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AZ CORP COMMISSION
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Leader
Federal and State Compliance

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May 27, 2015

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

ORIGINAL

RE: Quarterly Report on Transfers of Utility Property
Docket No. E-01345A-06-0770, Decision No. 69670

Pursuant to Decision No. 69670, dated June 28, 2007, Arizona Public Service Company ("APS") was ordered as follows:

The Company shall file in Docket control, quarterly reports summarizing each transfer, sale, mortgage, lease, or assignment entered into pursuant to this order and further shall state how each transaction complies with condition/limitation. This reporting requirement shall be met by continuing the reporting currently being submitted by APS in compliance with Decision No. 60481, as amended by Decision No. 61708, replacing and superseding that requirement, and increasing the frequency of the report to quarterly.

APS submits its quarterly report summarizing transfers, sales, mortgages, leases or assignments entered into from January 1, 2015, to March 31, 2015. This report reflects the balance of these transactions, including accrued interest through March 31, 2015.

If you have any questions regarding this information, please contact Gregory Bernosky at (602)250-4849.

Sincerely,

Lisa Malagon

LM/sb
Attachment

cc: Brian Bozzo
Terri Ford
Steve Olea

Arizona Corporation Commission
DOCKETED
MAY 27 2015

DOCKETED BY

ARIZONA PUBLIC SERVICE COMPANY
 CALCULATION OF NET GAINS ON UTILITY PROPERTY
 As of March 31, 2015

| SALES TRANSACTION DATE | PROPERTY DESCRIPTION | SALES PRICE | OCLD | BOOK GAIN/(LOSS) ON SALE | TAX BASIS OF PROPERTIES | TAXES (1,2) | NET GAIN/(LOSS) (3) | AMOUNT ALLOCATED TO CUSTOMERS (4) | INTEREST TO DATE (5) | CUSTOMER BALANCE |
|------------------------------|--|-------------|------|-----------------------------|----------------------------|-------------|------------------------|---|-------------------------|---------------------|
| | Account Balance at the end of December 2014 | | | | | | | | | |
| | Interest on Account Balance for the First Quarter 2015 | | | | | | | | | (\$4,209) |
| | Total Transactions in First Quarter 2015 | | | | | | | | | (\$4) |
| | Total Account Balance as of March 2015 | | | | | | | | | (\$4,212) |

- (1) [(Sales Price less Tax Basis) * Tax Rate] / [(ADIT Net Book Basis - Tax Basis) * Tax Rate]
- (2) APS Composite Income Tax Rate: 2014 = 39.22%; 2015 = 38.86%
- (3) Jurisdictional allocation of Net Gain
- (4) Amount Allocated for Customers based on 50% of jurisdictional split.
- (5) Interest from Date of Transfer through End Date

These transactions do not have a negative impact on the safety, quality, reliability, or economy of an APS customer's electric service per Arizona Corporation Commission Decision No. 69670.