aps ORIGINAL

0000170349

State Regulation and Compliance

Mail Station 9712
PO Box 53999
Phoenix, Arizona 85072-3999
Tel 602-250-3341
Kerri.Carnes@aps.com

2016 MAY 16 P 1:27

DOCKET CONTROL

May 16, 2016

Arizona Corporation Commission
DOCKETED
MAY 16 2016
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 16, 2016 in Docket No. E-01345A-11-0224, which included the above-mentioned report.

On April 1, 2016, pursuant to Section 205 of the Federal Power Act and Section 35.15 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Regulations[1], APS provided notice of the cancellation of APS Rate Schedule No. 38, effective July 6, 2016, and requested approval of accounting and rate treatment of the reimbursement payment provided for by APS Rate Schedule No. 38 by May 13, 2016.[2] However, APS has not yet received an order in that proceeding. Therefore, APS is submitting two versions of the TCA rates and supporting data. Version I reflects the accounting and rate treatment requested by APS. Version II does not reflect the accounting and rate treatment requested by APS. The rates that will go into effect on June 1, 2016 will reflect the Commission's decision on APS's proposed accounting and rate treatment.[3]

If you have any questions regarding this information, please contact Stefanie Layton at (602)250-4541.

---

1 18 C.F.R. Part 35 (2015)

2 *See* Notice of Cancellation, Request for Approval of Accounting and Rate Treatment, and Request for Expedited Action and Shortened Comment Period, *Arizona Public Service Company*, Docket No. ER16-1342 (filed Apr. 1, 2016).

3 In the event an order is not received by June 1, 2016, the rates resulting from Version II will go into effect on June 1, 2016 and the results of the order, if applicable, will be reflected in APS's 2017 rates.

Sincerely,

Kerri A. Carnes

KC/am
Attachment

cc: Thomas Broderick, Arizona Corporation Commission

Kerri A. Carnes
Manager
State Regulation and Compliance

Mail Station 9712
PO Box 53999
Phoenix, Arizona 85072-3999
Tel 602-250-3341
Kerri.Carnes@aps.com

May 16, 2016

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 2016 (without proration), unless otherwise ordered by the Commission. The TCA rates will remain in effect for the subsequent 12-month period.

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.

On April 1, 2016, pursuant to Section 205 of the Federal Power Act and Section 35.15 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Regulations[1], APS provided notice of the cancellation of APS Rate Schedule No. 38, effective July 6, 2016, and requested approval of accounting and rate treatment of the reimbursement payment provided for by APS Rate Schedule No. 38 by May 13, 2016.[2] However, APS has not yet received an order in that proceeding. Therefore, APS is submitting two versions of the TCA rates and supporting data. Version I reflects the accounting and rate treatment requested by APS and would result in an estimated annual increase of $46.1 million to overall retail revenues. Version II does not reflect the accounting and rate treatment requested by APS and would result in an estimated annual increase of $24.9 million to overall retail revenues. The rates that will go into

---

[1] 18 C.F.R. Part 35 (2015)

[2] *See* Notice of Cancellation, Request for Approval of Accounting and Rate Treatment, and Request for Expedited Action and Shortened Comment Period, *Arizona Public Service Company*, Docket No. ER16-1342 (filed Apr. 1, 2016).

effect on June 1, 2016 will reflect the Commission's decision on APS's proposed accounting and rate treatment.[3]

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. 12.

2. Attachment B – a redlined version of the new Adjustment Schedule TCA-1 Revision No. 12.

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 2014 OATT and 2015 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 2015 through 2017.

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 Stefanie Layton at (602)250-4541.

Sincerely,

Kerri A. Carnes

KC/am

cc: Thomas Broderick, Arizona Corporation Commission
Terri Ford, Arizona Corporation Commission
Maureen Scott, Arizona Corporation Commission
Barbara Keene, Arizona Corporation Commission

---

[3] In the event an order is not received by June 1, 2016, the rates resulting from Version II will go into effect on June 1, 2016 and the results of the order, if applicable, will be reflected in APS's 2017 rates.

VERSION I

ATTACHMENT A

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	$0.008097/kWh
General Service 20 kW or less	$0.004472/kWh
General Service over 20 kW, under 3,000 kW	$1.462/kW
General Service 3,000 kW and over	$1.683/kW

ATTACHMENT B

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	$~~0.006565~~0.008097/kWh
General Service 20 kW or less	$~~0.002954~~0.004472/kWh
General Service over 20 kW, under 3,000 kW	$~~0.947~~1.462/kW
General Service 3,000 kW and over	$~~1.177~~1.683/kW

ATTACHMENT C

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	0.012267	0.007872	2.733	3.104
2.	Scheduling	0.000069	0.000056	0.021	0.024
3.	Regulation & Frequency	0.000267	0.000217	0.081	0.092
4.	Spinning Reserve	0.000618	0.000502	0.188	0.212
5.	Operating Reserve	0.000078	0.000064	0.024	0.027
6.	Energy Imbalance	0.000000	0.000000	0.000	0.000
7.	Total (Lines 1 thru 7)	0.013299	0.008711	3.047	3.459
8.	Included In Retail Base Rates	0.005202	0.004239	1.585	1.776
9.	TCA (Line 7) - (Line 8)	0.008097	0.004472	1.462	1.683

ATTACHMENT D

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	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	$ 1.84	$ 1.84			$ 2.24	2.24	$ 1.44	$ 1.44
TCA	$ 7.23	$ 8.91	$ 1.68	1.17%	$ 8.78	$ 10.83	$ 5.67	$ 6.99
RES	$ 3.74	$ 3.74			$ 3.74	$ 3.74	$ 3.74	$ 3.74
DSMAC	$ 2.03	$ 2.03			$ 2.47	$ 2.47	$ 1.59	$ 1.59
EIS	$ 0.18	$ 0.18			$ 0.21	$ 0.21	$ 0.14	$ 0.14
SBA-2	$ (0.56)	$ (0.56)			$ (0.68)	$ (0.68)	$ (0.44)	$ (0.44)
Four Comers	$ 2.52	$ 2.52			$ 3.27	$ 3.27	$ 1.76	$ 1.76
LFCR	$ 2.41	$ 2.44	$ 0.03	0.02%	$ 3.10	$ 3.13	$ 1.72	$ 1.74
Total	$ 143.29	$ 145.00	$ 1.71	1.19%	$ 184.20	$ 186.28	$ 102.34	$ 103.68

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	$ 1.16	$ 1.16			$ 1.31	1.31	$ 1.01	$ 1.01
TCA	$ 4.54	$ 5.60	$ 1.06	1.06%	$ 5.12	$ 6.32	$ 3.95	$ 4.87
RES	$ 3.74	$ 3.74			$ 3.74	$ 3.74	$ 3.74	$ 3.74
DSMAC	$ 1.28	$ 1.28			$ 1.44	$ 1.44	$ 1.11	$ 1.11
EIS	$ 0.11	$ 0.11			$ 0.12	$ 0.12	$ 0.10	$ 0.10
SBA-2	$ (0.36)	$ (0.36)			$ (0.40)	$ (0.40)	$ (0.31)	$ (0.31)
Four Comers	$ 1.75	$ 1.75			$ 2.19	$ 2.19	$ 1.31	$ 1.31
LFCR	$ 1.69	$ 1.71	$ 0.02	0.02%	$ 2.08	$ 2.10	$ 1.29	$ 1.31
Total	$ 100.31	$ 101.39	$ 1.08	1.08%	$ 123.64	$ 124.86	$ 76.96	$ 77.90

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	$ 2.40	$ 2.40			$ 2.64	2.64	$ 2.16	$ 2.16
TCA	$ 4.23	$ 6.40	$ 2.17	0.93%	$ 4.65	$ 7.04	$ 3.80	$ 5.75
RES	$ 13.38	$ 13.38			$ 14.73	$ 14.73	$ 12.02	$ 12.02
DSMAC	$ 2.64	$ 2.64			$ 2.91	$ 2.91	$ 2.37	$ 2.37
EIS	$ 0.23	$ 0.23			$ 0.25	$ 0.25	$ 0.21	$ 0.21
SBA-2	$ (0.74)	$ (0.74)			$ (0.81)	$ (0.81)	$ (0.66)	$ (0.66)
Four Comers	$ 4.11	$ 4.11			$ 4.74	$ 4.74	$ 3.48	$ 3.48
LFCR	$ 3.91	$ 3.95	$ 0.04	0.02%	$ 4.49	$ 4.53	$ 3.33	$ 3.36
Total	$ 232.54	$ 234.75	$ 2.21	0.95%	$ 266.97	$ 269.40	$ 198.10	$ 200.08

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	AVERAGE MONTHLY BILL IMPACTS				SEASONAL BILL IMPACTS			
	Current	Proposed			Current	Proposed	Current	Proposed
Commercial S (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	7,182				7,752	7,752	6,612	6,612
Averge kW per Month	23.7				26.8	26.8	20.6	20.6
Base Rates	$ 842.33	$ 842.33			$ 987.28	$ 987.28	$ 697.38	$ 697.38
PSA	$ 12.06	$ 12.06			$ 13.01	$ 13.01	$ 11.10	$ 11.10
TCA	$ 22.45	$ 34.65	$ 12.20	1.23%	$ 25.38	$ 39.18	$ 19.51	$ 30.12
RES	$ 67.19	$ 67.19			$ 72.52	$ 72.52	$ 61.86	$ 61.86
DSMAC	$ 16.50	$ 16.50			$ 18.65	$ 18.65	$ 14.34	$ 14.34
EIS	$ 1.15	$ 1.15			$ 1.24	$ 1.24	$ 1.06	$ 1.06
SBA-2	$ (3.68)	$ (3.68)			$ (3.97)	$ (3.97)	$ (3.39)	$ (3.39)
Four Corners	$ 17.10	$ 17.10			$ 20.04	$ 20.04	$ 14.16	$ 14.16
LFCR	$ 16.67	$ 16.88	$ 0.21	0.02%	$ 19.39	$ 19.62	$ 13.95	$ 14.13
Total	$ 991.77	$ 1,004.18	$ 12.41	1.25%	$ 1,153.54	$ 1,167.57	$ 829.97	$ 840.76

Commercial - M (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	62,238	62,238			68,381	68,381	56,094	56,094
Averge kW per Month	195.7				209.5	209.5	181.8	181.8
Base Rates	$ 6,431.10	$ 6,431.10			$ 7,407.24	$ 7,407.24	$ 5,454.95	$ 5,454.95
PSA	$ 104.44	$ 104.44			$ 114.74	$ 114.74	$ 94.13	$ 94.13
TCA	$ 185.28	$ 286.04	$ 100.76	1.38%	$ 198.40	$ 306.29	$ 172.16	$ 265.79
RES	$ 233.88	$ 233.88			$ 233.88	$ 233.88	$ 233.88	$ 233.88
DSMAC	$ 136.17	$ 136.17			$ 145.81	$ 145.81	$ 126.53	$ 126.53
EIS	$ 9.96	$ 9.96			$ 10.94	$ 10.94	$ 8.98	$ 8.98
SBA-2	$ (31.87)	$ (31.87)			$ (35.01)	$ (35.01)	$ (28.72)	$ (28.72)
Four Corners	$ 130.56	$ 130.56			$ 150.37	$ 150.37	$ 110.74	$ 110.74
LFCR	$ 123.08	$ 124.80	$ 1.72	0.02%	$ 140.63	$ 142.47	$ 105.52	$ 107.12
Total	$ 7,322.60	$ 7,425.08	$ 102.48	1.40%	$ 8,367.00	$ 8,476.73	$ 6,278.17	$ 6,373.40

Commercial - L (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	290,507	290,507			314,925	314,925	266,089	266,089
Averge kW per Month	716.5				795	795	638	638
Base Rates	$ 24,707.54	$ 24,707.54			$ 29,453.69	$ 29,453.69	$ 19,961.38	$ 19,961.38
PSA	$ 487.48	$ 487.48			$ 528.45	$ 528.45	$ 446.50	$ 446.50
TCA	$ 678.53	$ 1,047.53	$ 369.00	1.35%	$ 752.87	$ 1,162.29	$ 604.19	$ 932.76
RES	$ 467.75	$ 467.75			$ 467.75	$ 467.75	$ 467.75	$ 467.75
DSMAC	$ 498.69	$ 498.69			$ 553.32	$ 553.32	$ 444.05	$ 444.05
EIS	$ 46.48	$ 46.48			$ 50.39	$ 50.39	$ 42.57	$ 42.57
SBA-2	$ (148.74)	$ (148.74)			$ (161.24)	$ (161.24)	$ (136.24)	$ (136.24)
Four Corners	$ 501.57	$ 501.57			$ 597.91	$ 597.91	$ 405.22	$ 405.22
LFCR	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -
Total	$ 27,239.30	$ 27,608.30	$ 369.00	1.35%	$ 32,243.14	$ 32,652.56	$ 22,235.42	$ 22,563.99

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	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	$ 6,198.42	$ 6,198.42			$ 6,446.66	$ 6,446.66	$ 5,950.17	$ 5,950.17
TCA	$ 7,496.91	$ 10,719.87	$ 3,222.96	1.17%	$ 7,863.54	$ 11,244.12	$ 7,130.27	$ 10,195.61
RES	$ 3,040.00	$ 3,040.00			$ 3,040.00	$ 3,040.00	$ 3,040.00	$ 3,040.00
DSMAC	$ 4,433.18	$ 4,433.18			$ 4,649.98	$ 4,649.98	$ 4,216.37	$ 4,216.37
EIS	$ 591.03	$ 591.03			$ 614.70	$ 614.70	$ 567.36	$ 567.36
SBA-2	$ (1,891.30)	$ (1,891.30)			$ (1,967.04)	$ (1,967.04)	$ (1,815.55)	$ (1,815.55)
Four Corners	$ 5,099.93	$ 5,099.93			$ 5,329.54	$ 5,329.54	$ 4,870.32	$ 4,870.32
LFCR	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -
Total	$ 276,196.17	$ 279,419.13	$ 3,222.96	1.17%	$ 288,516.38	$ 291,896.96	$ 263,875.94	$ 266,941.28

Notes:
(1) Bill excludes regulatory assessment charge, taxes and fees. All Adjustor levels in effect as of May15, 2016.
(2) Bill includes the projected impact to customers of the reset TCA adjustor.

ATTACHMENT E

Class Coincident Peak Demand

Class	2014		2015	
	MW	% of Coincident Demand	MW	% of Coincident Demand
Residential	3363.8	60.55%	3398.0	58.95%
General Service < 3MW	1801.9	32.43%	1959.6	34.00%
General Service > 3 MW	390.0	7.02%	406.2	7.05%
Total	5555.7	100.00%	5763.8	100.00%

ATTACHMENT F

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	$ 0.006565 /kWh	$ 0.008097 /kWh	$ 0.001532 /kWh	23.3%	13.0%
General Service 20 kW or less	$ 0.004239 /kWh	$ 0.002954 /kWh	$ 0.004472 /kWh	$ 0.001518 /kWh	51.4%	21.1%
General Service over 20 kW and under 3,000 kW	$ 1.585 /kW	$ 0.947 /kW	$ 1.462 /kW	$ 0.515 /kW	54.4%	20.3%
General Service 3,000 kW and over	$ 1.776 /kW	$ 1.177 /kW	$ 1.683 /kW	$ 0.506 /kW	43.0%	17.1%

VERSION II

ATTACHMENT A

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	$0.007145/kWh
General Service 20 kW or less	$0.003861/kWh
General Service over 20 kW, under 3,000 kW	$1.250/kW
General Service 3,000 kW and over	$1.442/kW

ATTACHMENT B

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	$~~0.0065650~~0.007145/kWh
General Service 20 kW or less	$~~0.002954~~0.003861/kWh
General Service over 20 kW, under 3,000 kW	$~~0.947~~1.250/kW
General Service 3,000 kW and over	$~~1.177~~1.442/kW

ATTACHMENT C

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	0.011315	0.007261	2.521	2.863
2.	Scheduling	0.000069	0.000056	0.021	0.024
3.	Regulation & Frequency	0.000267	0.000217	0.081	0.092
4.	Spinning Reserve	0.000618	0.000502	0.188	0.212
5.	Operating Reserve	0.000078	0.000064	0.024	0.027
6.	Energy Imbalance	0.000000	0.000000	0.000	0.000
7.	Total (Lines 1 thru 7)	0.012347	0.008100	2.835	3.218
8.	Included In Retail Base Rates	0.005202	0.004239	1.585	1.776
9.	TCA (Line 7) - (Line 8)	0.007145	0.003861	1.250	1.442

ATTACHMENT D

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	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	$ 1.84	$ 1.84			$ 2.24	2.24	$ 1.44	$ 1.44
TCA	$ 7.23	$ 7.86	$ 0.63	0.44%	$ 8.78	$ 9.55	$ 5.67	$ 6.17
RES	$ 3.74	$ 3.74			$ 3.74	$ 3.74	$ 3.74	$ 3.74
DSMAC	$ 2.03	$ 2.03			$ 2.47	$ 2.47	$ 1.59	$ 1.59
EIS	$ 0.18	$ 0.18			$ 0.21	$ 0.21	$ 0.14	$ 0.14
SBA-2	$ (0.56)	$ (0.56)			$ (0.68)	$ (0.68)	$ (0.44)	$ (0.44)
Four Corners	$ 2.52	$ 2.52			$ 3.27	$ 3.27	$ 1.76	$ 1.76
LFCR	$ 2.41	$ 2.42	$ 0.01	0.01%	$ 3.10	$ 3.11	$ 1.72	$ 1.73
Total	$ 143.29	$ 143.93	$ 0.64	0.45%	$ 184.20	$ 184.98	$ 102.34	$ 102.85

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	$ 1.16	$ 1.16			$ 1.31	1.31	$ 1.01	$ 1.01
TCA	$ 4.54	$ 4.94	$ 0.40	0.40%	$ 5.12	$ 5.57	$ 3.95	$ 4.30
RES	$ 3.74	$ 3.74			$ 3.74	$ 3.74	$ 3.74	$ 3.74
DSMAC	$ 1.28	$ 1.28			$ 1.44	$ 1.44	$ 1.11	$ 1.11
EIS	$ 0.11	$ 0.11			$ 0.12	$ 0.12	$ 0.10	$ 0.10
SBA-2	$ (0.36)	$ (0.36)			$ (0.40)	$ (0.40)	$ (0.31)	$ (0.31)
Four Corners	$ 1.75	$ 1.75			$ 2.19	$ 2.19	$ 1.31	$ 1.31
LFCR	$ 1.69	$ 1.70	$ 0.01	0.01%	$ 2.08	$ 2.09	$ 1.29	$ 1.30
Total	$ 100.31	$ 100.72	$ 0.41	0.41%	$ 123.64	$ 124.10	$ 76.96	$ 77.32

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	$ 2.40	$ 2.40			$ 2.64	2.64	$ 2.16	$ 2.16
TCA	$ 4.23	$ 5.52	$ 1.29	0.55%	$ 4.65	$ 6.08	$ 3.80	$ 4.96
RES	$ 13.38	$ 13.38			$ 14.73	$ 14.73	$ 12.02	$ 12.02
DSMAC	$ 2.64	$ 2.64			$ 2.91	$ 2.91	$ 2.37	$ 2.37
EIS	$ 0.23	$ 0.23			$ 0.25	$ 0.25	$ 0.21	$ 0.21
SBA-2	$ (0.74)	$ (0.74)			$ (0.81)	$ (0.81)	$ (0.66)	$ (0.66)
Four Corners	$ 4.11	$ 4.11			$ 4.74	$ 4.74	$ 3.48	$ 3.48
LFCR	$ 3.91	$ 3.93	$ 0.02	0.01%	$ 4.49	$ 4.51	$ 3.33	$ 3.35
Total	$ 232.54	$ 233.85	$ 1.31	0.56%	$ 266.97	$ 268.42	$ 198.10	$ 199.28

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	AVERAGE MONTHLY BILL IMPACTS				SEASONAL BILL IMPACTS			
	Current	Proposed			Current	Proposed	Current	Proposed
Commercial S (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	7,182				7,752	7,752	6,612	6,612
Averge kW per Month	23.7				26.8	26.8	20.6	20.6
Base Rates	$ 842.33	$ 842.33			$ 987.28	$ 987.28	$ 697.38	$ 697.38
PSA	$ 12.06	$ 12.06			$ 13.01	$ 13.01	$ 11.10	$ 11.10
TCA	$ 22.45	$ 29.63	$ 7.18	0.72%	$ 25.38	$ 33.50	$ 19.51	$ 25.75
RES	$ 67.19	$ 67.19			$ 72.52	$ 72.52	$ 61.86	$ 61.86
DSMAC	$ 16.50	$ 16.50			$ 18.65	$ 18.65	$ 14.34	$ 14.34
EIS	$ 1.15	$ 1.15			$ 1.24	$ 1.24	$ 1.06	$ 1.06
SBA-2	$ (3.68)	$ (3.68)			$ (3.97)	$ (3.97)	$ (3.39)	$ (3.39)
Four Corners	$ 17.10	$ 17.10			$ 20.04	$ 20.04	$ 14.16	$ 14.16
LFCR	$ 16.67	$ 16.80	$ 0.13	0.01%	$ 19.39	$ 19.53	$ 13.95	$ 14.06
Total	$ 991.77	$ 999.08	$ 7.31	0.74%	$ 1,153.54	$ 1,161.80	$ 829.97	$ 836.32

Commercial - M (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	62,238	62,238			68,381	68,381	56,094	56,094
Averge kW per Month	195.7				209.5	209.5	181.8	181.8
Base Rates	$ 6,431.10	$ 6,431.10			$ 7,407.24	$ 7,407.24	$ 5,454.95	$ 5,454.95
PSA	$ 104.44	$ 104.44			$ 114.74	$ 114.74	$ 94.13	$ 94.13
TCA	$ 185.28	$ 244.57	$ 59.29	0.81%	$ 198.40	$ 261.88	$ 172.16	$ 227.25
RES	$ 233.88	$ 233.88			$ 233.88	$ 233.88	$ 233.88	$ 233.88
DSMAC	$ 136.17	$ 136.17			$ 145.81	$ 145.81	$ 126.53	$ 126.53
EIS	$ 9.96	$ 9.96			$ 10.94	$ 10.94	$ 8.98	$ 8.98
SBA-2	$ (31.87)	$ (31.87)			$ (35.01)	$ (35.01)	$ (28.72)	$ (28.72)
Four Corners	$ 130.56	$ 130.56			$ 150.37	$ 150.37	$ 110.74	$ 110.74
LFCR	$ 123.08	$ 124.09	$ 1.01	0.01%	$ 140.63	$ 141.71	$ 105.52	$ 106.46
Total	$ 7,322.60	$ 7,382.90	$ 60.30	0.82%	$ 8,367.00	$ 8,431.56	$ 6,278.17	$ 6,334.20

Commercial - L (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	290,507	290,507			314,925	314,925	266,089	266,089
Averge kW per Month	716.5				795	795	638	638
Base Rates	$ 24,707.54	$ 24,707.54			$ 29,453.69	$ 29,453.69	$ 19,961.38	$ 19,961.38
PSA	$ 487.48	$ 487.48			$ 528.45	$ 528.45	$ 446.50	$ 446.50
TCA	$ 678.53	$ 895.63	$ 217.10	0.80%	$ 752.87	$ 993.75	$ 604.19	$ 797.50
RES	$ 467.75	$ 467.75			$ 467.75	$ 467.75	$ 467.75	$ 467.75
DSMAC	$ 498.69	$ 498.69			$ 553.32	$ 553.32	$ 444.05	$ 444.05
EIS	$ 46.48	$ 46.48			$ 50.39	$ 50.39	$ 42.57	$ 42.57
SBA-2	$ (148.74)	$ (148.74)			$ (161.24)	$ (161.24)	$ (136.24)	$ (136.24)
Four Corners	$ 501.57	$ 501.57			$ 597.91	$ 597.91	$ 405.22	$ 405.22
LFCR	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -
Total	$ 27,239.30	$ 27,456.40	$ 217.10	0.80%	$ 32,243.14	$ 32,484.02	$ 22,235.42	$ 22,428.73

ARIZONA PUBLIC SERVICE COMPANY
Bill Impact of TCA Reset June 2016

	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	$ 6,198.42	$ 6,198.42			$ 6,446.66	$ 6,446.66	$ 5,950.17	$ 5,950.17
TCA	$ 7,496.91	$ 9,184.82	$ 1,687.91	0.61%	$ 7,863.54	$ 9,634.00	$ 7,130.27	$ 8,735.64
RES	$ 3,040.00	$ 3,040.00			$ 3,040.00	$ 3,040.00	$ 3,040.00	$ 3,040.00
DSMAC	$ 4,433.18	$ 4,433.18			$ 4,649.98	$ 4,649.98	$ 4,216.37	$ 4,216.37
EIS	$ 591.03	$ 591.03			$ 614.70	$ 614.70	$ 567.36	$ 567.36
SBA-2	$ (1,891.30)	$ (1,891.30)			$ (1,967.04)	$ (1,967.04)	$ (1,815.55)	$ (1,815.55)
Four Corners	$ 5,099.93	$ 5,099.93			$ 5,329.54	$ 5,329.54	$ 4,870.32	$ 4,870.32
LFCR	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -
Total	$ 276,196.17	$ 277,884.08	$ 1,687.91	0.61%	$ 288,516.38	$ 290,286.84	$ 263,875.94	$ 265,481.31

Notes:
(1) Bill excludes regulatory assessment charge, taxes and fees. All Adjustor levels in effect as of May15, 2016.
(2) Bill includes the projected impact to customers of the reset TCA adjustor.

ATTACHMENT E

Class Coincident Peak Demand

Class	2014		2015	
	MW	% of Coincident Demand	MW	% of Coincident Demand
Residential	3363.8	60.55%	3398.0	58.95%
General Service < 3MW	1801.9	32.43%	1959.6	34.00%
General Service > 3 MW	390.0	7.02%	406.2	7.05%
Total	5555.7	100.00%	5763.8	100.00%

ATTACHMENT F

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	$ 0.006565 /kWh	$ 0.007145 /kWh	$ 0.000580 /kWh	8.8%	4.9%
General Service 20 kW or less	$ 0.004239 /kWh	$ 0.002954 /kWh	$ 0.003861 /kWh	$ 0.000907 /kWh	30.7%	12.6%
General Service over 20 kW and under 3,000 kW	$ 1.585 /kW	$ 0.947 /kW	$ 1.250 /kW	$ 0.303 /kW	32.0%	12.0%
General Service 3,000 kW and over	$ 1.776 /kW	$ 1.177 /kW	$ 1.442 /kW	$ 0.265 /kW	22.5%	9.0%

VERSION I &
VERSION II

ATTACHMENT G

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

Line No.	Funding Project Name	WA#	Description	Actual Cost	Purpose	Miles	Estimated O&M	In-Service Date
1	Hassayampa PV-North Gila 500 2	W309024, W399949, WA11110	Hassayampa-North Gila 500kV line #2 and substation additions	$ 155,396,414	This project is anticipated to interconnect generation projects at the Delaney switchyard. This line is also one section of a new 500kV path from Palo Verde around the western and northern edges of the Phoenix area and terminating at Pinnacle Peak	110	$ 2,434,544	05/21/2015
2	Hassayampa PV-North Gila 500 2	WA175887	HANG II - Install UG fiber conduit	278,183	Install communications fiber for HANG II project	1	3,269	07/29/2014
3	Palm Valley-Trilby Wash TS1 230	W409207, W218201, WA179218	Trilby Wash-Palm Valley build new 230kV line and new Trilby Wash Substation	49,908,080	This project will serve the need for electric energy in the western Phoenix Metropolitan area and additional import capability into the greater Phoenix Metropolitan area. The proposed second 230kV source for Trilby Wash provides improved system reliability and continuity of service for communities in the area; such as El Mirage, Surprise, Youngtown, Goodyear, and Buckeye	12	879,630	04/21/2015
4	Palm Valley-Trilby Wash TS1 230	W485140	McMicken-Trilby Wash-Festival Ranch 69kV In & Out (Phase 1)	668,620	The Trilby Wash substation relieves overloads to the Westwing 230/69kV transformers (124%) for loss of an adjacent transformer. Furthermore, Trilby Wash eliminates an overload to the McMicken-Surprise 69kV line (14%) 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.	0.5	14,403	02/23/2015
5	Palm Valley-Trilby Wash TS1 230	WA216389	Festival/McMicken to Trilby 69kV (Phase 2)	944,579	The purpose of this project was to construct three 69kV lines (Festival Ranch, Waddell, & McMicken) out of Trilby Wash substation. The three lines tied into the lines that were built on W485140	0.1	14,798	05/15/2015
6	Substation Hardening	WA208269	Sunnyslope - 230kV Substation Hardening	2,085,832	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed at Sunnyslope to minimize the impacts of an intruder as well as an external attacker	N/A	4,085	12/11/2015
7	Substation Hardening	WA208268	Lincoln South - 230kVSubstation Hardening	1,763,766	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed at Lincoln to minimize the impacts of an intruder as well as an external attacker	N/A	3,454	12/14/2015
8	Substation Hardening	WA184503	Meadowbrook 230kV Substation: Construct Wall	697,516	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed at Meadowbrook to minimize the impacts of an intruder as well as an external attacker.	N/A	2,732	11/19/2014
9	Substation Hardening	WA208267	Grand Terminal - 230kVSubstation Hardening	679,452	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed at Grand Terminal to minimize the impacts of an intruder as well as an external attacker.	N/A	3,992	10/13/2015
10	Substation Hardening	WA186387	Country Club: 230kV Substation Hardening	565,880	The purpose of this project is to ensure sufficient security and hardening and surveillance measures are installed at Country Club to minimize the impacts of an intruder as well as an external attacker.	N/A	3,325	10/10/2014
11	Estrellita Sub-line and Willis Sub	WA148215	Estrellita- Willis(GY05): 69kV OH Line	4,607,897	The Estrellita to Willis (GY05) project consists of 8.8 miles of new single circuit 69kV line from Estrellita Substation to new Willis substation.	8.8	36,095	09/15/2015
12	Estrellita Sub-line and Willis Sub	W398649	Estrellita- Willis(GY05): Substation Right-of-Way	420,271	Acquire necessary right-of-way to accommodate 69KV line from Estrellita substation to the Willis (GY05) substation.	N/A	9,053	02/27/2015
13	FCS Install-2-230kV ReactorsCBI14-0	WA308544	Four Corners: 230kV Reactors(2) additions	4,159,842	Purchase and install two (2) 100 MVAR reactor banks, each switchable with their own independent pole breaker, and replace (6) 230kV switches.	N/A	8,146	12/02/2015
14	Mazatzal 345/69	W474599	Mazatzal Substation: site prep for new 345/69kV substation	4,118,473	This project is to develop a 20 acre site and install drainage requirements and chainlink fence. Improve approximately 2.6 miles of pioneer road to an all-weather access road. Construct an ADOT deceleration lane on State Route 87. Site Prep for a new 345/69/21kV substation.	N/A	8,065	12/30/2015
15	F5 GSU Center Phase Repl	FCC03859	Four Corners Unit 5 GSU Center Phase Replacement	3,851,474	Purchase and install a replacement generator Step Up (GSU) transformer. The purpose of this project is to provide Unit 5 with reliable GSU Transformers on all three phases to maintain unit reliability.	N/A	15,085	11/15/2014
16	Substation Aged Equipment Replacement Program	WA157800	Circuit Breaker 345kV Replace 1 - CH232 (B1813 w/B4699)	919,563	Replace PCB with new 345kV Dead Tank breaker with spring operating mechanisms and associated CTs.	N/A	12,606	06/15/2015
17	Substation Aged Equipment Replacement Program	WA210775	Circuit Switcher Repl CSWL924J w/IPO B4775	913,683	Replace existing 230kV circuit switcher at Willow Lake with IPO circuit breaker. Construct a new foundation & retention basin.	N/A	1,789	12/17/2015
18	Substation Aged Equipment Replacement Program	WA210613	Cholla CH132 / 345kV / Replace 345kV PCB	846,870	Replace PCB with new 345kV Dead Tank breaker with spring operating mechanisms and associated CTs.	N/A	11,609	06/19/2015
19	Substation Aged Equipment Replacement Program	WA210177	Breaker 345KV Replace - PP5132 fault	292,143	Replace 345kV breaker PP5132 due to internal fault at Pinnacle Peak	N/A	572	12/15/2014
20	Substation Aged Equipment Replacement Program	WA39415	Ocotillo Substation; 230kV; Replace DFR	257,880	Replace Digital Fault Recording Device at Ocotillo 230kV Substation.	N/A	4,545	04/15/2015
21	Participant by Other Program	W503587, W503584	Palo Verde Switchyard Line Breaker Replacements	2,506,176	Replace Line Breakers in the Palo Verde Switchyard: PL948, PL938, PL932, PL988, PL982, and PL985. Breakers have reached their end of life and need to be replaced.	N/A	58,895	01/15/2015
22	Participant by Other Program	WA142753	Replace Alstom P544 Relays	316,830	Replace Alstom P544 due to multiple failures reported by SRP.	N/A	1,861	10/15/2015
23	Participant by Other Program	WA210242	Replace bushings on four single phase transformers: 7A, 7B, 7C, and spare 7S	304,047	Replace bushings on four Kyrene 500kV single phase transformers due to identified Trench COTA bushing failures	N/A	4,168	06/30/2015
24	Unplanned/Emergency Program	WA307161	Pole Replacement - Yale to Meadowbrook - 12 poles	581,373	Replacement of 69kV poles that went down during a storm	N/A	4,554	09/21/2015
25	Unplanned/Emergency Program	WA305995	Pole Replacement - McDowell to Encanto - 6 poles	525,773	Replacement of 69kV poles that went down during a storm	N/A	4,119	09/02/2015
26	Unplanned/Emergency Program	WA228540	Pole Replacement - m-115-2 Patton Tap to Patton (includes Oberlin temp) - 26 poles down	423,683	Replacement of 69kV poles that went down during a storm	N/A	4,978	07/08/2015
27	Unplanned/Emergency Program	WA304506	Pole Replacement - Saddle Mnt to Harquahala Tap - 14 poles	402,611	Replacement of 69kV poles that went down during a storm	N/A	3,154	09/01/2015
28	Unplanned/Emergency Program	WA310671	Pole Replacement - Deer Valley to Skunk Creek - 9 poles	330,682	Replacement of 69kV poles that went down during a storm	N/A	1,943	10/20/2015
29	Unplanned/Emergency Program	WA300454	Pole Replacement - Patton Tap to Morristown - 13 poles (storm)	311,235	Replacement of 69kV poles that went down during a storm	N/A	3,657	07/20/2015
30	Unplanned/Emergency Program	WA300455	Pole Replacement - Morristown to Wickenburg - 15 poles	278,133	Replacement of 69kV poles that went down during a storm	N/A	3,268	07/18/2015
31	Unplanned/Emergency Program	WA300453	Pole Replacement - Patton Tap to Patton (includes Oberlin temp) - 15 poles	267,335	Replacement of 69kV poles that went down during a storm	N/A	3,141	07/20/2015
32	Main transformer new purchase 1R18	CK1TK	Main transformer new purchase 1R18	2,302,200	Purchase and install a replacement Generator Step Up (GSU) transformer. The purpose of this project is to provide Unit 1 with reliable GSU Transformer as the original GSU Transformer are nearing the end of their 30 year useful life	N/A	9,017	11/11/2014
33	Cotton Cent-Gillespe 69kV Line Reb	WA199024	Cotton Center to Gillespie 69/12kV	2,292,423	Replace 5.0 miles of 795 AA conductor with R795X ACSR on the Old US 80 – Cotton Center to Gillespie 69kV/12kV underbuild line. Remove all existing poles (both wood and steel). (Transmission portion of work only)	5	49,383	02/25/2015
34	500/345/230 ATB-SFA Breaker Replacement Program	WA207097	Cholla CH352 / 500kV / PCB Rplmt	1,017,605	At Cholla substation, replace CH352 500kV PCB breaker and associated CTs due to age	N/A	1,993	12/21/2015
35	500/345/230 ATB-SFA Breaker Replacement Program	WA207100	Pinnacle Peak PP1032 / 345kV / PCB Rplmt	746,573	At Pinnacle Peak substation, replace PP1032 345kV PCB breaker and associated CTs due to age	N/A	1,462	12/18/2015

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

Line No.	Funding Project Name	WA#	Description	Actual Cost	Purpose	Miles	Estimated O&M	In-Service Date
36	Stopper Pole Program	WA215329	Pole Replacement - SW-2-1 Eagle Eye to Salome - 23 stopper poles (69kV)	469,878	To provide storm hardening. This consists of removing 23 wood poles and replacing them with (H6) steel poles. This Line was selected based on the number of outages and quantity of customers affected	N/A	8,282	04/22/2015
37	Stopper Pole Program	WA217664	Pole Replacement - M-107-6 - Harquahala Tap to Saddle Mnt - 18 stopper poles (69 kV)	344,912	To provide storm hardening. This consists of removing wood poles and replacing them with (H6) steel poles. There are 18 poles targeted for storm hardening in this line section	N/A	5,404	05/23/2014
38	Stopper Pole Program	WA215765	Pole Replacement - M-107-3 - Wintersburg Tap to Wintersburg - 30 stopper poles (69kV)	267,788	To provide storm hardening. This consists of removing 30 wood poles and replacing them with (H6) steel poles. This Line was selected based on the number of outages and quantity of customers affected	N/A	4,720	04/18/2015
39	Stopper Pole Program	WA215767	Pole Replacement - M-107-5 - Tonopah to Saddle Mountain Tap - 15 stopper poles (69kV)	260,532	To provide storm hardening. This consists of removing 15 wood poles and replacing them with (H6) steel poles. This Line was selected based on the number of outages and quantity of customers affected	N/A	4,082	05/13/2015
40	Overhead Planned Replacement Program	WA177865	Pole Replacement - San Manuel to Oracle Junction 115kV Line	752,465	Capital work identified through climbing inspections on 115-2 San Manuel to Oracle Junction line	N/A	14,736	03/27/2015
41	Overhead Planned Replacement Program	WA178858	2014 Climbing Inspection - Mural-Fairview 69kV Line	415,465	Capital work identified through climbing inspections on SE-12 Mural-Fairview 69kV line	N/A	8,950	02/07/2015
42	Tranmission UG 69	WA145612	UG 69kV Conversion Show Low Airport	1,147,753	APS has been requested by the City of Show Low to convert the existing overhead 69 and 12kV lines that are in conflict with the proposed expansion of the runway in Show Low, Arizona. (Transmission portion of work only)	0.8	6,743	10/24/2014
43	EPRI Transformer Replacement Program	WA315265	Arrowhead 69/12kV Transformer Replacement	592,880	Replace failed 69/12kV transformer at Arrowhead substation	N/A	2,322	11/07/2015
44	EPRI Transformer Replacement Program	WA85221	Shunt Reactors 34.5KV Replace 3 - B	546,105	Replace 3-B 34.5kV Shunt Reactor at Cholla substation. This work order is included as transmission because it relates to a reactor bank on the tertiary bus of the 500/345kV Cholla transformer. The tertiary winding is providing a lower voltage connection for the shunt device	N/A	9,625	04/17/2015
45	Reach Substation Acquistion	WA138380	Reach Access Rd & Mitigation: Civil Eng & Construction for Land Easement	925,903	Reach Substation access road mitigation engineering, design and construction required to assist Land Services in acquiring a perpetual easement for access to APS Reach Substation.	N/A	10,879	07/15/2014
46	Strategic IT	WA199816	Baseline to Lower River FOC - T1400130H	905,768	Approximately 1.7 miles of fiber optic cable upgrades to the Baseline to LR 69kv line. This project is to expand the APS fiber backbone communications network to support additional capacity. APS to retire 26 wood poles, install 25 steel poles and install approx. 9063' of 48 count ADSS fiber optic cable.	1.7	1,774	12/21/2015
47	Morgan TS9 - Pinnacle Peak	WA118660	Raceway Permanent Access	844,832	Currently the APS Raceway substation is accessed via a private road/bridge on property that is owned by the Maricopa Water District (MWD). This project is to install a permanent access road/bridge	N/A	13,236	05/01/2015
48	Participant Op by APS Program	WA307259	Breaker 500 KV - Replace 1 - NG952 Failed to Close	721,275	North Gila Substation- Replace 500kV Circuit Breaker NG952; Circuit Breaker has experienced intermittent operational difficulties. Given the importance of this line, the Circuit Breaker was identified for replacement for reliability reasons.	N/A	4,237	10/23/2015
49	State Land ROW Renewals Program	WF15RWTI	Transmission R/W capital leases	503,798	Fixed work order for the renewal of capital transmission leases greater than $5000	N/A	987	12/31/2015
50	Ownership Xfr SR237 NWTS to NSTS	WA306914	Westwing SR237 - Ownership Transfer to Southern Owners	490,176	Ownership Transfer of 500kV bus transformer that went from West Wing sub to Navajo sub	N/A	1,920	11/22/2015
51	NERC ALERT	WA136800	2012 Ground/Line clearance 230-04-2 Knox - Santa Rosa 230 kV	481,806	230-04-2 Knox - Santa Rosa 230 kV: Provide proper Line-to-Ground and/or Line-to-Line clearances in accordance with NERC mandate	N/A	1,887	11/15/2015
52	EV2 Substation	WA188698	Re-conductor of Ocotillo to Rio Salado Portion of Ocotillo-Tempe 69kV line	456,813	Re-conductor and loop in Ocotillo-Tempe into Rio Salado (EV 2) Sub as part of the Rio Salado Project.	0.04	8,051	04/03/2015
53	GSU Purchase	60-1309C	Navajo Units 1, 2, & 3 - GSU Purchase	418,695	Centralized wireless monitoring system of the Serveron units for engineering and PdM is being proposed to proactively address gassing detection issues early, as well as providing faster troubleshooting and alarm investigation of NGS' critical transformers	N/A	2,460	10/01/2014
54	Redhawk - Hassayampa Relay Replacem	RHC07899	Redhawk - Hassayampa Relay Replacement (Redhawk Unit 1)	379,654	Removal and replacement of Alstom P544 relays at both ends of the 2 interconnection tie-lines at the Hassayampa Switchyard. The purpose of this project is to ensure safe and reliable operations.	N/A	5,948	05/28/2015
55	Redhawk - Hassayampa Relay Replacem	RHC07900	Redhawk - Hassayampa Relay Replacement (Redhawk Unit 2)	284,793	Removal & replacement of Alstom P544 relays at both ends of the 2 interconnection tie-lines at the Hassayampa Switchyard. There are several 500 kV transmission lines originating from Hassayampa Switchyard that use Alstom P544 relays. Due to multiple failures and to ensure safe and reliable operations, SRP is replacing these relays with new microprocessor-based relays.	N/A	558	12/15/2014
56	Via Dona-NE2-69kV UG Lone Mtn to	W406942	118 St-Lone Mountain to Dixileta Dr/UG 69 kV conv (Via Dona Substation)	378,728	Install two (2) separate 69kV trenches totaling 10,920 trench feet for the Via Dona Sub 69kV in and out design. (Transmission portion of work only)	2.1	742	12/31/2013
57	Bushing Monitors	WA188964	Substation Health Monitoring - Transformer Bushing Monitors	345,906	Bushing monitors use predictive techniques to identify when maintenance is required, which reduces maintenance costs and number of catastrophic failures	N/A	5,419	05/31/2015
58	Yucca Firewall	WA216703	Yucca Firewall - Axis Substation	344,810	Yucca Substation / Imperial Irrigation District Axis Substation: Add a Firewall between existing X2 and X4 161kV to 69kV transformers along with adding Oil Containment for X4 transformer	N/A	675	12/30/2015
59	Mod of Control House-Substations	T1205009H	T1205009 Modernization of Control H	330,053	Execute required upgrades at substations for CIP (Critical Infrastructure Protection) compliance	N/A	6,464	03/31/2015
60	Wood Pole Replacement Program	WA187552	Pole Replacement - SW-4-1 North Gila - Desert Sands - 7 poles	321,467	Replace 4 - "H" structures with new steel poles. Replace 2 wood poles with new steel poles and replace 1-wood pole with a new wood pole.	N/A	5,036	05/22/2014
61	N03 New Sub Near Pulliam Airport	WA123752	Soldier's Trail (N03) 69kV OH: 69kV OH Line In & Out + Fiber	321,335	Install Soldier Trail 69kV in/out to serve Soldier's Substation. (Transmission portion of work only)	0.04	629	12/19/2015
62	Hickman Substation Project	WA197306	Egg Ranch Sub: OH 69kV In and Out	295,535	Install 69kV in/out for the new Hickman Tonopah Egg Processing Plant. (Transmission portion of work only)	0.05	4,051	06/01/2015
63	Distribution Land Sale	WA159392	State Land Trespass Remediation	295,436	The purpose for this work authorization is to remediate existing transmission lines determined to be in trespass on state land throughout Arizona	N/A	4,629	05/27/2015
64	ChollaPowerSub-Rebuild Sub	WA130105	Cholla construction substation 69/12kV line conversion	272,160	CHOLLA CONSTRUCTION SUBSTATION / 69/12kV / OH Line Conversion: Build new 69kV line to new substation. Remove existing 69kV line to existing substation. Remove existing 12kV lines after conversion to UG lines is complete. The substation serves all of Joseph City and the area west of Holbrook. (Transmission portion of work only)	0.03	2,132	09/17/2015
			Work Orders > $250k $	260,099,817			$ 3,773,966	
			Work Orders < $250K	(2,618,110)				
			Total $	**257,481,706**				

Arizona Public Service Company
2016 Transmission Estimated Addition Dollars and O&M

Line #	Funding Project Name	WA#	Description	Total Estimate	Purpose	Miles	Estimated O&M	Estimated In-Service Date
1	Delany - Sun Valley 500	W217845	Delany sub to Sun Valley (TS5) sub 500kV line - design & build	$ 42,975,748	Construct 26 miles of single circuit 500kV line from the Delaney Sub to the new (TS5) Sun Valley Substation located northwest of the White Tank Mountains.	26	$ 589,126	06/01/2016
2	Delany - Sun Valley 500	W255386	Sun Valley (TS5) 500kv side of the new 500kv/230kv substation	14,436,990	This project is to design and construct a new 500/230kv substation on the west side of Sun Valley Parkway and south of the CAP canal in the West Valley.	N/A	197,907	06/01/2016
3	Delany - Sun Valley 500	WA218627	Sun Valley Substation: Common Facilities Cost	5,133,412	Participant breakout for common facilities costs (walls, lighting, grating, etc.) related to the substation	N/A	70,371	06/01/2016
4	Delany - Sun Valley 500	WA218626	Sun Valley Substation: 500kV/230kV Transformer Cost	3,450,238	Participant breakout for transformer installation in the substation	N/A	47,297	06/01/2016
5	Delany - Sun Valley 500	WA200811	Delany Double Circuit 69kV	799,695	Delany Double Circuit 69kV MCDOT Permit TC201501216 issued 9/29/15	1.5	10,962	06/01/2016
6	Delany - Sun Valley 500	WA218624	Sun Valley Substation: Construct 230kV side of substation	420,089	Participant breakout for 230kV side of the substation	N/A	5,759	06/01/2016
7	Delany - Sun Valley 500	_Work Order(s) < $250K		6,694		N/A	92	06/01/2016
8	Delany - Sun Valley 500	_Remainder of Total Funding Project	Delany - Sun Valley 500: Approximately 30 miles of a new 500kV line from Delaney to the Sun Valley substation and the construction of the Sun Valley substation	2,953,721	This project will serve projected need for electric energy in the area immediately north and west of the Phoenix Metropolitan area. The project will increase the system reliability by providing a new transmission source to help serve the areas in the western portions of the Phoenix Metropolitan area. It will also increase the import capability to the Phoenix Metropolitan area as well as increase the export/scheduling capability from the Palo Verde area to provide access to both solar and gas resources.	N/A	40,491	06/01/2016
9	**Delany - Sun Valley 500**	**Total Funding Project**		**70,176,588**				
10	Delany - Palo Verde 500	W475012	Palo Verde-Delany 500kV line	21,455,749	This project is anticipated to interconnect generation projects at the Delaney switchyard. This line is also one section of a new 500kV path from Palo Verde around the western and northern edges of the Phoenix area and terminating at Pinnacle Peak	15	294,123	06/01/2016
11	Delany - Palo Verde 500	W475015	Palo Verde: build new 500kV bay by SRP	17,720,708	This project is for the costs of engineering, material procurement and construction of a new bay at the Palo Verde Switchyard in Tonopah, AZ. The new bay will supply power to the new Delany Switchyard.	N/A	242,921	06/01/2016
12	Delany - Palo Verde 500	W335853	Delaney substation - 500kV switchyard	11,719,552	This project is to construct a new 500kv switchyard near Tonopah, Arizona. This project is part of the first step to in the plan to construct a link from the Palo Verde Hub to the Pinnacle Peak Bus. When completed this link will create a new 500kV path between the Palo Verde Transmission system, The Navajo transmission system and the Four Corners/ Cholla Transmission system.	N/A	160,656	06/01/2016
13	Delany - Palo Verde 500	_Remainder of Total Funding Project	Delany - Palo Verde 500: Approximately 15 miles of a new 500kV line from Palo Verde to the Delaney substation and the construction of the Delaney substation	3,585,760	This project is anticipated to interconnect generation projects at the Delaney switchyard. This line is also one section of a new 500kV path from Palo Verde around the western and northern edges of the Phoenix area and terminating at Pinnacle Peak	N/A	49,155	06/01/2016
14	**Delany - Palo Verde 500**	**Total Funding Project**		**54,481,769**				
15	Delaney 500/69: Provide new transmission source	WA300955	Harquahala-Egg Ranch-Tonopah 69kV Line Rebuild	2,007,087	Upgrade approximately 16.5 miles of existing 69kV line between Harquahala Tap to Wintersburg Tap. This project is needed in order to add a new source into the 69kV system in western Buckeye. A new source is needed to strengthen the existing service and reliability to the whole Buckeye/Gila Bend region.	16.5	27,514	06/01/2016
16	Delaney 500/69: Provide new transmission source	WA300954	Delaney Substation: 500kV/69kV Additions	772,317	Construct a new 69kV substation and add a new 500/69kV transformer at Delaney. This project is needed in order to add a new source into the 69kV system in western Buckeye. A new source is needed to strengthen the existing service and reliability to the whole Buckeye/Gila Bend region.	N/A	10,587	06/01/2016
17	Delaney 500/69: Provide new transmission source	_Remainder of Total Funding Project	Provide new transmission source: Substation additions and line rebuild to accommodate Buckeye and Gila Bend areas	18,400,097	Construct a new 69kV substation and add a new 500/69kV transformer at Delaney. This project is needed in order to add a new source into the 69kV system in western Buckeye. A new source is needed to strengthen the existing service and reliability to the whole Buckeye/Gila Bend region.	N/A	252,235	06/01/2016
18	**Delaney 500/69: Provide new transmission source**	**Total Funding Project**		**21,179,501**				
19	Sun Valley TS5 -Trilby Wash	W218205	230kV line - Sun Valley (TS5) to Trilby Wash (TS1)	20,518,984	Design and construct approximately 12 miles of new 230kV line from TS5 to TS1 substations.	12	401,830	03/31/2016
20	Sun Valley TS5 -Trilby Wash	_Remainder of Total Funding Project	Sun Valley TS5 -Trilby Wash: Approximately 15 miles of new 230kV line from Sun Valley to Trilby Wash and new 230/69kV substation at Trilby Wash	397,099	Serve the need for electric energy in the western Phoenix Metropolitan area and provide more capability to import power into the Phoenix Metropolitan area along with improved reliability and continuity	N/A	7,777	03/31/2016
21	**Sun Valley TS5 -Trilby Wash**	**Total Funding Project**		**20,916,083**				
22	Sun Valley TS5-Morgan TS9 500	W403500	Sun Valley - Morgan 500/230kV Land Acquisition	5,374,721	Approximately 36 miles of land acquisition through State, BLM and private lands for the Morgan (TS9) to Sun Valley (TS5) 500/230 kV Transmission Line Project.	36	10,525	12/31/2016
23	Sun Valley TS5-Morgan TS9 500	_Remainder of Total Funding Project	Sun Valley TS5-Morgan TS9 500: Approximately 40 miles of new 500kV line from Sun Valley to Morgan	2,569,857	Increases the import/scheduling capability out of the Palo Verde Hub and into the Phoenix load pocket. Increase the reliability of the Extra High Voltage ("EHV") system in the event of various EHV corridor outages	N/A	5,033	12/31/2016
24	**Sun Valley TS5-Morgan TS9 500**	**Total Funding Project**		**7,944,578**				
25	Substation Hardening program	WA168602	Pinnacle Peak Substation: Wall Addition	2,328,369	Ensure sufficient security, hardening, and surveillance measures are installed at Pinnacle Peak Substation	N/A	9,119	11/30/2016
26	Substation Hardening program	WA168604	Morgan Substation: Wall Addition	263,360	Ensure sufficient security, hardening, and surveillance measures are installed at Morgan Substation	N/A	516	12/30/2016
27	Substation Hardening program	_Work Order(s) < $250K		120,972		N/A	237	12/30/2016
28	Substation Hardening program	_Remainder of Total Funding Project	Substation Hardening: Improve security, hardening, and surveillance measures at critical substations. Examples of critical substations include: West Wing, Pinnacle Peak, Meadowbrook, etc.	8,155,702	Ensure sufficient security, hardening, and surveillance measures are installed on critical substations to minimize the impacts of an intruder, as well as an external attacker	N/A	15,972	12/30/2016
29	**Substation Hardening program**	**Total Funding Project**		**10,868,403**				
30	Transmission Land ROW Renewals program	_Remainder of Total Funding Project	Trans Land ROW Renewals: Transmission lines constructed on State/Government land are issued a ROW with a schedule of payments	1,731,078	Renew contractual agreements to ROW leases that are due to expire	N/A	3,390	12/31/2016
31	**Transmission Land ROW Renewals program**	**Total Funding Project**		**1,731,078**				

Arizona Public Service Company
2016 Transmission Estimated Addition Dollars and O&M

Line #	Funding Project Name	WA#	Description	Total Estimate	Purpose	Miles	Estimated O&M	Estimated In-Service Date
32	Participant by Other program	WA216764	Hassayampa Switchyard Hardening	1,156,945	Implement physical security hardening for Hassayampa similar to that being implemented by APS at the Westwing Substation. In compliance with NERC CIP-014-1, CIP-006-3c and CIP-006-5, this work will provide for the installation of security, hardening and surveillance measures at the Hassayampa switchyard in order to minimize the impacts of intruders and external attackers.	N/A	15,860	06/30/2016
33	Participant by Other program	WA192883	Replace bushings on three 3-phase transformers T1A, T1B & T3A	1,007,941	A comprehensive system analysis identified risks with Trench COTA bushing uses the common Oil Impregnated Paper (OIP) technology. A proactive replacement of the Trench COTA bushings with the Resin Impregnated Paper (RIP) bushing is recommended on Rudd three 500kV 3-phase transformers	N/A	1,974	12/31/2016
34	Participant by Other program	_Work Order(s) < $250K		580,929		N/A	1,138	12/31/2016
35	Participant by Other program	_Remainder of Total Funding Project	Participant by Other: Transmission assets and substation upgrades on participant lines that APS is not the operating agent	3,277,194	Replacement of end-of-life components will ensure a reliable transmission system. Facilities APS is a participant in, but not the operator	N/A	6,418	12/31/2016
36	**Participant by Other program**	**Total Funding Project**		**6,023,009**				
37	Commerce Sub - Aligned Energy	WA220124	Commerce Sub - 69KV UG Lines	5,618,313	Install 4 new UG 69kv runs (2 in & Outs) from the south side of Union Hills Dr to the new Commerce Sub. Phase 1 will install all 4 trenches and 2 runs of cable along with all comm. conduits and lines needed to energize the substation	1	121,028	02/05/2016
38	Commerce Sub - Aligned Energy	WA220123	Commerce Sub - 69KV OH Lines	640,827	Install 4 new deadend poles for the 69kv dips. Reconfigure the 69kv to match with the dip poles	0.5	13,804	02/05/2016
39	Commerce Sub - Aligned Energy	WA220126	Commerce Sub - Fiber Line Extension	305,046	Install a new fiber line from Yorkshire Sub to the new Commerce Sub along existing poles partially in the static position and partially in the common position. The new line will cross the I-17 at Union Hills Dr.	2	6,571	02/12/2016
40	Commerce Sub - Aligned Energy	_Work Order(s) < $250K		99,872		N/A	2,151	02/29/2016
41	Commerce Sub - Aligned Energy	_Remainder of Total Funding Project	Commerce Sub - Aligned Energy: Build a dedicated new ultimate 3 transformer substation, extend 6 new feeders, install 4 new UG 69kv lines and rebuild an existing OH 69kv line. (Transmission portion of work only)	1,631,538	The Commerce Sub Project includes the installation of a new ultimate 3 XFMR dedicated substation, 2 new UG In & Out 69kv line from the existing OH 69kv lines on the south side of Union Hills, Setting 4 new 69kv transition poles, 2 69kv tangent poles, reworking the existing OH 69kv lines, and installing a new fiber line from Yorkshire Sub to the new Commerce Sub on existing poles to serve a new customer. (Transmission portion of the work only. There are several Distribution WAs for Commerce Sub as well.)	N/A	35,146	02/29/2016
42	**Commerce Sub - Aligned Energy**	**Total Funding Project**		**8,295,596**				
43	Cave Creek Sub: Extend OH 69kV Lines	WA125731	Extend OH 69kV Lines: Cave Creek to Gavilan Pk 69kV OH: Extend 69kV OH Line	4,674,929	Build approximate 9 miles of new 69kV OH line from Cave Creek to Gavilan Peak. Approx 2.6 miles will be double circuit with the existing Cave Creek-Dixileta 69kV Line. The next 3.2 miles will be single circuit along Carefree Hwy to the 230kV corridor. The remaining 3.4 miles will be double circuit with the existing Dove Valley Gavilan Peak 69kV line. Some areas of 69kV OH lines will need to be rebuilt to meet proper clearances.	9.2	91,551	03/28/2016
44	Cave Creek Sub: Extend OH 69kV Lines	_Remainder of Total Funding Project	Build 9.2 miles of 69kV line from Cave Creek substation to Gavilan Peak substation	1,742,447	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	30,711	04/12/2016
45	**Cave Creek Sub: Extend OH 69kV Lines**	**Total Funding Project**		**6,417,376**				
46	Substation Aged Equipment Replacement Program	WA218664	Sunnyslope DFR Replacement	259,580	DFR REPLACEMENTS - (1) 230kV & (2) 69kV System Health Aged Equipment Replacement Program	N/A	5,592	02/23/2016
47	Substation Aged Equipment Replacement Program	_Work Order(s) < $250K		951,751		N/A	1,864	12/30/2016
48	Substation Aged Equipment Replacement Program	_Remainder of Total Funding Project	Substation Aged Equipment Repl: Replace aging substation equipment which is at end-of-service life, problematic or in an advanced degradated state due to loading and/or operation	2,484,620	Replace aged, end-of-life assets to ensure a reliable system	N/A	4,866	12/30/2016
49	**Substation Aged Equipment Replacement Program**	**Total Funding Project**		**3,695,951**				
50	Overhead Planned Replacement Program	WA101127	Capital Work On NE-10 Williams-Grand Canyon 69kv Line	467,578	Capital Replacements identified through Climbing Inspections	N/A	10,072	02/22/2016
51	Overhead Planned Replacement Program	WA211519	2015 Climbing Inspection - 230-16 - CAPITAL	449,548	2015 Climbing Inspection - 230-16 - Capital work identified through climbing inspections on GILA BEND - PANDA - LIBERTY - PALM VALLEY - RUDD 230KV LINE	N/A	9,684	02/08/2016
52	Overhead Planned Replacement Program	WA151926	2013-14 Climbing Inspection - NE-5 - CAPITAL	403,517	Capital Replacements identified through Climbing Inspections on SANDVIG - POWELL 69KV LINE	N/A	8,692	02/01/2016
53	Overhead Planned Replacement Program	WA190137	69KV HPFF Termination Replacement	266,353	Replace 69kV Terminations at Indianola Sub and at 3rd St & Weldon on the CC-IN Line	N/A	3,651	06/30/2016
54	Overhead Planned Replacement Program	_Work Order(s) < $250K		1,119,226		N/A	2,192	12/31/2016
55	Overhead Planned Replacement Program	_Remainder of Total Funding Project	Overhead Planned Repl: Replacement of end-of-life, degraded or damaged equipment (noted during annual public safety line patrols and annual climbing inspections)	1,479,347	To ensure safety and reliability of the system	N/A	2,897	12/31/2016
56	**Overhead Planned Replacement Program**	**Total Funding Project**		**4,185,570**				
57	NERC Alert	WA154028	2013 Ground/Line Clearance: 230-02-1 Coconino - Verde 230 kV Line	1,088,551	Coconino - Verde 230 kV Line. This work order is for the NERC 230kv ground clearance issues.	N/A	2,132	12/31/2016
58	NERC Alert	WA222081	2013 Ground/Line Clearance: 230-16-3 LIBERTY TAP TO PANDA	467,415	230-16-3 LIBERTY TAP TO PANDA - NERC EHV 2013 CLEARANCES. Work includes removal of all the temporary fences.	N/A	10,069	02/11/2016
59	NERC Alert	WA136791	2012 Ground/Line Clearance:230-01_2 Cholla - Coconino 230 kV	443,842	230-01_2 Cholla - Coconino 230 kV - Providing proper Line-to-Ground and/or Line-to-Line clearances. This includes installation of any temporary measures required to isolate the area.	N/A	869	12/31/2016
60	NERC Alert	WA136807	2012 Ground/Line Clearance: 230-09-2 Tat Momoli - Saguaro 230 kV	415,896	230-09-2 Tat Momoli - Saguaro 230 kV - Providing proper Line-to-Ground and/or Line-to-Line clearances. This includes installation of any temporary measures required to isolate the area	N/A	9,774	01/19/2016

Arizona Public Service Company
2016 Transmission Estimated Addition Dollars and O&M

Line #	Funding Project Name	WA#	Description	Total Estimate	Purpose	Miles	Estimated O&M	Estimated In-Service Date
61	NERC Alert	WA136814	2012 Ground/Line Clearance: 230-18-2 Milligan - Saguaro	359,247	230-18-2 Milligan - Saguaro - Providing proper Line-to-Ground and/or Line-to-Line clearances. This includes installation of any temporary measures required to isolate the area	N/A	8,442	01/25/2016
62	NERC Alert	WA136793	2012 Ground/Line Clearance: 230-02-2 Verde - Yavapai 230 kV	283,915	230-02-2 Verde - Yavapai 230 kV - Providing proper Line-to-Ground and/or Line-to-Line clearances. This includes installation of any temporary measures required to isolate the area.	N/A	556	12/31/2016
63	NERC Alert	_Work Order(s) < $250K		483,879		N/A	948	12/31/2016
64	NERC Alert	_Remainder of Total Funding Project	NERC Alert Program: The NERC Facility Rating Alert (NERC Alert) raised the question of whether utilities have adequate line clearances for the ampacity ratings that are used on their 100kV and above lines.	558,975	This work is to mitigate line clearance problems that would effect the ampacity rating for the line.	N/A	1,095	12/31/2016
65	**NERC Alert**	**Total Funding Project**		**4,101,722**				
66	EPRI Transformer Replacement Program	WA218525	Transformer 230kV Replace - T946 w/T1790 to be replaced	1,504,067	Casa Grande Substation - Transformer 230kV Replace - T946 w/T1790. T946 transformer was procured without the use of upgraded kraft paper insulation. The top rating of 47MVA was limited	N/A	32,400	02/12/2016
67	EPRI Transformer Replacement Program	WA221605	Transformer Replace ST #19 T683 Replace transformer and pad	568,913	The transformer has a leaking cracked CT interface block on the high side. The interface block is located in an inaccessible area of the transformer. The configuration of the transformer does not lend well to replacing the CT interface block and attempts to repair the leak have not been successful.	N/A	10,027	04/20/2016
68	EPRI Transformer Replacement Program	_Work Order(s) < $250K		10,027		N/A	118	07/01/2016
69	EPRI Transformer Replacement Program	_Remainder of Total Funding Project	EPRI Transformer Replacement: Replace aging, end-of-life substation class transformers prior to failure	1,237,485	Replace aged, end-of-life assets to ensure a reliable system	N/A	9,694	09/09/2016
70	**EPRI Transformer Replacement Program**	**Total Funding Project**		**3,320,491**				
71	Highway Relocation Program	WA202395	69KV OH/Loop 303 and Van Buren	333,653	ADOT is constructing a new freeway interchange located at the intersection of Loop 303 & Van Buren; the improvements include constructing a new bridge over Van Buren and installing new on and off ramps.	N/A	6,534	03/15/2016
72	Highway Relocation Program	_Work Order(s) < $250K		186,467		N/A	365	12/31/2016
73	Highway Relocation Program	_Remainder of Total Funding Project	Highway Relocation: Move/remove transmission facilities	1,009,626	To comply with requests driven by governmental agencies (City/Town/County/State)	N/A	1,977	12/31/2016
74	**Highway Relocation Program**	**Total Funding Project**		**1,529,746**				
75	Participant Op by APS Program	_Work Order(s) < $250K		222,144		N/A	1,740	09/01/2016
76	Participant Op by APS Program	_Remainder of Total Funding Project	Participant Op by APS: Transmission assets and substation upgrades on participant lines where APS is the operating agent	1,095,787	Replacement of end-of-life components will ensure a reliable transmission system. Facilities APS is a participant in and is the operator	N/A	2,146	12/31/2016
77	**Participant Op by APS Program**	**Total Funding Project**		**1,317,932**				
78	System Digital Fault Recorders	WA197552	Yavapai: Upgrade DFR	276,724	Older models of Digital Fault Recorders (DFRs) are failing due to exceeding the life span of the batteries. Yavapai 525kV, 230kV and 69kV are of high priority for replacement.	N/A	5,961	02/24/2016
79	System Digital Fault Recorders	_Remainder of Total Funding Project	Replace Digital Fault Recording Devices	256,466	Replace Digital Fault Recording Devices. These devices are triggered by the relays and record events inside the substations for historical and analytical purposes	N/A	3,516	06/30/2016
80	**System Digital Fault Recorders**	**Total Funding Project**		**533,190**				
81	Hohokam-Polk 69kV Line	Work Order(s) < $250K		64,783		N/A	127	12/30/2016
82	Hohokam-Polk 69kV Line	_Remainder of Total Funding Project	Hohokam-Polk 69kV Line: Build a new 69kV line connecting the Hohokam and Polk substations	1,606,610	New line will provide back-up overhead service to Hohokam, Polk, and Jackson Street substations. Jackson Street is the primary feed for Sky Harbor airport	2	3,146	12/30/2016
83	**Hohokam-Polk 69kV Line**	**Total Funding Project**		**1,671,393**				
84	Unplanned/Emergency Program	_Work Order(s) < $250K		295,122		N/A	578	12/31/2016
85	Unplanned/Emergency Program	_Remainder of Total Funding Project	Unplanned/Emergency: Replacement of Transmission capital equipment resulting from unforeseen system conditions that resulted in unplanned outages	3,072,952	To maintain and/or restore transmission system operations	N/A	6,018	12/31/2016
86	**Unplanned/Emergency Program**	**Total Funding Project**		**3,368,074**				
87	Fire Mitigation Program	_Work Order(s) < $250K		182,977		N/A	3,225	04/29/2016
88	Fire Mitigation Program	_Remainder of Total Funding Project	Eagle Eye Substation Fire Mitigation	652,582	Installation of new fire walls and the improvement of existing concrete containment berms to meet NFPA 850 at Eagle Eye Substation	N/A	11,502	04/29/2016
89	**Fire Mitigation Program**	**Total Funding Project**		**835,560**				
90	Storm - Lines Program	Work Order(s) < $250K		97,190		N/A	190	12/31/2016
91	Storm - Lines Program	_Remainder of Total Funding Project	Storm - Lines: The purpose of this program is to replace transmission lines damaged resulting from storm and unplanned events	640,313	To maintain and/or restore system operations	N/A	1,254	12/31/2016
92	**Storm - Lines Program**	**Total Funding Project**		**737,502**				
93	Substation Health Monitoring-Transmission Program	_Work Order(s) < $250K		48,196		N/A	661	06/24/2016
94	Substation Health Monitoring-Transmission Program	_Remainder of Total Funding Project	Substation Health Monitoring - Transmission: Part of Smart Grid 5-year plan which includes installing bushing and breaker monitors on EHV substation transformers	583,997	Bushing and breaker monitors use predictive techniques to identify when maintenance is required, which reduces maintenance costs and number of catastrophic failures	N/A	8,006	06/24/2016
95	**Substation Health Monitoring-Transmission Program**	**Total Funding Project**		**632,193**				
96	Stopper Pole Program	Work Order(s) < $250K		3,796		N/A	52	06/30/2016
97	Stopper Pole Program	_Remainder of Total Funding Project	Stopper Pole Program: Install "stopper poles" at critical points on various sub transmission lines	1,106,194	Stopper poles are upsized steel poles placed periodically in long runs of wood poles that stop the cascading (domino effect) of wood poles during monsoon storms or microbursts	N/A	15,164	06/30/2016
98	**Stopper Pole Program**	**Total Funding Project**		**1,109,990**				
99	Trench Bushing Replacement Program	_Remainder of Total Funding Project	Trench Bushing Replacement Program: Replacement of Trench bushings prior to failure	793,337	Address specific bushings identified as prone to failure by Trench Electric Safety Advisory. Also, the Trench bushing replacement program was recommended by the FM Global Insurer during a recent audit	N/A	1,554	12/01/2016
100	**Trench Bushing Replacement Program**	**Total Funding Project**		**793,337**				

Arizona Public Service Company
2016 Transmission Estimated Addition Dollars and O&M

Line #	Funding Project Name	WA#	Description	Total Estimate	Purpose	Miles	Estimated O&M	Estimated In-Service Date
101	Wood Pole Replacement Program	_Remainder of Total Funding Project	Wood Pole Replacement: Replacement of poles found to not have 10 years of remaining life	352,594	Failure to replace will result in more frequent and longer outages due to downed poles and present hazards to the public	N/A	690	12/31/2016
102	**Wood Pole Replacement Program**	**Total Funding Project**		**352,594**				
103	Cochise County East Side Solution	_Remainder of Total Funding Project	Cochise County East Side Solution: (1) Construct up to 13 miles of new 69kV line adding a newly built source to Fairview. (2) Reconfigure existing 69 kV line to act as an independent emergency back-up tie. (3) Building out the Fairview substation with 69kV line breakers. (4) Add line breakers at San Pedro.	6,682,867	Enhance the existing restoration of service (ROS) scheme by improving the existing McNeal tie ROS plan. Adds a second 69kV line between San Pedro and Fairview in a separate corridor to the existing line and effectively moves the termination of the normally open McNeal tie from San Pedro to Fairview to improve the ROS at Fairview, the largest load center in the area.	13	78,524	07/01/2016
104	**Cochise County East Side Solution**	**Total Funding Project**		**6,682,867**				
105	All Other T&D	Work Order(s) < $250K		574,156			1,124	12/31/2016
106		**Total Transmission**		**$ 243,476,249**			**$ 3,069,631**	

Work Orders > $250k	$ 238,428,067
Work Orders < $250K	5,048,183
Total	**$ 243,476,249**

Arizona Public Service Company
2017 Transmission Estimated Addition Dollars and O&M

Line #	Funding Project Name	WA#	Description	Total Estimate	Purpose	Miles	Estimated O&M	Estimated In-Service Date
1	Mazatzal 345/69	W474601	Mazatzal Substation: Design, Procure & Build New 345/69Kv Substation	$ 407,325	Develop a new 345/69kV & 69/21kV Transmission/distribution substation next to the Cholla. (Transmission portion of work only)	N/A	$ 798	12/29/2017
2	Mazatzal 345/69	Work Order(s) < $250K		8,066		N/A	16	12/29/2017
3	Mazatzal 345/69	_Remainder of Total Funding Project	Mazatzal 345/69: Build a 345/69kV substation in proximity of the 188 highway and Beeline highway	20,168,551	The Mazatzal 345/69kV substation will prevent shedding of 11 MW	1.3	39,497	12/29/2017
4	East End - Raintree 69 Line	WA129062	East End - Raintree 69kV Line	3,001,665	Build 2.5 miles of new 69kV line from East End substation to Raintree substation to eliminate overloads.	2.5	41,148	06/01/2017
5	East End - Raintree 69 Line	_Work Order(s) < $250K		14,862		N/A	204	06/01/2017
6	East End - Raintree 69 Line	_Remainder of Total Funding Project	East End - Raintree 69 Line: Build 2.5 miles of new 69kV line from Altadena to Raintree	2,814,296	Eliminate overloads from Altadena to Raintree	N/A	38,579	06/01/2017
7	Palm Valley-Pebblecreek 69 Recond	_Remainder of Total Funding Project	Palm Valley-Pebblecreek 69 Reconductor: Rebuild Pebblecreek-Pima 69kV line section of the Palm Valley-Pebblecreek 69kV line.	1,311,730	To achieve a 1600A rating on the whole Palm Valley-Pebblecreek 69kV circuit.	2	12,844	08/31/2017
8	Unplanned/Emergency Program	_Remainder of Total Funding Project	Unplanned/Emergency: Replacement of Transmission capital equipment resulting from unforeseen system conditions that resulted in unplanned outages	4,208,041	To maintain and/or restore system operations	N/A	8,241	12/31/2017
9	Substation Hardening program	_Work Order(s) < $250K		209,191		N/A	410	12/29/2017
10	Substation Hardening program	_Remainder of Total Funding Project	Substation Hardening: Improve security, hardening, and surveillance measures at critical substations. Examples of critical substations include: West Wing, Pinnacle Peak, Meadowbrook, etc.	8,557,561	Ensure sufficient security, hardening, and surveillance measures are installed on critical substations to minimize the impacts of an intruder, as well as an external attacker	N/A	16,759	12/29/2017
11	Participant by Other program	_Remainder of Total Funding Project	Participant by Other: Transmission assets and substation upgrades on participant lines that APS is not the operating agent	5,431,950	Replacement of end-of-life components will ensure a reliable transmission system. Facilities APS is a participant in, but not the operator	N/A	10,638	12/31/2017
12	Storm - Lines Program	_Remainder of Total Funding Project	Storm - Lines: The purpose of this program is to replace transmission lines damaged resulting from storm and unplanned events	856,758	To maintain and/or restore system operations	N/A	1,678	12/31/2017
13	Stopper Pole Program	_Remainder of Total Funding Project	Stopper Pole Program: Install "stopper poles" at critical points on various sub transmission lines	2,297,010	Stopper poles are upsized steel poles placed periodically in long runs of wood poles that stop the cascading (domino effect) of wood poles during monsoon storms or microbursts	N/A	31,488	06/30/2017
14	Substation Aged Equipment Replacement Program	_Remainder of Total Funding Project	Substation Aged Equipment Repl: Replace aging substation equipment which is at end-of-service life, problematic or in an advanced degradated state due to loading and/or operation	3,420,255	Replace aged, end-of-life assets to ensure a reliable system	N/A	6,698	12/31/2017
15	Highway Relocation Program	_Remainder of Total Funding Project	Highway Relocation: Move/remove transmission facilities	2,116,159	To comply with requests driven by governmental agencies (City/Town/County/State)	N/A	4,144	12/31/2017
16	Participant Op by APS Program	_Remainder of Total Funding Project	Participant Op by APS: Transmission assets and substation upgrades on participant lines where APS is the operating agent	1,137,237	Replacement of end-of-life components will ensure a reliable transmission system. Facilities APS is a participant in and is the operator	N/A	2,227	12/31/2017
17	Overhead Planned Replacement Program	_Remainder of Total Funding Project	Overhead Planned Repl: Replacement of end-of-life, degraded or damaged equipment (noted during annual public safety line patrols and annual climbing inspections)	1,437,378	To ensure safety and reliability of the system	N/A	2,815	12/31/2017
18	NERC Alert	Work Order(s) < $250K		376,645		N/A	5,163	06/01/2017
19	NERC Alert	_Remainder of Total Funding Project	NERC Alert Program: The NERC Facility Rating Alert (NERC Alert) raised the question of whether utilities have adequate line clearances for the ampacity ratings that are used on their 100kV and above lines.	1,816,140	This work is to mitigate line clearance problems that would effect the ampacity rating for the line.	N/A	3,557	12/31/2017
20	Tribal Land ROW Renewals Program	WA199845	230-4 Right-of-Way Renewal over Gila River and Ak-Chin Reservations	2,328,369	Right-of-way for Kyrene-Santa Rosa (230-4) over the Gila River Indian Community (GRIC) (15 miles) and the Ak-Chin Reservation (2 miles) expired in May 2014. Negotiations with the tribes for renewal of this right-of-way are ongoing	17	31,918	06/30/2017
21	Tribal Land ROW Renewals Program	_Remainder of Total Funding Project	Tribal Land ROW Renewals: Transmission lines constructed on tribal lands are issued a ROW with a schedule of payments	15,132,048	Renew contractual agreements to ROW leases that are due to expire	N/A	29,634	12/31/2017
22	Transmission Land ROW Renewals program	_Remainder of Total Funding Project	Trans Land ROW Renewals: Transmission lines constructed on State/Government land are issued a ROW with a schedule of payments	7,575,170	Renew contractual agreements to ROW leases that are due to expire	N/A	14,835	12/31/2017
23	EPRI Transformer Replacement Program	_Remainder of Total Funding Project	EPRI Transformer Replacement: Replace aging, end-of-life substation class transformers prior to failure	1,859,951	Replace aged, end-of-life assets to ensure a reliable system	N/A	14,570	09/30/2017
24	Wood Pole Replacement Program	_Remainder of Total Funding Project	Wood Pole Replacement: Replacement of poles found to not have 10 years of remaining life	484,978	Failure to replace will result in more frequent and longer outages due to downed poles and present hazards to the public	N/A	950	12/31/2017
25	Substation Health Monitoring-Transmission Program	_Remainder of Total Funding Project	Substation Health Monitoring - Transmission: Part of Smart Grid 5-year plan which includes installing bushing and breaker monitors on EHV substation transformers	2,421,537	Bushing and breaker monitors use predictive techniques to identify when maintenance is required, which reduces maintenance costs and number of catastrophic failures	N/A	4,742	12/31/2017
26	Hearn - Waddell 69 Reconductor	_Remainder of Total Funding Project	Hearn - Waddell 69 Reconductor: Construct 1.5 miles of new 69kV line and expand Hearn substation to accommodate new additions and move cap bank from Polk to Hearn.	3,535,922	Significant load growth in the area, which is projected to continue. The total load served is greater than the existing lines can handle if one of two sources is lost. The area also suffers from low voltages	1.5	34,623	08/31/2017
27		**Total Transmission**		**$ 92,928,795**			**$ 358,172**	

Work Orders > $250k	$ 92,320,031
Work Orders < $250K	608,764
Total	**$ 92,928,795**

ATTACHMENT H

Raymond C. Myford
Director, Federal Affairs & Compliance

Mail Station 9712
P.O. Box 53999
Phoenix, AZ 85072-3999
Tel 602-250-2790
Raymond.Myford@aps.com

May 16, 2016

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *Arizona Public Service Company*
Informational Filing
Docket No. ER11-3638-000

Dear Secretary Bose:

Arizona Public Service Company ("APS") submits this informational filing of its Annual Update of formula transmission service rates pursuant to the APS Open Access Transmission Tariff ("OATT"). This annual update provides the information required by the implementation protocols in effect under Attachment H-2 of the APS OATT. The updated rates have been posted to the APS Open Access Same Time Information System ("OASIS") and notice has been provided as required in the implementation protocols.

On April 1, 2016, pursuant to Section 205 of the Federal Power Act and Section 35.15 of the FERC Regulations, APS provided notice of the cancellation of APS Rate Schedule No. 38, effective July 6, 2016, and requested approval of accounting and rate treatment of the reimbursement payment provided for by APS Rate Schedule No. 38 by May 13, 2016.[1] However, APS has not yet received an order in that proceeding. Therefore, APS is submitting two versions of the annual update. Version I reflects the accounting and rate treatment requested by APS. Version II does not reflect the accounting and rate treatment requested by APS. The rates that will go into effect on June 1, 2016 will reflect the Commission's decision on APS's proposed accounting and rate treatment.[2]

The revised rates take effect on June 1, 2016 and will remain in place until May 31, 2017. Please contact Stefanie Layton at (602) 250-4541 with any questions regarding this Annual Update informational filing.

---

1 *See* Notice of Cancellation, Request for Approval of Accounting and Rate Treatment, and Request for Expedited Action and Shortened Comment Period, *Arizona Public Service Company*, Docket No. ER16-1342 (filed Apr. 1, 2016).

2 In the event an order is not received by June 1, 2016, the rates resulting from Version II will go into effect on June 1, 2016 and the results of the order, if applicable, will be reflected in APS's 2017 rates.

Respectfully submitted,

Raymond C. Myford
Director, Federal Affairs and Compliance

Attachments

Cc: Tom Broderick, Arizona Corporation Commission
Maureen Scott, Arizona Corporation Commission
Charles Hains, Arizona Corporation Commission
Dave Tenney, Arizona Residential Utility Consumer Office
Daniel Pozefsky, Arizona Residential Utility Consumer Office

VERSION I

Arizona Public Service Company

Formula Rate -- Appendix A

Shaded cells are input cells

VERSION I

2015

		Notes	FERC Form 1 Page # or Instruction	
	Allocators			
	Wages & Salary Allocation Factor			
1	Transmission Wages Expense		p354.21.b	20,607,966
2	Total Wages Expense		p354.28b	379,069,925
3	Less A&G Wages Expense		p354.27b	91,896,314
4	Total		(Line 2 - 3)	287,173,611
5	**Wages & Salary Allocator**		(Line 1 / 4)	**7.1761%**
	Plant Allocation Factors			
6	Electric Plant in Service	(Note B)	Attachment 5	16,580,450,900
7	Total Plant In Service		(Sum Line 6)	16,580,450,900
8	Accumulated Depreciation (Total Electric Plant)		Attachment 5	6,391,084,698
9	Total Accumulated Depreciation		(Line 8)	6,391,084,698
10	Net Plant		(Line 7 - 9)	10,189,366,202
11	Transmission Gross Plant		(Line 22 - Line 38)	2,631,926,716
12	**Gross Plant Allocator**		(Line 11 / 7)	**15.8737%**
13	Transmission Net Plant		(Line 32 - Line 38)	1,842,445,920
14	**Net Plant Allocator**		(Line 13 / 10)	**18.0820%**
	Plant Calculations			
	Plant In Service (Note O)			
15	Transmission Plant In Service	(Note B)	Attachment 5	2,448,884,451
16	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	120,574,690
17	**Total Transmission Plant In Service**		(Line 15 + 16)	**2,569,459,141**
18	General & Intangible		Attachment 5	1,509,541,568
19	Total General		(Line18)	1,509,541,568
20	Wage & Salary Allocation Factor		(Line 5)	7.1761%
21	**General Plant Allocated to Transmission**		(19 * 20)	**108,326,741**
22	**TOTAL Plant In Service**		**(Line 17 + 21)**	**2,677,785,882**
	Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B)	Attachment 5	722,951,477
24	Accumulated Depreciation for Transmission Plant Additions for Current Rate Year		Attachment 6	877,236
25	**Total Transmission Accumulated Depreciation**		(Line 23 + Line 24)	723,828,713
26	Accumulated General Depreciation		Attachment 5	202,187,149
27	Accumulated Intangible Depreciation		Attachment 5	712,679,738
28	Total Accumulated Depreciation		(Sum Lines 26 to 27)	914,866,887
29	Wage & Salary Allocation Factor		(Line 5)	7.1761%
30	**General Allocated to Transmission**		(Line 28 * 29)	**65,652,083**
31	**TOTAL Accumulated Depreciation**		**(Line 25 + 30)**	**789,480,796**
32	**TOTAL Net Property, Plant & Equipment**		**(Line 22 - 31)**	**1,888,305,087**

Adjustment To Rate Base

	Accumulated Deferred Income Taxes			
33	ADIT net of FASB 106 and 109		Attachment 1	-480,830,329
34	**Accumulated Deferred Income Taxes Allocated To Transmission**		(Line 33)	**-480,830,329**
	Transmission O&M Reserves			
35	**Total Balance Transmission Related Account 242 Reserves**	Enter Negative	Attachment 5	**-39,968,152**
	Prepayments			
36	Prepayments	(Note A)	Attachment 5	5,398,162
37	**Total Prepayments Allocated to Transmission**		(Line 36)	**5,398,162**
38	**Land Held for Future Use**	(Note C)	p214	**45,859,166**
	Materials and Supplies			
39	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,296,535
40	Wage & Salary Allocation Factor		(Line 5)	7.1761%
41	Total Transmission Allocated		(Line 39 * 40)	93,041
42	Transmission Materials & Supplies		p227.8c	34,331,669
43	**Total Materials & Supplies Allocated to Transmission**		(Line 41 + 42)	**34,424,710**
	Cash Working Capital			
44	Operation & Maintenance Expense		(Line 72)	72,794,768
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	17,675,574
48	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	Attachment 5	1,845,282
49	Net Outstanding Credits		(Line 47 - 48)	**15,830,293**
50	**TOTAL Adjustment to Rate Base**		(Line 34 + 35 + 37 + 38 + 43 + 46 - 49)	**-450,946,735**
51	**Rate Base**		(Line 32 + 50)	**1,437,358,351**

O&M

	Transmission O&M			
52	Transmission O&M		p321.112.b	**83,335,291**
53	Less Account 565		p321.96.b	**25,848,965**
54	**Transmission O&M**		(Line 52 - 53)	**57,486,326**
	Allocated General Expenses			
55	Total A&G		p323.197.b	**167,748,519**
56	Less PBOP Adjustment		Attachment 5	-22,774,582
57	Less Property Insurance Account 924		p323.185b	**5,201,486**
58	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	**16,926,157**
59	Less General Advertising Exp Account 930.1		p323.191b	**3,572,429**
60	Less EPRI Dues	(Note D)	p352-353	**23,716**
61	**General Expenses**		(Line 55) - Sum (56 to 60)	164,799,313
62	Wage & Salary Allocation Factor		(Line 5)	7.1761%
63	**General Expenses Allocated to Transmission**		(Line 61 * 62)	**11,826,221**
	Directly Assigned A&G			
64	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	2,540,937
65	General Advertising Exp Account 930.1	(Note K)	Attachment 5	749
66	Subtotal - Transmission Related		(Line 64 + 65)	**2,541,686**
67	Property Insurance Account 924		p323.185b	5,201,486
68	General Advertising Exp Account 930.1	(Note F)	Attatchment 5	0
69	Total		(Line 67 + 68)	5,201,486
70	Net Plant Allocation Factor		(Line 14)	18.0820%
71	**A&G Directly Assigned to Transmission**		(Line 69 * 70)	**940,535**
72	**Total Transmission O&M**		**(Line 54 + 63 + 66 + 71)**	**72,794,768**

Depreciation & Amortization Expense

	Depreciation Expense (Note P)			
73	Transmission Depreciation Expense		p336.7f	**47,961,818**
74	New plant Depreciation Expense		Attachment 6	**2,624,400**
75	**Total Transmission Depreciation Expense**		(Line 73 + Line 74)	**50,586,218**
76	General Depreciation		p336.10f	**41,388,061**
77	Intangible Amortization	(Note A)	p336.1f	57,569,607
78	Total		(Line 76 + 77)	98,957,668
79	Wage & Salary Allocation Factor		(Line 5)	7.1761%
80	**General Depreciation Allocated to Transmission**		(Line 78 * 79)	**7,101,336**
81	**Total Transmission Depreciation & Amortization**		**(Line 75 + 80)**	**57,687,554**

Taxes Other than Income

82	**Taxes Other than Income**		Attachment 2	**32,067,998**
83	**Total Taxes Other than Income**		**(Line 82)**	**32,067,998**

Return / Capitalization Calculations

	Long Term Interest			
84	Long Term Interest		p117.62c through 67c	184,803,488
85	**Long Term Interest**		(Line 84)	184,803,488
86	**Preferred Dividends**	enter positive	p118.29c	0
	Common Stock			
87	Proprietary Capital		p112.16c	4,679,254,873
88	Less Preferred Stock	enter negative	(Line 96)	0
89	Less Accumulated Other Comprehensive Income Account 219	enter negative	p112.15c	27,097,083
90	Less Account 216.1	enter negative	p112.12c	0
91	**Common Stock**		(Sum Lines 87 to 90)	4,706,351,956
	Capitalization			
92	Long Term Debt		p112.18c through 23c	3,751,562,520
93	Less Loss on Reacquired Debt	enter negative	p111.81c	-17,890,348
94	Plus Gain on Reacquired Debt	enter positive	p113.61c	328,382
95	Total Long Term Debt		(Sum Lines 92 to 94)	3,734,000,554
96	Preferred Stock		p112.3c	0
97	Common Stock		(Line 91)	4,706,351,956
98	**Total Capitalization**		(Sum Lines 95 to 97)	8,440,352,510
99	Debt %		(Line 95 / 98)	44%
100	Preferred %		(Line 96 / 98)	0%
101	Common %		(Line 97 / 98)	56%
102	Debt Cost		(Line 85 / 95)	0.0495
103	Preferred Cost		(Line 86 / 96)	0.0000
104	Common Cost	(Note J)	Fixed	0.1075
105	Weighted Cost of Debt		(Line 99 * 102)	0.0219
106	Weighted Cost of Preferred		(Line 100 * 103)	0.0000
107	Weighted Cost of Common		(Line 101 * 104)	0.0599
108	**Total Return (R)**		(Sum Lines 105 to 107)	**0.0818**
109	**Investment Return = Rate Base * Rate of Return**		**(Line 51 * 108)**	**117,629,639**

Composite Income Taxes

	Income Tax Rates			
110	FIT=Federal Income Tax Rate			35.00%
111	SIT=State Income Tax Rate or Composite	(Note I)		5.96%
112	p		FIT deductible for SIT	0.00%
113	T = 1-{[(1-SIT) * (1-FIT)]/(1-SIT * FIT * p)}			38.87%
114	T/ (1-T)			63.60%
	ITC Adjustment	(Note I)		
115	Amortized Investment Tax Credit	enter negative	p266.8f	0
116	T/(1-T)		(Line 114)	63.60%
117	Net Plant Allocation Factor		(Line 14)	18.0820%
118	**ITC Adjustment Allocated to Transmission**		(Line 115 * (1 + 116) * 117)	**0**
119	**Income Tax Component =**		[Line 114 * 109 * (1-(105 / 108))]	**54,793,695**
120	**Total Income Taxes**		**(Line 118 + 119)**	**54,793,695**

REVENUE REQUIREMENT

	Summary		
121	Net Property, Plant & Equipment	(Line 32)	1,888,305,087
122	Adjustment to Rate Base	(Line 50)	-450,946,735
123	**Rate Base**	(Line 51)	**1,437,358,351**
124	O&M	(Line 72)	72,794,768
125	Depreciation & Amortization	(Line 81)	57,687,554
126	Taxes Other than Income	(Line 83)	32,067,998
127	Investment Return	(Line 109)	117,629,639
128	Income Taxes	(Line 120)	54,793,695
129	**Gross Revenue Requirement**	**(Sum Lines 124 to 128)**	**334,973,655**

	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
130	Transmission Plant In Service		(Line 15)	2,448,884,451
131	Excluded Transmission Facilities	(Note M)	Attachment 5	126,007,490
132	Included Transmission Facilities		(Line 130 - 131)	2,322,876,961
133	Inclusion Ratio		(Line 132 / 130)	94.85%
134	Gross Revenue Requirement		(Line 129)	334,973,655
135	**Adjusted Gross Revenue Requirement**		(Line 133 * 134)	**317,737,566**
	Revenue Credits & Interest on Network Credits			
136	**Revenue Credits**		Attachment 3	9,417,788
137	**Interest on Network Credits**	(Note N)	Attachment 5	561,229
138	**Net Revenue Requirement**		**(Line 135 - 136 + 137)**	**308,881,007**
	Net Plant Carrying Charge			
139	Net Revenue Requirement		(Line 138)	**308,881,007**
140	Net Transmission Plant		(Line 15 - 23)	**1,725,932,974**
141	Net Plant Carrying Charge		(Line 139 / 140)	**17.8965%**
142	Net Plant Carrying Charge without Depreciation		(Line 139 - 73) / 140	**15.1176%**
143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 139 - 73 - 109 - 120) / 140	**5.1274%**
	Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
144	Net Revenue Requirement Less Return and Taxes		(Line 138 - 127 - 128)	**136,457,673**
145	Increased Return and Taxes		Attachment 4	**185,535,152**
146	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 144 + 145)	**321,992,825**
147	Net Transmission Plant		(Line 15 - 23)	**1,725,932,974**
148	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 146 / 147)	**18.6562%**
149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 146 - 73) / 147	**15.8773%**
150	**Net Revenue Requirement**		(Line 138)	**308,881,007**
151	True-up amount		Attachment 6	**5,739,286**
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)	**314,620,294**
	Annual Point-to-Point Transmission Rate			
155	Average of the 4 Summer CP	(Note L)	Network Transmission Peak Report	**7,334,068**
156	Annual Point-to-Point Transmission Rate		(Line 154 / 155)	**42.90**
157	Average of the 8 Non-Summer CP	(Note L)	Network Transmission Peak Report	**5,249,980**
158	Implied Non-Summer Revenue Requirement		((Line 156/12)*8* Line 157)	**150,144,074**
159	Implied Summer Revenue Requirement		(Line 138 - Line 158)	**158,736,934**
160	Implied Annualized Summer Point-to-Point Transmission Rate		((Line 154- line 158/Line 155/4)*12)	**67.28**
	Retail Transmission Rates			
161	Residential (kWh)		Rate Design Worksheet	**0.01227**
162	Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)		Rate Design Worksheet	**0.00787**
163	Gen Serv < 3MW (kW)		Rate Design Worksheet	**2.733**
164	Gen Serv > 3MW (kW)		Rate Design Worksheet	**3.104**

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	(3,032,795,795)	0	(3,032,795,795)
ADIT-283	0	(8,194,846)	0	(8,194,846)
ADIT-190	0	127,642	26,329,609	26,457,251
ADITC-255	(23,099)	0	0	(23,099)
Subtotal-End of Year	(23,099)	(3,040,863,000)	26,329,609	(3,014,556,490)
Subtotal-Beginning of Year	(33,587)	(2,887,404,145)	27,128,177	(2,860,309,555)
End of Year for Est./Average for Final	(28,343)	(2,964,133,572)	26,728,893	(2,937,433,023)
Wages & Salary Allocator (Appendix A, Line 5)			7.1761%	
Gross Plant Allocator (Appendix A, Line 12)		15.8737%		
ADIT-End of Year for Estimate	(23,099)	(482,696,678)	1,889,448	(480,830,329)
ADIT-Average for Final	(28,343)	(470,516,899)	1,918,101	(468,627,140)

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	200,300	200,300				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	3,858,236	2,692,914			1,165,323	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	1,817,009	1,817,009				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	0	0				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	78,510,746	78,510,746				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 - Def Comp	14,016,873	12,510,583			1,506,290	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	2,779,594	0			2,779,594	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	1,806,822	1,806,822				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	34,044,905	34,044,905				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 - NM Coal Severance Surtax	747,081	747,081				Book liability for NM Coal Severance Surtax 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 - Roosevelt Irrigation District Reserve	116,610	116,610				Book liability for Roosevelt Irrigation District Reserve 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 - SCE Four Corners Reserve	6,996,600	6,996,600				Book liability for SCE Four Corners Reserve 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	107,885,455	107,885,455				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	3,109,599	3,109,599				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	24,796	24,796				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	27,398,804	27,398,804				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 - Unamortized Gain on Reacquired Debt	127,642	0		127,642		Book components of unamortized gain/loss on reacquired debt are recovered vis-â-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 Liab - Deferred ITC	100,779,214	100,779,214				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	5,316,716	5,316,716				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	2,395,142	2,395,142				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-Star Center Patent Rights	437,440	437,440				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	3,251,497	3,251,497				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	311,011	311,011				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	9,792,639	9,792,639				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	(2,992)	(2,992)				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.
Reg Liab - Coal Reclamation	3,467,107	3,467,107				Book liability for Coal Reclamation 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 - FERC Transmission True-up	638,413	638,413				Book liability for FERC Transmission True-up 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 - Removal Costs-Cholla	5,264,031	5,264,031				Book liability for Removal Costs-Cholla 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 - Power Supply Adjustor	335,839	335,839				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.
Pension Liabilities	181,786,916	178,438,480			3,348,436	Book liability for Pension 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.
Reg Liab - Other Postretirement benefits	83,034,269	83,034,269				Book liability for Other Postretirement benefits 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.
Low Income Bill Assistance	388,700	388,700				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	80,616,150	80,616,150				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.
Other Tax Accruals	(2,897,507)	(2,897,507)				Deferred Taxes primarily associated with the tax only future AZ/NM tax rate reductions, substantially related to the book liabilities for Pension and ARO regulatory liability recorded in FERC account(s) 228 and 254. Also includes 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	312,443	312,443				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	205,245	(351)			205,596	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	3,082,478	2,199,930			882,548	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.
Renewable Energy Incentives	60,955,841	60,955,841				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	1,572,789	0			1,572,789	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	141,650	0			141,650	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	28,314,748	13,587,365			14,727,383	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	852,940,853	826,483,602	0	127,642	26,329,609	
Less FASB 109 Above if not separately removed	3,251,497	3,251,497	0	0	0	
Less FASB 106 Above if not separately removed	0	0	0	0	0	
Total	849,689,355	823,232,105	0	127,642	26,329,609	

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 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT- 282	*Total*	*Gas, Prod Or Other*	*Only Transmission Related*	*Plant Related*	*Labor Related*	*Justification*
Net Plant Book/Tax Differences	(3,141,675,652)			(3,141,675,652)		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	108,879,857			108,879,857		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)	(3,032,795,795)	0	0	(3,032,795,795)	0	
Less FASB 109 Above if not separately removed	0			0		
Less FASB 106 Above if not separately removed	0					
Total	(3,032,795,795)	0	0	(3,032,795,795)	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 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 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT-283	*Total*	*Gas, Prod Or Other Related*	*Only Transmission Related*	*Plant Related*	*Labor Related*	*Justification*
Reg Asset - Transmission Vegitation Management	(1,765,928)	(1,765,928)				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	(54,109,619)	(54,109,619)				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	(4,420,452)	(4,420,452)				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	(2,055)	(2,055)				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	(6,953,978)			(6,953,978)		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	(55,019,758)	(55,019,758)				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	0	0				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.

Reg Asset - Coal Reclaimation	(2,527,586)	(2,527,586)				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	(240,691,949)	(240,691,949)				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	(13,507,655)	(13,507,655)				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 - SFAS 109	(1,160,605)	(1,160,605)				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	(5,318,896)	(5,318,896)				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	(17,579,944)	(17,579,944)				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	(19,610,856)	(19,610,856)				Book asset for Property Taxd 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 - Lost Fixed Cost	(17,859,520)	(17,859,520)				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)	(23,290,825)	(23,290,825)				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 - Retired Power Plant Costs	(53,419,772)	(53,419,772)				Book asset for Retired Power Plant Costs regulatory assets 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 SCE Proforma Deferral	(4,023,485)	(4,023,485)				Book asset for Four Corners SCE Proforma Deferral regulatory assets 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	(1,143,672)	(1,143,672)				Book liability 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.
Other Postretirement Benefits	(70,986,384)	(70,986,384)				Book asset for Other Postretirement Benefits recorded in FERC account(s) 186. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	(20,744,281)	(20,744,281)				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	5,820,677	5,820,677				Deferred Taxes primarily associated with the tax only future AZ/NM tax rate reductions, substantially related to the book assets for Pension and Other Postretirement benefits, AFUDC and Power Supply Adjustor MTM regulatory assets recorded in FERC account(s) 182. The underflying book accounts are not included in rate base, as such ADIT is not included in rate base.
Prepaids	(1,240,868)			(1,240,868)		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)	(609,557,409)	(601,362,562)	0	(8,194,846)	0	
Less FASB 109 Above if not separately removed	(55,270,224)	(55,270,224)	-	-	-	
Less FASB 106 Above if not separately removed	(70,986,384)	(70,986,384)	-	-	-	
Total	(483,300,801)	(475,105,954)	-	(8,194,846)	-	

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 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,		(23,099)		One or the other but not both.
3	Amortization				
4	Amortization to line 115 of Appendix A		-	-	
5	Total		(23,099)	-	
6	Total Form No. 1 (p 266 & 267)		(23,099)	-	
7	Difference /1		-	-	

/1 Difference must be zero
/1 Difference must be zero

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)	$ 30,185,747	100%	$ 30,185,747	
2	Capital Stock Tax		15.8737%	$ -	47393673
3	Gross Premium (insurance) Tax		15.8737%	$ -	
4	PURTA		15.8737%	$ -	
5	Corp License		15.8737%	$ -	
			15.8737%	$ -	
	Total Plant Related	30,185,747		30,185,747	
	Labor Related		***Wages & Salary Allocator***		
6	Federal FICA & Unemployment & state unemployment	26,229,310			
	Total Labor Related	26,229,310	7.1761%	1,882,251	
	Other Included		***Gross Plant Allocator***		
7	Miscellaneous	0			
	Total Other Included	0	15.8737%	0	
	Total Included			32,067,998	
	Currently Excluded				
8	Use & Sales Tax	0			
9	Adjust state and local tax reserve	(97,776)			
10	Other Sales & Use Tax	0			
11	Other Personal Property Tax (excluded)	141,411,346			
12					
13					
14					
15					
16					
17					
18					
19					
20				-	
21	Total "Other" Taxes (included on p. 263)	197,728,627			
22	Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	197,728,627			
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)		(2,210,258)	
2	Total Rent Revenues	(Sum Lines 1)	(2,210,258)	
	Account 456 - Other Electric Revenues (Note 1)			
3	Scheduling, System Control & Dispatch (Ancillary Service)		$ 2,002,825	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)		9,071,530	
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)		1,210,239	
11	Gross Revenue Credits	(Sum Lines 2-10)	10,258,141	
12	Line 17g		(840,354)	
13	Total Revenue Credits		9,417,788	

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.		1,210,239
17b	Costs associated with revenues in line 17a		470,468
17c	Net Revenues (17a - 17b)		739,771
17d	50% Share of Net Revenues (17c / 2)		369,885
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)		369,885
17g	Line 17f less line 17a		(840,354)
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		10,258,141
		Composite Tax Rate	38.87%

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	185,535,152
B	100 Basis Point increase in ROE			1.00%
Return Calculation				
1	Rate Base		Appendix A, Line 51	1,437,358,351
2	Debt %		Appendix A, Line 99	44.2%
3	Preferred %		Appendix A, Line 100	0.0%
4	Common %		Appendix A, Line 101	55.8%
5	Debt Cost		Appendix A, Line 102	4.95%
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	0.0219
9	Weighted Cost of Preferred		Appendix A, Line 106	-
10	Weighted Cost of Common		Line 4 * Line 7	0.0655
11	**Total Return (R)**		Sum Lines 8 to 10	**0.0874**
12	**Investment Return = Rate Base * Rate of Return**		Line 11 * Line 1	**125,644,369**
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	5.96%
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	38.87%
17	T/ (1-T)		Appendix A, Line 114	63.60%
	ITC Adjustment			
18	Amortized Investment Tax Credit		Appendix A, Line 115	-
19	1/(1-T)		Appendix A, Line 116	63.5965%
20	Net Plant Allocation Factor		Appendix A, Line 117	18.0820%
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))	**59,890,783**
23	**Total Income Taxes**		**Line 21 + 22"**	**59,890,783**

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	2014	2,201,581,299	
January	company records	2015	2,204,408,327	
February	company records	2015	2,208,546,016	
March	company records	2015	2,209,836,613	
April	company records	2015	2,208,070,636	
May	company records	2015	2,415,964,901	
June	company records	2015	2,423,415,536	
July	company records	2015	2,422,749,150	
August	company records	2015	2,423,500,037	
September	company records	2015	2,429,698,728	
October	company records	2015	2,431,175,895	
November	company records	2015	2,435,563,795	
December	p207.58.g	2015	2,448,884,451	2,448,884,451
Transmission Plant In Service			2,343,338,106	2,448,884,451
Calculation of Distribution Plant In Service	Source			
December	p206.75.b	2014	5,336,396,181	
January	company records	2015	5,344,642,147	
February	company records	2015	5,354,255,385	
March	company records	2015	5,372,077,392	
April	company records	2015	5,385,804,318	
May	company records	2015	5,396,609,745	
June	company records	2015	5,413,916,247	
July	company records	2015	5,427,681,280	
August	company records	2015	5,439,964,980	
September	company records	2015	5,456,884,884	
October	company records	2015	5,477,183,501	
November	company records	2015	5,490,966,728	
December	p207.75.g	2015	5,540,635,410	5,540,635,410
Distribution Plant In Service			5,418,232,169	5,540,635,410
Calculation of Intangible Plant In Service	Source			
December	p204.5.b	2014	651,971,938	
December	p205.5.g	2015	691,530,034	691,530,034
Intangible Plant In Service			671,750,986	691,530,034
Calculation of General Plant In Service	Source			
December	p206.96.b	2014	747,795,375	
December	p207.96.g	2015	818,011,534	818,011,534
General Plant In Service			782,903,455	818,011,534
Calculation of Production Plant In Service	Source			
December	p204.46b	2014	6,903,203,819	
January	company records	2015	6,901,348,458	
February	company records	2015	6,879,829,609	
March	company records	2015	6,867,558,186	
April	company records	2015	6,958,820,079	
May	company records	2015	6,945,484,319	
June	company records	2015	6,989,282,519	
July	company records	2015	7,052,049,337	
August	company records	2015	7,005,968,740	
September	company records	2015	7,005,680,361	
October	company records	2015	7,005,384,159	
November	company records	2015	7,046,215,730	
December	p205.46.g	2015	7,081,389,471	7,081,389,471
Production Plant In Service			6,972,478,061	7,081,389,471
Total Plant In Service	Sum of averages above		16,188,702,777	16,580,450,900

Accumulated Depreciation Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
Calculation of Transmission Accumulated Depreciation	Source		**Balance For True up**	**Balance for Estimate**
December	Prior year p219.25	2014	689,158,219	
January	company records	2015	689,422,115	
February	company records	2015	694,240,516	
March	company records	2015	698,424,418	
April	company records	2015	699,588,751	
May	company records	2015	702,372,682	
June	company records	2015	705,497,800	
July	company records	2015	709,522,755	
August	company records	2015	712,979,116	
September	company records	2015	717,155,702	
October	company records	2015	719,296,275	
November	company records	2015	722,454,623	
December	p219.25	2015	722,951,477	722,951,477
Transmission Accumulated Depreciation			706,389,573	722,951,477
Calculation of Distribution Accumulated Depreciation	Source			
December	Prior year p219.26	2014	1,452,169,765	
January	company records	2014	1,455,086,698	
February	company records	2014	1,461,325,732	
March	company records	2014	1,471,651,798	
April	company records	2015	1,474,844,083	
May	company records	2015	1,481,184,107	
June	company records	2015	1,488,531,584	
July	company records	2015	1,486,464,951	
August	company records	2015	1,492,870,394	
September	company records	2015	1,508,260,716	
October	company records	2015	1,514,651,383	
November	company records	2015	1,518,572,584	
December	p219.26	2015	1,526,576,630	1,526,576,630
Distribution Accumulated Depreciation			1,487,091,571	1,526,576,630
Calculation of Intangible Accumulated Depreciation	Source			
December	Prior year p200.21.c	2014	652,498,217	
December	p200.21c	2015	712,679,738	712,679,738
Accumulated Intangible Depreciation			682,588,978	712,679,738
Calculation of General Accumulated Depreciation	Source			
December	Prior year p219.28	2014	185,750,193	
December	p219.28	2015	202,187,149	202,187,149
Accumulated General Depreciation			193,968,671	202,187,149
Calculation of Production Accumulated Depreciation	Source			
December	Prior year p219.20 thru 219.24	2014	3,193,780,880	
January	company records	2015	3,208,710,802	
February	company records	2015	3,182,005,576	
March	company records	2015	3,213,276,267	
April	company records	2015	3,207,232,600	
May	company records	2015	3,199,924,437	
June	company records	2015	3,211,069,882	
July	company records	2015	3,225,884,255	
August	company records	2015	3,185,100,157	
September	company records	2015	3,204,242,572	
October	company records	2015	3,212,225,518	
November	company records	2015	3,224,825,074	
December	p219.20 thru 219.24	2015	3,226,689,704	3,226,689,704
Production Accumulated Depreciation			3,207,305,210	3,226,689,704
Total Accumulated Depreciation	Sum of averages above		6,277,344,002	6,391,084,698

Electric / Non-electric Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details
	Plant Allocation Factors					
	Accumulated Intangible Depreciation	p200.21.c	712,679,738	712,679,738	0	
	Materials and Supplies					
	Undistributed Stores Exp	p227.16c	1,296,535	1,296,535	0	
	Depreciation Expense					
	Intangible Amortization	p336.1d&e	57,569,607	57,569,607	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	51,340,595	51,471,935	51,406,265	
			Non-transmission Related	5,612,769	5,612,769		
			Transmission Related	45,727,826	45,859,166	45,793,496	

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)	p323.187b	52,261,312	(10,346,825)	62,608,137	Current Year
	Change in PBOP Expense			(22,774,582)		

EPRI Dues Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues	Details
	Allocated General Expenses		A&G		
60	Less EPRI Dues	p352-353	-	23,716	

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	16,926,157	2,540,937	14,385,220	

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	3,572,429	-	3,572,429	None

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	5.640%	0.220%	0.100%	0.00%	0.00%	5.96%

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	3,572,429	749	3,571,680	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	126,007,490	**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.		
		122,007,490	**Step Up Xfmrs**
		1,250,000	**FERC Settlement**
		2,750,000	**West Phoenix to Lincoln Substation 345 kV transmission line**
	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: **Example**	**Or**	
	A Total investment in substation 1,000,000	**Enter $**	
	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	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)**			Enter $				
	Directly Assignable to Transmission							
	Deposits		352,160	352,160				
	Transmission Term Agreement			18,000,000				
	Land Rights		1,142,883	14,489,912				
		Sum Directly Transmission	1,495,043	32,842,072	**17,168,558**	100%	32,842,072	
	Total Not Directly Assignable to Transmission	(A) Total Not Directly Transmission	146,176,640	136,486,608	**141,331,624**			
	Labor Related, or General plant related							
	Vacation Accrual - Old Plan		6,450,408	8,145,273	**7,297,840**			
	Accrued Payroll		18,439,481	20,775,948	**19,607,714**			
	Medical - Dental		9,133,000	7,151,000	**8,142,000**			
	Short Term Software License		390,189	2,200,000	**1,295,094**			
	Workmen's Compensation Liability		2,603,596	2,270,513	**2,437,054**			
	Vacation Accrual		4,098,289	3,635,161	**3,866,725**			
	Vacation Accrual - Participants		1,141,250	1,181,281	**1,161,265**			
	SFAS 112		3,205,000	2,998,000	**3,101,500**			
	Incentive Accrual		32,923,319	37,888,817	**35,406,068**			
	Severance		1,685,052	566,830	**1,125,941**			
	SERBP		9,493,256	8,614,447	**9,053,851**			
	Deferred Compensation		2,207,160	3,875,199	**3,041,180**			
		(B) Sum Labor Related	91,770,000	99,302,468	**95,536,234**	7.1761%	7,126,079	
	Other							
		(A) - (B)	54,406,640	37,184,141	**45,795,390.40**	0.00%	-	
	Total Transmission Related Reserves		147,671,683	169,328,681	check		39,968,152	

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	12,960,868	14,135,619	**13,548,243**	7.176%	1,014,391	972,240
	Plant Related	Worksheet 5	7,294,346	4,048,104	**5,671,225**	18.082%	731,980	1,025,474
	100% Transmission Related	Worksheet 5	5,163,946	3,651,790	**4,407,868**	100.000%	3,651,790	4,407,868
	Other (Excluded)	Worksheet 5	7,422,220	10,653,614	**9,037,917**	0.000%	-	-
							5,398,162	6,405,582

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	Details
			-	-		
39	Stores Expense Undistributed	p227.16	(666,160)	1,296,535		
			(333,080)	648,268	**157,594**	
42	Transmission Materials & Supplies	p227.8	30,450,516	34,331,669	**32,391,093**	

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
	Network Credits							
47	Outstanding Network Credits							
	December	Account 252	2014	17,112,576	17,112,576			
	December	Account 252	2015	17,675,574		17,675,574		
	Average Beginning and End of Year			17,394,075			17,394,075	
48	Accumulated Depreciation Associated with Facilities with Outstanding Network Credits							
	December	Account 252	2014	1,369,725	1,369,725			
	December	Account 252	2015	1,845,282		1,845,282		
	Average Beginning and End of Year			1,607,503			1,607,503	

Interest on Outstanding Network Credits Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Interest on Network Credits	Description of the Interest on the Credits
137	Interest on Network Credits	**561,229**	
			Add more lines if necessary

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.

265,647,356 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	1,531,038			0	1,531,038	-	1,531,038
Feb	4,643,784			0	6,174,822	-	6,174,822
Mar	-			0	6,174,822	-	6,174,822
Apr	533,798			0	6,708,620	-	6,708,620
May	-			0	6,708,620	-	6,708,620
Jun	216,384,768			0	223,093,388	-	223,093,388
Jul	275,243			0	223,368,631	-	223,368,631
Aug	-			0	223,368,631	-	223,368,631
Sep	1,357,184			0	224,725,815	-	224,725,815
Oct	-			0	224,725,815	-	224,725,815
Nov	-			0	224,725,815	-	224,725,815
Dec	66,076,152			0	290,801,967	-	290,801,967
Total	290,801,967	-	-	-	127,854,460	-	127,854,460

13 month avg of new plant additions = Col F + Col H — 127,854,460 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	1,531,038	0.17%	2,540	2,540	-	0.17%	-	-
Feb	6,174,822	0.17%	10,243	12,783	-	0.17%	-	-
Mar	6,174,822	0.17%	10,243	23,026	-	0.17%	-	-
Apr	6,708,620	0.17%	11,129	34,155	-	0.17%	-	-
May	6,708,620	0.17%	11,129	45,284	-	0.17%	-	-
Jun	223,093,388	0.17%	370,085	415,369	-	0.17%	-	-
Jul	223,368,631	0.17%	370,541	785,910	-	0.17%	-	-
Aug	223,368,631	0.17%	370,541	1,156,451	-	0.17%	-	-
Sep	224,725,815	0.17%	372,793	1,529,244	-	0.17%	-	-
Oct	224,725,815	0.17%	372,793	1,902,037	-	0.17%	-	-
Nov	224,725,815	0.17%	372,793	2,274,829	-	0.17%	-	-
Dec	290,801,967	0.17%	482,405	2,757,234	-	0.17%	-	-
Total			2,757,234	841,451			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: 841,451 goes to line 24 of the formula

Depreciation Expense = Col K + Col O 2,757,234 goes to line 74 of the formula

3 April Year 2 TO adds estimates from Step 2 to Appendix A

280,758,350 Include inputs to Appendix A Lines 16, 24, and 74

4 May Year 2 Post results of Step 3 on APS web site.

$ 280,758,350 Must run Appendix A to get this number (with results of step 2)

5 June Year 2 Results of Step 3 go into effect.

280,758,350

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

287,968,336 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	$ 287,968,336		$ 287,968,336
Results of Step 5	$ 280,758,350		$ 280,758,350
True up w/o interest			$ 7,209,986
Transmission land rights repose			$ (1,717,490)

True Up to be recovered $ 7,209,986 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

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	600,832	0.27%	11.5	18,713	619,546
Jul	Year 1	600,832	0.27%	10.5	17,086	617,918
Aug	Year 1	600,832	0.27%	9.5	15,459	616,291
Sep	Year 1	600,832	0.27%	8.5	13,832	614,664
Oct	Year 1	600,832	0.27%	7.5	12,204	613,037
Nov	Year 1	600,832	0.27%	6.5	10,577	611,409
Dec	Year 1	600,832	0.27%	5.5	8,950	609,782
Jan	Year 2	600,832	0.27%	4.5	7,323	608,155
Feb	Year 2	600,832	0.27%	3.5	5,695	606,528
Mar	Year 2	600,832	0.27%	2.5	4,068	604,900
Apr	Year 2	600,832	0.27%	1.5	2,441	603,273
May	Year 2	600,832	0.27%	0.5	814	601,646
Total		7,209,986				7,327,148

		Balance	Interest	Amort	Balance
Jun	Year 2	7,327,148	0.27%	621,398	6,725,595
Jul	Year 2	6,725,595	0.27%	621,398	6,122,412
Aug	Year 2	6,122,412	0.27%	621,398	5,517,595
Sep	Year 2	5,517,595	0.27%	621,398	4,911,141
Oct	Year 2	4,911,141	0.27%	621,398	4,303,044
Nov	Year 2	4,303,044	0.27%	621,398	3,693,300
Dec	Year 2	3,693,300	0.27%	621,398	3,081,904
Jan	Year 3	3,081,904	0.27%	621,398	2,468,853
Feb	Year 3	2,468,853	0.27%	621,398	1,854,142
Mar	Year 3	1,854,142	0.27%	621,398	1,237,765
Apr	Year 3	1,237,765	0.27%	621,398	619,720
May	Year 3	619,720	0.27%	621,398	0
Total with interest				7,456,776	

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest 7,456,776

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	775,144			0	775,144	-	775,144
Feb	12,124,025			0	12,899,169	-	12,899,169
Mar	25,924,664			0	38,823,833	-	38,823,833
Apr	3,146,920			0	41,970,753	-	41,970,753
May	-			0	41,970,753	-	41,970,753
Jun	149,259,805			0	191,230,558	-	191,230,558
Jul	6,692,894			0	197,923,452	-	197,923,452
Aug				0	197,923,452	-	197,923,452
Sep	1,459,629			0	199,383,081	-	199,383,081
Oct				0	199,383,081	-	199,383,081
Nov	2,328,369			0	201,711,450	-	201,711,450
Dec	41,764,800			0	243,476,250	-	243,476,250
Total	243,476,250	-	-		120,574,690	-	120,574,690

13 month avg of new plant additions = Col F + Col H 120,574,690 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	775,144	0.17%	1,298	1,298	-	0.17%	-	-
Feb	12,899,169	0.17%	21,597	22,895	-	0.17%	-	-
Mar	38,823,833	0.17%	65,002	87,897	-	0.17%	-	-
Apr	41,970,753	0.17%	70,271	158,168	-	0.17%	-	-
May	41,970,753	0.17%	70,271	228,439	-	0.17%	-	-
Jun	191,230,558	0.17%	320,175	548,615	-	0.17%	-	-
Jul	197,923,452	0.17%	331,381	879,996	-	0.17%	-	-
Aug	197,923,452	0.17%	331,381	1,211,377	-	0.17%	-	-
Sep	199,383,081	0.17%	333,825	1,545,202	-	0.17%	-	-
Oct	199,383,081	0.17%	333,825	1,879,027	-	0.17%	-	-
Nov	201,711,450	0.17%	337,723	2,216,750	-	0.17%	-	-
Dec	243,476,250	0.17%	407,650	2,624,400	-	0.17%	-	-
Total			2,624,400	877,236			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: 877,236 goes to line 24 of the formula
Depreciation Expense = Col K + Col O 2,624,400 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.
$ 308,881,007

12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.
316,337,784 Step 11 plus the difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest

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	15.1176%
3	B	149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.8773%
4	C		Line B less Line A	0.7597%
	FCR if a CIAC			
5	D	143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	5.1274%

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		15.118%				15.118%						
10	FCR W increased ROE		15.118%				15.118%						
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		....	....	.....	.....	....						$ -	$ -

Arizona Public Service Company

Attachment 8 - Depreciation Rates

Plant Account	Depreciation Rates
352.01 - Structures	1.84%
353 - Station Equipment	2.14%
354 - Towers and Fixtures	1.34%
355.01 - Poles and Fixtures - Wood	2.21%
355.02 - Poles and Fixtures - Steel	2.10%
356 - Overhead Conductors and Devices	1.87%
357 - Underground Conduit	1.55%
358 - Underground Conductors and Devices	1.33%

Worksheet 1 - Revenue Allocation

All load values are in MW

NETWORK TRANSMISSION PEAK REPORT - 2015

Enter Annual Revenue Requirement Here: $ 314,620,294

Line #	Date/Time of Monthly Peak	01/02@08:00	02/02@08:00	03/30@18:00	04/30@17:00	05/31@18:00	06/18@17:00	07/02@17:00	08/15@17:00	09/08@17:00	10/01@17:00	11/30@08:00	12/17@08:00	4CP Average	Allocation of ARR	% of Allocation
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	**Balancing Authority Load**	4,391.000	3,510.000	4,209.000	4,572.000	5,556.000	6,940.000	6,414.000	7,320.000	6,136.000	5,726.000	3,965.000	4,516.000			
2	Company Use	(8.435)	(6.488)	(8.132)	(9.703)	(12.954)	(14.914)	(11.843)	(14.285)	(12.207)	(13.156)	(7.683)	(8.516)			
3	Part IV Loads outside BAA	-	-	-	-	-	-	-	-	-	-	-	-			
4	less NITS Loads in BAA included below	(136.511)	(158.307)	(225.672)	(243.842)	(254.176)	(151.775)	(135.210)	(167.797)	(162.940)	(143.443)	(144.498)	(98.807)			
5	less PTP Loads in the BAA included below	-	-	-	-	-	(178.136)	(157.533)	(178.775)	(130.098)	(136.635)	(66.362)	(69.331)			
6	**APS Part IV Load**	4,246.054	3,345.205	3,975.196	4,318.455	5,288.870	6,595.175	6,109.414	6,959.143	5,830.755	5,432.766	3,746.457	4,339.346	6,373.622	$273,418,610	86.90%
	Grandfathered Transmission Services															
7	Public Service Company 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			
8	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			
9	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			
10	**Total Grandfathered Transmission Services**	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	$12,048,035	3.83%
	NITS Loads in BAA															
11	APS01 - Aguila Irrigation District	3.874	1.082	4.310	5.411	5.749	6.582	5.494	8.847	8.163	7.025	3.689	3.179			
12	Ajo Improvement District	1.670	1.180	1.670	1.930	1.980	2.730	2.070	2.530	1.850	2.220	1.400	1.770			
13	APS01 - Buckeye Irrigation District	0.629	2.125	3.651	2.187	1.595	4.254	2.998	5.200	4.470	1.384	4.016	1.431			
14	APS01 - City of Wickenburg	4.594	3.572	3.554	4.073	4.764	6.368	6.029	6.625	5.727	5.087	4.241	4.666			
15	APS01 - City of Williams	6.939	5.402	4.321	4.606	4.948	6.182	6.362	5.444	5.574	5.510	7.140	7.570			
16	Electrical District 3	69.093	57.906	106.272	120.616	154.810	-	-	-	-	-	-	-			
17	APS01 - Electrical District 6	0.015	0.235	0.253	0.196	0.554	0.507	0.340	0.728	0.249	0.106	0.307	0.005			
18	APS01 - Electrical District 7	1.739	8.773	9.795	5.923	3.963	6.979	5.944	10.212	10.269	6.947	11.188	7.007			
19	APS01 - Electrical District 8	10.470	34.494	43.947	51.042	32.471	53.058	51.897	57.029	59.261	54.205	47.758	24.552			
20	APS01 - Harquahala Valley Irrigation District	4.926	9.319	11.250	13.130	12.403	15.207	14.038	13.436	12.021	13.669	11.901	10.279			
21	APS01 - Maricopa County Municipal District	12.355	4.584	5.641	3.654	2.794	6.429	5.182	11.882	12.764	12.049	10.925	8.616			
22	APS01 - McMullen Valley Irrigation District	3.416	10.261	11.797	14.871	12.279	16.361	12.034	16.538	17.267	13.409	15.907	7.086			
23	NTUA	3.395	3.442	2.008	1.975	2.119	2.740	2.932	2.661	1.093	2.555	3.672	3.998			
24	APS01 - Roosevelt Irrigation District	2.027	4.824	5.628	3.459	2.076	6.491	5.527	10.031	8.579	4.123	9.016	4.492			
25	APS01 - Tohono Odham Utility Authority	10.720	9.186	8.170	8.674	10.180	13.713	11.696	12.204	10.686	10.679	9.140	12.181			
26	APS01 - Tonopah Irrigation District	0.649	1.922	3.405	2.095	1.491	4.174	2.667	4.430	4.967	4.475	4.198	1.975			
27	**Total NITS Loads in BAA**	136.511	158.307	225.672	243.842	254.176	151.775	135.210	167.797	162.940	143.443	144.498	98.807	154.431	$6,624,832	2.11%
	NITS Loads outside BAA															
28	Central AZ Water Conservation District	9.192	25.296	41.328	55.548	28.008	34.380	26.604	28.128	29.940	11.112	20.220	22.656			
29	NTUA	5.104	5.204	3.497	3.606	3.661	4.619	4.266	4.179	3.883	3.734	5.153	5.617			
30	PNM/Plains Electric	61.497	53.720	42.278	34.157	39.360	59.506	63.631	53.245	42.783	44.342	61.100	67.547			
31	Southwest Transmission Cooperative	1.500	1.500	2.000	2.500	4.000	4.500	4.500	6.000	2.500	3.500	1.000	1.500			
32	**Total NITS Loads outside BAA**	77.293	85.720	89.103	95.811	75.029	103.005	99.001	91.552	79.106	62.688	87.473	97.320	93.166	$3,996,679	1.27%
	Point-to-Point Serving Load in BAA															
33	Electrical District 3						90.000	90.000	90.000	90.000	90.000	90.000	90.000			
34	**Total**	-	-	-	-	-	90.000	90.000	90.000	90.000	90.000	90.000	90.000	90.000	$3,860,862	1.23%
	Point to Point Not Serving Load in BAA															
35	CSEO1					1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
36	EDF Trading	3.000	-	-	-	-	-	-	-	-	-	-	-			
37	NOVO BioPower LLC	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000			
38	PacifiCorp	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000			
39	Public Service Company of New Mexico	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000			
40	Salt River Project Dry Lake	-	-	-	-	-	-	-	-	-	-	-	-			
41	Salt River Project Dry Lake - East	-	-	-	-	-	-	-	-	-	-	-	-			
42	SRP (Desert Basin)	-	-	-	-	-	-	-	-	-	-	-	-			
43	SRP (Knox Tie)	-	-	-	-	-	-	-	-	-	-	-	-			
44	SRP Merchant	275.000	275.000	275.000	275.000	280.000	280.000	280.000	280.000	280.000	280.000	280.000	280.000			
45	**Part II Capacity Total**	339.000	336.000	336.000	336.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	$14,671,276	4.66%
46	**Total Adjusted Network Peak**	5,079.708	4,206.082	4,906.821	5,274.958	6,240.925	7,562.805	7,056.475	7,931.342	6,785.651	6,351.747	4,691.278	5,248.323	7,334.068	$314,620,294	100.00%
47	**Average of Four Summer Months (Jun-Sep)**	7,334.068														
48	**Average of Eight Non-Summer Months**	5,249.980														
49	**Average of Twelve Months**	5,944.676														

WORKSHEET - 2 Retail Allocation

Line #	CLASS	2015 June ADJ. PEAK CONTRIB (MW)	2015 July ADJ. PEAK CONTRIB (MW)	2015 August ADJ. PEAK CONTRIB (MW)	2015 September ADJ. PEAK CONTRIB (MW)	4CP
1	RESIDENTIAL E-12	946.8	882.2	1038.9	741.0	
2	RESIDENTIAL ET-1	632.0	548.0	714.8	506.4	
3	RESIDENTIAL ECT-1	178.1	154.5	197.1	143.6	
4	RESIDENTIAL ET-2	1209.1	1071.4	1428.7	1017.4	
5	RESIDENTIAL ECT-2	554.9	489.1	650.1	468.2	
6	RESIDENTIAL ET-SP	4.9	4.5	6.4	4.0	
7	TOTAL RESIDENTIAL (SUM LINES 1-6)	3525.8	3149.7	4036.0	2880.6	**3,398.0**
	GENERAL SERVICE <3MW					
8	E-20	9.2	8.0	12.2	7.8	
9	E-221(Water Pumping Service)	40.2	40.0	40.7	33.2	
10	E-32TOU (0-100 kW)	5.5	5.4	6.0	4.8	
11	E-32TOU (101-400 kW)	10.6	10.0	10.6	10.2	
12	E-32TOU (401+ kW)	31.2	29.1	30.4	32.0	
13	E-32 (0-100 kW)	862.0	841.6	785.8	832.6	
14	E-32(101-400 kW)	560.6	526.2	503.3	534.4	
15	E-32(401+ kW)	497.4	487.7	460.4	506.2	
16	GSSSCHTOU	12.7	10.6	10.6	22.5	
17	MEXICO TAP < 3 MW	1.9	1.9	0.7	2.1	
18	TOTAL GENERAL SERVICE <3MW (SUM 8-17)	2031.3	1960.5	1860.7	1985.8	**1,959.6**
	GENERAL SERVICE >3MW					
19	E-34	127.6	121.3	114.8	121.4	
20	E-35	268.7	280.3	272.3	265.5	
21	E-36	0.0	0.0	0.0	5.5	
22	SPECIAL	6.9	8.8	6.1	9.0	
23	MEXICO TAP > 3 MW	4.0	4.1	3.7	4.8	
24	TOTAL GENERAL SERVICE >3MW (SUM 19-23)	407.2	414.5	396.9	406.2	**406.2**
25	STREETLIGHTS	0.0	0.0	0.0	0.0	**0.0**
26	DUSK TO DAWN	0.0	0.0	0.0	0.0	**0.0**
27	SRP FRINGE CUSTOMER LOAD	2.3	2.4	2.2	2.4	**2.3**
28	LOSSES	628.6	582.3	663.3	555.8	**607.5**
29	Total System Load	**6595.2**	**6109.4**	**6959.1**	**5830.8**	**6,373.6**

							RETAIL TRANSMISSION REVENUE REQUIREMENT	PERCENTAGE
30	**TOTAL RESIDENTIAL (LINE 7)**	**3525.8**	**3149.7**	**4036.0**	**2880.6**	**3,398.0**	**$161,192,837**	**58.95%**
31	**GENERAL SERVICE 3 MW & GREATER**							
32	E-34	127.6	121.3	114.8	121.4			
33	E-35	268.7	280.3	272.3	265.5			
34	MEXICO TAP > 3 MW	4.0	4.1	3.7	4.8			
35	SPECIAL	6.9	8.8	6.1	9.0			
36	E-36	0.0	0.0	0.0	5.5			
37	**TOTAL 3 MW & GREATER (LINE 24)**	**407.2**	**414.5**	**396.9**	**406.2**	**406.2**	**$19,268,996**	**7.05%**
38	**GENERAL SERVICE LESS THAN 3 MW**							
39	RETAIL TARIFFS	2029.4	1958.6	1860.0	1983.7			
40	MEXICO TAP < 3 MW	1.9	1.9	0.7	2.1			
41	**TOTAL LESS THAN 3 MW (LINE 18)**	**2031.3**	**1960.5**	**1860.7**	**1985.8**	**1,959.6**	**$92,956,777**	**34.00%**
42	**Total**	**5964.3**	**5524.7**	**6293.6**	**5272.6**	**5,763.8**	**$273,418,610**	**100.00%**

WORKSHEET - 3 Rate Design

TY 2015 OATT COSTS FOR RETAIL SERVICE

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Billing Determinants														
Residential (kWh)		1,001,059,203	770,104,895	726,251,472	761,110,163	813,033,365	1,130,283,753	1,649,053,169	1,659,095,657	1,668,961,730	1,212,885,232	821,836,789	926,902,182	13,140,577,610
Gen Serv und 3MW NDM (kWh)		134,390,332	128,466,085	141,561,829	137,341,815	125,301,597	149,810,885	168,986,806	191,919,015	177,875,911	140,481,203	146,171,742	161,345,747	1,803,652,967
Gen Serv und 3MW DM (billed kW)		2,228,464	2,145,795	2,200,561	2,263,694	2,294,795	2,512,199	2,676,986	2,731,894	2,721,368	2,554,190	2,296,962	2,190,808	28,817,716
Gen Serv und 3MW DM (kWh)		734,996,713	709,919,470	708,344,089	740,770,204	773,051,869	856,990,496	1,006,985,412	1,017,534,113	1,042,046,012	907,049,961	766,328,789	741,400,771	10,005,417,899
Gen Serv ovr 3MW (billed kW)		490,667	491,797	489,067	501,111	506,541	531,230	557,383	569,107	552,991	538,521	506,879	472,161	6,207,455
Gen Serv ovr 3MW (kWh)		231,938,607	225,086,102	228,949,568	229,129,271	239,909,040	254,691,639	279,721,933	281,859,000	282,919,877	266,591,954	245,679,129	230,761,333	2,997,237,453
Total kWh sales		2,102,384,855	1,833,576,552	1,805,106,958	1,868,351,453	1,951,295,871	2,391,776,773	3,104,747,320	3,150,407,785	3,171,803,530	2,527,008,350	1,980,016,449	2,060,410,033	27,946,885,929
NITS														
Residential (kWh)	$ 0.012267	12,279,793	9,446,723	8,908,782	9,336,386	9,973,318	13,864,965	20,228,605	20,351,795	20,472,820	14,878,220	10,081,307	11,370,124	161,192,837
Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)	$ 0.007872	1,057,873	1,011,239	1,114,324	1,081,106	986,329	1,179,258	1,330,204	1,510,718	1,400,175	1,105,818	1,150,612	1,270,056	14,197,710
Gen Serv < 3MW (kW)	$ 2.733009	6,090,411	5,864,476	6,014,152	6,186,695	6,271,695	6,865,862	7,316,226	7,466,290	7,437,522	6,980,623	6,277,617	5,987,497	78,759,067
Gen Serv > 3MW (kW)	$ 3.104170	1,523,114	1,526,622	1,518,147	1,555,534	1,572,389	1,649,028	1,730,212	1,766,605	1,716,578	1,671,661	1,573,439	1,465,668	19,268,996
Total OATT Cost by Month		20,951,191	17,849,060	17,555,405	18,159,721	18,803,731	23,559,112	30,605,246	31,095,407	31,027,096	24,636,322	19,082,975	20,093,345	273,418,610
Total OATT Costs by Class														
Residential		$ 12,279,793	$ 9,446,723	$ 8,908,782	$ 9,336,386	$ 9,973,318	$ 13,864,965	$ 20,228,605	$ 20,351,795	$ 20,472,820	$ 14,878,220	$ 10,081,307	$ 11,370,124	$ 161,192,837
Gen Serv< 3MW		$ 7,148,284	$ 6,875,715	$ 7,128,476	$ 7,267,801	$ 7,258,024	$ 8,045,119	$ 8,646,430	$ 8,977,008	$ 8,837,698	$ 8,086,441	$ 7,428,229	$ 7,257,553	$ 92,956,777
Gen Serv> 3MW		$ 1,523,114	$ 1,526,622	$ 1,518,147	$ 1,555,534	$ 1,572,389	$ 1,649,028	$ 1,730,212	$ 1,766,605	$ 1,716,578	$ 1,671,661	$ 1,573,439	$ 1,465,668	$ 19,268,996
Total		$ 20,951,191	$ 17,849,060	$ 17,555,405	$ 18,159,721	$ 18,803,731	$ 23,559,112	$ 30,605,246	$ 31,095,407	$ 31,027,096	$ 24,636,322	$ 19,082,975	$ 20,093,345	$ 273,418,610
Cost per kWh														
Residential		$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227	$ 0.01227
Gen Serv< 3MW		$ 0.00822	$ 0.00820	$ 0.00839	$ 0.00828	$ 0.00808	$ 0.00799	$ 0.00735	$ 0.00742	$ 0.00724	$ 0.00772	$ 0.00814	$ 0.00804	$ 0.00787
Gen Serv> 3MW		$ 0.00657	$ 0.00678	$ 0.00663	$ 0.00679	$ 0.00655	$ 0.00647	$ 0.00619	$ 0.00627	$ 0.00607	$ 0.00627	$ 0.00640	$ 0.00635	$ 0.00643
Total		$ 0.00997	$ 0.00973	$ 0.00973	$ 0.00972	$ 0.00964	$ 0.00985	$ 0.00986	$ 0.00987	$ 0.00978	$ 0.00975	$ 0.00964	$ 0.00975	$ 0.00978

Test Year Avg. OATT Expense per kWh $ 0.00978

2014 $ 0.00831

% Increase 17.73%

Worksheet 4 - Revenue Credits

Account 454 - Rent from Electric Property

Description	Amount	$ Included on Attachment 3
SCE 500kv Line	(2,448,629)	(2,448,629)
Attachment Fees for Joint Pole Use	946,116	
Land and miscellaneous	58,498	
Other	258,818	238,371
Total	(1,185,197)	(2,210,258)
Total 12ME Account 454	(1,185,197)	
Difference (must be zero)	-	

Account 456 - Other Electric Revenues

Description	Amount	$ Included on Attachment 3
PCS project	2,596,684	1,210,239
Revenue from Terminated Contract - PacifiCorp	2,000,000	
Facility Charges	539,553	
Fuel oil loading	985,646	
Yucca Management Fee	550,822	
Participant Station Power Revenue	124,722	
Effluent water rights	682,764	
Gila River Admin Fee	100,000	100,000
Salt River Project	68,080	68,080
Mead-Phoenix O&M	15,726	15,726
Call center referrals	218,840	
Surepay and Autopay Discount	(1,551,542)	
Ocotillo bidder fees	270,000	
Gas sales for resale	(1,446,128)	
SunE AZ 1 agreement	137,123	
Other	226,772	
Total	5,519,063	
Total Account 456 (p300,21.b.)	5,519,063	
Difference (must be zero)	0	

Account 456.1 - Revenues from Transmission of Electricity of Others

Statistical Classifi	Payment by Counterparty	Sum of Demand Cha	Sum of Energy Cha	Sum of Other Charg	Sum of Total Revenues	Included in Divisor (Y or N)	$ included on Attachment 3	Network Trans Peak Report Line #
FNO	Ajo Improvement Company	95,614	(43,705)	(376)	51,533	Y	(376)	12
	Central Arizona Water Conservation District	1,435,556	-	(10,633)	1,424,923	Y	(10,633)	28
	Electrical District 3	2,777,096	(324,653)	(23,683)	2,428,759	Y	(23,683)	16
	Navajo Tribal Utility Authority	266,885	(55,091)	52,643	264,438	Y	52,643	23 and 29
	Public Service Company of New Mexico	2,012,086	-	36,624	2,048,710	Y	36,624	30
	Southwest Transmission Cooperative	158,956	-	10,339	169,295	Y	10,339	31
FNO Total		6,746,193	(423,449)	64,914	6,387,657			
LFP	CSE Operating 1, LLC	22,882	4,841	60,961	88,685	Y	60,961	35
	EDF Trading North America, LLC	8,978	-	-	8,978	Y	-	36
	Electrical District 3	1,911,943	344,199	-	2,256,142	Y	-	33
	NOVO BioPower LLC	506,935	-	(3,377)	503,558	Y	(3,377)	37
	PacifiCorp	1,339,573	-	(1,602)	1,337,970	Y	(1,602)	38
	Public Service Company of New Mexico	362,047	-	(2,419)	359,627	Y	(2,419)	39
	Salt River Project	10,077,452	-	(12,421)	10,065,030	Y	(12,421)	44
LFP Total		14,229,809	349,040	41,141	14,619,991			
OLF	Arizona Public Service Company	-	-	-	-	N	-	
	PacifiCorp	-	-	-	-	N	-	
	Public Service Company of New Mexico	1,415,030	-	-	1,415,030	Y	-	7
	Tucson Electric Power Company	1,824,000	-	-	1,824,000	Y	-	8
	Western Area Power Administration (DSW)	-	-	-	-	N	-	
	Yuma Cogeneration Associates	1,515,190	-	-	1,515,190	Y	-	9
OLF Total		4,754,220	-	-	4,754,220			
OS	Imperial Irrigation District	4,416	-	48,581	52,997	N	52,997	
	Luke AFB Main Field	173,579	1,044	-	174,623	N	174,623	
	Marine Corps. Air Station	77,652	-	-	77,652	N	77,652	
	NOVO BioPower LLC	-	-	2,716	2,716	N	2,716	
	Salt River Project (Schedule F)	23,352	-	-	23,352	N	23,352	
	Salt River Project (Schedule Q)	-	-	1,112,647	1,112,647	N	1,112,647	
	Unit B Irrigation and Drainage District	540	-	-	540	N	540	
	Yuma Mesa Irrigation and Drainage District	4,500	-	-	4,500	N	4,500	
OS Total		284,039	1,044	1,163,944	1,449,026			
SFP	Arizona Electric Power Cooperative, Inc	37,587	-	-	37,587	N	37,587	
	Arizona Public Service Company	279,379	-	193,783	473,162	N	473,162	
	City of Anaheim	1,834,666	-	(8,376)	1,826,290	N	1,826,290	
	EDF Trading North America, LLC	79,824	-	143,584	223,408	N	223,408	
	Iberdrola Renewables	1,053	-	-	1,053	N	1,053	
	Macquarie Energy LLC	10,102	-	(4)	10,099	N	10,099	
	PacifiCorp	523,693	-	(18,893)	504,800	N	504,800	
	Powerex	44,074	-	(166)	43,908	N	43,908	
	Public Service Company of New Mexico	167,826	-	403,555	571,381	N	571,381	
	Salt River Project	2,890	-	-	2,890	N	2,890	
	Salt River Project (OATT General Service)	71,970	-	-	71,970	N	71,970	
	Sempra Generation	2,170	-	(3)	2,167	N	2,167	
	Shell Energy North America LP	820	-	-	820	N	820	
	Sundevil Power Holdings	81,458	-	-	81,458	N	81,458	
	Tenaska Power Services Co.	36,440	-	(14)	36,427	N	36,427	
	TransAlta Energy Marketing U.S. Inc.	3,973	-	(95)	3,878	N	3,878	
	Tucson Electric Power Company	1,562,829	-	(1,754)	1,561,075	N	1,561,075	
	Yuma Cogeneration Associates	327	-	(9)	318	N	318	
SFP Total		4,741,082	-	711,609	5,452,691			
NF	Arizona Electric Power Cooperative, Inc	4,580	-	-	4,580	N	4,580	
	Arizona Public Service Company	298,746	-	67,161	365,907	N	365,907	
	Cargill Power Markets, LLC	21,992	-	(18)	21,974	N	21,974	
	City of Anaheim	53,164	-	-	53,164	N	53,164	
	EDF Trading North America, LLC	6,984	-	10,123	17,107	N	17,107	
	El Paso Electric Company	979	-	20,242	21,221	N	21,221	
	Iberdrola Renewables	1,617	-	(19)	1,598	N	1,598	
	Imperial Irrigation District	536	-	7,970	8,505	N	8,505	
	Macquarie Energy LLC	11,275	-	(10)	11,264	N	11,264	
	Mag Energy Solutions, Inc	305	-	-	305	N	305	
	Morgan Stanley	60,568	-	(81)	60,487	N	60,487	
	Nevada Power Company	12,651	-	(12)	12,638	N	12,638	
	NV Energy	2,030	-	-	2,030	N	2,030	
	PacifiCorp	283,004	-	-	283,004	N	283,004	
	Powerex	17,504	-	(315)	17,189	N	17,189	
	Public Service Company of New Mexico	24,370	-	(80,298)	(55,928)	N	(55,928)	
	Puget Sound Energy Inc	7	-	-	7	N	7	
	Salt River Project	12,400	-	8,168	20,568	N	20,568	
	Salt River Project (OATT General Service)	98,258	-	5,468	103,727	N	103,727	
	Sempra Generation	3,790	-	(28)	3,762	N	3,762	
	Shell Energy North America LP	4,740	-	(45)	4,695	N	4,695	
	Southern California Edison Company	13,770	-	(33)	13,737	N	13,737	
	Tenaska Power Services Co.	11,822	-	(164)	11,658	N	11,658	
	TransAlta Energy Marketing U.S. Inc.	50,129	-	(302)	49,827	N	49,827	
	Tucson Electric Power Company	478,764	-	1,766	480,530	N	480,530	
	WestConnect	-	-	-	-	N	-	
	Yuma Cogeneration Associates	1,113	-	229	1,342	N	1,342	
NF Total		1,475,097	-	39,802	1,514,899			
AD	Other	-	-	589,749	589,749	N	589,749	
AD Total		-	-	589,749	589,749			
Grand Total		32,230,440	(73,365)	2,611,159	34,768,234			

Total	$	9,112,421
Exclude PTP Scheduling from Ancillary Services	$	40,891
Total Revenue Credits	$	9,071,530
Total Revenue Credits		(9,071,530)

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	6,474,616	2,595,978	4,535,297			2,595,978	
PREPAID INSURANCE	501,686	596,376	549,031			596,376	
PPD POSTAGE-PERMITS/METERS	141,308	566,468	353,888			566,468	
MISC PREPAIDS	176,737	289,282	233,009			289,282	
Total Plant Related	7,294,346	4,048,104	5,671,225			4,048,104	
Prepaid postage	287,531	254,805	271,168				254,805
HR misc	419,826	240,844	330,335				240,844
Vehicle licenses	362,871	380,213	371,542				380,213
Prepaid travel	136,535	26,805	81,670				26,805
PPD SOFTWARE MAINT CONTRACTS	11,754,107	13,232,952	12,493,529				13,232,952
Total Labor Related	12,960,868	14,135,619	13,548,243				14,135,619
POWER MARKETING PREPAIDS	562,679	587,279	574,979	587,279			
PREPAYMENTS-MISC BUSINESS LICE	3,480	-	1,740	-			
REGULATORY COMMISSION EXP-ACC	3,103,915	3,423,692	3,263,804	3,423,692			
REGULATORY COMMISSION EXP-RUCO	276,096	321,615	298,856	321,615			
NAVAJO PLANT LEASE	85,176	85,176	85,176	85,176			
Foothills lease	43,886	53,084	48,485	53,084			
Schools and governments	14,618	14,618	14,618	14,618			
U of A weather forecasting	126,233	-	63,117	-			
Luke Solar lease	250,071	126,579	188,325	126,579			
City of Phoenix solar	131,456	87,638	109,547	87,638			
Chino	29,770	29,770	29,770	29,770			
Distribution right of way	36,261	-	18,130	-			
Barclay's line of credit	17,500	29,940	23,720	29,940			
Legends Entertainment Dist	626,985	409,219	518,102	409,219			
Prepaid fuel nozzle assembly	-	205,760	102,880	205,760			
PV prepaid m&s	-	584,451	292,225	584,451			
PV prepaid invoices	676,956	841,706	759,331	841,706			
Acquired coal bonuses	1,410,709	1,325,211	1,367,960	1,325,211			
Misc business license	460	460	460	460			
DSM incentives	-	2,300,000	1,150,000	2,300,000			
ACC DOCUMENT FEES	7,700	7,700	7,700	7,700			
SROG Water Payment	18,269	219,716	118,993	219,716			
Total Non-Transmission Related	7,422,220	10,653,614	9,037,917	10,653,614			
500 kv capacitor bank	2,889,352	1,381,536	2,135,444		1,381,536		
Transmission right of way	2,174,593	2,170,255	2,172,424		2,170,255		
Forest Service Agreement	-	-	-		-		
Wheeling Prepaid Expense	100,000	100,000	100,000		100,000		
Total Transmission Related	5,163,946	3,651,790	4,407,868		3,651,790		
Grand Total	**32,841,381**	**32,489,126**	**32,665,254**	**10,653,614**	**3,651,790**	**4,048,104**	**14,135,619**

ARIZONA PUBLIC SERVICE COMPANY
WORKSHEET - 6 Depreciation Rates
TRANSMISSION DEPRECIATION COMPOSITE RATE AS OF 12-31-2015

company_id	func_class_id	depr_group_id	isdiction Or Classifica	COR Rate	Depreciation Rate	Total Rate	end_balance EOY 2015	Rate * Bal.	Comp. Rate	
				[A]	[B]	[A]+[B]=[C]	[D]	[C] * [D]		
Arizona Public Service	Transmission Plant - Electric	00 35200 Struc & Improvements	FERC	-0.01%	1.85%	1.84%	114,659,064	2,109,727		
Arizona Public Service	Transmission Plant - Electric	00 35300 Substation Eq, FERC Jur	FERC	0.04%	2.10%	2.14%	886,056,286	18,961,605		
Arizona Public Service	Transmission Plant - Electric	00 35400 Towers & Fdn, FERC Jur	FERC	-0.03%	1.37%	1.34%	135,942,173	1,821,625		
Arizona Public Service	Transmission Plant - Electric	00 35501 Wood & Oth Poles & Fxt	FERC	0.34%	1.87%	2.21%	66,918,792	1,478,905		
Arizona Public Service	Transmission Plant - Electric	00 35502 Steel Poles & Fixtures	FERC	0.35%	1.75%	2.10%	409,965,710	8,609,280		
Arizona Public Service	Transmission Plant - Electric	00 35600 OH Cond & Dev, FERC Jur	FERC	0.31%	1.56%	1.87%	446,359,481	8,346,922		
Arizona Public Service	Transmission Plant - Electric	00 35700 UG Conduits	FERC	-0.02%	1.57%	1.55%	21,317,100	330,415		
Arizona Public Service	Transmission Plant - Electric	00 35800 UG Conductors	FERC	-0.24%	1.57%	1.33%	34,606,364	460,265		
					FERC Jurisdiction EOY 2015 Balance		2,115,824,970			
Worksheet 6 Totals							**2,448,884,449**	**42,118,744**	**1.99%**	Annual
									0.17%	Monthly
FF1 Page 204-207 Transmission Ending Balance							**2,448,884,451**			

(1.59)

* Land, CIAC, Handpostings and Non FERC Jurisdictional asset are excluded from the Depreciation Rate Calculation

VERSION II

Arizona Public Service Company

Formula Rate -- Appendix A

Shaded cells are input cells

VERSION II

		Notes	FERC Form 1 Page # or Instruction	2015
	Allocators			
	Wages & Salary Allocation Factor			
1	Transmission Wages Expense		p354.21.b	20,607,966
2	Total Wages Expense		p354.28b	379,069,925
3	Less A&G Wages Expense		p354.27b	91,896,314
4	Total		(Line 2 - 3)	287,173,611
5	**Wages & Salary Allocator**		(Line 1 / 4)	**7.1761%**
	Plant Allocation Factors			
6	Electric Plant in Service	(Note B)	Attachment 5	16,580,450,900
7	Total Plant In Service		(Sum Line 6)	16,580,450,900
8	Accumulated Depreciation (Total Electric Plant)		Attachment 5	6,391,084,698
9	Total Accumulated Depreciation		(Line 8)	6,391,084,698
10	Net Plant		(Line 7 - 9)	10,189,366,202
11	Transmission Gross Plant		(Line 22 - Line 38)	2,631,926,716
12	**Gross Plant Allocator**		(Line 11 / 7)	**15.8737%**
13	Transmission Net Plant		(Line 32 - Line 38)	1,842,445,920
14	**Net Plant Allocator**		(Line 13 / 10)	**18.0820%**
	Plant Calculations			
	Plant In Service (Note O)			
15	Transmission Plant In Service	(Note B)	Attachment 5	2,448,884,451
16	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	120,574,690
17	**Total Transmission Plant In Service**		(Line 15 + 16)	**2,569,459,141**
18	General & Intangible		Attachment 5	1,509,541,568
19	Total General		(Line18)	1,509,541,568
20	Wage & Salary Allocation Factor		(Line 5)	7.1761%
21	**General Plant Allocated to Transmission**		(19 * 20)	**108,326,741**
22	**TOTAL Plant In Service**		**(Line 17 + 21)**	**2,677,785,882**
	Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B)	Attachment 5	722,951,477
24	Accumulated Depreciation for Transmission Plant Additions for Current Rate Year		Attachment 6	877,236
25	**Total Transmission Accumulated Depreciation**		(Line 23 + Line 24)	723,828,713
26	Accumulated General Depreciation		Attachment 5	202,187,149
27	Accumulated Intangible Depreciation		Attachment 5	712,679,738
28	Total Accumulated Depreciation		(Sum Lines 26 to 27)	914,866,887
29	Wage & Salary Allocation Factor		(Line 5)	7.1761%
30	**General Allocated to Transmission**		(Line 28 * 29)	**65,652,083**
31	**TOTAL Accumulated Depreciation**		**(Line 25 + 30)**	**789,480,796**
32	**TOTAL Net Property, Plant & Equipment**		**(Line 22 - 31)**	**1,888,305,087**

Adjustment To Rate Base

	Accumulated Deferred Income Taxes			
33	ADIT net of FASB 106 and 109		Attachment 1	-480,830,329
34	**Accumulated Deferred Income Taxes Allocated To Transmission**		(Line 33)	**-480,830,329**
	Transmission O&M Reserves			
35	**Total Balance Transmission Related Account 242 Reserves**	Enter Negative	Attachment 5	**-39,968,152**
	Prepayments			
36	Prepayments	(Note A)	Attachment 5	5,398,162
37	**Total Prepayments Allocated to Transmission**		(Line 36)	**5,398,162**
38	**Land Held for Future Use**	(Note C)	p214	**45,859,166**
	Materials and Supplies			
39	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,296,535
40	Wage & Salary Allocation Factor		(Line 5)	7.1761%
41	Total Transmission Allocated		(Line 39 * 40)	93,041
42	Transmission Materials & Supplies		p227.8c	34,331,669
43	**Total Materials & Supplies Allocated to Transmission**		(Line 41 + 42)	**34,424,710**
	Cash Working Capital			
44	Operation & Maintenance Expense		(Line 72)	72,794,768
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	17,675,574
48	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	Attachment 5	1,845,282
49	Net Outstanding Credits		(Line 47 - 48)	**15,830,293**
50	**TOTAL Adjustment to Rate Base**		(Line 34 + 35 + 37 + 38 + 43 + 46 - 49)	**-450,946,735**
51	**Rate Base**		(Line 32 + 50)	**1,437,358,351**

O&M

	Transmission O&M			
52	Transmission O&M		p321.112.b	**83,335,291**
53	Less Account 565		p321.96.b	**25,848,965**
54	**Transmission O&M**		(Line 52 - 53)	**57,486,326**
	Allocated General Expenses			
55	Total A&G		p323.197.b	**167,748,519**
56	Less PBOP Adjustment		Attachment 5	-22,774,582
57	Less Property Insurance Account 924		p323.185b	**5,201,486**
58	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	**16,926,157**
59	Less General Advertising Exp Account 930.1		p323.191b	**3,572,429**
60	Less EPRI Dues	(Note D)	p352-353	**23,716**
61	**General Expenses**		(Line 55) - Sum (56 to 60)	164,799,313
62	Wage & Salary Allocation Factor		(Line 5)	7.1761%
63	**General Expenses Allocated to Transmission**		(Line 61 * 62)	**11,826,221**
	Directly Assigned A&G			
64	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	2,540,937
65	General Advertising Exp Account 930.1	(Note K)	Attachment 5	749
66	Subtotal - Transmission Related		(Line 64 + 65)	**2,541,686**
67	Property Insurance Account 924		p323.185b	5,201,486
68	General Advertising Exp Account 930.1	(Note F)	Attatchment 5	0
69	Total		(Line 67 + 68)	5,201,486
70	Net Plant Allocation Factor		(Line 14)	18.0820%
71	**A&G Directly Assigned to Transmission**		(Line 69 * 70)	**940,535**
72	**Total Transmission O&M**		**(Line 54 + 63 + 66 + 71)**	**72,794,768**

Depreciation & Amortization Expense

	Depreciation Expense (Note P)			
73	Transmission Depreciation Expense		p336.7f	**47,961,818**
74	New plant Depreciation Expense		Attachment 6	**2,624,400**
75	**Total Transmission Depreciation Expense**		(Line 73 + Line 74)	**50,586,218**
76	General Depreciation		p336.10f	**41,388,061**
77	Intangible Amortization	(Note A)	p336.1f	57,569,607
78	Total		(Line 76 + 77)	98,957,668
79	Wage & Salary Allocation Factor		(Line 5)	7.1761%
80	**General Depreciation Allocated to Transmission**		(Line 78 * 79)	**7,101,336**
81	**Total Transmission Depreciation & Amortization**		**(Line 75 + 80)**	**57,687,554**

Taxes Other than Income

82	**Taxes Other than Income**		Attachment 2	**32,067,998**
83	**Total Taxes Other than Income**		**(Line 82)**	**32,067,998**

Return / Capitalization Calculations

	Long Term Interest			
84	Long Term Interest		p117.62c through 67c	184,803,488
85	**Long Term Interest**		(Line 84)	184,803,488
86	**Preferred Dividends**	enter positive	p118.29c	0
	Common Stock			
87	Proprietary Capital		p112.16c	4,679,254,873
88	Less Preferred Stock	enter negative	(Line 96)	0
89	Less Accumulated Other Comprehensive Income Account 219	enter negative	p112.15c	27,097,083
90	Less Account 216.1	enter negative	p112.12c	0
91	**Common Stock**		(Sum Lines 87 to 90)	4,706,351,956
	Capitalization			
92	Long Term Debt		p112.18c through 23c	3,751,562,520
93	Less Loss on Reacquired Debt	enter negative	p111.81c	-17,890,348
94	Plus Gain on Reacquired Debt	enter positive	p113.61c	328,382
95	Total Long Term Debt		(Sum Lines 92 to 94)	3,734,000,554
96	Preferred Stock		p112.3c	0
97	Common Stock		(Line 91)	4,706,351,956
98	**Total Capitalization**		(Sum Lines 95 to 97)	8,440,352,510
99	Debt %		(Line 95 / 98)	44%
100	Preferred %		(Line 96 / 98)	0%
101	Common %		(Line 97 / 98)	56%
102	Debt Cost		(Line 85 / 95)	0.0495
103	Preferred Cost		(Line 86 / 96)	0.0000
104	Common Cost	(Note J)	Fixed	0.1075
105	Weighted Cost of Debt		(Line 99 * 102)	0.0219
106	Weighted Cost of Preferred		(Line 100 * 103)	0.0000
107	Weighted Cost of Common		(Line 101 * 104)	0.0599
108	**Total Return (R)**		(Sum Lines 105 to 107)	**0.0818**
109	**Investment Return = Rate Base * Rate of Return**		**(Line 51 * 108)**	**117,629,639**

Composite Income Taxes

	Income Tax Rates			
110	FIT=Federal Income Tax Rate			35.00%
111	SIT=State Income Tax Rate or Composite	(Note I)		5.96%
112	p		FIT deductible for SIT	0.00%
113	T = 1-{[(1-SIT) * (1-FIT)]/(1-SIT * FIT * p)}			38.87%
114	T/ (1-T)			63.60%
	ITC Adjustment	(Note I)		
115	Amortized Investment Tax Credit	enter negative	p266.8f	0
116	T/(1-T)		(Line 114)	63.60%
117	Net Plant Allocation Factor		(Line 14)	18.0820%
118	**ITC Adjustment Allocated to Transmission**		(Line 115 * (1 + 116) * 117)	**0**
119	**Income Tax Component =**		[Line 114 * 109 * (1-(105 / 108))]	**54,793,695**
120	**Total Income Taxes**		**(Line 118 + 119)**	**54,793,695**

REVENUE REQUIREMENT

	Summary		
121	Net Property, Plant & Equipment	(Line 32)	1,888,305,087
122	Adjustment to Rate Base	(Line 50)	-450,946,735
123	**Rate Base**	(Line 51)	**1,437,358,351**
124	O&M	(Line 72)	72,794,768
125	Depreciation & Amortization	(Line 81)	57,687,554
126	Taxes Other than Income	(Line 83)	32,067,998
127	Investment Return	(Line 109)	117,629,639
128	Income Taxes	(Line 120)	54,793,695
129	**Gross Revenue Requirement**	**(Sum Lines 124 to 128)**	**334,973,655**

	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
130	Transmission Plant In Service		(Line 15)	2,448,884,451
131	Excluded Transmission Facilities	(Note M)	Attachment 5	126,007,490
132	Included Transmission Facilities		(Line 130 - 131)	2,322,876,961
133	Inclusion Ratio		(Line 132 / 130)	94.85%
134	Gross Revenue Requirement		(Line 129)	334,973,655
135	**Adjusted Gross Revenue Requirement**		(Line 133 * 134)	**317,737,566**
	Revenue Credits & Interest on Network Credits			
136	**Revenue Credits**		Attachment 3	21,417,788
137	**Interest on Network Credits**	(Note N)	Attachment 5	561,229
138	**Net Revenue Requirement**		**(Line 135 - 136 + 137)**	**296,881,007**
	Net Plant Carrying Charge			
139	Net Revenue Requirement		(Line 138)	**296,881,007**
140	Net Transmission Plant		(Line 15 - 23)	**1,725,932,974**
141	Net Plant Carrying Charge		(Line 139 / 140)	**17.2012%**
142	Net Plant Carrying Charge without Depreciation		(Line 139 - 73) / 140	**14.4223%**
143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 139 - 73 - 109 - 120) / 140	**4.4321%**
	Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
144	Net Revenue Requirement Less Return and Taxes		(Line 138 - 127 - 128)	**124,457,673**
145	Increased Return and Taxes		Attachment 4	**185,535,152**
146	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 144 + 145)	**309,992,825**
147	Net Transmission Plant		(Line 15 - 23)	**1,725,932,974**
148	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 146 / 147)	**17.9609%**
149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 146 - 73) / 147	**15.1820%**
150	**Net Revenue Requirement**		(Line 138)	**296,881,007**
151	True-up amount		Attachment 6	**(6,671,461)**
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)	**290,209,546**
	Annual Point-to-Point Transmission Rate			
155	Average of the 4 Summer CP	(Note L)	Network Transmission Peak Report	**7,334,068**
156	Annual Point-to-Point Transmission Rate		(Line 154 / 155)	**39.57**
157	Average of the 8 Non-Summer CP	(Note L)	Network Transmission Peak Report	**5,249,980**
158	Implied Non-Summer Revenue Requirement		((Line 156/12)*8* Line 157)	**138,494,701**
159	Implied Summer Revenue Requirement		(Line 138 - Line 158)	**158,386,306**
160	Implied Annualized Summer Point-to-Point Transmission Rate		((Line 154- line 158/Line 155/4)*12)	**62.06**
	Retail Transmission Rates			
161	Residential (kWh)		Rate Design Worksheet	**0.01132**
162	Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)		Rate Design Worksheet	**0.00726**
163	Gen Serv < 3MW (kW)		Rate Design Worksheet	**2.521**
164	Gen Serv > 3MW (kW)		Rate Design Worksheet	**2.863**

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	(3,032,795,795)	0	(3,032,795,795)
ADIT-283	0	(8,194,846)	0	(8,194,846)
ADIT-190	0	127,642	26,329,609	26,457,251
ADITC-255	(23,099)	0	0	(23,099)
Subtotal-End of Year	(23,099)	(3,040,863,000)	26,329,609	(3,014,556,490)
Subtotal-Beginning of Year	(33,587)	(2,887,404,145)	27,128,177	(2,860,309,555)
End of Year for Est./Average for Final	(28,343)	(2,964,133,572)	26,728,893	(2,937,433,023)
Wages & Salary Allocator (Appendix A, Line 5)			7.1761%	
Gross Plant Allocator (Appendix A, Line 12)		15.8737%		
ADIT-End of Year for Estimate	(23,099)	(482,696,678)	1,889,448	(480,830,329)
ADIT-Average for Final	(28,343)	(470,516,899)	1,918,101	(468,627,140)

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	200,300	200,300				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	3,858,236	2,692,914			1,165,323	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	1,817,009	1,817,009				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	0	0				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	78,510,746	78,510,746				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 - Def Comp	14,016,873	12,510,583			1,506,290	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	2,779,594	0			2,779,594	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	1,806,822	1,806,822				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	34,044,905	34,044,905				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 - NM Coal Severance Surtax	747,081	747,081				Book liability for NM Coal Severance Surtax 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 - Roosevelt Irrigation District Reserve	116,610	116,610				Book liability for Roosevelt Irrigation District Reserve 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 - SCE Four Corners Reserve	6,996,600	6,996,600				Book liability for SCE Four Corners Reserve 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	107,885,455	107,885,455				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	3,109,599	3,109,599				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	24,796	24,796				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	27,398,804	27,398,804				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 - Unamortized Gain on Reacquired Debt	127,642	0		127,642		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 Liab - Deferred ITC	100,779,214	100,779,214				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	5,316,716	5,316,716				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	2,395,142	2,395,142				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-Star Center Patent Rights	437,440	437,440				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	3,251,497	3,251,497				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	311,011	311,011				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	9,792,639	9,792,639				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	(2,992)	(2,992)				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.
Reg Liab - Coal Reclamation	3,467,107	3,467,107				Book liability for Coal Reclamation 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 - FERC Transmission True-up	638,413	638,413				Book liability for FERC Transmission True-up 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 - Removal Costs-Cholla	5,264,031	5,264,031				Book liability for Removal Costs-Cholla 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 - Power Supply Adjustor	335,839	335,839				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.
Pension Liabilities	181,786,916	178,438,480			3,348,436	Book liability for Pension 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.
Reg Liab - Other Postretirement benefits	83,034,269	83,034,269				Book liability for Other Postretirement benefits 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.
Low Income Bill Assistance	388,700	388,700				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	80,616,150	80,616,150				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.
Other Tax Accruals	(2,897,507)	(2,897,507)				Deferred Taxes primarily associated with the tax only future AZ/NM tax rate reductions, substantially related to the book liabilities for Pension and ARO regulatory liability recorded in FERC account(s) 228 and 254. Also includes 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	312,443	312,443				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	205,245	(351)			205,596	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	3,082,478	2,199,930			882,548	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.
Renewable Energy Incentives	60,955,841	60,955,841				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	1,572,789	0			1,572,789	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	141,650	0			141,650	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	28,314,748	13,587,365			14,727,383	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	852,940,853	826,483,602	0	127,642	26,329,609	
Less FASB 109 Above if not separately removed	3,251,497	3,251,497	0	0	0	
Less FASB 106 Above if not separately removed	0	0	0	0	0	
Total	849,689,355	823,232,105	0	127,642	26,329,609	

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 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT- 282	*Total*	*Gas, Prod Or Other*	*Only Transmission Related*	*Plant Related*	*Labor Related*	*Justification*
Net Plant Book/Tax Differences	(3,141,675,652)			(3,141,675,652)		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	108,879,857			108,879,857		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)	(3,032,795,795)	0	0	(3,032,795,795)	0	
Less FASB 109 Above if not separately removed	0			0		
Less FASB 106 Above if not separately removed	0					
Total	(3,032,795,795)	0	0	(3,032,795,795)	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 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 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT-283	*Total*	*Gas, Prod Or Other Related*	*Only Transmission Related*	*Plant Related*	*Labor Related*	*Justification*
Reg Asset - Transmission Vegitation Management	(1,765,928)	(1,765,928)				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	(54,109,619)	(54,109,619)				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	(4,420,452)	(4,420,452)				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	(2,055)	(2,055)				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	(6,953,978)			(6,953,978)		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	(55,019,758)	(55,019,758)				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	0	0				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.

Reg Asset - Coal Reclaimation	(2,527,586)	(2,527,586)				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	(240,691,949)	(240,691,949)				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	(13,507,655)	(13,507,655)				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 - SFAS 109	(1,160,605)	(1,160,605)				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	(5,318,896)	(5,318,896)				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	(17,579,944)	(17,579,944)				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	(19,610,856)	(19,610,856)				Book asset for Property Taxd 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 - Lost Fixed Cost	(17,859,520)	(17,859,520)				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)	(23,290,825)	(23,290,825)				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 - Retired Power Plant Costs	(53,419,772)	(53,419,772)				Book asset for Retired Power Plant Costs regulatory assets 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 SCE Proforma Deferral	(4,023,485)	(4,023,485)				Book asset for Four Corners SCE Proforma Deferral regulatory assets 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	(1,143,672)	(1,143,672)				Book liability 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.
Other Postretirement Benefits	(70,986,384)	(70,986,384)				Book asset for Other Postretirement Benefits recorded in FERC account(s) 186. The underlying book account is not included in rate base, as such ADIT is not included in rate base.
Mark to market	(20,744,281)	(20,744,281)				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	5,820,677	5,820,677				Deferred Taxes primarily associated with the tax only future AZ/NM tax rate reductions, substantially related to the book assets for Pension and Other Postretirement benefits, AFUDC and Power Supply Adjustor MTM regulatory assets recorded in FERC account(s) 182. The underflying book accounts are not included in rate base, as such ADIT is not included in rate base.
Prepaids	(1,240,868)			(1,240,868)		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)	(609,557,409)	(601,362,562)	0	(8,194,846)	0	
Less FASB 109 Above if not separately removed	(55,270,224)	(55,270,224)	-	-	-	
Less FASB 106 Above if not separately removed	(70,986,384)	(70,986,384)	-	-	-	
Total	(483,300,801)	(475,105,954)	-	(8,194,846)	-	

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 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,		(23,099)		One or the other but not both.
3	Amortization				
4	Amortization to line 115 of Appendix A		-	-	
5	Total		(23,099)	-	
6	Total Form No. 1 (p 266 & 267)		(23,099)	-	
7	Difference /1		-	-	

/1 Difference must be zero
/1 Difference must be zero

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)	$ 30,185,747	100%	$ 30,185,747	
2	Capital Stock Tax		15.8737%	$ -	47393673
3	Gross Premium (insurance) Tax		15.8737%	$ -	
4	PURTA		15.8737%	$ -	
5	Corp License		15.8737%	$ -	
			15.8737%	$ -	
	Total Plant Related	30,185,747		30,185,747	
	Labor Related		***Wages & Salary Allocator***		
6	Federal FICA & Unemployment & state unemployment	26,229,310			
	Total Labor Related	26,229,310	7.1761%	1,882,251	
	Other Included		***Gross Plant Allocator***		
7	Miscellaneous	0			
	Total Other Included	0	15.8737%	0	
	Total Included			32,067,998	
	Currently Excluded				
8	Use & Sales Tax	0			
9	Adjust state and local tax reserve	(97,776)			
10	Other Sales & Use Tax	0			
11	Other Personal Property Tax (excluded)	141,411,346			
12					
13					
14					
15					
16					
17					
18					
19					
20				-	
21	Total "Other" Taxes (included on p. 263)	197,728,627			
22	Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	197,728,627			
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)		9,789,742	
2	Total Rent Revenues	(Sum Lines 1)	9,789,742	
	Account 456 - Other Electric Revenues (Note 1)			
3	Scheduling, System Control & Dispatch (Ancillary Service)		$ 2,002,825	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)		9,071,530	
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)		1,210,239	
11	Gross Revenue Credits	(Sum Lines 2-10)	22,258,141	
12	Line 17g		(840,354)	
13	Total Revenue Credits		21,417,788	

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.		1,210,239
17b	Costs associated with revenues in line 17a		470,468
17c	Net Revenues (17a - 17b)		739,771
17d	50% Share of Net Revenues (17c / 2)		369,885
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)		369,885
17g	Line 17f less line 17a		(840,354)
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		22,258,141
		Composite Tax Rate	38.87%

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	185,535,152
B	100 Basis Point increase in ROE			1.00%
Return Calculation				
1	Rate Base		Appendix A, Line 51	1,437,358,351
2	Debt %		Appendix A, Line 99	44.2%
3	Preferred %		Appendix A, Line 100	0.0%
4	Common %		Appendix A, Line 101	55.8%
5	Debt Cost		Appendix A, Line 102	4.95%
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	0.0219
9	Weighted Cost of Preferred		Appendix A, Line 106	-
10	Weighted Cost of Common		Line 4 * Line 7	0.0655
11	**Total Return (R)**		Sum Lines 8 to 10	**0.0874**
12	**Investment Return = Rate Base * Rate of Return**		Line 11 * Line 1	**125,644,369**
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	5.96%
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	38.87%
17	T/ (1-T)		Appendix A, Line 114	63.60%
	ITC Adjustment			
18	Amortized Investment Tax Credit		Appendix A, Line 115	-
19	1/(1-T)		Appendix A, Line 116	63.5965%
20	Net Plant Allocation Factor		Appendix A, Line 117	18.0820%
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))	**59,890,783**
23	**Total Income Taxes**		**Line 21 + 22"**	**59,890,783**

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	2014	2,201,581,299		
January	company records	2015	2,204,408,327		
February	company records	2015	2,208,546,016		
March	company records	2015	2,209,836,613		
April	company records	2015	2,208,070,636		
May	company records	2015	2,415,964,901		
June	company records	2015	2,423,415,536		
July	company records	2015	2,422,749,150		
August	company records	2015	2,423,500,037		
September	company records	2015	2,429,698,728		
October	company records	2015	2,431,175,895		
November	company records	2015	2,435,563,795		
December	p207.58.g	2015	2,448,884,451	2,448,884,451	
Transmission Plant In Service			2,343,338,106	2,448,884,451	
Calculation of Distribution Plant In Service	Source				
December	p206.75.b	2014	5,336,396,181		
January	company records	2015	5,344,642,147		
February	company records	2015	5,354,255,385		
March	company records	2015	5,372,077,392		
April	company records	2015	5,385,804,318		
May	company records	2015	5,396,609,745		
June	company records	2015	5,413,916,247		
July	company records	2015	5,427,681,280		
August	company records	2015	5,439,964,980		
September	company records	2015	5,456,884,884		
October	company records	2015	5,477,183,501		
November	company records	2015	5,490,966,728		
December	p207.75.g	2015	5,540,635,410	5,540,635,410	
Distribution Plant In Service			5,418,232,169	5,540,635,410	
Calculation of Intangible Plant In Service	Source				
December	p204.5.b	2014	651,971,938		
December	p205.5.g	2015	691,530,034	691,530,034	
Intangible Plant In Service			671,750,986	691,530,034	
Calculation of General Plant In Service	Source				
December	p206.96.b	2014	747,795,375		
December	p207.96.g	2015	818,011,534	818,011,534	
General Plant In Service			782,903,455	818,011,534	
Calculation of Production Plant In Service	Source				
December	p204.46b	2014	6,903,203,819		
January	company records	2015	6,901,348,458		
February	company records	2015	6,879,829,609		
March	company records	2015	6,867,558,186		
April	company records	2015	6,958,820,079		
May	company records	2015	6,945,484,319		
June	company records	2015	6,989,282,519		
July	company records	2015	7,052,049,337		
August	company records	2015	7,005,968,740		
September	company records	2015	7,005,680,361		
October	company records	2015	7,005,384,159		
November	company records	2015	7,046,215,730		
December	p205.46.g	2015	7,081,389,471	7,081,389,471	
Production Plant In Service			6,972,478,061	7,081,389,471	
Total Plant In Service	Sum of averages above		16,188,702,777	16,580,450,900	

Accumulated Depreciation Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details
Calculation of Transmission Accumulated Depreciation	Source		**Balance For True up**	**Balance for Estimate**
December	Prior year p219.25	2014	689,158,219	
January	company records	2015	689,422,115	
February	company records	2015	694,240,516	
March	company records	2015	698,424,418	
April	company records	2015	699,588,751	
May	company records	2015	702,372,682	
June	company records	2015	705,497,800	
July	company records	2015	709,522,755	
August	company records	2015	712,979,116	
September	company records	2015	717,155,702	
October	company records	2015	719,296,275	
November	company records	2015	722,454,623	
December	p219.25	2015	722,951,477	722,951,477
Transmission Accumulated Depreciation			706,389,573	722,951,477
Calculation of Distribution Accumulated Depreciation	Source			
December	Prior year p219.26	2014	1,452,169,765	
January	company records	2014	1,455,086,698	
February	company records	2014	1,461,325,732	
March	company records	2014	1,471,651,798	
April	company records	2015	1,474,844,083	
May	company records	2015	1,481,184,107	
June	company records	2015	1,488,531,584	
July	company records	2015	1,486,464,951	
August	company records	2015	1,492,870,394	
September	company records	2015	1,508,260,716	
October	company records	2015	1,514,651,383	
November	company records	2015	1,518,572,584	
December	p219.26	2015	1,526,576,630	1,526,576,630
Distribution Accumulated Depreciation			1,487,091,571	1,526,576,630
Calculation of Intangible Accumulated Depreciation	Source			
December	Prior year p200.21.c	2014	652,498,217	
December	p200.21c	2015	712,679,738	712,679,738
Accumulated Intangible Depreciation			682,588,978	712,679,738
Calculation of General Accumulated Depreciation	Source			
December	Prior year p219.28	2014	185,750,193	
December	p219.28	2015	202,187,149	202,187,149
Accumulated General Depreciation			193,968,671	202,187,149
Calculation of Production Accumulated Depreciation	Source			
December	Prior year p219.20 thru 219.24	2014	3,193,780,880	
January	company records	2015	3,208,710,802	
February	company records	2015	3,182,005,576	
March	company records	2015	3,213,276,267	
April	company records	2015	3,207,232,600	
May	company records	2015	3,199,924,437	
June	company records	2015	3,211,089,882	
July	company records	2015	3,225,884,255	
August	company records	2015	3,185,100,157	
September	company records	2015	3,204,242,572	
October	company records	2015	3,212,225,518	
November	company records	2015	3,224,825,074	
December	p219.20 thru 219.24	2015	3,226,689,704	3,226,689,704
Production Accumulated Depreciation			3,207,305,210	3,226,689,704
Total Accumulated Depreciation	Sum of averages above		6,277,344,002	6,391,084,698

Electric / Non-electric Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	Electric Portion	Non-electric Portion	Details
	Plant Allocation Factors					
	Accumulated Intangible Depreciation	p200.21.c	712,679,738	712,679,738	0	
	Materials and Supplies					
	Undistributed Stores Exp	p227.16c	1,296,535	1,296,535	0	
	Depreciation Expense					
	Intangible Amortization	p336.1d&e	57,569,607	57,569,607	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	51,340,595	51,471,935	51,406,265	
			Non-transmission Related	5,612,769	5,612,769		
			Transmission Related	45,727,826	45,859,166	45,793,496	

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)	p323.187b	52,261,312	(10,346,825)	62,608,137	Current Year
	Change in PBOP Expense			(22,774,582)		

EPRI Dues Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Form 1 Amount	EPRI Dues	Details
	Allocated General Expenses		A&G		
60	Less EPRI Dues	p352-353	-	23,716	

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	16,926,157	2,540,937	14,385,220	

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	3,572,429	-	3,572,429	None

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	5.640%	0.220%	0.100%	0.00%	0.00%	5.96%

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	3,572,429	749	3,571,680	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		126,007,490	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.			
			122,007,490	Step Up Xfmrs
			1,250,000	FERC Settlement
			2,750,000	West Phoenix to Lincoln Substation 345 kV transmission line
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:	Example	Or Enter $	
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	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)**			Enter $				
	Directly Assignable to Transmission							
		Deposits	352,160	352,160				
		Transmission Term Agreement		18,000,000				
		Land Rights	1,142,883	14,489,912				
		Sum Directly Transmission	1,495,043	32,842,072	17,168,558	100%	32,842,072	
	Total Not Directly Assignable to Transmission	(A) Total Not Directly Transmission	146,176,640	136,486,608	141,331,624			
	Labor Related, or General plant related							
		Vacation Accrual - Old Plan	6,450,408	8,145,273	7,297,840			
		Accrued Payroll	18,439,481	20,775,948	19,607,714			
		Medical - Dental	9,133,000	7,151,000	8,142,000			
		Short Term Software License	390,189	2,200,000	1,295,094			
		Workmen's Compensation Liability	2,603,596	2,270,513	2,437,054			
		Vacation Accrual	4,098,289	3,635,161	3,866,725			
		Vacation Accrual - Participants	1,141,250	1,181,281	1,161,265			
		SFAS 112	3,205,000	2,998,000	3,101,500			
		Incentive Accrual	32,923,319	37,888,817	35,406,068			
		Severance	1,685,052	566,830	1,125,941			
		SERBP	9,493,256	8,614,447	9,053,851			
		Deferred Compensation	2,207,160	3,875,199	3,041,180			
		(B) Sum Labor Related	91,770,000	99,302,468	95,536,234	7.1761%	7,126,079	
	Other							
		(A) - (B)	54,406,640	37,184,141	45,795,390.40	0.00%	-	
	Total Transmission Related Reserves		147,671,683	169,328,681	check		39,968,152	

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	12,960,868	14,135,619	**13,548,243**	7.176%	1,014,391	972,240
	Plant Related	Worksheet 5	7,294,346	4,048,104	**5,671,225**	18.082%	731,980	1,025,474
	100% Transmission Related	Worksheet 5	5,163,946	3,651,790	**4,407,868**	100.000%	3,651,790	4,407,868
	Other (Excluded)	Worksheet 5	7,422,220	10,653,614	**9,037,917**	0.000%	-	-
							5,398,162	6,405,582

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	Details
			-	-		
39	Stores Expense Undistributed	p227.16	(666,160)	1,296,535		
			(333,080)	648,268	**157,594**	
42	Transmission Materials & Supplies	p227.8	**30,450,516**	**34,331,669**	**32,391,093**	

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
	Network Credits							
47	Outstanding Network Credits							
	December	Account 252	2014	17,112,576	17,112,576			
	December	Account 252	2015	17,675,574		17,675,574		
	Average Beginning and End of Year			17,394,075			17,394,075	
48	Accumulated Depreciation Associated with Facilities with Outstanding Network Credits							
	December	Account 252	2014	1,369,725	1,369,725			
	December	Account 252	2015	1,845,282		1,845,282		
	Average Beginning and End of Year			1,607,503			1,607,503	

Interest on Outstanding Network Credits Cost Support

	Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	Interest on Network Credits	Description of the Interest on the Credits
137	Interest on Network Credits	**561,229**	
			Add more lines if necessary

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.

265,647,356 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	1,531,038			0	1,531,038	-	1,531,038
Feb	4,643,784			0	6,174,822	-	6,174,822
Mar	-			0	6,174,822	-	6,174,822
Apr	533,798			0	6,708,620	-	6,708,620
May	-			0	6,708,620	-	6,708,620
Jun	216,384,768			0	223,093,388	-	223,093,388
Jul	275,243			0	223,368,631	-	223,368,631
Aug	-			0	223,368,631	-	223,368,631
Sep	1,357,184			0	224,725,815	-	224,725,815
Oct	-			0	224,725,815	-	224,725,815
Nov	-			0	224,725,815	-	224,725,815
Dec	66,076,152			0	290,801,967	-	290,801,967
Total	290,801,967	-	-	-	127,854,460	-	127,854,460

13 month avg of new plant additions = Col F + Col H — 127,854,460 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	1,531,038	0.17%	2,540	2,540	-	0.17%	-	-
Feb	6,174,822	0.17%	10,243	12,783	-	0.17%	-	-
Mar	6,174,822	0.17%	10,243	23,026	-	0.17%	-	-
Apr	6,708,620	0.17%	11,129	34,155	-	0.17%	-	-
May	6,708,620	0.17%	11,129	45,284	-	0.17%	-	-
Jun	223,093,388	0.17%	370,085	415,369	-	0.17%	-	-
Jul	223,368,631	0.17%	370,541	785,910	-	0.17%	-	-
Aug	223,368,631	0.17%	370,541	1,156,451	-	0.17%	-	-
Sep	224,725,815	0.17%	372,793	1,529,244	-	0.17%	-	-
Oct	224,725,815	0.17%	372,793	1,902,037	-	0.17%	-	-
Nov	224,725,815	0.17%	372,793	2,274,829	-	0.17%	-	-
Dec	290,801,967	0.17%	482,405	2,757,234	-	0.17%	-	-
Total			2,757,234	841,451			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: 841,451 goes to line 24 of the formula

Depreciation Expense = Col K + Col O 2,757,234 goes to line 74 of the formula

3 April Year 2 TO adds estimates from Step 2 to Appendix A

280,758,350 Include inputs to Appendix A Lines 16, 24, and 74

4 May Year 2 Post results of Step 3 on APS web site.

$ 280,758,350 Must run Appendix A to get this number (with results of step 2)

5 June Year 2 Results of Step 3 go into effect.

280,758,350

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

275,968,336 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	$ 275,968,336		$ 275,968,336
Results of Step 5	$ 280,758,350		$ 280,758,350
True up w/o interest			$ (4,790,014)
Transmission land rights repose			$ (1,717,490)

True Up to be recovered $ (4,790,014) 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

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	(399,168)	0.27%	11.5	(12,432)	(411,600)
Jul	Year 1	(399,168)	0.27%	10.5	(11,351)	(410,519)
Aug	Year 1	(399,168)	0.27%	9.5	(10,270)	(409,438)
Sep	Year 1	(399,168)	0.27%	8.5	(9,189)	(408,357)
Oct	Year 1	(399,168)	0.27%	7.5	(8,108)	(407,276)
Nov	Year 1	(399,168)	0.27%	6.5	(7,027)	(406,195)
Dec	Year 1	(399,168)	0.27%	5.5	(5,946)	(405,114)
Jan	Year 2	(399,168)	0.27%	4.5	(4,865)	(404,033)
Feb	Year 2	(399,168)	0.27%	3.5	(3,784)	(402,952)
Mar	Year 2	(399,168)	0.27%	2.5	(2,703)	(401,871)
Apr	Year 2	(399,168)	0.27%	1.5	(1,622)	(400,789)
May	Year 2	(399,168)	0.27%	0.5	(541)	(399,708)
Total		(4,790,014)				(4,867,852)

		Balance	Interest	Amort	Balance
Jun	Year 2	(4,867,852)	0.27%	(412,831)	(4,468,205)
Jul	Year 2	(4,468,205)	0.27%	(412,831)	(4,067,475)
Aug	Year 2	(4,067,475)	0.27%	(412,831)	(3,665,660)
Sep	Year 2	(3,665,660)	0.27%	(412,831)	(3,262,757)
Oct	Year 2	(3,262,757)	0.27%	(412,831)	(2,858,763)
Nov	Year 2	(2,858,763)	0.27%	(412,831)	(2,453,674)
Dec	Year 2	(2,453,674)	0.27%	(412,831)	(2,047,489)
Jan	Year 3	(2,047,489)	0.27%	(412,831)	(1,640,203)
Feb	Year 3	(1,640,203)	0.27%	(412,831)	(1,231,814)
Mar	Year 3	(1,231,814)	0.27%	(412,831)	(822,320)
Apr	Year 3	(822,320)	0.27%	(412,831)	(411,716)
May	Year 3	(411,716)	0.27%	(412,831)	(0)
Total with interest				(4,953,971)	

The difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest (4,953,971)

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	775,144			0	775,144	-	775,144
Feb	12,124,025			0	12,899,169	-	12,899,169
Mar	25,924,664			0	38,823,833	-	38,823,833
Apr	3,146,920			0	41,970,753	-	41,970,753
May	-			0	41,970,753	-	41,970,753
Jun	149,259,805			0	191,230,558	-	191,230,558
Jul	6,692,894			0	197,923,452	-	197,923,452
Aug				0	197,923,452	-	197,923,452
Sep	1,459,629			0	199,383,081	-	199,383,081
Oct				0	199,383,081	-	199,383,081
Nov	2,328,369			0	201,711,450	-	201,711,450
Dec	41,764,800			0	243,476,250	-	243,476,250
Total	243,476,250	-	-		120,574,690	-	120,574,690

13 month avg of new plant additions = Col F + Col H **120,574,690** 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	775,144	0.17%	1,298	1,298	-	0.17%	-	-
Feb	12,899,169	0.17%	21,597	22,895	-	0.17%	-	-
Mar	38,823,833	0.17%	65,002	87,897	-	0.17%	-	-
Apr	41,970,753	0.17%	70,271	158,168	-	0.17%	-	-
May	41,970,753	0.17%	70,271	228,439	-	0.17%	-	-
Jun	191,230,558	0.17%	320,175	548,615	-	0.17%	-	-
Jul	197,923,452	0.17%	331,381	879,996	-	0.17%	-	-
Aug	197,923,452	0.17%	331,381	1,211,377	-	0.17%	-	-
Sep	199,383,081	0.17%	333,825	1,545,202	-	0.17%	-	-
Oct	199,383,081	0.17%	333,825	1,879,027	-	0.17%	-	-
Nov	201,711,450	0.17%	337,723	2,216,750	-	0.17%	-	-
Dec	243,476,250	0.17%	407,650	2,624,400	-	0.17%	-	-
Total			2,624,400	877,236			-	-

13 mo. Avg accumulated depreciation = Col L + Col P: **877,236** goes to line 24 of the formula
Depreciation Expense = Col K + Col O **2,624,400** 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.
$ 296,881,007

12 June Year 3 Results of Step 9 go into effect for the Rate Year 2.
291,927,036 Step 11 plus the difference between the Reconciliation in Step 6 and the forecast in Prior Year with interest

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	14.4223%
3	B	149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.1820%
4	C		Line B less Line A	0.7597%
	FCR if a CIAC			
5	D	143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.4321%

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		14.422%				14.422%						
10	FCR W increased ROE		14.422%				14.422%						
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		....	....	.....	.....	....						$ -	$ -

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	14.4223%
3	B	149	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.1820%
4	C		Line B less Line A	0.7597%
	FCR if a CIAC			
5	D	143	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.4321%

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		14.422%				14.422%						
10	FCR W increased ROE		14.422%				14.422%						
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		....	....	.....	.....	....						$ -	$ -

Arizona Public Service Company

Attachment 8 - Depreciation Rates

Plant Account	Depreciation Rates
352.01 - Structures	1.84%
353 - Station Equipment	2.14%
354 - Towers and Fixtures	1.34%
355.01 - Poles and Fixtures - Wood	2.21%
355.02 - Poles and Fixtures - Steel	2.10%
356 - Overhead Conductors and Devices	1.87%
357 - Underground Conduit	1.55%
358 - Underground Conductors and Devices	1.33%

Worksheet 1 - Revenue Allocation

All load values are in MW

NETWORK TRANSMISSION PEAK REPORT - 2015

Enter Annual Revenue Requirement Here: $ 290,209,546

Line #	Date/Time of Monthly Peak	01/02@08:00 Jan	02/02@08:00 Feb	03/30@18:00 Mar	04/30@17:00 Apr	05/31@18:00 May	06/18@17:00 Jun	07/02@17:00 Jul	08/15@17:00 Aug	09/08@17:00 Sep	10/01@17:00 Oct	11/30@08:00 Nov	12/17@08:00 Dec	4CP Average	Allocation of ARR	% of Allocation
1	**Balancing Authority Load**	4,391.000	3,510.000	4,209.000	4,572.000	5,556.000	6,940.000	6,414.000	7,320.000	6,136.000	5,726.000	3,965.000	4,516.000			
2	Company Use	(8.435)	(6.488)	(8.132)	(9.703)	(12.954)	(14.914)	(11.843)	(14.285)	(12.207)	(13.156)	(7.683)	(8.516)			
3	Part IV Loads outside BAA	-	-	-	-	-	-	-	-	-	-	-	-			
4	less NITS Loads in BAA included below	(136.511)	(158.307)	(225.672)	(243.842)	(254.176)	(151.775)	(135.210)	(167.797)	(162.940)	(143.443)	(144.498)	(98.807)			
5	less PTP Loads in the BAA included below	-	-	-	-	-	(178.136)	(157.533)	(178.775)	(130.098)	(136.635)	(66.362)	(69.331)			
6	**APS Part IV Load**	4,246.054	3,345.205	3,975.196	4,318.455	5,288.870	6,595.175	6,109.414	6,959.143	5,830.755	5,432.766	3,746.457	4,339.346	6,373.622	$252,204,617	86.90%
	Grandfathered Transmission Services															
7	Public Service Company 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			
8	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			
9	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			
10	**Total Grandfathered Transmission Services**	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	280.850	$11,113,252	3.83%
	NITS Loads in BAA															
11	APS01 - Aguila Irrigation District	3.874	1.082	4.310	5.411	5.749	6.582	5.494	8.847	8.163	7.025	3.689	3.179			
12	Ajo Improvement District	1.670	1.180	1.670	1.930	1.980	2.730	2.070	2.530	1.850	2.220	1.400	1.770			
13	APS01 - Buckeye Irrigation District	0.629	2.125	3.651	2.187	1.595	4.254	2.998	5.200	4.470	1.384	4.016	1.431			
14	APS01 - City of Wickenburg	4.594	3.572	3.554	4.073	4.764	6.368	6.029	6.625	5.727	5.087	4.241	4.666			
15	APS01 - City of Williams	6.939	5.402	4.321	4.606	4.948	6.182	6.362	5.444	5.574	5.510	7.140	7.570			
16	Electrical District 3	69.093	57.906	106.272	120.616	154.810	-	-	-	-	-	-	-			
17	APS01 - Electrical District 6	0.015	0.235	0.253	0.196	0.554	0.507	0.340	0.728	0.249	0.106	0.307	0.005			
18	APS01 - Electrical District 7	1.739	8.773	9.795	5.923	3.963	6.979	5.944	10.212	10.269	6.947	11.188	7.007			
19	APS01 - Electrical District 8	10.470	34.494	43.947	51.042	32.471	53.058	51.897	57.029	59.261	54.205	47.758	24.552			
20	APS01 - Harquahala Valley Irrigation District	4.926	9.319	11.250	13.130	12.403	15.207	14.038	13.436	12.021	13.669	11.901	10.279			
21	APS01 - Maricopa County Municipal District	12.355	4.584	5.641	3.654	2.794	6.429	5.182	11.882	12.764	12.049	10.925	8.616			
22	APS01 - McMullen Valley Irrigation District	3.416	10.261	11.797	14.871	12.279	16.361	12.034	16.538	17.267	13.409	15.907	7.086			
23	NTUA	3.395	3.442	2.008	1.975	2.119	2.740	2.932	2.661	1.093	2.555	3.672	3.998			
24	APS01 - Roosevelt Irrigation District	2.027	4.824	5.628	3.459	2.076	6.491	5.527	10.031	8.579	4.123	9.016	4.492			
25	APS01 - Tohono Odham Utility Authority	10.720	9.186	8.170	8.674	10.180	13.713	11.696	12.204	10.686	10.679	9.140	12.181			
26	APS01 - Tonopah Irrigation District	0.649	1.922	3.405	2.095	1.491	4.174	2.667	4.430	4.967	4.475	4.198	1.975			
27	**Total NITS Loads in BAA**	136.511	158.307	225.672	243.842	254.176	151.775	135.210	167.797	162.940	143.443	144.498	98.807	154.431	$6,110,825	2.11%
	NITS Loads outside BAA															
28	Central AZ Water Conservation District	9.192	25.296	41.328	55.548	28.008	34.380	26.604	28.128	29.940	11.112	20.220	22.656			
29	NTUA	5.104	5.204	3.497	3.606	3.661	4.619	4.266	4.179	3.883	3.734	5.153	5.617			
30	PNM/Plains Electric	61.497	53.720	42.278	34.157	39.360	59.506	63.631	53.245	42.783	44.342	61.100	67.547			
31	Southwest Transmission Cooperative	1.500	1.500	2.000	2.500	4.000	4.500	4.500	6.000	2.500	3.500	1.000	1.500			
32	**Total NITS Loads outside BAA**	77.293	85.720	89.103	95.811	75.029	103.005	99.001	91.552	79.106	62.688	87.473	97.320	93.166	$3,686,585	1.27%
	Point-to-Point Serving Load in BAA															
33	Electrical District 3						90.000	90.000	90.000	90.000	90.000	90.000	90.000			
34	**Total**	-	-	-	-	-	90.000	90.000	90.000	90.000	90.000	90.000	90.000	90.000	$3,561,306	1.23%
	Point to Point Not Serving Load in BAA															
35	CSEO1					1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
36	EDF Trading	3.000	-	-	-	-	-	-	-	-	-	-	-			
37	NOVO BioPower LLC	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000			
38	PacifiCorp	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000			
39	Public Service Company of New Mexico	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000			
40	Salt River Project Dry Lake	-	-	-	-	-	-	-	-	-	-	-	-			
41	Salt River Project Dry Lake - East	-	-	-	-	-	-	-	-	-	-	-	-			
42	SRP (Desert Basin)	-	-	-	-	-	-	-	-	-	-	-	-			
43	SRP (Knox Tie)	-	-	-	-	-	-	-	-	-	-	-	-			
44	SRP Merchant	275.000	275.000	275.000	275.000	280.000	280.000	280.000	280.000	280.000	280.000	280.000	280.000			
45	**Part II Capacity Total**	339.000	336.000	336.000	336.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	342.000	$13,532,962	4.66%
46	**Total Adjusted Network Peak**	5,079.708	4,206.082	4,906.821	5,274.958	6,240.925	7,562.805	7,056.475	7,931.342	6,785.651	6,351.747	4,691.278	5,248.323	7,334.068	$290,209,546	100.00%
47	**Average of Four Summer Months (Jun-Sep)**	7,334.068														
48	**Average of Eight Non-Summer Months**	5,249.980														
49	**Average of Twelve Months**	5,944.676														

WORKSHEET - 2 Retail Allocation

Line #	CLASS	2015 June ADJ. PEAK CONTRIB (MW)	2015 July ADJ. PEAK CONTRIB (MW)	2015 August ADJ. PEAK CONTRIB (MW)	2015 September ADJ. PEAK CONTRIB (MW)	4CP
1	RESIDENTIAL E-12	946.8	882.2	1038.9	741.0	
2	RESIDENTIAL ET-1	632.0	548.0	714.8	506.4	
3	RESIDENTIAL ECT-1	178.1	154.5	197.1	143.6	
4	RESIDENTIAL ET-2	1209.1	1071.4	1428.7	1017.4	
5	RESIDENTIAL ECT-2	554.9	489.1	650.1	468.2	
6	RESIDENTIAL ET-SP	4.9	4.5	6.4	4.0	
7	TOTAL RESIDENTIAL (SUM LINES 1-6)	3525.8	3149.7	4036.0	2880.6	**3,398.0**
	GENERAL SERVICE <3MW					
8	E-20	9.2	8.0	12.2	7.8	
9	E-221(Water Pumping Service)	40.2	40.0	40.7	33.2	
10	E-32TOU (0-100 kW)	5.5	5.4	6.0	4.8	
11	E-32TOU (101-400 kW)	10.6	10.0	10.6	10.2	
12	E-32TOU (401+ kW)	31.2	29.1	30.4	32.0	
13	E-32 (0-100 kW)	862.0	841.6	785.8	832.6	
14	E-32(101-400 kW)	560.6	526.2	503.3	534.4	
15	E-32(401+ kW)	497.4	487.7	460.4	506.2	
16	GSSSCHTOU	12.7	10.6	10.6	22.5	
17	MEXICO TAP < 3 MW	1.9	1.9	0.7	2.1	
18	TOTAL GENERAL SERVICE <3MW (SUM 8-17)	2031.3	1960.5	1860.7	1985.8	**1,959.6**
	GENERAL SERVICE >3MW					
19	E-34	127.6	121.3	114.8	121.4	
20	E-35	268.7	280.3	272.3	265.5	
21	E-36	0.0	0.0	0.0	5.5	
22	SPECIAL	6.9	8.8	6.1	9.0	
23	MEXICO TAP > 3 MW	4.0	4.1	3.7	4.8	
24	TOTAL GENERAL SERVICE >3MW (SUM 19-23)	407.2	414.5	396.9	406.2	**406.2**
25	STREETLIGHTS	0.0	0.0	0.0	0.0	**0.0**
26	DUSK TO DAWN	0.0	0.0	0.0	0.0	**0.0**
27	SRP FRINGE CUSTOMER LOAD	2.3	2.4	2.2	2.4	**2.3**
28	LOSSES	628.6	582.3	663.3	555.8	**607.5**
29	Total System Load	**6595.2**	**6109.4**	**6959.1**	**5830.8**	**6,373.6**

							RETAIL TRANSMISSION REVENUE REQUIREMENT	PERCENTAGE
30	**TOTAL RESIDENTIAL (LINE 7)**	**3525.8**	**3149.7**	**4036.0**	**2880.6**	**3,398.0**	**$148,686,213**	**58.95%**
31	**GENERAL SERVICE 3 MW & GREATER**							
32	E-34	127.6	121.3	114.8	121.4			
33	E-35	268.7	280.3	272.3	265.5			
34	MEXICO TAP > 3 MW	4.0	4.1	3.7	4.8			
35	SPECIAL	6.9	8.8	6.1	9.0			
36	E-36	0.0	0.0	0.0	5.5			
37	**TOTAL 3 MW & GREATER (LINE 24)**	**407.2**	**414.5**	**396.9**	**406.2**	**406.2**	**$17,773,954**	**7.05%**
38	**GENERAL SERVICE LESS THAN 3 MW**							
39	RETAIL TARIFFS	2029.4	1958.6	1860.0	1983.7			
40	MEXICO TAP < 3 MW	1.9	1.9	0.7	2.1			
41	**TOTAL LESS THAN 3 MW (LINE 18)**	**2031.3**	**1960.5**	**1860.7**	**1985.8**	**1,959.6**	**$85,744,450**	**34.00%**
42	**Total**	**5964.3**	**5524.7**	**6293.6**	**5272.6**	**5,763.8**	**$252,204,617**	**100.00%**

WORKSHEET - 3 Rate Design

TY 2015 OATT COSTS FOR RETAIL SERVICE

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Billing Determinants														
Residential (kWh)		1,001,059,203	770,104,895	726,251,472	761,110,163	813,033,365	1,130,283,753	1,649,053,169	1,659,095,657	1,668,961,730	1,212,885,232	821,836,789	926,902,182	13,140,577,610
Gen Serv und 3MW NDM (kWh)		134,390,332	128,466,085	141,561,829	137,341,815	125,301,597	149,810,885	168,986,806	191,919,015	177,875,911	140,481,203	146,171,742	161,345,747	1,803,652,967
Gen Serv und 3MW DM (billed kW)		2,228,464	2,145,795	2,200,561	2,263,694	2,294,795	2,512,199	2,676,986	2,731,894	2,721,368	2,554,190	2,296,962	2,190,808	28,817,716
Gen Serv und 3MW DM (kWh)		734,996,713	709,919,470	708,344,089	740,770,204	773,051,869	856,990,496	1,006,985,412	1,017,534,113	1,042,046,012	907,049,961	766,328,789	741,400,771	10,005,417,899
Gen Serv ovr 3MW (billed kW)		490,667	491,797	489,067	501,111	506,541	531,230	557,383	569,107	552,991	538,521	506,879	472,161	6,207,455
Gen Serv ovr 3MW (kWh)		231,938,607	225,086,102	228,949,568	229,129,271	239,909,040	254,691,639	279,721,933	281,859,000	282,919,877	266,591,954	245,679,129	230,761,333	2,997,237,453
Total kWh sales		2,102,384,855	1,833,576,552	1,805,106,958	1,868,351,453	1,951,295,871	2,391,776,773	3,104,747,320	3,150,407,785	3,171,803,530	2,527,008,350	1,980,016,449	2,060,410,033	27,946,885,929
NITS														
Residential (kWh)	$ 0.011315	11,327,029	8,713,771	8,217,567	8,611,995	9,199,508	12,789,210	18,659,109	18,772,740	18,884,375	13,723,850	9,299,119	10,487,939	148,686,213
Gen Serv < 3MW Without Demand Meters -Includes All Customers 20 kW and less (kWh)	$ 0.007261	975,794	932,779	1,027,866	997,225	909,802	1,087,761	1,226,996	1,393,504	1,291,539	1,020,020	1,061,338	1,171,515	13,096,139
Gen Serv < 3MW (kW)	$ 2.520960	5,617,869	5,409,464	5,547,526	5,706,682	5,785,087	6,333,153	6,748,575	6,886,996	6,860,460	6,439,011	5,790,549	5,522,939	72,648,311
Gen Serv > 3MW (kW)	$ 2.863324	1,404,939	1,408,174	1,400,357	1,434,843	1,450,391	1,521,084	1,595,968	1,629,538	1,583,392	1,541,960	1,451,359	1,351,950	17,773,954
Total OATT Cost by Month		19,325,631	16,464,187	16,193,317	16,750,745	17,344,788	21,731,209	28,230,648	28,682,778	28,619,766	22,724,840	17,602,366	18,534,343	252,204,617
Total OATT Costs by Class														
Residential		$ 11,327,029	$ 8,713,771	$ 8,217,567	$ 8,611,995	$ 9,199,508	$ 12,789,210	$ 18,659,109	$ 18,772,740	$ 18,884,375	$ 13,723,850	$ 9,299,119	$ 10,487,939	$ 148,686,213
Gen Serv< 3MW		$ 6,593,663	$ 6,342,243	$ 6,575,392	$ 6,703,907	$ 6,694,889	$ 7,420,915	$ 7,975,571	$ 8,280,500	$ 8,151,999	$ 7,459,031	$ 6,851,887	$ 6,694,454	$ 85,744,450
Gen Serv> 3MW		$ 1,404,939	$ 1,408,174	$ 1,400,357	$ 1,434,843	$ 1,450,391	$ 1,521,084	$ 1,595,968	$ 1,629,538	$ 1,583,392	$ 1,541,960	$ 1,451,359	$ 1,351,950	$ 17,773,954
Total		$ 19,325,631	$ 16,464,187	$ 16,193,317	$ 16,750,745	$ 17,344,788	$ 21,731,209	$ 28,230,648	$ 28,682,778	$ 28,619,766	$ 22,724,840	$ 17,602,366	$ 18,534,343	$ 252,204,617
Cost per kWh														
Residential		$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132	$ 0.01132
Gen Serv< 3MW		$ 0.00758	$ 0.00756	$ 0.00774	$ 0.00763	$ 0.00745	$ 0.00737	$ 0.00678	$ 0.00685	$ 0.00668	$ 0.00712	$ 0.00751	$ 0.00742	$ 0.00726
Gen Serv> 3MW		$ 0.00606	$ 0.00626	$ 0.00612	$ 0.00626	$ 0.00605	$ 0.00597	$ 0.00571	$ 0.00578	$ 0.00560	$ 0.00578	$ 0.00591	$ 0.00586	$ 0.00593
Total		$ 0.00919	$ 0.00898	$ 0.00897	$ 0.00897	$ 0.00889	$ 0.00909	$ 0.00909	$ 0.00910	$ 0.00902	$ 0.00899	$ 0.00889	$ 0.00900	$ 0.00902

Test Year Avg. OATT Expense per kWh $ 0.00902

2014 $ 0.00831

% Increase 8.60%

Worksheet 4 - Revenue Credits

Account 454 - Rent from Electric Property

Description	Amount	$ Included on Attachment 3
SCE 500kv Line rent	9,551,371	9,551,371
SCE 500kv Line rent refund	(12,000,000)	
Attachment Fees for Joint Pole Use	946,116	
Land and miscellaneous	58,498	
Other	258,818	238,371
Total	(1,185,197)	9,789,742
Total 12ME Account 454	(1,185,197)	
Difference (must be zero)	-	

Account 456 - Other Electric Revenues

Description	Amount	$ Included on Attachment 3
PCS project	2,596,684	1,210,239
Revenue from Terminated Contract - PacifiCorp	2,000,000	
Facility Charges	539,553	
Fuel oil loading	985,646	
Yucca Management Fee	550,822	
Participant Station Power Revenue	124,722	
Effluent water rights	682,764	
Gila River Admin Fee	100,000	100,000
Salt River Project	68,080	68,080
Mead-Phoenix O&M	15,726	15,726
Call center referrals	218,840	
Surepay and Autopay Discount	(1,551,542)	
Ocotillo bidder fees	270,000	
Gas sales for resale	(1,446,128)	
SunE AZ 1 agreement	137,123	
Other	226,772	
Total	5,519,063	
Total Account 456 (p300,21.b.)	5,519,063	
Difference (must be zero)	0	

Account 456.1 - Revenues from Transmission of Electricity of Others

Statistical Classifi	Payment by Counterparty	Sum of Demand Cha	Sum of Energy Ch	Sum of Other Char	Sum of Total Revenues	Included in Divisor (Y or N)	$ included on Attachment 3	Network Trans Peak Report Line #
FNO	Ajo Improvement Company	95,614	(43,705)	(376)	51,533	Y	(376)	12
	Central Arizona Water Conservation District	1,435,556	-	(10,633)	1,424,923	Y	(10,633)	28
	Electrical District 3	2,777,096	(324,653)	(23,683)	2,428,759	Y	(23,683)	16
	Navajo Tribal Utility Authority	266,885	(55,091)	52,643	264,438	Y	52,643	23 and 29
	Public Service Company of New Mexico	2,012,086	-	36,624	2,048,710	Y	36,624	30
	Southwest Transmission Cooperative	158,956	-	10,339	169,295	Y	10,339	31
FNO Total		**6,746,193**	**(423,449)**	**64,914**	**6,387,657**			
LFP	CSE Operating 1, LLC	22,882	4,841	60,961	88,685	Y	60,961	35
	EDF Trading North America, LLC	8,978	-	-	8,978	Y	-	36
	Electrical District 3	1,911,943	344,199	-	2,256,142	Y	-	33
	NOVO BioPower LLC	506,935	-	(3,377)	503,558	Y	(3,377)	37
	PacifiCorp	1,339,573	-	(1,602)	1,337,970	Y	(1,602)	38
	Public Service Company of New Mexico	362,047	-	(2,419)	359,627	Y	(2,419)	39
	Salt River Project	10,077,452	-	(12,421)	10,065,030	Y	(12,421)	44
LFP Total		**14,229,809**	**349,040**	**41,141**	**14,619,991**			
OLF	Arizona Public Service Company	-	-	-	-	N	-	
	PacifiCorp	-	-	-	-	N	-	
	Public Service Company of New Mexico	1,415,030	-	-	1,415,030	Y	-	7
	Tucson Electric Power Company	1,824,000	-	-	1,824,000	Y	-	8
	Western Area Power Administration (DSW)	-	-	-	-	N	-	
	Yuma Cogeneration Associates	1,515,190	-	-	1,515,190	Y	-	9
OLF Total		**4,754,220**	**-**	**-**	**4,754,220**			
OS	Imperial Irrigation District	4,416	-	48,581	52,997	N	52,997	
	Luke AFB Main Field	173,579	1,044	-	174,623	N	174,623	
	Marine Corps. Air Station	77,652	-	-	77,652	N	77,652	
	NOVO BioPower LLC	-	-	2,716	2,716	N	2,716	
	Salt River Project (Schedule F)	23,352	-	-	23,352	N	23,352	
	Salt River Project (Schedule Q)	-	-	1,112,647	1,112,647	N	1,112,647	
	Unit B Irrigation and Drainage District	540	-	-	540	N	540	
	Yuma Mesa Irrigation and Drainage District	4,500	-	-	4,500	N	4,500	
OS Total		**284,039**	**1,044**	**1,163,944**	**1,449,026**			
SFP	Arizona Electric Power Cooperative, Inc	37,587	-	-	37,587	N	37,587	
	Arizona Public Service Company	279,379	-	193,783	473,162	N	473,162	
	City of Anaheim	1,834,666	-	(8,376)	1,826,290	N	1,826,290	
	EDF Trading North America, LLC	79,824	-	143,584	223,408	N	223,408	
	Iberdrola Renewables	1,053	-	-	1,053	N	1,053	
	Macquarie Energy LLC	10,102	-	(4)	10,099	N	10,099	
	PacifiCorp	523,693	-	(18,893)	504,800	N	504,800	
	Powerex	44,074	-	(166)	43,908	N	43,908	
	Public Service Company of New Mexico	167,826	-	403,555	571,381	N	571,381	
	Salt River Project	2,890	-	-	2,890	N	2,890	
	Salt River Project (OATT General Service)	71,970	-	-	71,970	N	71,970	
	Sempra Generation	2,170	-	(3)	2,167	N	2,167	
	Shell Energy North America LP	820	-	-	820	N	820	
	Sundevil Power Holdings	81,458	-	-	81,458	N	81,458	
	Tenaska Power Services Co.	36,440	-	(14)	36,427	N	36,427	
	TransAlta Energy Marketing U.S. Inc.	3,973	-	(95)	3,878	N	3,878	
	Tucson Electric Power Company	1,562,829	-	(1,754)	1,561,075	N	1,561,075	
	Yuma Cogeneration Associates	327	-	(9)	318	N	318	
SFP Total		**4,741,082**	**-**	**711,609**	**5,452,691**			
NF	Arizona Electric Power Cooperative, Inc	4,580	-	-	4,580	N	4,580	
	Arizona Public Service Company	298,746	-	67,161	365,907	N	365,907	
	Cargill Power Markets, LLC	21,992	-	(18)	21,974	N	21,974	
	City of Anaheim	53,164	-	-	53,164	N	53,164	
	EDF Trading North America, LLC	6,984	-	10,123	17,107	N	17,107	
	El Paso Electric Company	979	-	20,242	21,221	N	21,221	
	Iberdrola Renewables	1,617	-	(19)	1,598	N	1,598	
	Imperial Irrigation District	536	-	7,970	8,505	N	8,505	
	Macquarie Energy LLC	11,275	-	(10)	11,264	N	11,264	
	Mag Energy Solutions, Inc	305	-	-	305	N	305	
	Morgan Stanley	60,568	-	(81)	60,487	N	60,487	
	Nevada Power Company	12,651	-	(12)	12,638	N	12,638	
	NV Energy	2,030	-	-	2,030	N	2,030	
	PacifiCorp	283,004	-	-	283,004	N	283,004	
	Powerex	17,504	-	(315)	17,189	N	17,189	
	Public Service Company of New Mexico	24,370	-	(80,298)	(55,928)	N	(55,928)	
	Puget Sound Energy Inc	7	-	-	7	N	7	
	Salt River Project	12,400	-	8,168	20,568	N	20,568	
	Salt River Project (OATT General Service)	98,258	-	5,468	103,727	N	103,727	
	Sempra Generation	3,790	-	(28)	3,762	N	3,762	
	Shell Energy North America LP	4,740	-	(45)	4,695	N	4,695	
	Southern California Edison Company	13,770	-	(33)	13,737	N	13,737	
	Tenaska Power Services Co.	11,822	-	(164)	11,658	N	11,658	
	TransAlta Energy Marketing U.S. Inc.	50,129	-	(302)	49,827	N	49,827	
	Tucson Electric Power Company	478,764	-	1,766	480,530	N	480,530	
	WestConnect	-	-	-	-	N	-	
	Yuma Cogeneration Associates	1,113	-	229	1,342	N	1,342	
NF Total		**1,475,097**	**-**	**39,802**	**1,514,899**			
AD	Other	-	-	589,749	589,749	N	589,749	
AD Total		**-**	**-**	**589,749**	**589,749**			
Grand Total		**32,230,440**	**(73,365)**	**2,611,159**	**34,768,234**			

Total	$	9,112,421
Exclude PTP Scheduling from Ancillary Services	$	40,891
Total Revenue Credits	$	9,071,530
Total Revenue Credits		(9,071,530)

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	6,474,616	2,595,978	4,535,297			2,595,978	
PREPAID INSURANCE	501,686	596,376	549,031			596,376	
PPD POSTAGE-PERMITS/METERS	141,308	566,468	353,888			566,468	
MISC PREPAIDS	176,737	289,282	233,009			289,282	
Total Plant Related	7,294,346	4,048,104	5,671,225			4,048,104	
Prepaid postage	287,531	254,805	271,168				254,805
HR misc	419,826	240,844	330,335				240,844
Vehicle licenses	362,871	380,213	371,542				380,213
Prepaid travel	136,535	26,805	81,670				26,805
PPD SOFTWARE MAINT CONTRACTS	11,754,107	13,232,952	12,493,529				13,232,952
Total Labor Related	12,960,868	14,135,619	13,548,243				14,135,619
POWER MARKETING PREPAIDS	562,679	587,279	574,979	587,279			
PREPAYMENTS-MISC BUSINESS LICE	3,480	-	1,740	-			
REGULATORY COMMISSION EXP-ACC	3,103,915	3,423,692	3,263,804	3,423,692			
REGULATORY COMMISSION EXP-RUCO	276,096	321,615	298,856	321,615			
NAVAJO PLANT LEASE	85,176	85,176	85,176	85,176			
Foothills lease	43,886	53,084	48,485	53,084			
Schools and governments	14,618	14,618	14,618	14,618			
U of A weather forecasting	126,233	-	63,117	-			
Luke Solar lease	250,071	126,579	188,325	126,579			
City of Phoenix solar	131,456	87,638	109,547	87,638			
Chino	29,770	29,770	29,770	29,770			
Distribution right of way	36,261	-	18,130	-			
Barclay's line of credit	17,500	29,940	23,720	29,940			
Legends Entertainment Dist	626,985	409,219	518,102	409,219			
Prepaid fuel nozzle assembly	-	205,760	102,880	205,760			
PV prepaid m&s	-	584,451	292,225	584,451			
PV prepaid invoices	676,956	841,706	759,331	841,706			
Acquired coal bonuses	1,410,709	1,325,211	1,367,960	1,325,211			
Misc business license	460	460	460	460			
DSM incentives	-	2,300,000	1,150,000	2,300,000			
ACC DOCUMENT FEES	7,700	7,700	7,700	7,700			
SROG Water Payment	18,269	219,716	118,993	219,716			
Total Non-Transmission Related	7,422,220	10,653,614	9,037,917	10,653,614			
500 kv capacitor bank	2,889,352	1,381,536	2,135,444		1,381,536		
Transmission right of way	2,174,593	2,170,255	2,172,424		2,170,255		
Forest Service Agreement	-	-	-		-		
Wheeling Prepaid Expense	100,000	100,000	100,000		100,000		
Total Transmission Related	5,163,946	3,651,790	4,407,868		3,651,790		
Grand Total	**32,841,381**	**32,489,126**	**32,665,254**	**10,653,614**	**3,651,790**	**4,048,104**	**14,135,619**

ARIZONA PUBLIC SERVICE COMPANY
WORKSHEET - 6 Depreciation Rates
TRANSMISSION DEPRECIATION COMPOSITE RATE AS OF 12-31-2015

company_id	func_class_id	depr_group_id	isdiction Or Classificat	[A] COR Rate	[B] Depreciation Rate	[A]+[B]=[C] Total Rate	[D] end_balance EOY 2015	[C] * [D] Rate * Bal.	Comp. Rate	
Arizona Public Service	Transmission Plant - Electric	00 35200 Struc & Improvements	FERC	-0.01%	1.85%	1.84%	114,659,064	2,109,727		
Arizona Public Service	Transmission Plant - Electric	00 35300 Substation Eq, FERC Jur	FERC	0.04%	2.10%	2.14%	886,056,286	18,961,605		
Arizona Public Service	Transmission Plant - Electric	00 35400 Towers & Fdn, FERC Jur	FERC	-0.03%	1.37%	1.34%	135,942,173	1,821,625		
Arizona Public Service	Transmission Plant - Electric	00 35501 Wood & Oth Poles & Fxt	FERC	0.34%	1.87%	2.21%	66,918,792	1,478,905		
Arizona Public Service	Transmission Plant - Electric	00 35502 Steel Poles & Fixtures	FERC	0.35%	1.75%	2.10%	409,965,710	8,609,280		
Arizona Public Service	Transmission Plant - Electric	00 35600 OH Cond & Dev, FERC Jur	FERC	0.31%	1.56%	1.87%	446,359,481	8,346,922		
Arizona Public Service	Transmission Plant - Electric	00 35700 UG Conduits	FERC	-0.02%	1.57%	1.55%	21,317,100	330,415		
Arizona Public Service	Transmission Plant - Electric	00 35800 UG Conductors	FERC	-0.24%	1.57%	1.33%	34,606,364	460,265		
					FERC Jurisdiction EOY 2015 Balance		2,115,824,970			
Worksheet 6 Totals							**2,448,884,449**	**42,118,744**	**1.99%**	Annual
									0.17%	Monthly
FF1 Page 204-207 Transmission Ending Balance							**2,448,884,451**			

(1.59)

* Land, CIAC, Handpostings and Non FERC Jurisdictional asset are excluded from the Depreciation Rate Calculation