	N/A	$10,721	1/1/2014
32	WA153428	Replace 500kV Breaker 912	312,538	Replace 500kV Breaker 912	N/A	N/A	$8,855	3/15/2014
33	WA106828	Leupp Relay Upgrade	290,097	The Coconino Substation ring bus upgrade requires upgrades at Leupp Substation	N/A	N/A	$822	12/30/2014
34	WA20630	Circuit Switcher 230kV Rebuild 1 - GL621J	262,013	Replace 230KV circuit switcher at Glendale Sub	N/A	N/A	$8,166	2/28/2014
35	WA106827	Cholla Relay Upgrade	250,771	The Coconino Substation ring bus upgrade requires upgrades at Cholla Substation :	N/A	N/A	$711	12/30/2014
36	WA180950	Transformer 230kV	236,665	The purpose of this project is to replace a transformer 203kV SS #1.	N/A	N/A	$7,376	2/1/2014
37	W358565	VR1 69kV Line - Windmill	222,488	The Northwest Division reports low voltage at the TAO Fellowship development during winter peak conditions. The addition of a new single phase 69/12 kV platform substation connected to this feeder will provide the required voltage support.	N/A	N/A	$1,891	10/1/2014
							$656,670	

Work Orders > $250k	41,397,893
Work Orders < $250K	(3,511,070)
Total 2014 Estimate	**37,886,823**

Arizona Public Service Company
2015 Transmission Estimated Addition Dollars and O&M

Line No.	WA#	Description	CWIP Amount	Purpose	Renewables Impact	Miles	Estimated O&M	Estimated In-Service Date
1	W309024	Hassayampa - North Gila 500kV Line #2	178,700,000	The Hassayampa to North Gila #2 project helps satisfy both our immediate resource need and future load growth.	N/A	112	$3,544,217	6/1/2015
2	W218201	Trilby Wash Substation: Construct A	17,206,492	The Trilby Wash substation relieves loads to the Westwing 230/69kV transformers or loss of an adjacent transformer. Furthermore, Trilby Wash relieves loads to the McMicken-Surprise 69kV line for the loss of the McMicken-Westwing 69kV line. Without this project Trilby Wash is left on a radial 230kV line from Sun Valley. Also, this project will increase the import / scheduling capability of the Sun Valley project by connecting it into the Phoenix 230kV network.	N/A	N/A	$341,262	6/1/2015
3	W399949	North Gila -500kV Substation Addition	12,572,594	The Hassayampa to North Gila #2 project helps satisfy both our immediate resource need and future load growth. Encompassed in this work order is all the work at North Gila sub, as part of the overall HANG2 Project.	N/A	N/A	$249,356	6/1/2015
4	W420700	Hassayampa to North Gila 500kV #2 -	8,474,290	The Hassayampa to North Gila #2 project helps satisfy both our immediate resource need and future load growth. Encompassed in this work order is all the land acquisition, as part of the overall HANG2 Project.	N/A	N/A	$24,010	12/1/2015
5	WA11110	Hassayampa: New bay for Hassayampa	8,225,700	The Hassayampa Bay 10 additions complete 1 of 2 termination points needed for the Hassayampa – North Gila 500kV line effort. The second termination point is located in Yuma at the North Gila substation. Encompassed in this work order is all the work at the Hassayampa Switchyard, as part of the overall HANG2 Project.	N/A	N/A	$163,143	6/1/2015
6	W474599	MAZATZAL SUBSTATION: SITE PREP FOR	4,351,000	New substation with 200MVA 345/69kV Transformer and (2) 345kV Line Breakers.	N/A	N/A	$12,328	12/15/2014
7	WA148215	Estrellita- Willis(GY05): 69kV OH L	1,416,386	The new Willis Substation is required to provide capacity to the southern area of Estrella Mountain Ranch. With the residential housing market beginning to stabilize, additional capacity may be required in late 2013-2014.	N/A	8.8	$28,092	6/1/2015
8	WA125731	Cave Creek to Gavilan Pk 69kV OH:	4,072,029	This line will improve reliability in the Cave Creek area by providing a second source into the existing Cave Creek radial sub as well as creating a 69kV network in the NE Valley.	N/A	9	$11,537	12/1/2015
	WA157349	YA04 Saddle Creek	3,883,814	Rebuild the 4ACW currently without a neutral to 4ACW+N and serve customers in this area. Ths project includes the removal of the grounding transformer currently installed there. Because this line exists without a neutral and has old poles, many poles will have to be replaced to add a neutral.	N/A	N/A	$11,004	12/1/2015
10	W409207	Trilby Wash-Palm Valley Build New 230kV Line	23,676,374	The Trilby Wash substation relieves loads to the Westwing 230/69kV transformers or loss of an adjacent transformer. Furthermore, Trilby Wash relieves loads to the McMicken-Surprise 69kV line for the loss of the McMicken-Westwing 69kV line. Without this project Trilby Wash is left on a radial 230kV line from Sun Valley. Also, this project will increase the import / scheduling capability of the Sun Valley project by connecting it into the Phoenix 230kV network.	N/A	12	$469,581	6/1/2015
12	W503587	Palo Verde Switchyard	1,430,459	Palo Verde Switchyard Line Breaker Replacements	N/A	N/A	$4,053	12/31/2015
14	W503584	Palo Verde Switchyard	400,871	Palo Verde Switchyard Line Breaker Replacements	N/A	N/A	$1,136	12/31/2015
15	WA179218	Palm Valley: Bay Additions for Trilby Wash 230kV line	885,000	The Palm Valley Bay additions are needed for the 230kV line that will tie into the planned Trilby Wash substation.	N/A	N/A	$17,553	6/1/2015
16	WA80413	Dupont Substation: New 69kV/12kV substation	2,385,655	Construct a new 69kV/12kV substation in the Yuma area.There is additional load planned in the Yuma area in the near future. These future loads are the Johnson Controls facility, YRMC Data Center, MCAS Hanger additions, Fed Ex Facility, and new Border Patrol hangers.	N/A	N/A	$47,315	6/1/2015
17	W485010	SW4 (Dupont): 69kV In & Out/Co. 11t	2,068,900	The Purpose and Necessity for the new 69kV line is to relieve loads on Thirty Second St substation #3 and San Luis Feeder #1. There is also additional load planned in the Yuma area in the near future.	N/A	3	$41,033	6/1/2015
18	WA160155	Cave Creek Sub: 69/12kV Site Prep Including Wall	1,218,521	The substation expansion and line will improve reliability in the Cave Creek area by providing a second source into the existing Cave Creek radial sub, as well as creating a 69kV network in the Northeast Valley.	N/A	NA	$24,167	6/1/2015
19	WA164017	Waddell Sub: Install 2nd 41 MVA XFMR	1,083,000	Provide 69/12 kV transformer to avoid a potential overload on the existing Waddell transformer. Extend 69-kV bus, one 41 MVA transformer and one 3000 amp low-side transformer breaker. Move Feeders WD09, WD12 & WD13 to new transformer by opening 12kV bus tie.	N/A	0	$12,274	9/1/2015
20	WA123752	Soldier's Trail (N03) 69kV OH: 69kV OH line in & Out + Fiber	339,667	In & out 69kV OH + OH fiber required to serve Soldier's Substation. Substation includes two 69kV line breakers, one 20 mva transformer, one 69kV cap bank and two 12kV feeders. Coconino (CQ) Substation transformer 15 peaked at 18.4 MVA in February 2011. Feeder CQ 14, which is on CQ 15, is the backup feeder to both of the Flagstaff Hospital AT switches. Key Customers: NAU, Flagstaff Medical Center.	N/A	0.03	$1,925	11/1/2015
		Work Orders > $250k	272,390,752				$5,003,987	
		Work Orders < $250K	1,314,788					
		Total 2015 Estimate	**273,705,540**					

Arizona Public Service Company

Formula Rate -- Appendix A

Shaded cells are input cells

		Notes	FERC Form 1 Page # or instruction	2013
	Allocators			
	Wages & Salary Allocation Factor			
1	Transmission Wages Expense		p354.21.b	19,086,302
2	Total Wages Expense		p354.26b	374,334,960
3	Less A&G Wages Expense		p354.27b	94,697,019
4	Total		(Line 2 - 3)	279,637,941
5	**Wages & Salary Allocator**		(Line 1 / 4)	**6.8254%**
	Plant Allocation Factors			
6	Electric Plant in Service	(Note B)	Attachment 5	15,481,535,680
7	Total Plant In Service		(Sum Line 6)	15,481,535,680
8	Accumulated Depreciation (Total Electric Plant)		Attachment 5	6,066,369,873
9	Total Accumulated Depreciation		(Line 8)	6,066,369,873
10	Net Plant		(Line 7 - 9)	9,415,165,807
11	Transmission Gross Plant		(Line 22 - Line 38)	2,222,688,676
12	**Gross Plant Allocator**		(Line 11 / 7)	**14.3570%**
13	Transmission Net Plant		(Line 32 - Line 38)	1,510,459,120
14	**Net Plant Allocator**		(Line 13 / 10)	**16.0428%**
	Plant Calculations			
	Plant In Service (Note O)			
15	Transmission Plant In Service	(Note B)	Attachment 5	2,171,897,249
16	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	13,134,630
17	**Total Transmission Plant In Service**		(Line 15 + 16)	**2,185,031,879**
18	General & Intangible		Attachment 5	1,277,032,460
19	Total General		(Line18)	1,277,032,460
20	Wage & Salary Allocation Factor		(Line 5)	6.82536%
21	**General Plant Allocated to Transmission**		(19 * 20)	**87,162,089**
22	**TOTAL Plant In Service**		**(Line 17 + 21)**	**2,272,193,968**
	Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B)	Attachment 5	660,226,524
24	Accumulated Depreciation for Transmission Plant Additions for Current Rate Year		Attachment 6	83,162
25	**Total Transmission Accumulated Depreciation**		(Line 23 + Line 24)	660,309,686
26	Accumulated General Depreciation		Attachment 5	165,626,181
27	Accumulated Intangible Depreciation		Attachment 5	595,064,160
28	Total Accumulated Depreciation		(Sum Lines 26 to 27)	760,690,341
29	Wage & Salary Allocation Factor		(Line 5)	6.8254%
30	**General Allocated to Transmission**		(Line 28 * 29)	**51,919,870**
31	**TOTAL Accumulated Depreciation**		**(Line 25 + 30)**	**712,229,556**
32	**TOTAL Net Property, Plant & Equipment**		**(Line 22 - 31)**	**1,559,964,412**

Adjustment To Rate Base

	Accumulated Deferred Income Taxes			
33	ADIT net of FASB 106 and 109		Attachment 1	-396,639,149
34	**Accumulated Deferred Income Taxes Allocated To Transmission**		(Line 33)	**-396,639,149**
	Transmission O&M Reserves			
35	**Total Balance Transmission Related Account 242 Reserves**	Enter Negative	Attachment 5	-7,455,980
	Prepayments			
36	Prepayments	(Note A)	Attachment 5	33,359,785
37	**Total Prepayments Allocated to Transmission**		(Line 36)	**33,359,785**
38	**Land Held for Future Use**	(Note C)	p214	**49,505,292**
	Materials and Supplies			
39	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	194,192
40	Wage & Salary Allocation Factor		(Line 5)	6.8254%
41	Total Transmission Allocated		(Line 39 * 40)	13,254
42	Transmission Materials & Supplies		p227.8c	31,042,642
43	**Total Materials & Supplies Allocated to Transmission**		(Line 41 + 42)	**31,055,896**
	Cash Working Capital			
44	Operation & Maintenance Expense		(Line 72)	68,212,310
45	Zero Cash Working Capital		Zero	0.0%
46	**Total Cash Working Capital Allocated to Transmission**		(Line 44 * 45)	0
	Network Credits			
47	Outstanding Network Credits	(Note N)	Attachment 5	16,080,641
48	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	Attachment 5	647,705
49	Net Outstanding Credits		(Line 47 - 48)	**15,432,936**
50	**TOTAL Adjustment to Rate Base**		(Line 34 + 35 + 37 + 38 + 43 + 46 - 49)	**-305,607,091**
51	**Rate Base**		(Line 32 + 50)	**1,254,357,321**

O&M

	Transmission O&M			
52	Transmission O&M		p321.112.b	72,068,252
53	Less Account 565		p321.96.b	20,531,524
54	**Transmission O&M**		(Line 52 - 53)	**51,536,728**
	Allocated General Expenses			
55	Total A&G		p323.197.b	213,793,482
56	Less PBOP Adjustment		Attachment 5	6,010,884
57	Less Property Insurance Account 924		p323.185b	5,597,748
58	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	16,440,636
59	Less General Advertising Exp Account 930.1		p323.191b	5,369,001
60	Less EPRI Dues	(Note D)	p352-353	0
61	**General Expenses**		(Line 55) - Sum (56 to 60)	180,375,213
62	Wage & Salary Allocation Factor		(Line 5)	6.8254%
63	**General Expenses Allocated to Transmission**		(Line 61 * 62)	**12,311,261**
	Directly Assigned A&G			
64	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	3,466,283
65	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
66	Subtotal - Transmission Related		(Line 64 + 65)	**3,466,283**
67	Property Insurance Account 924		p323.185b	5,597,748
68	General Advertising Exp Account 930.1	(Note F)	Attatchment 5	0
69	Total		(Line 67 + 68)	5,597,748
70	Net Plant Allocation Factor		(Line 14)	16.0428%
71	**A&G Directly Assigned to Transmission**		(Line 69 * 70)	**898,037**
72	**Total Transmission O&M**		**(Line 54 + 63 + 66 + 71)**	**68,212,310**

Depreciation & Amortization Expense

	Depreciation Expense (Note P)			
73	Transmission Depreciation Expense		p336.7f	**43,434,380**
74	New plant Depreciation Expense		Attachment 6	**285,691**
75	**Total Transmission Depreciation Expense**		(Line 73 + Line 74)	**43,720,071**
76	General Depreciation		p336.10f	34,534,138
77	Intangible Amortization	(Note A)	p336.1f	53,085,290
78	Total		(Line 76 + 77)	87,619,428
79	Wage & Salary Allocation Factor		(Line 5)	6.8254%
80	**General Depreciation Allocated to Transmission**		(Line 78 * 79)	**5,980,343**
81	**Total Transmission Depreciation & Amortization**		**(Line 75 + 80)**	**49,700,414**

Taxes Other than Income

82	Taxes Other than Income		Attachment 2	30,896,917
83	**Total Taxes Other than Income**		**(Line 82)**	**30,896,917**

Return / Capitalization Calculations

	Long Term Interest			
84	Long Term Interest		p117.62c through 67c	187,138,083
85	**Long Term Interest**		(Line 84)	187,138,083
86	**Preferred Dividends**	enter positive	p118.29c	0
	Common Stock			
87	Proprietary Capital		p112.16c	4,308,884,619
88	Less Preferred Stock	enter negative	(Line 96)	0
89	Less Accumulated Other Comprehensive Income Account 219	enter negative	p112.15c	53,372,420
90	Less Account 216.1	enter negative	p112.12c	0
91	**Common Stock**		(Sum Lines 87 to 90)	4,362,257,039
	Capitalization			
92	Long Term Debt		p112.18c through 23c	3,199,179,854
93	Less Loss on Reacquired Debt	enter negative	p111.81c	-18,207,479
94	Plus Gain on Reacquired Debt	enter positive	p113.61c	414,988
95	Total Long Term Debt		(Sum Lines 92 to 94)	3,181,387,363
96	Preferred Stock		p112.3c	0
97	Common Stock		(Line 91)	4,362,257,039
98	**Total Capitalization**		(Sum Lines 95 to 97)	7,543,644,402
99	Debt %		(Line 95 / 98)	42%
100	Preferred %		(Line 96 / 98)	0%
101	Common %		(Line 97 / 98)	58%
102	Debt Cost		(Line 85 / 95)	0.0588
103	Preferred Cost		(Line 86 / 96)	0.0000
104	Common Cost	(Note J)	Fixed	0.1075
105	Weighted Cost of Debt		(Line 99 * 102)	0.0248
106	Weighted Cost of Preferred		(Line 100 * 103)	0.0000
107	Weighted Cost of Common		(Line 101 * 104)	0.0622
108	**Total Return (R)**		(Sum Lines 105 to 107)	**0.0870**
109	**Investment Return = Rate Base * Rate of Return**		**(Line 51 * 108)**	**109,093,112**

Composite Income Taxes

	Income Tax Rates			
110	FIT=Federal Income Tax Rate			35.00%
111	SIT=State Income Tax Rate or Composite	(Note I)		6.94%
112	p		FIT deductible for SIT	0.00%
113	T = 1-{[(1-SIT) * (1-FIT)]/(1-SIT * FIT * p)}			39.51%
114	T/ (1-T)			65.32%
	ITC Adjustment	(Note I)		
115	Amortized Investment Tax Credit	enter negative	p266.8f	0
116	T/(1-T)		(Line 114)	65.32%
117	Net Plant Allocation Factor		(Line 14)	16.0428%
118	**ITC Adjustment Allocated to Transmission**		(Line 115 * (1 + 116) * 117)	0
119	**Income Tax Component =**		[Line 114 * 109 * (1-(105 / 108))]	50,934,806
120	**Total Income Taxes**		**(Line 118 + 119)**	**50,934,806**

REVENUE REQUIREMENT

	Summary		
121	Net Property, Plant & Equipment	(Line 32)	1,559,964,412
122	Adjustment to Rate Base	(Line 50)	-305,607,091
123	**Rate Base**	(Line 51)	**1,254,357,321**
124	O&M	(Line 72)	68,212,310
125	Depreciation & Amortization	(Line 81)	49,700,414
126	Taxes Other than Income	(Line 83)	30,896,917
127	Investment Return	(Line 109)	109,093,112
128	Income Taxes	(Line 120)	50,934,806
129	**Gross Revenue Requirement**	**(Sum Lines 124 to 128)**	**308,837,558**

	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
130	Transmission Plant In Service		(Line 15)	2,171,897,249
131	Excluded Transmission Facilities	(Note M)	Attachment 5	112,913,623
132	Included Transmission Facilities		(Line 130 - 131)	2,058,983,626
133	Inclusion Ratio		(Line 132 / 130)	94.80%
134	Gross Revenue Requirement		(Line 129)	308,837,558
135	**Adjusted Gross Revenue Requirement**		(Line 133 * 134)	**292,781,565**
	Revenue Credits & Interest on Network Credits			
136	**Revenue Credits**		Attachment 3	16,034,733
137	**Interest on Network Credits**	(Note N)	Attachment 5	356,335
138	**Net Revenue Requirement**		**(Line 135 - 136 + 137)**	**277,103,166**
	Net Plant Carrying Charge			
139	Net Revenue Requirement		(Line 138)	**277,103,166**
140	Net Transmission Plant		(Line 15 - 23)	**1,511,670,725**
141	Net Plant Carrying Charge		(Line 139 / 140)	**18.3309%**
142	Net Plant Carrying Charge without Depreciation		(Line 139 - 73) / 140	**15.4577%**
143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 139 - 73 - 109 - 120) / 140	**4.8715%**
	Net Plant Carrying Charge Calculation per 100 Basis Point Increase in ROE			
144	Net Revenue Requirement Less Return and Taxes		(Line 138 - 127 - 128)	**117,075,248**
145	Increased Return and Taxes		Attachment 4	**172,019,601**
146	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 144 + 145)	**289,094,850**
147	Net Transmission Plant		(Line 15 - 23)	**1,511,670,725**
148	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 146 / 147)	**19.1242%**
149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 146 - 73) / 147	**16.2509%**
150	**Net Revenue Requirement**		(Line 138)	**277,103,166**
151	True-up amount		Attachment 6	**5,822,796**
152	Plus any increased ROE calculated on Attachment 7		Attachment 7	-
153	Facility Credits under Section 30.9 of the APS OATT		Attachment 5	-
154	**Net Adjusted Revenue Requirement**		(Line 150 - 151 + 153)	**282,925,962**
	Annual Point-to-Point Transmission Rate			
155	Average of the 4 Summer CP	(Note L)	Network Transmission Peak Report	**7,941,093**
156	Annual Point-to-Point Transmission Rate		(Line 154 / 155)	**35.63**
157	Average of the 8 Non-Summer CP	(Note L)	Network Transmission Peak Report	**5,271,647**
158	Implied Non-Summer Revenue Requirement		((Line 156/12)*8* Line 157)	**125,212,472**
159	Implied Summer Revenue Requirement		(Line 138 - Line 158)	**151,890,695**
160	Implied Annualized Summer Point-to-Point Transmission Rate		((Line 154- line 158/Line 155/4)*12)	**59.58**

Retail Transmission Rates

161	Residential (kWh)	Rate Design Worksheet	0.01117
162	Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)	Rate Design Worksheet	0.00601
163	Gen Serv < 3MW (kW)	Rate Design Worksheet	2.093
164	Gen Serv > 3MW (kW)	Rate Design Worksheet	2.588

Notes

A Electric portion only
B Exclude Construction Work In Progress expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the Transmission Plan must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service
C Transmission Portion Only
D All EPRI Annual Membership Dues
E All Regulatory Commission Expenses
F Safety related advertising included in Account 930.1
G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T). A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income. If the tax rates change during a calendar year, an average tax rate will be used - calculated based on the number of days each was effective in the calendar year.
J ROE of 10.75%
K Education and outreach expenses relating to transmission, for example siting or billing
L Based on APS Network Transmission Peak Report
M Amount of transmission plant excluded from rates per Attachment 5.
N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmisison Owner whole on Line 137.
O AFUDC shall not be applied to the portion of a Network Upgrade for which the customer has provided the funds.
P Changes in depreciation or amortization rates must be filed with the Commission, as well as any new depreciation or amortization rates.

END

Arizona Public Service Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Transmission Related	*Plant Related*	*Labor Related*	*Total ADIT*
ADIT- 282	0	(2,804,996,655)	0	(2,804,996,655)
ADIT-283	0	(10,144,623)	0	(10,144,623)
ADIT-190	0	38,346,862	30,329,899	68,676,761
ADITC-255	(44,075)			(44,075)
Subtotal	(44,075)	(2,776,794,416)	30,329,899	(2,746,508,592)
Wages & Salary Allocator (Appendix A, Line 5)			6.8254%	
Gross Plant Allocator (Appendix A, Line 12)		14.3570%		
ADIT	(44,075)	(398,665,199)	2,070,125	(396,639,149)

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-E and each separate ADIT item will be listed, dissimilar items with amounts exceeding $100,000 will be listed separately.

A *ADIT-190*	B *Total*	C *Gas, Prod Or Other Related*	D *Only Transmission Related*	E *Plant Related*	F *Labor Related*	G *Justification*
Deferred Credits - Injury Reserve	1,564,530	1,564,530				Book liability for Injuries recorded in FERC account(s) 228. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - SFAS 112	4,129,766	2,874,083			1,255,683	Book liability for FAS 112 is recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Deferred Credits - Legal Reserves	1,978,867	1,978,867				Book liability for legal reserves recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Palo Verde Rent	3,751,700	3,751,700				Book liability for Palo Verde rent recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Coal Reclaimation	81,968,353	81,968,353				Book liability for coal reclamation recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Unamortized Gain on PV Sale/Leaseback	0	0				Book liability for unamortized gain on PV sale/lease back recorded in FERC account(s) 256. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Def Comp	10,350,777	9,287,347			1,063,430	Book liability for Deferred Compensation recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Deferred Credits - Medical Reserve	3,216,650	0			3,216,650	Book liability for medical reserve recorded in FERC account(s) 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Deferred Credits - Option II	3,108,973	3,108,973				Book liability for Option II recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Retention Units	24,393,531	24,393,531				Book liability for retention units recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Deferred Credits - Transmission ROW Reserve	0	0				Book liability for transmission ROW reserve is recorded in FERC account(s) 253. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - ARO	105,057,220	105,057,220				Book liability for ARO regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - PacifiCorp	4,741,407	4,741,407				Book liability for PacifiCorp regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Gain on Sale of Property	24,882	24,882				Book liability for Gain on Sale of Property regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - PV ISFS	16,512,132	16,512,132				Book liability for PV ISFS regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Power Supply Adjustor	0	0				Book liability for Power Supply Adjustor regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Unamortized Gain on Reacquired Debt	163,969	0		163,969		Book components of unamortized gain/loss on reacquired debt are recovered vis-à-vis the cost of capital calculation. As such, rate base is reduced for the ADIT associated with these regulatory accounts by designating such ADIT as plant related.

ATTACHMENT H

Reg Liab - Deferred ITC	82,116,070	82,116,070				Book liability for Deferred ITC regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Sundance Maintenance	4,132,848	4,132,848				Book liability for Sundance Maintenance regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liability - Amonix	2,434,685	2,434,685				Book liability for Amonix regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab-Renewable Energy Standard	0	0				Book liability for Renewable Energy Standard regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab-Star Center Patent Rights	444,662	444,662				Book liability for Star Center Patent Rights regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - SFAS 109 - AZ/NM Rate Change	3,293,903	3,293,903				Book liability for SFAS 109 AZ Rate Change regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Arizona Sun Program	1,504,973	1,504,973				Book liability for AZ Sun Program regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Demand Side Management Program	10,589,029	10,589,029				Book liability for Demand Side Management Program regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Liab - Environmental Improvement Surcharge	(2,917)	(2,917)				Book liability for Environmental Improvement Surcharge regulatory liability recorded in FERC account(s) 254. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
NOL Carryforward	38,182,893			38,182,893		Deferred Taxes associated with book liability for NOL carryforward are related to bonus depreciation on plant additions. The plant additions, and associated ADIT (FERC 282) are included in rate base, as such
Pension and other Postretirement Benefits	186,212,541	181,924,930			4,287,611	Book liability for Pension, OPEB, and SERBP recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Low Income Bill Assistance	1,185,352	1,185,352				Book liability for low income bill assistance recorded in FERC account(s) 242. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	48,466,235	48,466,235				Book liability for mark to market recorded in FERC account(s) 175, 176, 244, and 245. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Suncor Deferred Tax Gain	0	0				Deferred Taxes associated with the tax only asset for SunCor deferred tax gain is not included in rate base, as such ADIT is not included in rate base.
Sales/Use tax and Other Tax Accruals	(1,348,974)	(1,348,974)				Book liability for Sales and Use and other tax accruals recorded in FERC account(s) 236/242. The underlying book accounts are not included in rate base, as such ADIT is not included in rate base.
Interest on Tax Reserve	(1,838,000)	(1,838,000)				Book liability for interest on tax reserve recorded in FERC account(s) 237. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Severance Reserve	238,592	0			238,592	Book liability for severance reserve recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Workers' Compensation	3,107,782	1,958,170			1,149,612	Book liability for workers compensation recorded in FERC account(s) 228 and 242. Only the amount included in account 242 is included in rate base (see Attachment 5). As such, only the ADIT associated with book liability recorded in account 242 is included in rate base.
Vehicle Capital Leases	0	0				Book liability for vehicle capital leases recorded in FERC account(s) 227. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Renewable Energy Incentives	65,433,955	65,433,955				Deferred Taxes associated with the tax only liability for renewable energy incentives is not included in rate base, as such ADIT is not included in rate base.
Accrued Vacation	1,542,986	0			1,542,986	Book liability for vacation accrual recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Accrued Payroll	3,835,737	0			3,835,737	Book liability for accrued payroll recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base.
Accrued Incentive	25,593,856	11,854,258			13,739,598	Book liability for accrued incentive recorded in FERC account 242. The underlying book account is included in rate base, as such ADIT is included in rate base. The book liability associated with the participants portion of accrued incentive is not included in rate base, thus the ADIT associated with the participant portion is not included in rate base.
Subtotal - p234	736,088,965	667,412,204	0	38,346,862	30,329,899	
Less FASB 109 Above if not separately removed	3,293,903	3,293,903	0	0	0	
Less FASB 106 Above if not separately removed	53,950,000	53,950,000	0	0		
Total	678,845,062	610,168,301	0	38,346,862	30,329,899	

Instructions for Account 190:
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in *rates, therefore if the item giving rise to the ADIT is not* included in the formula, the associated ADIT amount shall be excluded

6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

ATTACHMENT H

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A ADIT- 282	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Net Plant Book/Tax Differences	(2,935,898,742)			(2,935,898,742)		Book assets for plant recorded in FERC account(s) 101,106, 107 are included in rate base, as such ADIT is included in rate base.
Reg Liab - Removal Costs	130,902,087			130,902,087		Book liability for removal costs recorded in FERC account(s) 108. The underlying book account is included in rate base, as such ADIT is included in rate base.
Subtotal - p275 (Form 1-F filer: see note 6 below)	(2,804,996,655)	0	0	(2,804,996,655)	0	
Less FASB 109 Above if not separately removed	0			0		
Less FASB 106 Above if not separately removed	0					
Total	(2,804,996,655)	0	0	(2,804,996,655)	0	

Instructions for Account 282:
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not factoded in the formula, the associated ADIT amount shall be excluded

6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A ADIT-283	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Reg Asset - Transmission Vegitation Management	(8,975,413)	(8,975,413)				Book asset for Transmission Vegetation Management regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - AFUDC	(43,058,608)	(43,058,608)				Book asset for AFUDC regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Mead Phx Line	(4,755,822)	(4,755,822)				Book asset for Mead Phx Line regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Decontamination	(45,587)	(45,587)				Book asset for Decontamination regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Unamortized loss on Reacquired Debt	(7,194,090)			(7,194,090)		Book components of unamortized gain/loss on reacquired debt are recovered vis-à-vis the cost of capital calculation. As such, rate base is reduced for the ADIT associated with these regulatory accounts by designating such ADIT as plant related.
Reg Asset - Power Supply Adjustor MTM	(13,343,009)	(13,343,009)				Book asset for Power Supply Adjustor MTM regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Power Supply Adjustor	(8,282,068)	(8,282,068)				Book asset for Power Supply Adjustor regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.

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Reg Asset - Coal Reclaimation	(10,217,870)	(10,217,870)				Book asset for Coal Reclamation regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Pension and Other Postretirement benefits	(129,249,784)	(129,249,784)				Book asset for Pension and Other Postretirement benefits regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Option II	(13,523,124)	(13,523,124)				Book asset for Option II regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Demand Side Management	0	0				Book asset for Demand Side Management regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - SFAS 109	(1,230,749)	(1,230,749)				Book asset for SFAS 109 regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - OPEB Subsidy PPACA	(6,678,306)	(6,678,306)				Book asset for OPEB Subsidy PPACA regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - ITC Basis Adjustment	(14,286,644)	(14,286,644)				Book asset for Deferred ITC Basis Adjustment regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Property Tax Deferral	(4,508,960)	(4,508,960)				Book asset for Property Tax Deferral regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - FERC Transmission True-up	(2,128,764)	(2,128,764)				Book asset for FERC Transmission True-up regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Lost Fixed Cost	(1,183,643)	(1,183,643)				Book asset for Lost Fixed Cost regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Four Corners Deferral (Units 1/2/3)	(11,504,881)	(11,504,881)				Book asset for Four Corners Deferral (Units 1/2/3) regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Reg Asset - Unrecovered Power Plant Costs-Saguaro	(8,196,704)	(8,196,704)				Book asset for Unrecovered Power Plant Costs (Saguaro) regulatory asset recorded in FERC account(s) 182. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Bad Debt Allowance	0	0				Book liability for bad debt allowance recorded in FERC account(s) 144. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	(19,737,000)	(19,737,000)				Book asset for mark to market recorded in FERC account(s) 175, 176, 244, and 245. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Other Deferred Debits	(1,965,356)	(1,965,356)				Book asset for Other Deferred Debits recorded in FERC account(s) 224. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Prepaids	(2,950,533)			(2,950,533)		Book asset for prepaids is recorded in FERC account(s) 165. The full amount included in account 165 is included in rate base (see Attachment 5). As such, the ADIT associated with book liability recorded in account 165 is included in rate base.
Subtotal - p277 (Form 1-F filer: see note 6, below)	(313,018,935)	(302,874,312)	0	(10,144,623)	0	
Less FASB 109 Above if not separately removed	(44,289,357)	(44,289,357)	-	-	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(268,729,578)	(258,584,955)	-	(10,144,623)	-	

Instructions for Account 283:
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

ATTACHMENT H

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

			Balance	Amortization	
1	Rate Base Treatment				
2	Balance to Attachment 1, Page 1, Transmission Related ADIT 255,		(44,075)		One or the other but not both.
3	Amortization				
4	Amortization to line 115 of Appendix A		-	-	
5	Total		(44,075)	-	
6	Total Form No. 1 (p 266 & 267)		(44,075)	-	
7	Difference /1		(0)	-	

/1 Difference must be zero

ATTACHMENT H

Arizona Public Service Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	*Page 263 Col (i)*	*Allocator*	*Allocated Amount*
Plant Related		***Gross Plant Allocator***	
1 Transmission Personal Property Tax (directly assigned to Transmission)	$ 29,159,953	100%	$ 29,159,953
2 Capital Stock Tax		14.3570%	$ -
3 Gross Premium (insurance) Tax		14.3570%	$ -
4 PURTA		14.3570%	$ -
5 Corp License		14.3570%	$ -
		14.3570%	$ -
Total Plant Related	29,159,953		29,159,953
Labor Related		***Wages & Salary Allocator***	
6 Federal FICA & Unemployment & state unemployment	25,448,665		
Total Labor Related	25,448,665	6.8254%	1,736,964
Other Included		***Gross Plant Allocator***	
7 Miscellaneous	0		
Total Other Included	0	14.3570%	0
Total Included			30,896,917
Currently Excluded			
8 Use & Sales Tax	0		
9 Adjust state and local tax reserve	(928,447)		
10 Other Sales & Use Tax	0		
11 Other Personal Property Tax (excluded)	135,145,960		
12			
13			
14			
15			
16			
17			
18			
19			
20			-
21 Total "Other" Taxes (included on p. 263)	188,826,131		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	188,826,131		
23 Difference	-		

Criteria for Allocation:

A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they will not be included

B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they will not be included

C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator

D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above

E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year

Arizona Public Service Company

Attachment 3 - Revenue Credit Workpaper

	Account 454 - Rent from Electric Property			
1	Rent from Electric Property - Transmission Related (Note 3)		7,559,783	
2	Total Rent Revenues	(Sum Lines 1)	7,559,783	
	Account 456 - Other Electric Revenues (Note 1)			
3	Scheduling, System Control & Dispatch (Ancillary Service)		$ 2,038,698	p398 line 1 column g
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 4)			
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		5,920,876	
6	Transitional Revenue Neutrality (Note 1)			
7	Transitional Market Expansion (Note 1)			
8	Professional Services (Note 3)		-	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		183,806	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		1,096,314	
11	Gross Revenue Credits	(Sum Lines 2-10)	16,799,477	
12	Line 17g		(764,743)	
13	Total Revenue Credits		16,034,733	

Revenue Adjustment to determine Revenue Credit

14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 171 of Appendix A.

15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	1,096,314
17b	Costs associated with revenues in line 17a	433,173
17c	Net Revenues (17a - 17b)	663,141
17d	50% Share of Net Revenues (17c / 2)	331,571
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
17f	Net Revenue Credit (17d + 17e)	331,571
17g	Line 17f less line 17a	(764,743)
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities.	-
19	Amount offset in line 4 above	
20	Total Account 454 and 456	16,799,477
	Composite Tax Rate	39.51%

Arizona Public Service Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	100 Basis Point increase in ROE and Income Taxes		Line 12 + Line 23	172,019,601
B	100 Basis Point increase in ROE			1.00%
Return Calculation				
1	Rate Base		Appendix A, Line 51	1,254,357,321
2	Debt %		Appendix A, Line 99	42.2%
3	Preferred %		Appendix A, Line 100	0.0%
4	Common %		Appendix A, Line 101	57.8%
5	Debt Cost		Appendix A, Line 102	5.88%
6	Preferred Cost		Appendix A, Line 103	0.00%
7	Common Cost	Appendix A % plus 100 Basis Pts	Appendix A, Line 104 + 1%	11.75%
8	Weighted Cost of Debt		Appendix A, Line 105	0.0248
9	Weighted Cost of Preferred		Appendix A, Line 106	-
10	Weighted Cost of Common		Line 4 * Line 7	0.0679
11	**Total Return (R)**		Sum Lines 8 to 10	**0.0928**
12	**Investment Return = Rate Base * Rate of Return**		Line 11 * Line 1	**116,346,674**
Composite Income Taxes				
	Income Tax Rates			
13	FIT=Federal Income Tax Rate		Appendix A, Line 110	35.00%
14	SIT=State Income Tax Rate or Composite		Appendix A, Line 111	6.94%
15	p (percent of federal income tax deductible for state purposes)		Appendix A, Line 112	0.00%
16	T =1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		Appendix A, Line 113	39.51%
17	T/ (1-T)		Appendix A, Line 114	65.32%
	ITC Adjustment			
18	Amortized Investment Tax Credit		Appendix A, Line 115	-
19	1/(1-T)		Appendix A, Line 116	65.3213%
20	Net Plant Allocation Factor		Appendix A, Line 117	16.0428%
21	**ITC Adjustment Allocated to Transmission**		Appendix A, Line 118	**0**
22	**Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =**		Line 17*Line 12*(1-(Line 8/Line 11))	**55,672,927**
23	**Total Income Taxes**		**Line 21 + 22"**	**55,672,927**

Arizona Public Service Company

Attachment 5 - Cost Support

Plant in Service Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Details
Calculation of Transmission Plant in Service	Source		**Balance For True up**	**Balance for Estimate**	
December	p206.58.b	2012	2,093,610,284		
January	company records	2013	2,096,634,548		
February	company records	2013	2,096,496,979		
March	company records	2013	2,100,070,362		
April	company records	2013	2,098,452,867		
May	company records	2013	2,103,638,650		
June	company records	2013	2,116,131,703		
July	company records	2013	2,131,322,739		
August	company records	2013	2,137,521,836		
September	company records	2013	2,142,214,869		
October	company records	2013	2,139,299,575		
November	company records	2013	2,147,726,696		
December	p207.58.g	2013	2,171,897,249	2,171,897,249	78,286,965
Transmission Plant in Service			2,121,155,181	2,171,897,249	
Calculation of Distribution Plant in Service	Source				
December	p206.75.b	2012	5,016,586,987		
January	company records	2013	5,032,224,953		
February	company records	2013	5,047,904,212		
March	company records	2013	5,063,319,220		
April	company records	2013	5,079,242,636		
May	company records	2013	5,087,274,320		
June	company records	2013	5,099,866,120		
July	company records	2013	5,111,731,174		
August	company records	2013	5,120,870,969		
September	company records	2013	5,138,369,120		
October	company records	2013	5,150,434,368		
November	company records	2013	5,162,865,001		
December	p207.75.g	2013	5,175,929,669	5,175,929,669	
Distribution Plant in Service			5,098,968,365	5,175,929,669	
Calculation of Intangible Plant in Service	Source				
December	p204.5.b	2012	588,807,614		
December	p205.5.g	2013	606,670,525	606,670,525	
Intangible Plant in Service			597,739,070	606,670,525	
Calculation of General Plant in Service	Source				
December	p206.96.b	2012	627,781,215		
December	p207.96.g	2013	670,361,935	670,361,935	
General Plant in Service			649,071,575	670,361,935	
Calculation of Production Plant in Service	Source				
December	p204.46b	2012	6,534,267,077		
January	company records	2013	6,538,684,919		
February	company records	2013	6,537,921,668		
March	company records	2013	6,561,648,636		
April	company records	2013	6,641,352,356		
May	company records	2013	6,635,700,530		
June	company records	2013	6,581,002,485		
July	company records	2013	6,604,331,433		
August	company records	2013	6,606,306,189		
September	company records	2013	6,607,440,137		
October	company records	2013	6,608,669,541		
November	company records	2013	6,620,194,807		
December	p205.46.g	2013	6,856,676,302	6,856,676,302	
Production Plant in Service			6,610,478,158	6,856,676,302	
Total Plant in Service	Sum of averages above		15,077,412,349	15,481,535,680	

ATTACHMENT B

Accumulated Depreciation Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions

Calculation of Transmission Accumulated Depreciation	Source		Balance For True up	Balance for Estimate	Details
December	Prior year p219.25	2012	624,798,831		
January	company records	2013	629,577,070		
February	company records	2013	632,370,988		
March	company records	2013	635,441,897		
April	company records	2013	637,698,536		
May	company records	2013	640,324,870		
June	company records	2013	642,555,562		
July	company records	2013	644,782,413		
August	company records	2013	647,346,461		
September	company records	2013	650,471,442		
October	company records	2013	651,618,025		
November	company records	2013	656,235,098		
December	p219.25	2013	660,226,524	660,226,524	
Transmission Accumulated Depreciation			642,572,901	660,226,524	
Calculation of Distribution Accumulated Depreciation	Source				
December	Prior year p219.26	2012	1,318,599,421		
January	company records	2013	1,321,152,382		
February	company records	2013	1,327,071,213		
March	company records	2013	1,331,885,415		
April	company records	2013	1,338,146,780		
May	company records	2013	1,345,120,279		
June	company records	2013	1,348,517,401		
July	company records	2013	1,355,059,083		
August	company records	2013	1,365,198,713		
September	company records	2013	1,370,905,928		
October	company records	2013	1,374,640,589		
November	company records	2013	1,378,924,573		
December	p219.26	2013	1,383,247,155	1,383,247,155	
Distribution Accumulated Depreciation			1,350,651,456	1,383,247,155	
Calculation of Intangible Accumulated Depreciation	Source				
December	Prior year p200.21.c	2012	547,640,751		
December	p200.21c	2013	595,064,160	595,064,160	
Accumulated Intangible Depreciation			571,352,456	595,064,160	
Calculation of General Accumulated Depreciation	Source				
December	Prior year p219.28	2012	143,718,662		
December	p219.28	2013	165,626,181	165,626,181	
Accumulated General Depreciation			154,672,422	165,626,181	
Calculation of Production Accumulated Depreciation	Source				
December	Prior year p219.20 thru 219.24	2012	3,049,220,832		
January	company records	2013	3,065,312,425		
February	company records	2013	3,075,668,227		
March	company records	2013	3,082,925,589		
April	company records	2013	3,087,335,231		
May	company records	2013	3,093,457,514		
June	company records	2013	3,089,213,483		
July	company records	2013	3,090,631,221		
August	company records	2013	3,090,352,078		
September	company records	2013	3,101,981,804		
October	company records	2013	3,114,589,013		
November	company records	2013	3,127,572,157		
December	p219.20 thru 219.24	2013	3,262,205,853	3,262,205,853	
Production Accumulated Depreciation			3,100,035,802	3,262,205,853	
Total Accumulated Depreciation	Sum of averages above		5,819,285,037	6,066,389,873	

ATTACHMENT H

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #6 and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors					
Accumulated Intangible Depreciation	p200.21.c	595,064,160	595,064,160	0	
Materials and Supplies					
Undistributed Stores Exp	p227.6c & 15.c	194,192	194,192	0	
Depreciation Expense					
Intangible Amortization	p336.1d&e	53,085,290	53,085,290	0	

Transmission / Non-transmission Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Beg of year	End of Year	*End of Year for Est. Average for Final*	Details
38	**Plant Held for Future Use**	p214	Total	53,882,057	54,797,234	54,339,646	
			Non-transmission Related	5,291,942	5,291,942		
			Transmission Related	48,590,115	49,505,292	49,047,704	

PBOPs Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	PBOBs	All other		Details
56	**Allocated General Expenses**						
	Account 926 (2006)		77,941,202	12,427,757	65,513,445	Base year	
	Account 926 (Current Year)		105,682,133	18,438,641	87,243,492	Current Year	
	Change in PBOP Expense	p323.187b		6,010,884			

EPRI Dues Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount A&G	EPRI Dues	Details
	Allocated General Expenses				
60	Less EPRI Dues	p352-353	-	0	

Regulatory Expense Related to Transmission Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	*Transmission Related*	*Non-transmission Related*	Details
	Directly Assigned A&G					
64	Regulatory Commission Exp Account 928	p350.1 thru 350.21	16,440,636	3,466,283	12,974,353	

Safety Related Advertising Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Safety Related	Non-safety Related	Details
	Directly Assigned A&G					
68	General Advertising Exp Account 930.1	p323.191.b	5,369,001	-	5,369,001	None

ATTACHMENT H

MultiState Workpaper

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	State 1	State 2	State 3	State 4	State 5	Composite
	Income Tax Rates	AZ	NM	CA	TX	UT	
111	SIT=State Income Tax Rate or Composite	6.686%	0.247%	0.007%	0.00%	0.00%	6.94%

Education and Out Reach Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Education & Outreach	Other	Details
	Directly Assigned A&G					
65	General Advertising Exp Account 930.1	p323.191.b	5,369,001	0	5,369,001	None

Excluded Gross Plant Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Excluded Gross Transmission Facilities	Description of the Facilities
	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities		
131	Excluded Gross Transmission Facilities	112,913,623	General Description of the Facilities
	Instructions:	Enter $	None
1	Remove all investment below 69 kV facilities, including the investment allocated to distribution of a dual function substation, generator, interconnection and local and direct assigned facilities for which separate costs are charged and step-up generation substation included in transmission plant in service.	110,163,623	Step Up Xfmrs
2	If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:	2,750,000 Or Enter $	West Phoenix to Lincoln Substation 345 kV transmission line

	Example
A Total investment in substation	1,000,000
B Identifiable investment in Transmission (provide workpapers)	500,000
C Identifiable investment in Distribution (provide workpapers)	400,000
D Amount to be excluded (A x (C / (B + C)))	444,444

Add more lines if necessary

Transmission Related Account 242 Reserves

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year Enter $	End of Year for Est. Average for Final	Allocation	Trans Related	Details
35	**Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)**							
	Directly Assignable to Transmission							
		Deposits	352,160	352,160				
		FERC Provision for Rate Refund	4,818,118					
		Land Rights	797,834	551,866				
		Sum Directly Transmission	5,968,112	904,026	3,436,069	100%	904,026	
	Total Not Directly Assignable to Transmission	(A) Total Not Directlt Transmission	150,304,053	134,086,338	142,195,196			
	Labor Related, or General plant related							
		Vacation Accrual - Old Plan	5,051,661	6,211,074	5,631,377			
		Accrued Payroll	18,176,041	19,466,236	18,821,138			
		Medical - Dental	7,525,000	8,141,000	7,833,000			
		Short Term Software License	73,991	1,592,183	833,087			
		Workmen's Compensation Liability	3,192,000	2,909,547	3,050,774			
		Vacation Accrual	6,357,617	4,480,323	5,418,970			
		Vacation Accrual - Participants	1,080,883	1,095,634	1,088,258			
		SFAS 112	3,233,000	3,178,000	3,205,500			
		Incentive Accrual	34,955,328	34,773,466	34,864,397			
		Severance	585,290	603,850	594,570			
		SERBP	18,895,164	10,851,489	14,873,327			
		Deferred Compensation	3,425,501	2,691,428	3,058,465			
		(B) Sum Labor Related	102,551,496	95,994,230	99,272,863	6.8254%	6,551,954	
	Other							
		(A) - (B)	47,752,557	38,092,108	42,922,332.63	0.00%	-	
	Total Transmission Related Reserves		156,272,165	134,990,364	check		7,455,980	

ATTACHMENT H

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year	End of Year for Est. Average for Final	Allocation	Trans Related	Details
36 **Prepayments**							
Labor Related	Worksheet 5	10,323,873	11,651,193	**10,987,533**	6.825%	795,236	749,939
Plant Related	Worksheet 5	4,125,256	138,230,254	**71,177,755**	16.043%	22,176,046	11,418,927
100% Transmission Related	Worksheet 5	11,561,731	10,388,503	**10,975,117**	100.000%	10,388,503	10,975,117
Other (Excluded)	Worksheet 5	6,136,600	6,549,226	**6,342,913**	0.000%	-	-
						33,359,785	23,143,983

Materials & Supplies

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year	End of Year for Est. Average for Final
Assigned to O&M	p227.6	-	-	
39 Stores Expense Undistributed	p227.15	-	194,192	
Undistributed Stores Exp		-	97,096	-
42 Transmission Materials & Supplies	p227.8	**30,666,214**	**31,042,642**	**30,854,428**

Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Beg of year	End of Year	End of Year for Est. Average for Final	Description of the Credits: General Description of the Credits
Network Credits							
47 Outstanding Network Credits							
December	Account 253	For 2012	15,142,491	15,142,491			
December	Account 253	For 2013	16,080,641		16,080,641		
Average Beginning and End of Year			15,611,566			15,611,566	
48 Accumulated Depreciation Associated with Facilities with Outstanding Network Credits							
December	Account 253	For 2012	**268,696**	268,696			
December	Account 253	For 2013	**647,705**		647,705		
Average Beginning and End of Year			**458,200**			458,200	

Interest on Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Interest on Network Credits Credits	Description of the Interest on the Credits
137 Interest on Network Credits	356,335	General Description of the Credits
		Add more lines if necessary

ATTACHMENT H

Arizona Public Service Company

Attachment 6 - Estimate and Reconciliation Worksheet

Exec Summary

Step	Month	Year	Action
1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1.
2	April	Year 2	TO estimates all transmission Cap Adds, Retirements, and associated depreciation for Year 2 based on Months expected to be in service in Year 2.
3	April	Year 2	TO adds estimates from Step 2 to Appendix A
4	May	Year 2	Post results of Step 3 on APS web site.
5	June	Year 2	Results of Step 3 go into effect.
6	April	Year 3	TO populates the formula with Year 2 data from FERC Form 1.
7	April	Year 3	Reconciliation - TO calculates the true up amount by subtracting the results of Step 6 by Step 3.
8	April	Year 3	Reconciliation - TO calculates interst and ammortization associated with the true up calculated in Step 7 and applies that amount to line 151 of the formula.
9	April	Year 3	TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWIP balances in Year 3.
10	April	Year 3	TO adds 13 month average Cap Adds and retirements (line 16 and 24) to the Formula.
11	May	Year 3	Post results of Step 10 on APS web site.
12	June	Year 3	Results of Step 9 go into effect for the Rate Year 2.

Reconciliation details

1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1.

260,578,193 Rev Req based on Year 1 data — Must run Appendix A to get this number (without estimated cap adds) from Appendix A

2 April Year 2 TO estimates all transmission Cap Adds, Retirements, and associated depreciation for Year 2 based on Months expected to be in service in Year 2.

	(A) Other Project PIS	(B) other retirements	(C) Project X PIS	(D) Project X PIS retirements	(E) Accumulated Balance Other Project PIS	(F) Accumulated Balance Project X PIS	(G) Accumulated Balance Total
Dec					0	0	0
Jan	3,918,134			0	3,918,134	-	3,918,134
Feb	874,035			0	4,792,169	-	4,792,169
Mar	2,267,190			0	7,059,359	-	7,059,359
Apr	4,446,071			0	11,505,430	-	11,505,430
May	-			0	11,505,430	-	11,505,430
Jun	22,310,143			0	33,815,573	-	33,815,573
Jul	619,178			0	34,434,751	-	34,434,751
Aug	457,709			0	34,892,460	-	34,892,460
Sep	7,632,802			0	42,525,262	-	42,525,262
Oct	527,909			0	43,053,171	-	43,053,171
Nov	-			0	43,053,171	-	43,053,171
Dec	30,854,906			0	73,908,077	-	73,908,077
Total	73,908,077	-	-	-	26,497,153	-	26,497,153

13 month avg of new plant additions = Col F + Col H — 26,497,153 goes to line 16 of the formula

ATTACHMENT H

	(I) =F Total Other Project PIS	(J) Composite Trans Deprec Rate	(K) = I * J Depreciation Expense	(L) Accum Deprec	(M) = H Total Project X PIS	(N) Composite Trans Deprec Rate	(O) = L * M Depreciation Expense	(P) Accum Deprec
			-	-				
Jan	3,918,134	0.17%	6,542	6,542	-	0.17%	-	-
Feb	4,792,169	0.17%	8,002	14,544	-	0.17%	-	-
Mar	7,059,359	0.17%	11,788	26,332	-	0.17%	-	-
Apr	11,505,430	0.17%	19,211	45,543	-	0.17%	-	-
May	11,505,430	0.17%	19,211	64,755	-	0.17%	-	-
Jun	33,815,573	0.17%	56,464	121,219	-	0.17%	-	-
Jul	34,434,751	0.17%	57,498	178,717	-	0.17%	-	-
Aug	34,892,460	0.17%	58,262	236,979	-	0.17%	-	-
Sep	42,525,282	0.17%	71,007	307,987	-	0.17%	-	-
Oct	43,053,171	0.17%	71,889	379,876	-	0.17%	-	-
Nov	43,053,171	0.17%	71,889	451,764	-	0.17%	-	-
Dec	73,908,077	0.17%	123,409	575,174	-	0.17%	-	-
Total			575,174	185,341			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: 185,341 goes to line 24 of the formula
Depreciation Expense = Col K + Col O 575,174 goes to line 74 of the formula

3 April Year 2 TO adds estimates from Step 2 to Appendix A
263,791,057 Include inputs to Appendix A Lines 16, 24, and 74

4 May Year 2 Post results of Step 3 on APS web site.
$ 263,791,057 Must run Appendix A to get this number (with results of step 2)

5 June Year 2 Results of Step 3 go into effect.
263,791,057

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1.

269,436,010 Rev Req based on Prior Year data step 6 file

7 April Year 3 Reconciliation - TO calculates the true up amount by subtracting the results of Step 6 by Step 3.

	Prior Year True Up	First Year True up	Total True Up
Results of Step 6	$ 269,436,010		$ 269,436,010
Results of Step 5	$ 263,791,057		$ 263,791,057
True up w/o interest			$ 5,644,953
ADIT Repose			$ (14,990)
Prepaid Repose			$ (388)
West Phoenix to Lincoln excluded plant			$ (2,595,257)
Repose of ADIT removal costs from rate base			$ 2,595,257
True Up to be recovered	$ 5,644,953	Divide True up w/o interest by the number of months the rate was in effect and place that result in the month that the rate went in effect in the interest calculation below	

ATTACHMENT H

8 April Year 3

Reconciliation - TO calculates interst and ammortization associated with the true up calculated in Step 7 and applies that amount to line 151 of the formula.

Interest on Amount of Refunds or Surcharges

Interest 35.19a for 1st quarter Current Yr 0.27%

Month	Yr	1/12 of Step 7	Interest 35.19a for and 35.19 b March Current Yr	Months	Interest	Refunds Owed
Jun	Year 1	470,413	0.27%	11.5	14,651	485,064
Jul	Year 1	470,413	0.27%	10.5	13,377	483,790
Aug	Year 1	470,413	0.27%	9.5	12,103	482,516
Sep	Year 1	470,413	0.27%	8.5	10,829	481,242
Oct	Year 1	470,413	0.27%	7.5	9,555	479,968
Nov	Year 1	470,413	0.27%	6.5	8,281	478,694
Dec	Year 1	470,413	0.27%	5.5	7,007	477,420
Jan	Year 2	470,413	0.27%	4.5	5,733	476,146
Feb	Year 2	470,413	0.27%	3.5	4,459	474,872
Mar	Year 2	470,413	0.27%	2.5	3,185	473,598
Apr	Year 2	470,413	0.27%	1.5	1,911	472,324
May	Year 2	470,413	0.27%	0.5	637	471,050
Total		5,644,953				5,736,683

		Balance	Interest	Amort	Balance
Jun	Year 2	5,736,683	0.27%	486,514	5,265,706
Jul	Year 2	5,265,706	0.27%	486,514	4,793,453
Aug	Year 2	4,793,453	0.27%	486,514	4,319,920
Sep	Year 2	4,319,920	0.27%	486,514	3,845,106
Oct	Year 2	3,845,106	0.27%	486,514	3,369,005
Nov	Year 2	3,369,005	0.27%	486,514	2,891,615
Dec	Year 2	2,891,615	0.27%	486,514	2,412,932
Jan	Year 3	2,412,932	0.27%	486,514	1,932,953
Feb	Year 3	1,932,953	0.27%	486,514	1,451,673
Mar	Year 3	1,451,673	0.27%	486,514	969,090
Apr	Year 3	969,090	0.27%	486,514	485,200
May	Year 3	485,200	0.27%	486,514	0
Total with interest				5,838,174	

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest 5,838,174

ATTACHMENT H

9 April Year 3 TO estimates all transmission Cap Adds, Retirements, CWIP and associated depreciation for Year 3 based on Months expected to be in service and monthly CWIP balances in Year 3.
Note: Jan and Feb are actuals, Mar-Dec forecasted. Retirements are not forecasted.

	(A) Other Project PIS	(B) other retirements	(C) Project X PIS	(D) Project X PIS retirements	(E) Accumulated Balance Other Project PIS	(F) Project X PIS	(G) Total
Dec					0	0	0
Jan	759,131			0	759,131	-	759,131
Feb	(1,517,875)			0	(758,744)	-	(758,744)
Mar	3,053,681			0	2,294,937	-	2,294,937
Apr	136,819			0	2,431,757	-	2,431,757
May	1,001,100			0	3,432,857	-	3,432,857
Jun	14,512,031			0	17,944,888	-	17,944,888
Jul	126,912			0	18,071,800	-	18,071,800
Aug	104,045			0	18,175,845	-	18,175,845
Sep	4,698,942			0	22,874,787	-	22,874,787
Oct	633,881			0	23,508,667	-	23,508,667
Nov	618,774			0	24,127,442	-	24,127,442
Dec	13,759,381			0	37,886,823	-	37,886,823
Total	37,886,823	-	-		13,134,630	-	13,134,630

13 month avg of new plant additions = Col F + Col H **13,134,630** goes to line 16 of the formula

	(I) =F Total Other Project PIS	(J) Composite Trans Deprec Rate	(K) = I * J Depreciation Expense	(L) Accum Deprec	(M) = H Total Project X PIS	(N) Composite Trans Deprec Rate	(O) = L * M Depreciation Expense	(P) Accum Deprec
			-	-				
Jan	759,131	0.17%	1,270	1,270	-	0.17%	-	-
Feb	-758,744	0.17%	(1,269)	1	-	0.17%	-	-
Mar	2,294,937	0.17%	3,840	3,840	-	0.17%	-	-
Apr	2,431,757	0.17%	4,069	7,909	-	0.17%	-	-
May	3,432,857	0.17%	5,744	13,653	-	0.17%	-	-
Jun	17,944,888	0.17%	30,025	43,677	-	0.17%	-	-
Jul	18,071,800	0.17%	30,237	73,914	-	0.17%	-	-
Aug	18,175,845	0.17%	30,411	104,325	-	0.17%	-	-
Sep	22,874,787	0.17%	38,273	142,598	-	0.17%	-	-
Oct	23,508,667	0.17%	39,334	181,932	-	0.17%	-	-
Nov	24,127,442	0.17%	40,369	222,300	-	0.17%	-	-
Dec	37,886,823	0.17%	63,390	285,691	-	0.17%	-	-
Total			285,691	83,162			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: **83,162** goes to line 24 of the formula
Depreciation Expense = Col K + Col O **285,691** goes to line 74 of the formula

10 April Year 3 TO adds 13 month average Cap Adds and retirements (line 110 and 120) to the Formula.
Rev Req based on Year 2 data with estimated Cap Adds, Rets, and Deprec for Year 3 Cap Adds (Step 9) and True up of Year 1 data (Step 8)
Must run App A to get this # (with 13 mo. avg cap adds, depreciation for Year 3 cap adds)

11 May Year 3 Post results of Step 10 on APS web site.
$ 277,103,166

12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.
282,941,340 Step 11 plus the difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest

ATTACHMENT H

Arizona Public Service Company

Attachment 7 - Transmission Enhancement Charge Worksheet

line #		Formula Line		
1		152	Plus any increased ROE calculated on Attachment 7 =Incentive - Revenue Credit for the corresponding rate year	$ -
	Fixed Charge Rate (FCR) if not a CIAC			
2	A	142	Net Plant Carrying Charge without Depreciation	15.4577%
3	B	149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	16.2509%
4	C		Line B less Line A	0.7933%
	FCR if a CIAC			
5	D	143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.8715%

The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Beginning = 13 month Plant CWIP or Incentive Plant balance
Deprec = 13 month avg Accumulated Depreciation
Ending = Beginning - Deprec
Revenue= FCR* Ending + Ending

Total = Sum of Revenue for Project CWIP and PIS
Incentive = Total for "W Increased ROE" row
Revenue Credit = Total for "FCR W base ROE" row

	Details		Project A				Project B						
6	Life		-				-						
7	CIAC		No				No						
8	Increased ROE (Basis Points)		0				0						
9	FCR W base ROE		15.458%				15.458%						
10	FCR W increased ROE		15.458%				15.458%						
11	Investment												
12	Annual Depreciation Exp		-				-						
13	13 monthly Avg		-				-						
14		Invest Yr	Beginning	Depreciation	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Beginning	Depreciation	Ending	Revenue [(Beginning + Ending)/2* Line 11]	Total	Incentive	Rev Credit
15	FCR W base ROE	2005	-	-	-	-	-	-	-	-	$ -		$ -
16	W Increased ROE	2005	-	-	-	-	-	-	-	-	$ -	$ -	
17	FCR W base ROE	2006	-	-	-	-					$ -		$ -
18	W Increased ROE	2006	-	-	-	-					$ -	$ -	
19	FCR W base ROE	2007	-	-	-	-					$ -		$ -
20	W Increased ROE	2007	-	-	-	-					$ -	$ -	
21	FCR W base ROE	2008	-	-	-	-					$ -		$ -
22	W Increased ROE	2008	-	-	-	-					$ -	$ -	
23	FCR W base ROE	2009	-	-	-	-					$ -		$ -
24	W Increased ROE	2009	-	-	-	-					$ -	$ -	
25	FCR W base ROE	2010	-	-	-	-					$ -		$ -
26	W Increased ROE	2010	-	-	-	-					$ -	$ -	
27	FCR W base ROE	2011	-	-	-	-					$ -		$ -
28	W Increased ROE	2011	-	-	-	-					$ -	$ -	
29	FCR W base ROE	2012	-	-	-	-					$ -		$ -
30	W Increased ROE	2012	-	-	-	-					$ -	$ -	
31	FCR W base ROE	2013	-	-	-	-					$ -		$ -
32	W Increased ROE	2013	-	-	-	-					$ -	$ -	
33	FCR W base ROE	2014	-	-	-	-					$ -		$ -
34	W Increased ROE	2014	-	-	-	-					$ -	$ -	
35	FCR W base ROE	2015	-	-	-	-					$ -		$ -
36	W Increased ROE	2015	-	-	-	-					$ -	$ -	
37	FCR W base ROE	2016	-	-	-	-					$ -		$ -
38	W Increased ROE	2016	-	-	-	-					$ -	$ -	
39	FCR W base ROE	2017	-	-	-	-					$ -		$ -
40	W Increased ROE	2017	-	-	-	-					$ -	$ -	
41	FCR W base ROE	2018	-	-	-	-					$ -		$ -
42	W Increased ROE	2018	-	-	-	-					$ -	$ -	
43	FCR W base ROE	2019	-	-	-	-					$ -		$ -
44	W Increased ROE	2019	-	-	-	-					$ -	$ -	
45	FCR W base ROE	2020	-	-	-	-					$ -		$ -
46	W Increased ROE	2020	-	-	-	-					$ -	$ -	
47	FCR W base ROE	2021	-	-	-	-					$ -		$ -
48	W Increased ROE	2021	-	-	-	-					$ -	$ -	
49	FCR W base ROE	2022	-	-	-	-					$ -		$ -
50	W Increased ROE	2022	-	-	-	-					$ -	$ -	
51	FCR W base ROE	2023	-	-	-	-					$ -		$ -
52	W Increased ROE	2023	-	-	-	-					$ -	$ -	
53	FCR W base ROE	2024	-	-	-	-					$ -		$ -
54	W Increased ROE	2024		-	-	-					$ -	$ -	
55		....		....	.....	....							$ -
56		....	....	....	.....	....						$ -	$ -

ATTACHMENT H

NETWORK TRANSMISSION PEAK REPORT

2013

Date/Time	01/14@0800 Jan	02/12@0800 Feb	03/14@2000 Mar	04/92@1700 Apr	05/31@1800 May	06/29@1700 Jun	07/08@1700 Jul	08/16@1700 Aug	09/05@1700 Sep	10/02@1700 Oct	11/12@1900 Nov	12/09@0800 Dec	4CP Average	Transmission Revenue Requirement
														282,925,962
Own Load Peak	4,825.050	4,414.400	3,522.200	4,646.800	5,256.800	6,883.300	6,926.600	6,819.200	6,342.300	4,500.200	3,425.300	4,094.200		
Company Use	(10.479)	(10.119)	(8.971)	(9.365)	(10.650)	(11.770)	(11.164)	(10.440)	(15.004)	(10.050)	(8.841)	(8.558)		
BHP Minerals International, Inc.	(11.380)	(8.380)	(8.990)	(6.720)	(7.930)	(7.308)	(6.885)	(8.273)	(7.185)	(10.545)	(8.420)	(5.108)		
less APS Supplied Demand already included below	(56.430)	(69.139)	(59.567)	(96.060)	(118.926)	(157.069)	(154.839)	(148.345)	(115.134)	(72.211)	(33.364)	(24.773)		
Non-Firm Retail Loads														
BHP Copper Inc. (Magma)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Net APS Official System Peak	4,746.761	4,326.762	3,444.672	4,532.655	5,119.294	6,707.153	6,753.732	6,652.142	6,204.977	4,407.394	3,374.675	4,045.761	6,579.501	234,415,057
Transmission Wheeling Contract Demand														
Plains Electric Cooperative	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Tucson Electric Power	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000		
NTUA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Yuma Cogen. Associates	50.850	50.850	50.850	50.850	50.850	50.850	50.850	50.850	50.850	50.850	50.850	50.850		
Total Trans. Wheeling Contract Demands	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	150.850	5,374,497
Distribution Wheeling Contract Demand														
ED-5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Yuma-Mesa	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.135		
City of Wickenburg	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
USAF - (Luke AFB)	4.974	4.974	4.974	4.974	4.974	4.974	4.974	4.974	4.974	4.974	4.974	4.974		
Unit 8 Irrigation District	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016		
SCIIP	0.063	0.063	0.063	0.063	0.063	0.063	0.063							
Marine corp Air Station-retail	2.278	2.000	2.278	2.278	2.278	2.278	2.278	2.278	2.278	2.278	2.278	2.278		
Total Dist. Wheeling Contract Demands	7.466	7.188	7.466	7.466	7.466	7.466	7.466	7.403	7.403	7.403	7.403	7.403	7.435	264,877
Distribution Wheeling Loads														
Maricopa Cnty Mun Dist - Lake Pleasant	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Irrigation Wheeling Loads:														
ED-1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
ED-3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
ED-6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
ED-7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
ED-8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Maricopa County Municipal District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Roosevelt Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Buckeye Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Aguila Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Harquahala Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
McMullen Valley Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Tonopah Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Yuma Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Gila Project	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
CRFW	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Total Irrigation Wheeling Loads	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0
Network Customer Wheeling Loads														
Central AZ Water Cons District	31.085	40.414	30.720	51.744	32.892	37.764	45.408	56.712	28.704	36.528	3.432	37.128		
Citizens	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
NTUA	9.401	8.913	5.363	5.842	5.676	7.671	7.690	6.797	6.796	5.357	6.678	9.727		
Ajo Improvement District	2.092	1.836	1.600	2.133	2.533	2.544	2.692	3.026	3.026	1.877	1.621	1.641		
Tohono O'odham	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
City of Williams	6.597	6.381	4.494	4.165	5.147	6.319	6.236	5.905	5.419	4.444	4.814	7.450		
Southwest Transmission Cooperative	3.000	3.000	3.000	4.000	5.500	7.000	6.500	7.000	6.500	4.500	3.000	2.000		
PNMIII	68.647	56.038	33.399	35.214	41.726	59.988	48.664	47.715	45.539	35.791	37.686	63.140		
APS Merchant Group: ED-6	0.097	0.107	0.270	0.349	0.938	0.657	0.102	0.108	0.261	0.712	0.067	0.179		
ED-7	4.265	4.882	5.082	4.378	10.877	8.543	6.989	7.071	9.747	7.431	3.807	7.794		
ED-8	11.946	15.753	26.612	40.567	52.763	54.928	52.580	50.770	52.148	46.835	18.236	22.930		
Maricopa County Municipal District	8.529	9.500	5.906	1.972	12.412	12.755	8.611	6.255	10.291	9.369	3.035	5.971		
Roosevelt Irrigation District	3.529	3.014	2.432	1.846	9.042	7.932	7.989	7.353	8.290	4.697	2.360	5.566		
Buckeye Irrigation District	0.831	1.192	1.735	1.740	4.735	4.464	4.046	4.075	4.414	2.259	0.646	2.029		
Aguila Irrigation District	1.915	1.259	3.850	4.636	8.553	8.292	8.005	5.810	3.341	2.974	0.738	1.844		
Harquahala Irrigation District	2.827	6.675	9.480	14.172	13.944	14.487	15.672	14.713	11.794	11.283	4.862	2.230		
McMullen Valley Irrigation District	5.258	6.967	7.455	10.232	13.613	13.402	12.047	12.756	12.290	7.636	5.489	4.233		
Tonopah Irrigation District	1.312	1.488	2.131	2.902	4.798	4.639	4.479	4.442	4.660	4.290	0.948	1.409		
City of Wickenburg	5.117	4.689	2.898	4.429	4.878	6.468	6.763	6.495	6.064	3.747	2.945	4.438		
Tohono O'odham	13.565	12.566	6.833	10.445	10.434	12.511	13.043	13.035	12.516	8.362	7.861	10.979		
ED-3	51.842	59.643	50.721	91.453	111.304	142.971	136.842	133.989	111.507	70.081	33.363	24.773		
Total Network Customer Wheeling Loads	231.855	244.297	203.781	292.219	351.766	413.336	394.559	394.027	343.307	268.173	141.568	215.461	386.307	13,763,381
Other Transmission Loads														
Pacific Corp: Supplemental Trans. Rights	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	0.000	0.000	0.000		
Public Service of New Mexico	130.000	130.000	130.000	130.000	130.000	130.000	130.000	130.000	130.000	130.000	130.000	130.000		
OATT (Part II) Capacity Long Term	458.000	458.000	458.000	458.000	462.000	462.000	852.000	852.000	462.000	492.000	492.000	492.000		
Total Other Transmission Loads	618.000	618.000	618.000	618.000	622.000	622.000	1012.000	1012.000	622.000	622.000	622.000	622.000	817.000	29,108,150
Total Adjusted Network Peak	5754.932	5347.097	4424.769	5601.190	6251.375	7900.804	8318.607	8216.422	7328.537	5455.820	4296.516	5041.475	7,941.093	282,925,962
Average of Four Summer Months (June-September)	7941.093													0
Average of Eight Non-Summer Months	5271.647													
Average of Twelve Months	6161.462													

ATTACHMENT H

WORKSHEET - 2 Retail Allocation

CLASS	2013 June ADJ. PEAK CONTRIB (MW)	2013 July ADJ. PEAK CONTRIB (MW)	2013 August ADJ. PEAK CONTRIB (MW)	2013 September ADJ. PEAK CONTRIB (MW)	4CP	Retail Revenues	
E-12	1070.2	1026.6	948.2	868.6			
ET-1	810.4	769.1	731.8	655.1			
ECT-1	219.7	208.3	199.0	186.4			
ET-2	1308.7	1226.0	1231.7	1148.3			
ECT-2	541.4	472.7	480.7	461.9			
ET-SP	2.6	1.8	1.7	1.7			
TOTAL	3953.0	3704.5	3593.1	3322.0			
E-20	6.5	5.6	6.6	5.8			
E-221(Water Pumping Service)	40.2	35.2	34.6	28.3			
E-32TOU (0-100 kW)	3.6	3.3	3.5	3.5			
E-32TOU (101-400 kW)	7.3	7.4	7.2	7.1			
E-32TOU (401+ kW)	32.1	27.5	32.1	31.9			
E-32 (0-100 kW)	583.6	735.1	691.7	662.7			
E-32(101-400 kW)	434.3	497.6	514.2	506.9			
E-32(401+ kW)	420.1	492.6	512.2	498.5			
E-34	124.4	139.4	139.4	136.5			
E-35	231.2	240.9	245.8	232.9			
E-36	2.8	4.3	4.2	4.2			
GSSSCHTOU	6.3	17.9	17.5	16.6			
2 SPECIALS	7.9	7.5	8.3	7.2			
STREETLIGHTS	0.0	0.0	0.0	0.0			
DUSK TO DAWN	0.0	0.0	0.0	0.0			
RESALE	148.9	148.9	142.8	110.8			
LOSSES	881.1	858.9	866.0	767.4			
Total System Load	6883.3	6926.6	6819.2	6342.3	6,742.9		
RESIDENTIAL	**3953.0**	**3704.5**	**3593.1**	**3322.0**	**3,643.2**	**$148,414,290**	**63.31%**
3 MW & GREATER							
E-34	124.4	139.4	139.4	136.5			
E-35	231.2	240.9	245.8	232.9			
E-36	2.8	4.3	4.2	4.2			
3 MW & GREATER TOTAL	**358.4**	**384.6**	**389.4**	**373.6**	**376.5**	**$15,337,820**	**6.54%**
LESS THAN 3 MW							
RETAIL TARIFFS	1534.0	1822.2	1819.6	1761.3			
Special #1	0.6	0.6	0.0	0.0			
LESS THAN 3 MW TOTAL	**1534.6**	**1822.8**	**1819.6**	**1761.3**	**1,734.6**	**$70,662,947**	**30.14%**
Total	**5846.0**	**5911.9**	**5802.1**	**5456.9**	**5,754.2**	**$234,415,057**	**100.00%**

WORKSHEET - 3 Rate Design

TY 2013 OATT COSTS FOR RETAIL SERVICE

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Billing Determinants														
Residential (kWh)		1,082,949,372	914,933,603	807,525,645	749,425,937	942,859,549	1,321,270,627	1,698,715,848	1,624,027,926	1,537,133,261	954,878,380	729,641,796	909,894,064	13,283,256,008
Gen Serv und 3MW NDM (kWh)		225,224,028	124,734,781	119,675,404	119,107,342	128,491,033	146,057,545	152,077,589	160,103,149	131,914,992	124,902,998	122,117,875	133,735,906	1,688,142,642
Gen Serv und 3MW DM (billed kW)		2,257,223	2,278,999	2,260,634	2,268,254	2,364,576	2,496,501	2,708,580	2,717,375	2,704,191	2,405,666	2,225,914	2,232,679	28,920,732
Gen Serv und 3MW DM (kWh)		762,127,367	734,320,716	704,870,470	746,896,167	822,617,411	913,774,989	1,020,543,003	1,030,366,822	1,017,458,099	812,971,725	739,619,971	763,720,049	10,069,286,789
Gen Serv ovr 3MW (billed kW)		461,127	457,656	462,696	474,239	484,648	500,480	540,319	538,858	545,126	494,427	484,527	481,386	5,926,089
Gen Serv ovr 3MW (kWh)		211,034,761	203,992,182	215,470,921	223,281,632	242,611,145	241,816,671	267,361,450	268,930,561	266,146,274	231,932,738	226,051,029	223,609,145	2,822,210,529
Total kWh sales		2,281,335,528	1,977,951,282	1,847,542,440	1,838,711,078	2,136,579,138	2,622,719,832	3,138,697,890	3,083,428,478	2,952,654,626	2,134,685,841	1,817,490,671	2,031,159,164	27,862,895,968
NITS														
Residential (kWh)	$ 0.011173	12,099,793	10,222,553	9,022,484	8,373,336	10,534,570	14,762,557	18,979,752	18,145,264	17,174,390	10,780,586	8,152,288	10,166,246	148,414,290
Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)	$ 0.006010	1,353,696	749,656	719,249	715,835	772,231	877,806	913,986	962,220	792,809	750,667	733,928	803,753	10,145,852
Gen Serv < 3MW (kW)	$ 2.092516	4,723,275	4,768,716	4,730,413	4,746,358	4,947,913	5,223,968	5,667,747	5,686,151	5,658,563	5,034,313	4,657,761	4,671,917	60,517,095
Gen Serv > 3MW (kW)	$ 2.588186	1,193,482	1,184,499	1,197,543	1,227,419	1,254,359	1,295,335	1,398,446	1,394,865	1,410,887	1,279,669	1,254,046	1,247,469	15,337,820
Total OATT Cost by Month		19,370,147	16,925,424	15,669,689	15,062,948	17,509,073	22,159,666	26,959,932	26,188,299	25,036,649	17,845,235	14,798,023	16,889,385	234,415,057
Total OATT Costs by Class														
Residential		$ 12,099,793	$ 10,222,553	$ 9,022,484	$ 8,373,336	$ 10,534,570	$ 14,762,557	$ 18,979,752	$ 18,145,264	$ 17,174,390	$ 10,780,586	$ 8,152,288	$ 10,166,246	$ 148,413,819
Gen Serv< 3MW		$ 6,076,872	$ 5,518,372	$ 5,449,662	$ 5,462,193	$ 5,720,144	$ 6,101,774	$ 6,581,733	$ 6,646,371	$ 6,451,372	$ 5,784,980	$ 5,391,689	$ 5,475,669	$ 70,662,832
Gen Serv> 3MW		$ 1,193,482	$ 1,184,499	$ 1,197,543	$ 1,227,419	$ 1,254,359	$ 1,295,335	$ 1,398,446	$ 1,394,865	$ 1,410,887	$ 1,279,669	$ 1,254,046	$ 1,247,469	$ 15,337,821
Total		$ 19,370,147	$ 16,925,424	$ 15,669,689	$ 15,062,948	$ 17,509,073	$ 22,159,666	$ 26,959,932	$ 26,188,299	$ 25,036,649	$ 17,845,235	$ 14,798,023	$ 16,889,385	$ 234,414,472
Cost per kWh														
Residential		$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117	$ 0.01117
Gen Serv< 3MW		$ 0.00615	$ 0.00642	$ 0.00661	$ 0.00631	$ 0.00601	$ 0.00576	$ 0.00561	$ 0.00558	$ 0.00561	$ 0.00617	$ 0.00626	$ 0.00610	$ 0.00601
Gen Serv> 3MW		$ 0.00566	$ 0.00581	$ 0.00556	$ 0.00550	$ 0.00517	$ 0.00536	$ 0.00523	$ 0.00519	$ 0.00530	$ 0.00552	$ 0.00555	$ 0.00557	$ 0.00543
Total		$ 0.00849	$ 0.00856	$ 0.00848	$ 0.00819	$ 0.00819	$ 0.00845	$ 0.00859	$ 0.00849	$ 0.00848	$ 0.00836	$ 0.00814	$ 0.00832	$ 0.00841

Test Year Avg. OATT Expense per kWh

	$ 0.00841
2012	$ 0.00811
% Increase	3.74%

ATTACHMENT H

Worksheet - Revenue Credits

Account 454 - Rent from Electric Property

Description	Amount	$ Included on Attachment 3
SCE 500kv Line	7,300,484	7,300,484
Attachment Fees for Joint Pole Use	729,685	
Land and miscellaneous	59,842	
Other	809,340	251,299
Total	8,907,350	7,559,783
Total 12ME Account 454	8,907,350	
Difference (must be zero)	0	

Account 456 - Other Electric Revenues

Description	Amount	$ Included on Attachment 3
PCS project	2,962,734	1,096,314
Revenue from Terminated Contract - PacifiCorp	2,000,000	
Facility Charges	706,192	
Fuel oil loading	942,742	
Yucca Management Fee	609,657	
Participant Station Power Revenue	143,559	
Installation of Photovoltaic Facilities	(4,192)	
Gila River Admin Fee	100,000	100,000
Salt River Project	68,080	68,080
Mead-Phoenix O&M	15,726	15,726
Sales for Resale	(904,901)	
Surepay and Autopay Discount	(1,458,646)	
Other	230,255	
Total	5,013,209	
Total Account 456 (p300,21.b.)	5,013,209	
Difference (must be zero)	(0)	

Account 456.1 - Revenues from Transmission of Electricity of Others

Sum of Amount		Type					Included in Divisor (Y or N)	$ Included on Attachment 3
Description	Customer Name	BD	TE	Other	Grand Total			
FNO	Ajo Improvement	$ -	$ 98,305	$ -	$ 98,305		Y	$ -
	Central Arizona Project	$ -	$ 1,426,165	$ -	$ 1,426,165		Y	$ -
	Navajo Tribal Utility Authority	$ -	$ 222,777	$ -	$ 222,777		Y	$ -
	Public Service of New Mexico	$ -	$ 1,765,961	$ -	$ 1,765,961		Y	$ -
	Southwest Transmission Cooperative	$ -	$ 227,665	$ -	$ 227,665		Y	$ -
LFP	AkChin	$ -	$ (83,294)	$ -	(83,294)			$ (83,294)
	PacifiCorp	$ 505,100	$ -	$ 9,506	514,606		Y	$ 9,506
	Public Service of New Mexico	$ 340,263	$ -	$ -	340,263		Y	$ -
	Salt River Project	$ 13,428,395	$ -		13,428,395		Y	$ -
	Shell Energy North America	$ 3,402,633	$ -	$ -	3,402,633		Y	$ -
	Snowflake White Mountain Power	$ 269,035	$ -	$ -	269,035		Y	$ -
	NOVO BioPower LLC	$ 207,363	$ -	$ 679	208,042		Y	$ 679
OLF	Luke AFB Main Base	$ 173,448	$ -	$ 1,329	$ 174,777		Y	$ 1,329
	Marine Corp	$ 77,652	$ -	$ -	$ 77,652		Y	$ -
	PacifiCorp	$ 410,400	$ -	$ -	$ 410,400		Y	$ -
	Public Service of New Mexico	$ 1,415,030	$ -	$ 1,213	$ 1,416,243		Y	$ 1,213
	Salt River Project Fringe	$ -	$ 18,591	$ -	$ 18,591			$ 18,591
	San Carlos Indian Irrigation	$ 1,260	$ -	$ -	$ 1,260		Y	$ -
	Tucson Electric Power Company	$ 1,824,000	$ -	$ -	$ 1,824,000		Y	$ -
	Unit B Irrigation & Drain	$ 540	$ -	$ -	$ 540		Y	$ -
	Yuma Cogeneration - Firm	$ 927,504	$ -	$ -	$ 927,504		Y	$ -
	Yuma Mesa	$ 4,500	$ -	$ -	$ 4,500		Y	$ -
SFP	AZPS for APS Merchant P-T-P	$ -	$ 197,268	$ -	$ 197,268			$ 197,268
	Cargill-Alliant, LLC	$ -	$ 332	$ -	$ 332			$ 332
	Citigroup Energy, Inc.	$ -	$ 7,280	$ -	$ 7,280			$ 7,280
	Central Arizona Water Conservation District	$ -		$ -	$ -			$ -
	EDF Trading North America, LLC	$ 1,775	$ 11,549	$ -	$ 13,327			$ 13,327
	El Paso Electric Company	$ -		$ -	$ -			$ -
	Florida Power & Light	$ -		$ -	$ -			$ -
	Gila River Power	$ -	$ 50,135	$ -	$ 50,135			$ 50,135
	JP Morgan Ventures Energy Corp.	$ -	$ 228	$ -	$ 228			$ 228
	Macquarie Cook Power Inc.	$ -	$ 2,269	$ -	$ 2,269			$ 2,269
	Morgan Stanley	$ -	$ 21,892	$ -	$ 21,892			$ 21,892
	PacifiCorp	$ 6,572	$ 286,652	$ -	$ 293,224			$ 293,224
	PacifiCorp Power Marketing (Iberdrola)	$ -	$ 2,462	$ -	$ 2,462			$ 2,462
	Panda Gila River	$ 13,287	$ 66,536	$ -	$ 79,823			$ 79,823
	Powerex	$ -	$ 64,818	$ -	$ 64,818			$ 64,818
	Public Service of New Mexico	$ -	$ 68,324	$ -	$ 68,324			$ 68,324
	Salt River Project	$ -	$ 393,132	$ -	$ 393,132			$ 393,132
	Shell Energy North America	$ -	$ 518	$ -	$ 518			$ 518
	Southern California Edison Co.	$ 17,435	$ 9,058	$ -	$ 26,493			$ 26,493
	Sun Devil Power Holdings, LLC (Wheelback)	$ -	$ 26,895	$ -	$ 26,895			$ 26,895
	TransAlta Energy Marketing	$ -	$ 12,936	$ -	$ 12,936			$ 12,936
	Noble Americas Gas & Power Corp.		$ 1,314	$ -	$ 1,314			$ 1,314
	Tucson Electric Power Company	$ -	$ 70,760	$ -	$ 70,760			$ 70,760
	Tenaska Power Services Co.	$ 4,556	$ 4,215	$ -	$ 8,771			$ 8,771
NF	AZPS for APS Merchant P-T-P	$ -	$ 486,670	$ -	$ 486,670			$ 486,670
	Cargill-Alliant, LLC	$ -	$ 12,485	$ -	$ 12,485			$ 12,485
	Brookfield Energy	$ -	$ 364	$ -	$ 364			$ 364
	Citigroup Energy, Inc	$ -	$ 8,616	$ -	$ 8,616			$ 8,616
	EDF Trading North America, LLC	$ 100,535	$ 7,772	$ -	$ 108,307			$ 108,307
	Exelon Generation Company	$ -	$ 5,600	$ -	$ 5,600			$ 5,600
	Florida Power & Light	$ -		$ -	$ -			$ -
	JP Morgan Ventures Energy Corp.	$ -	$ 513	$ -	$ 513			$ 513
	Macquarie Cook Power, L.P.	$ -	$ 7,158	$ -	$ 7,158			$ 7,158
	Morgan Stanley	$ 27,680	$ 81,841	$ -	$ 109,521			$ 109,521
	Nevada Power Company	$ -	$ 2,960	$ -	$ 2,960			$ 2,960
	OATI (West Connect Pricing Experiment)	$ -	$ 9,445	$ -	$ 9,445			$ 9,445
	Open Access Technology Int'l	$ -		$ -	$ -			$ -
	PacifiCorp	$ 4,849	$ 216,016	$ -	$ 220,865			$ 220,865
	PacifiCorp Power Marketing (Iberdrola)	$ -	$ 24,695	$ -	$ 24,695			$ 24,695
	Panda Gila River	$ -	$ 42,376	$ -	$ 42,376			$ 42,376
	Powerex	$ -	$ 43,338	$ -	$ 43,338			$ 43,338
	Public Service of New Mexico	$ -	$ 35,931	$ -	$ 35,931			$ 35,931
	Salt River Project Merchant		$ 1,191,916	$ -	$ 1,191,916			$ 1,191,916
	Sempra Trading Corp	$ -		$ -	$ -			$ -
	Shell Energy North America	$ -	$ 545	$ -	$ 545			$ 545
	Southern California Edison Co	$ -	$ 38,728	$ -	$ 38,728			$ 38,728
	Tenaska Power Services Co.	$ -	$ 4,095	$ -	$ 4,095			$ 4,095
	TransAlta Energy Marketing	$ -	$ 110,802	$ -	$ 110,802			$ 110,802
	Tri-State G&T (was Plains G&T)			$ -	$ -			$ -
	Tucson Electric Power Company	$ -	$ 277,768	$ -	$ 277,768			$ 277,768
	Western Area Power Admin. (CRSP)	$ -	$ 646	$ -	$ 646			$ 646
	Yuma Cogeneration Association	$ -	$ 24,057	$ -	$ 24,057			$ 24,057
OS	Imperial Irrigation District	$ -	$ -	$ 52,997	$ 52,997			$ 52,997
	Salt River Project Schedule 0	$ -	$ -	$ 772,910	$ 772,910			$ 772,910
AD	Other	$ -	$ -	$ 1,067,772	$ 1,067,772			$ 1,067,772
Grand Total		$ 23,163,525	$ 7,609,143	$ 1,906,406	$ 32,679,141			
					$ 32,679,141			

Difference (must be zero) -

Total	5,951,125
Exclude PTP Scheduling from Ancillary Services	30,249
Total Revenue Credits	5,920,876

Worksheet 5 - Prepaid Items

Component (5)	BOY	EOY	AVG	100% Non-Transmission Related (1)	100% Transmission Related (2)	Gross Plant Related (3)	Labor Related (4)
PREPAID INSURANCE	2,674,114	6,996,945	4,835,530			6,996,945	
Federal Tax Receivable	589,027	(9,715,535)	(4,563,254)			(9,715,535)	
Income tax receivable	0	131,051,226	65,525,613			131,051,226	
State tax receivable	0	9,201,241	4,600,621			9,201,241	
PREPAID INSURANCE	457,647	470,543	464,095			470,543	
PPD POSTAGE-PERMITS/METERS	334,609	58,834	196,721			58,834	
MISC PREPAIDS	69,860	167,000	118,430			167,000	
Total Plant Related	4,125,256	138,230,254	71,177,755			138,230,254	
PREPAID POSTAGE	628,536	1,082,646	855,591				1,082,646
HR misc	0	50,000	25,000				50,000
Vehicle Licenses	338,123	364,150	351,137				364,150
Prepaid Travel	82,241	367,138	224,690				367,138
PPD SOFTWARE MAINT CONTRACTS	9,274,973	9,787,259	9,531,116				9,787,259
Total Labor Related	10,323,873	11,651,193	10,987,533				11,651,193
POWER MARKETING PREPAIDS	4,700	596,480	300,590	596,480			
PREPAYMENTS-MISC BUSINESS LICE	968	9,316	5,142	9,316			
REGULATORY COMMISSION EXP-ACC	2,806,231	2,917,914	2,862,072	2,917,914			
REGULATORY COMMISSION EXP-RUCO	460,551	272,686	366,618	272,686			
NAVAJO PLANT LEASE	85,176	-	42,588	0			
MISC FOSSIL PREPAIDS	19,124	0	9,562			0	
Foothills Lease	34,688	34,688	34,688	34,688			
Schools and governments	0	14,618	7,309	14,618			
Chino	0	29,770	14,885	29,770			
Distribution Right Of Way	86,065	45,000	65,532	45,000			
Barclay's Line of Credit	28,750	32,500	30,625	32,500			
32M March Line of Credit Arrangement Fees	33,945	0	16,973	0			
Legends Entertainment Dist	875,572	253,422	564,497	253,422			
PV Prepaid invoices	0	758,370	379,185	758,370			
Acquired Coal Bonuses	1,674,860	1,557,968	1,616,414	1,557,968			
Misc business license	0	525	263	525			
ACC DOCUMENT FEES	7,700	7,700	7,700	7,700			
SROG Water Payment	18,270	18,269	18,270	18,269			
Total Non-Transmission Related	6,136,600	6,549,226	6,342,913	6,549,226			
500 KV Capacitor Bank	9,104,049	7,840,563	8,472,306		7,840,563		
Transmission Right of Way	2,117,682	2,132,940	2,125,311		2,132,940		
Forest Service Agreement	240,000	315,000	277,500		315,000		
Wheeling Prepaid Expense	100,000	100,000	100,000		100,000		
Total Transmission Related	11,561,731	10,388,503	10,975,117		10,388,503		
Grand Total	**32,147,460**	**166,819,176**	**99,483,318**	**6,549,226**	**10,388,503**	**138,230,254**	**11,651,193**

ARIZONA PUBLIC SERVICE COMPANY
WORKSHEET - 6 Depreciation Rates
TRANSMISSION DEPRECIATION COMPOSITE RATE AS OF 12-31-2013

Company	Functional Class	Depr Group	Jurisdiction	(A) Cost of Removal Rate	(B) Depr Rate	(A)+(B)=(C) Total Rate	(D) Balance EOY 2013	(C)*(D) Rate * Bal.	Comp. Rate
Arizona Public Service	Transmission Plant - Electric	00 35200 Struc & Improvements	FERC	-0.01%	1.85%	1.84%	83,640,152.66	1,538,978.81	
Arizona Public Service	Transmission Plant - Electric	00 35300 Substation Eq, FERC Jur	FERC	0.04%	2.10%	2.14%	820,216,888.91	17,552,641.42	
Arizona Public Service	Transmission Plant - Electric	00 35400 Towers & Fdn, FERC Jur	FERC	-0.03%	1.37%	1.34%	89,849,885.82	1,203,988.47	
Arizona Public Service	Transmission Plant - Electric	00 35501 Wood & Oth Poles & Fxt	FERC	0.34%	1.87%	2.21%	64,228,469.10	1,419,449.17	
Arizona Public Service	Transmission Plant - Electric	00 35502 Steel Poles & Fixtures	FERC	0.35%	1.75%	2.10%	372,439,118.77	7,821,221.49	
Arizona Public Service	Transmission Plant - Electric	00 35600 OH Cond & Dev, FERC Jur	FERC	0.31%	1.56%	1.87%	356,848,892.59	6,673,074.29	
Arizona Public Service	Transmission Plant - Electric	00 35700 UG Conduits	FERC	-0.02%	1.57%	1.55%	20,834,926.08	322,941.35	
Arizona Public Service	Transmission Plant - Electric	00 35800 UG Conductors	FERC	-0.24%	1.57%	1.33%	34,000,223.87	452,202.98	
						FERC Jurisdiction EOY 2013 Balance	**1,842,058,557.80**		
						Worksheet 6 Totals	**2,171,897,250.63**	**36,984,497.99**	**2.01%** Annual **0.17%** Monthly
						FF1 Page 204-207 Transmission Ending Balance	**2,171,897,249.00**		
							1.69		

* All Non-FERC Jurisdictional assets are excluded from the Depreciation Rate Calculation

ATTACHMENT H