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April 1, 2015

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

RE: Calculation of Environmental Improvement Surcharge ("EIS") for 2015
Docket No. E-01345A-11-0224

Decision No. 73183 requires Arizona Public Service Company ("APS") to submit on or before February 1st of each year the calculated EIS rate (including all supporting data) that will be effective on April 1st of each year.

On January 30, 2015, APS submitted the updated EIS Calculations including Schedule 1: Qualified Investments for EIS Electric Plant In Service for Calendar Year 2012 -2014 and Schedule 2 Capital Carrying Costs and Adjustor Calculation Plant In Service for Calendar Year 2012 -2014. In accordance with the Plan of Administration, "Unless the Commission has otherwise acted or Staff has filed an objection by April 1st, the new EIS rate proposed by APS will go into effect with the first billing cycle in April (without proration) and will remain in effect for the following 12-month period."

Attached please find Adjustment Schedule EIS Environmental Improvement Surcharge, Revision No. 5, effective April 1, 2015.

If you have any questions regarding this information, please contact Charles Miessner at (602)250-3081.

Sincerely,

Lisa Malagon

LM/sb
Attachment

Arizona Corporation Commission
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**ADJUSTMENT SCHEDULE EIS
ENVIRONMENTAL IMPROVEMENT SURCHARGE**

APPLICATION

The Environmental Improvement Surcharge ("EIS") shall apply to all retail Standard Offer service excluding Rate Schedules E-36 XL, and AG-1. All provisions of the customer's current applicable rate schedule shall apply in addition to charges under this Adjustment Schedule EIS.

The EIS was approved by the Arizona Corporation Commission ("ACC") in Decision No. 69663 and Decision No. 73183.

The EIS recovers the cost associated with investment and expenses for environmental improvements at APS' generation facilities that the ACC has approved for recovery. Approved environmental improvements include those implemented on or after January 1, 2004, for which costs have not been fully recovered under current approved rates, ongoing environmental improvement projects and environmental improvement projects designed to comply with prospective environmental standards required by federal, state, tribal, or local laws or regulations.

RATE

The charge shall be calculated at the following rate:

EIS

All kWh

\$0.000109 per kWh