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AZ CORP COMMISSION
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Attorneys for Arizona Public Service Company

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

11 BOB STUMP, Chairman
 12 GARY PIERCE
 13 BRENDA BURNS
 14 ROBERT L. BURNS
 15 SUSAN BITTER SMITH

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

DOCKET NO. E-01345A-11-0224

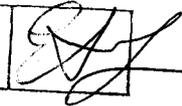
NOTICE OF ERRATA

20 Arizona Public Service Company provides notice of filing errata to James
 21 Wilde's rejoinder testimony originally filed on July 28, 2014. Attached is a new page 4
 22 to correct a typographical error. The \$50M NPV reflected on page 4, line 7 should be
 23 \$80M NPV.

Arizona Corporation Commission

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1 RESPECTFULLY SUBMITTED this 1st day of August 2014.

2
3 By: Thomas L. Murnaw
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5 Melissa M. Krueger
6 Attorneys for Arizona Public Service Company

7 ORIGINAL and thirteen (13) copies
8 of the foregoing filed this 1st day of
9 August 2014, with:

10 Docket Control
11 ARIZONA CORPORATION COMMISSION
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 COPY of the foregoing mailed/delivered this
15 1st day of August 2014 to:

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CORRECTED TESTIMONY

PAGE 4 - LINE 7

JIM WILDE

1 benefit for proceeding with the purchase of SCE's share of Four Corners Units 4
2 and 5, even with using CRA's carbon pricing.
3

4 **Q. WOULD THIS TRANSACTION STILL BENEFIT APS CUSTOMERS**
5 **EVEN IF WE WERE TO ASSUME, FOR THE SAKE OF ARGUMENT,**
6 **USE OF THE CRA CARBON EMISSIONS PRICES CONTAINED IN THE**
7 **2011 CRA STUDY?**

8 A. Yes. In the "High CO₂ Emission Cost Sensitivity" mentioned above and reflected
9 in APS15330, the transaction would still have an approximate \$80M NPV benefit
10 for APS customers.

11 **Q. IN YOUR REBUTTAL TESTIMONY, YOU DISCUSS BRIEFLY THE**
12 **POTENTIAL IMPACT OF THE PROPOSED CLEAN POWER PLAN**
13 **REGULATION ON THE CARBON MARKET. CAN YOU PLEASE**
14 **EXPAND ON THAT TESTIMONY?**

15 A. Yes. On June 2, 2014, the Environmental Protection Agency ("EPA") released a
16 proposed rule, referred to as the "Clean Power Plan" ("CPP") for states to
17 regulate greenhouse gas emissions from existing fossil fuel-fired electric
18 generating units ("EGUs") under Section 111(d) of the Clean Air Act. The
19 proposed rule establishes state-specific emission rates for all affected EGUs in
20 each state rather than nationally uniform emission rates. The CPP does not
21 propose a carbon market, but instead proposes to allow states the option of using
22 a variety of methods to improve carbon emissions intensity, including the
23 addition of renewables and energy efficiency. At this time, it's unclear what role
24 a carbon market would play, if any, with individual state utility plans, given the
25 flexibility provided in the proposed standard.

26 V. CONCLUSION

27 **Q. DO YOU HAVE ANY CONCLUDING REMARKS?**

28 A. The criticisms lodged by Sierra Club Witness Dr. Hausman in his Surrebuttal
Testimony are unsupported by the record in this matter. APS has been forthright
and transparent regarding the natural gas and carbon prices used in its analysis.