COMMISSIONERS

JEFF HATCH-MILLER- Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

ARIZONA CORPORATION COMMISSION

Brian C. McNeil
Executive Director

Direct Line: 602-542-3682
Fax: 602-542-3708
E-mail: MGLEASON@AZCC.GOV

August 25, 2005

Steven M. Wheeler
Executive Vice President
Arizona Public Service Company
Mail Station 9040
400 North 5th Street
Phoenix, Arizona 85072-3999

RE: Plan of Administration and Power Supply Adjustor Calculation and Projections
Docket Nos. E-01345A-03-0437 and E-01345A-05-0526

Dear Mr. Wheeler:

As required by Commission Decision No. 67744, a Plan of Administration ("Plan") for the Arizona Public Service Company ("APS") Power Supply Adjustor ("PSA") was filed on June 6, 2005. "Schedule 1" attached to the Plan is a table showing the proposed method for calculating monthly energy sales and costs using the PSA.

More recently, APS requested Commission approval for a PSA surcharge. In support of that request, APS provided Commission Staff with a table entitled "Projected Monthly PSA Collections and Balances Summary," which is dated July 13, 2005 and marked confidential. This table includes actual monthly collections and balances for April, May and June of 2005, and projected data for the remainder of this year and through year-end 2006.

In comparison to the table provided in support of the surcharge request, Schedule 1 gives a more thorough description of the proposed method for calculating monthly sales and costs. However, the numbers used in Schedule 1 do not agree with corresponding entries in the table provided with the surcharge request, which suggests that Schedule 1 is intended only as a hypothetical example.

For use in evaluating the proposed Plan and the surcharge request, please supply Commission Staff with actual and projected data for the current year through year-end 2006 that are consistent with the table offered with the surcharge request, but expanded to include the same column headings and format used in Schedule 1 attached to the Plan. Any confidential information provided to my office in response to this letter will be kept confidential.

Thank you for your attention to this request.

Sincerely,

Mike

Mike Gleason
Commissioner

c: Parties to Dockets
E-01345A-03-0437
E-01345A-05-0526