

ARIZONA PUBLIC SERVICE COMPANY  
SUMMARY OF ORIGINAL COST RATE BASE ELEMENTS  
TOTAL COMPANY AND ACC JURISDICTION  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	Original Cost						Line No.
		Total Company			ACC			
		Unadjusted Test Year Ended 6/30/2019 (a) (A)	Pro Forma (a) (B)	Adjusted Test Year Ended 6/30/2019 (a) (C)	Unadjusted Test Year Ended 6/30/2019 (a) (D)	Pro Forma (a) (E)	Adjusted Test Year Ended 6/30/2019 (a) (F)	
1.	Gross utility plant in service	\$ 20,668,805	\$ 759,403	\$ 21,428,208	\$ 17,522,166	\$ 742,562	\$ 18,264,729	1.
2.	Less: Accumulated depreciation & amortization	7,267,041	551,933	7,818,974	6,323,177	540,630	6,863,807	2.
3.	Net utility plant in service	13,401,764	207,470	13,609,234	11,198,989	201,933	11,400,922	3.
	Deductions:							
4.	Deferred income taxes	1,908,074	48,659	1,956,733	1,903,462	48,293	1,951,754	4.
5.	Deferred investment tax credits (b)	197,749		197,749	196,585		196,585	5.
6.	Customer advances (b)	174,411		174,411	145,118		145,118	6.
7.	Customer deposits	81,423		81,423	81,423		81,423	7.
8.	Liabilities for pension benefits	305,207		305,207	280,177		280,177	8.
9.	Liability for asset retirements (b)	744,955		744,955	741,379		741,379	9.
10.	Other deferred credits	11,807		11,807	10,827		10,827	10.
11.	Coal mine reclamation (b)	197,443		197,443	196,800		196,800	11.
12.	Unrecognized tax benefits (b)	42,313		42,313	35,241		35,241	12.
13.	Operating lease liabilities (b)	111,553		111,553	99,615		99,615	13.
14.	Regulatory liabilities	2,008,573	(90,705)	1,917,868	1,988,207	(90,705)	1,897,502	14.
15.	Total deductions	5,783,508	(42,046)	5,741,462	5,678,833	(42,412)	5,636,420	15.
	Additions:							
16.	Regulatory assets	1,283,538	137,739	1,421,277	1,197,115	136,084	1,333,199	16.
17.	Other deferred debits	38,202		38,202	32,909		32,909	17.
18.	Nuclear Decommissioning trust (b)	950,448		950,448	945,886		945,886	18.
19.	Other special use funds (b)	241,558		241,558	240,398		240,398	19.
20.	Assets for other postretirement benefits (b)	52,611		52,611	48,297		48,297	20.
21.	Operating lease right-of-use assets (b)	174,320		174,320	155,663		155,663	21.
22.	Allowance for working capital (c)	384,155	(10,486)	373,669	361,755	(9,626)	352,129	22.
23.	Total additions	3,124,832	127,253	3,252,086	2,982,024	126,458	3,108,482	23.
24.	Total rate base	\$ 10,743,088	\$ 376,770	\$ 11,119,858	\$ 8,502,181	\$ 370,803	\$ 8,872,984 (d)	24.

Supporting Schedules:

- (a) B-2
- (b) E-1
- (c) B-5

Recap Schedules:

- (d) A-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
SUMMARY OF ORIGINAL COST RATE BASE ELEMENTS  
TOTAL COMPANY AND ACC JURISDICTION  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

		RCND						
		Total Company			ACC			
Line		Unadjusted		Adjusted	Unadjusted		Adjusted	Line
No.	Description	Test Year Ended	Pro Forma (a)	Test Year Ended	Test Year Ended	Pro Forma (a)	Test Year Ended	No.
		6/30/2019 (a) (d)	(B)	6/30/209 (a)	6/30/2019 (a) (d)	(E)	6/30/209 (a)	
		(A)		(C)	(D)		(F)	
1.	Gross utility plant in service	\$ 39,632,048	\$ 759,403	\$ 40,391,451	\$ 33,598,427	\$ 742,562	\$ 34,340,989	1.
2.	Less: Accumulated depreciation & amortization	14,668,992	551,933	15,220,925	12,763,742	540,630	13,304,371	2.
3.	Net utility plant in service	<u>24,963,056</u>	<u>207,470</u>	<u>25,170,526</u>	<u>20,834,685</u>	<u>201,933</u>	<u>21,036,618</u>	3.
	Deductions:							
4.	Deferred income taxes	3,608,594	48,659	3,657,253	3,599,871	48,293	3,648,164	4.
5.	Deferred investment tax credits (b)	197,749		197,749	196,585		196,585	5.
6.	Customer advances (b)	174,411		174,411	145,118		145,118	6.
7.	Customer deposits	81,423		81,423	81,423		81,423	7.
8.	Liabilities for pension benefits	305,207		305,207	280,177		280,177	8.
9.	Liability for asset retirements (b)	744,955		744,955	741,379		741,379	9.
10.	Other deferred credits	11,807		11,807	10,827		10,827	10.
11.	Coal mine reclamation (b)	197,443		197,443	196,800		196,800	11.
12.	Unrecognized tax benefits (b)	42,313		42,313	35,241		35,241	12.
13.	Operating lease liabilities (b)	111,553		111,553	99,615		99,615	13.
14.	Regulatory liabilities	3,084,207	(90,705)	2,993,502	3,052,935	(90,705)	2,962,230	14.
15.	Total deductions	<u>8,559,662</u>	<u>(42,046)</u>	<u>8,517,616</u>	<u>8,439,970</u>	<u>(42,412)</u>	<u>8,397,558</u>	15.
	Additions:							
16.	Regulatory assets	1,283,538	137,739	1,421,277	1,197,115	136,084	1,333,199	16.
17.	Other deferred debits	38,202		38,202	32,909		32,909	17.
18.	Nuclear Decommissioning trust (b)	950,448		950,448	945,886		945,886	18.
19.	Other special use funds (b)	241,558		241,558	240,398		240,398	19.
20.	Assets for other postretirement benefits (b)	52,611		52,611	48,297		48,297	20.
21.	Operating lease right-of-use assets (b)	174,320		174,320	155,663		155,663	21.
22.	Allowance for working capital (c)	384,155	(10,486)	373,669	361,755	(9,626)	352,129	22.
23.	Total additions	<u>3,124,832</u>	<u>127,253</u>	<u>3,252,086</u>	<u>2,982,024</u>	<u>126,458</u>	<u>3,108,482</u>	23.
24.	Total rate base	<u>\$ 19,528,226</u>	<u>\$ 376,770 (d)</u>	<u>\$ 19,904,996 (d)</u>	<u>\$ 15,376,739</u>	<u>\$ 370,803 (d)</u>	<u>\$ 15,747,542 (d) (e)</u>	24.

Supporting Schedules:

- (a) B-3
- (b) E-1
- (c) B-5
- (d) B-4a

Recap Schedules:

- (e) A-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
ORIGINAL COST RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(1)		(2)		(3)	
		Actual at End of Test Year 6/30/2019		Fossil Generation Post-Test Year Plant Additions		Nuclear Generation Post-Test Year Plant Additions	
		(a) Total Co. (A)	(a) ACC (B)	Total Co. (C)	ACC (D)	Total Co. (E)	ACC (F)
1.	Gross Utility Plant in Service	\$ 20,668,805	\$ 17,522,166	\$ 179,664	\$ 178,802	\$ 73,326	\$ 72,974
2.	Less: Accumulated Depreciation & Amort.	7,267,041	6,323,177	201,688	200,720	36,557	36,382
3.	Net Utility Plant in Service	13,401,764	11,198,989	(22,024)	(21,918)	36,769	36,593
4.	Less: Total Deductions	5,783,508	5,678,833	10,896	10,844	(1,037)	(1,032)
5.	Total Additions	3,124,832	2,982,024	-	-	-	-
6.	Total Rate Base	<u>\$ 10,743,088</u>	<u>\$ 8,502,181</u>	<u>\$ (32,920)</u>	<u>\$ (32,762)</u>	<u>\$ 37,806</u>	<u>\$ 37,625</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

LOCKWOOD

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

LOCKWOOD

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

- (1) Test Year Total Deductions and Total Additions are shown on Schedule B-1, page 1.
- (2) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Fossil Generation with an estimated in service date prior to 6/30/2020.
- (3) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Nuclear Generation with an estimated in service date prior to 6/30/2020.

Supporting Schedules  
(a) B-1

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
ORIGINAL COST RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(4)		(5)		(6)	
		Distribution and IT/Facilities Post-Test Year Plant Additions		Technology Innovation Post-Test Year Plant Additions		Renewables Post-Test Year Plant Additions	
		Total Co. (G)	ACC (H)	Total Co. (I)	ACC (J)	Total Co. (K)	ACC (L)
1.	Gross Utility Plant in Service	\$ 470,435	\$ 454,743	\$ 25,446	\$ 25,446	\$ 24,364	\$ 24,364
2.	Less: Accumulated Depreciation & Amort.	287,026	276,835	-	-	33,094	33,094
3.	Net Utility Plant in Service	183,409	177,907	25,446	25,446	(8,730)	(8,730)
4.	Less: Total Deductions	5,634	5,458	777	777	3,120	3,120
5.	Total Additions	-	-	-	-	635	635
6.	Total Rate Base	<u>\$ 177,775</u>	<u>\$ 172,449</u>	<u>\$ 24,669</u>	<u>\$ 24,669</u>	<u>\$ (11,215)</u>	<u>\$ (11,215)</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

**LOCKWOOD**

1. Jurisdictional
2. Distribution functionalized on Distribution and IT/Facilities functionalized on Wages & Salaries

**LOCKWOOD**

1. ACC Specific
2. Functionalized on Distribution

**LOCKWOOD**

1. ACC Specific
2. Renewables functionalized on Demand Production (Retail DEMPROD1)

- (4) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Distribution and IT/Facilities with an estimated in service date prior to 6/30/2020.
- (5) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Technology Innovation with an estimated in service date prior to 6/30/2020.
- (6) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Renewables with an estimated in service date prior to 6/30/2020.

Supporting Schedules  
(a) B-1

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
ORIGINAL COST RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(7) Cloud Computing		(8) Include West Phoenix Unit 4 Regulatory Disallowance		(9) Include Property Tax Deferral	
		Total Co. (M)	ACC (N)	Total Co. (O)	ACC (P)	Total Co. (Q)	ACC (R)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ (13,833)	\$ (13,767)	\$ -	\$ -
2.	Less: Accumulated Depreciation & Amort.	-	-	(6,432)	(6,401)	-	-
3.	Net Utility Plant in Service	-	-	(7,401)	(7,365)	-	-
4.	Less: Total Deductions	-	-	(1,502)	(1,495)	(544)	(544)
5.	Total Additions	12,779	11,731	-	-	(2,198)	(2,198)
6.	Total Rate Base	<u>\$ 12,779</u>	<u>\$ 11,731</u>	<u>\$ (5,899)</u>	<u>\$ (5,871)</u>	<u>\$ (1,654)</u>	<u>\$ (1,654)</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

BLANKENSHIP

1. Jurisdictional
2. Functionalized on Wages & Salaries

BLANKENSHIP

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

BLANKENSHIP

1. ACC Specific
2. Distribution Property Tax functionalized on Distribution and Generation Property Tax functionalized on Demand Production (Retail Demprod1)

(7) Adjustment to Test Year rate base to reflect the impacts of Cloud Computing in alignment with NARUC's Cloud Computing Resolution.

(8) Adjustment to Test Year rate base to include the regulatory disallowance for West Phoenix CC Unit #4 as required by Decision Nos. 67744 and 69663.

(9) Adjustment to Test Year rate base to include the deferred property tax amounts from 7/1/19 to 12/31/20 per Decision No. 76295.

Supporting Schedules  
(a) B-1

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
ORIGINAL COST RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(10)		(11)		(12)	
		Total Co. (S)	ACC (T)	Total Co. (U)	ACC (V)	Total Co. (W)	ACC (X)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Less: Accumulated Depreciation & Amort.	-	-	-	-	-	-
3.	Net Utility Plant in Service	-	-	-	-	-	-
4.	Less: Total Deductions	-	-	20,395	20,297	10,920	10,867
5.	Total Additions	(10,486)	(9,626)	82,403	82,008	44,120	43,908
6.	Total Rate Base	<u>\$ (10,486)</u>	<u>\$ (9,626)</u>	<u>\$ 62,009</u>	<u>\$ 61,711</u>	<u>\$ 33,200</u>	<u>\$ 33,041</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

BLANKENSHIP

1. Jurisdictional
2. Functionalized on Wages & Salaries

BLANKENSHIP

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

BLANKENSHIP

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

(10) Adjustment to Cash Working Capital to reflect impacts of cost of service pro formas on the lead/lag study.

(11) Adjustment to Test Year rate base to include the estimated Ocotillo Modernization Project deferral amount from 7/1/19 to 12/31/20 per Decision No. 76295.

(12) Adjustment to Test Year rate base to include the estimated Four Corners Selective Catalytic Reduction (SCR) deferral amount from 7/1/19 to 12/31/20 per Decision No. 76295.

Supporting Schedules  
(a) B-1

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
ORIGINAL COST RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(13)		(14)		(15)	
		Excess Deferred Tax		Total Original Cost Rate Base Pro Forma Adjustments		Adjusted at End of Test Year 6/30/2019	
		Total Co. (Y)	ACC (Z)	Total Co. (AA)	ACC (BB)	Total Co. (CC)	ACC (DD)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ 759,403	\$ 742,562	\$ 21,428,208	\$ 18,264,729
2.	Less: Accumulated Depreciation & Amort.	-	-	551,933	540,630	7,818,974	6,863,807
3.	Net Utility Plant in Service	-	-	207,470	201,933	13,609,234	11,400,922
4.	Less: Total Deductions	(90,705)	(90,705)	(42,046)	(42,412)	5,741,462	5,636,420
5.	Total Additions	-	-	127,253	126,458	3,252,086	3,108,482
6.	Total Rate Base	<u>\$ 90,705</u>	<u>\$ 90,705</u>	<u>\$ 376,770</u>	<u>\$ 370,803</u>	<u>\$ 11,119,858</u>	<u>\$ 8,872,984</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

BLANKENSHIP

1. ACC Specific
2. Assigned to Production - Demand (Retail DEMPROD1)

- (13) Adjustment to rate base to reflect amortization of excess deferred taxes associated with TEAM Phase III between the Test Year and the date proposed rates go into effect. Assumes TEAM III amortization begins 1/1/2020 and rates go into effect 1/1/2021.

Supporting Schedules  
(a) B-1

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(1)		(2)		(3)	
		Actual at End of Test Year 6/30/2019		Fossil Generation Post-Test Year Plant Additions		Nuclear Generation Post-Test Year Plant Additions	
		(a) (b) Total Co. (A)	(a) (b) ACC (B)	Total Co. (C)	ACC (D)	Total Co. (E)	ACC (F)
1.	Gross Utility Plant in Service	\$ 39,632,048	\$ 33,598,427	\$ 179,664	\$ 178,802	\$ 73,326	\$ 72,974
2.	Less: Accumulated Depreciation & Amort.	14,668,992	12,763,742	201,688	200,720	36,557	36,382
3.	Net Utility Plant in Service	24,963,056	20,834,685	(22,024)	(21,918)	36,769	36,593
4.	Less: Total Deductions	8,559,662	8,439,970	10,896	10,844	(1,037)	(1,032)
5.	Total Additions	3,124,832	2,982,024	-	-	-	-
6.	Total Rate Base	<u>\$ 19,528,226</u>	<u>\$ 15,376,739</u>	<u>\$ (32,920)</u>	<u>\$ (32,762)</u>	<u>\$ 37,806</u>	<u>\$ 37,625</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

LOCKWOOD  
1. Jurisdictional  
2. Assigned to Production - Demand  
(DEMPROD1)

LOCKWOOD  
1. Jurisdictional  
2. Assigned to Production - Demand  
(DEMPROD1)

- (1) Test Year Total Deductions and Total Additions are shown on Schedule B-1, page 2.
- (2) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Fossil Generation with an estimated in service date prior to 6/30/2020.
- (3) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Nuclear Generation with an estimated in service date prior to 6/30/2020.

Supporting Schedules  
(a) B-4a

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.



ARIZONA PUBLIC SERVICE COMPANY  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(4)		(5)		(6)	
		Distribution and IT/Facilities Post-Test Year Plant Additions		Technology Innovation Post-Test Year Plant Additions		Renewables Post-Test Year Plant Additions	
		Total Co. (G)	ACC (H)	Total Co. (I)	ACC (J)	Total Co. (K)	ACC (L)
1.	Gross Utility Plant in Service	\$ 470,435	\$ 454,743	\$ 25,446	\$ 25,446	\$ 24,364	\$ 24,364
2.	Less: Accumulated Depreciation & Amort.	287,026	276,835	-	-	33,094	33,094
3.	Net Utility Plant in Service	183,409	177,907	25,446	25,446	(8,730)	(8,730)
4.	Less: Total Deductions	5,634	5,458	777	777	3,120	3,120
5.	Total Additions	-	-	-	-	635	635
6.	Total Rate Base	<u>\$ 177,775</u>	<u>\$ 172,449</u>	<u>\$ 24,669</u>	<u>\$ 24,669</u>	<u>\$ (11,215)</u>	<u>\$ (11,215)</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

LOCKWOOD  
1. Jurisdictional  
2. Distribution functionalized on Distribution and IT/Facilities functionalized on Wages & Salaries

LOCKWOOD  
1. ACC Specific  
2. Functionalized on Distribution

SNOOK / LOCKWOOD  
1. ACC Specific  
2. Renewables functionalized on Demand Production [Retail DEMPROD1]

- (4) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Distribution and IT/Facilities with an estimated in service date prior to 6/30/2020.
- (5) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Technology Innovation with an estimated in service date prior to 6/30/2020.
- (6) Adjustment to Test Year rate base to include post-Test Year Plant Additions for Renewables with an estimated in service date prior to 6/30/2020.

Supporting Schedules  
(a) B-4a

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Description	(7)		(8)		(9)	
		Total Co. (M)	ACC (N)	Total Co. (O)	ACC (P)	Total Co. (Q)	ACC (R)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ (13,833)	\$ (13,767)	\$ -	\$ -
2.	Less: Accumulated Depreciation & Amort.	-	-	(6,432)	(6,401)	-	-
3.	Net Utility Plant in Service	-	-	(7,401)	(7,365)	-	-
4.	Less: Total Deductions	-	-	(1,502)	(1,495)	(544)	(544)
5.	Total Additions	12,779	11,731	-	-	(2,198)	(2,198)
6.	Total Rate Base	<u>\$ 12,779</u>	<u>\$ 11,731</u>	<u>\$ (5,899)</u>	<u>\$ (5,871)</u>	<u>\$ (1,654)</u>	<u>\$ (1,654)</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

BLANKENSHIP  
1. Jurisdictional  
2. Functionalized on Wages & Salaries.

BLANKENSHIP  
1. Jurisdictional  
2. Assigned to Production - Demand  
(DEMPROD1)

BLANKENSHIP  
1. ACC Specific  
Distribution Property Tax functionalized on  
Distribution and Generation Property Tax  
functionalized on Demand Production (Retail  
DEMPROD1)

(7) Adjustment to Test Year rate base to reflect the impacts of Cloud Computing in alignment with NARUC's Cloud Computing Resolution.

(8) Adjustment to Test Year rate base to include the regulatory disallowance for West Phoenix CC Unit #4 as required by previous ACC Decision Nos. 67744 and 69663.

(9) Adjustment to Test Year rate base to include the deferred property tax amounts from 7/1/19 to 12/31/20 per Decision No. 76295.

Supporting Schedules  
(a) B-4a

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

(10)

(11)

(12)

Adjust Cash Working Capital  
for Cost of Service

Include Ocotillo Deferral

Include Four Corners SCR Deferral

Line No.	Description	(10)		(11)		(12)	
		Total Co. (S)	ACC (T)	Total Co. (U)	ACC (V)	Total Co. (W)	ACC (X)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Less: Accumulated Depreciation & Amort.	-	-	-	-	-	-
3.	Net Utility Plant in Service	-	-	-	-	-	-
4.	Less: Total Deductions	-	-	20,395	20,297	10,920	10,867
5.	Total Additions	(10,486)	(9,626)	82,403	82,008	44,120	43,908
6.	Total Rate Base	<u>\$ (10,486)</u>	<u>\$ (9,626)</u>	<u>\$ 62,009</u>	<u>\$ 61,711</u>	<u>\$ 33,200</u>	<u>\$ 33,041</u>

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
or ALLOCATION FACTOR:  
[WITNESS: SNOOK]**

BLANKENSHIP

1. Jurisdictional
2. Functionalized on Wages & Salaries

BLANKENSHIP

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

BLANKENSHIP

1. Jurisdictional
2. Assigned to Production - Demand (DEMPROD1)

(10) Adjustment to Cash Working Capital to reflect impacts of cost of service pro formas on the lead/lag study.

(11) Adjustment to Test Year rate base to include the estimated Ocotillo Modernization Project deferral amount from 7/1/19 to 12/31/20 per Decision No. 76295.

(12) Adjustment to Test Year rate base to include the estimated Four Corners Selective Catalytic Reduction (SCR) deferral amount from 7/1/19 to 12/31/20 per Decision No. 76295.

Supporting Schedules  
(a) B-4a

Recap Schedules:  
(b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
 RCND RATE BASE PRO FORMA ADJUSTMENTS  
 TEST YEAR ENDED JUNE 30, 2019  
 (Thousands of Dollars)

Line No.	Description	(13)		(14)		(15)	
		Excess Deferred Tax		Total RCND Rate Base Pro Forma Adjustments		Adjusted at End of Test Year 6/30/2019	
		Total Co. (Y)	ACC (Z)	Total Co. (AA)	ACC (BB)	Total Co. (CC)	ACC (DD)
1.	Gross Utility Plant in Service	\$ -	\$ -	\$ 759,403	\$ 742,562	\$ 40,391,451	\$ 34,340,989
2.	Less: Accumulated Depreciation & Amort.	-	-	551,933	540,630	15,220,925	13,304,371
3.	Net Utility Plant in Service	-	-	207,470	201,933	25,170,526	21,036,618
4.	Less: Total Deductions	(90,705)	(90,705)	(42,046)	(42,412)	8,517,616	8,397,558
5.	Total Additions	-	-	127,253	126,458	3,252,086	3,108,482
6.	Total Rate Base	<u>\$ 90,705</u>	<u>\$ 90,705</u>	<u>\$ 376,770</u> (a)	<u>\$ 370,803</u> (a)	<u>\$ 19,904,996</u> (a)	<u>\$ 15,747,542</u> (a)

**PRO FORMA WITNESS:**

**PRO FORMA FUNCTIONALIZATION  
 or ALLOCATION FACTOR:  
 [WITNESS: SNOOK]**

BLANKENSHIP  
 1. ACC Specific  
 2. Assigned to Production - Demand (Retail  
 DEMPROD1)

(13) Adjustment to rate base to reflect amortization o excess deferred taxes associated with TEAM Phase III between the Test Year and the date proposed rates go into effect.  
 Assumes TEAM III amortization begins 1/1/2020 and rates go into effect 1/1/2021.

Supporting Schedules  
 (a) B-4a

Recap Schedules:  
 (b) B-1

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
RCND BY MAJOR PLANT ACCOUNTS  
TEST YEAR ENDED JUNE 30, 2019  
(Thousands of Dollars)

Line No.	Function	PLANT ACCOUNT	DESCRIPTION	RCN (A)	CONDITION PERCENT (B)	RCND (C)	Line No.
1.	INTANGIBLES	301	Organization	\$ -	0%	-	1.
2.		302	Franchises and consents	3,701	46.51%	1,721	2.
3.		303	Miscellaneous intangible plant	871,868	29.00%	252,820	3.
4.			<b>SUBTOTAL</b>	<b>875,570</b>		<b>254,542</b>	<b>4.</b>
5.	PRODUCTION	310	Land and Land Rights	5,704	99.31%	5,665	5.
6.		310	Limit Term Land Rights	64	0.00%	-	6.
7.		311	Structures and improvements	512,576	50.44%	258,543	7.
8.		312	Boiler plant equipment	3,538,356	52.46%	1,856,222	8.
9.		314	Turbogenerator units	843,219	55.14%	464,951	9.
10.		315	Accessory electric equipment	932,826	51.83%	483,483	10.
11.		316	Miscellaneous power plant equipment	194,512	55.19%	107,351	11.
12.		317	ARO for Steam Production	43,264	70.27%	30,400	12.
13.		320	Land and land rights	4,418	0.00%	-	13.
14.		321	Structures and improvements	1,635,671	49.10%	803,115	14.
15.		322	Reactor plant equipment	2,581,017	42.91%	1,107,515	15.
16.		323	Turbogenerator units	864,510	50.96%	440,554	16.
17.		324	Accessory electric equipment	1,275,598	37.24%	475,033	17.
18.		325	Miscellaneous power plant equipment	435,383	62.08%	270,286	18.
19.		326	ARO for Nuclear Production	78,005	77.39%	60,369	19.
20.		330	Limit Term Land Rights	-	0.00%	-	20.
21.		331	Structures and improvements	-	0.00%	-	21.
22.		332	Reservoirs, dams, and waterways	-	0.00%	-	22.
23.		333	Water wheels, turbines and generators	-	0.00%	-	23.
24.		334	Accessory electric equipment	-	0.00%	-	24.
25.		335	Miscellaneous power plant equipment	-	0.00%	-	25.
26.		336	Roads, railroads and bridges	-	0.00%	-	26.
27.		337	ARO for Hydraulic Production	-	0.00%	-	27.
28.		340	Land and land rights	15,769	100.00%	15,769	28.
29.		341	Structures and improvements	212,638	73.06%	155,353	29.
30.		342	Fuel holders, products, and accessories	113,076	52.63%	59,512	30.
31.		343	Prime movers	1,666,539	58.83%	980,425	31.
32.		344	Generators	2,891,536	82.46%	2,384,360	32.
33.		345	Accessory electric equipment	63,132	74.39%	46,964	33.
34.		346	Miscellaneous power plant equip.	53,284	72.35%	38,551	34.
35.		347	ARO for Other Production	29,871	95.41%	28,500	35.
36.			<b>SUBTOTAL</b>	<b>\$ 17,990,968</b>		<b>\$ 10,072,921</b>	<b>36</b>
37.	TRANSMISSION	350	Land and land rights	172,560	81.78%	141,128	37.
38.		350	Limit Term Land Rights	58,555	0.00%	-	38.
39.		352	Structures and improvements	271,026	25.63%	69,464	39.
40.		353	Station equipment	2,666,750	76.80%	2,048,064	40.
41.		354	Towers and fixtures	183,851	53.07%	97,570	41.
42.		355	Poles and fixtures	943,274	71.25%	672,083	42.
43.		356	Overhead conductors and devices	1,324,050	62.27%	824,486	43.
44.		357	Underground conduit	73,020	76.23%	55,665	44.
45.		358	Underground conductors and devices	149,768	74.75%	111,953	45.
46.			<b>SUBTOTAL</b>	<b>\$ 5,842,854</b>		<b>\$ 4,020,412</b>	<b>46</b>
47.	DISTRIBUTION	360	Land and land rights	73,496	92.42%	67,923	47.
48.		360	Limit Term Land Rights	10,882	0.00%	-	48.
49.		361	Structures and improvements	166,437	73.37%	122,115	49.
50.		362	Station equipment	1,215,259	75.87%	922,017	50.
51.		363	Storage Battery Equipment	10,940	101.78%	11,135	51.
52.		364	Poles, towers, and fixtures	1,142,572	79.11%	903,833	52.
53.		365	Overhead conductors and devices	1,047,960	81.66%	855,764	53.
54.		366	Underground conduit	1,242,478	71.31%	886,011	54.
55.		367	Underground conductors and devices	3,844,470	65.63%	2,523,126	55.
56.		368	Line transformers	3,179,849	70.14%	2,230,346	56.
57.		369	Services	746,003	68.47%	510,788	57.
58.		370	Meters	425,022	84.71%	360,036	58.
59.		371	Installations on customers' premises	107,098	71.71%	76,800	59.
60.		373	Street lighting and signal systems	189,215	68.72%	130,029	60.
61.			<b>SUBTOTAL</b>	<b>\$ 13,401,681</b>		<b>\$ 9,599,921</b>	<b>61.</b>

NOTE: There may be variances in displayed values due to rounding.

ARIZONA PUBLIC SERVICE COMPANY  
 RCND BY MAJOR PLANT ACCOUNTS  
 TEST YEAR ENDED JUNE 30, 2019  
 (Thousands of Dollars)

Line No.	Function	PLANT ACCOUNT	DESCRIPTION	RCN (A)	CONDITION PERCENT (B)	RCND (C)	Line No.
62.	GENERAL	389	Land and land rights	23,002	99.58%	22,905	62.
63.		390	Structures and improvements	479,202	87.49%	419,254	63.
64.		390	Structures and improvements - Lease	-	0.00%	-	64.
65.		391	Office furniture and equipment	389,988	53.44%	208,409	65.
66.		391	Capitalized Lease-Computer Equipment	-	53.44%	-	66.
67.		392	Transportation equipment	50,793	27.95%	14,198	67.
68.		392	Capitalized Lease-Transportation Equipme	-	0.00%	-	68.
69.		393	Stores equipment	7,577	73.18%	5,545	69.
70.		394	Tools, shop and garage equipment	64,183	49.15%	31,546	70.
71.		395	Laboratory equipment	4,197	36.27%	1,522	71.
72.		396	Power operated equipment	23,820	24.13%	5,747	72.
73.		397	Communication equipment	437,183	63.26%	276,562	73.
74.		398	Miscellaneous equipment	41,031	72.07%	29,571	74.
75.			SUBTOTAL	<u>\$ 1,520,976</u>		<u>\$ 1,015,260</u>	75.
76.		TOTAL PLANT (a)		<u><u>\$ 39,632,048</u></u>		<u><u>\$ 24,963,055</u></u>	76.

Supporting Schedules:  
 RCND Study

Recap Schedules:  
 (a) B-3

ARIZONA PUBLIC SERVICE COMPANY  
 COMPUTATION OF RCND RATE BASE ELEMENTS  
 TEST YEAR ENDED JUNE 30, 2019  
 (Thousands of Dollars)

Line No.	Description	Total Company (B + C) (A)	ACC (B)	All Other (C)	Line No.
1.	A. ORIGINAL COST:				1.
2.	Gross Utility Plant in Service	\$ 20,668,805	\$ 17,522,166	\$ 3,146,639	2.
3.	Accumulated Depreciation & Amortization	7,267,041	6,323,177	943,864	3.
4.	Net Utility Plant in Service	<u>13,401,764</u>	<u>11,198,989</u>	<u>2,202,775</u>	4.
5.	B. RCND:				5.
6.	Reproduction Cost New (a) (b)	39,632,048	33,598,427	6,033,621	6.
7.	Accumulated Depreciation (a) (b)	14,668,992	12,763,742	1,905,250	7.
8.	Total RCND Plant in Service (a) (b)	<u>24,963,056</u>	<u>20,834,685</u>	<u>4,128,371</u>	8.
9.	Deductions:				9.
10.	Deferred Income Taxes	3,608,594	3,599,871	8,723	10.
11.	Deferred Investment Tax Credits	197,749	196,585	1,164	11.
12.	Total Deferred Taxes and ITC	<u>3,806,343</u>	<u>3,796,457</u>	<u>9,886</u>	12.
13.	Customer Advances	174,411	145,118	29,293	13.
14.	Customer Deposits	81,423	81,423	0	14.
15.	Liabilities for Pension Benefits	305,207	280,177	25,030	15.
16.	Liability for Asset Retirement	744,955	741,379	3,576	16.
17.	Other Deferred Credits	11,807	10,827	980	17.
18.	Coal Mine Reclamation	197,443	196,800	643	18.
19.	Unrecognized Tax Benefits	42,313	35,241	7,072	19.
20.	Operating Lease Liabilities	111,553	99,615	11,938	20.
21.	Regulatory Liabilities	<u>3,084,207</u>	<u>3,052,935</u>	<u>31,272</u>	21.
22.	Total Deductions (a)	<u>8,559,662</u>	<u>8,439,970</u>	<u>119,692</u>	22.
23.	Additions:				23.
24.	Regulatory Assets	1,283,538	1,197,115	86,423	24.
25.	Other Deferred Debits	38,202	32,909	5,293	25.
26.	Nuclear Decommissioning Trust	950,448	945,886	4,562	26.
27.	Other Special Use Funds	241,558	240,398	1,160	27.
28.	Assets For Other Post-retirement Benefits	52,611	48,297	4,314	28.
29.	Operating Lease Right-Of-Use Assets	174,320	155,663	18,657	29.
30.	Allowance for Working Capital	<u>384,155</u>	<u>361,755</u>	<u>22,400</u>	30.
31.	Total Additions (a)	<u>3,124,832</u>	<u>2,982,024</u>	<u>142,808</u>	31.
32.	Total RCND Rate Base Before Proforma Adj. (a)	<u>19,528,226</u>	<u>15,376,739</u>	<u>4,151,487</u>	32.
33.	Proforma Adjustments (a)	<u>376,770</u>	<u>370,803</u>	<u>5,966</u>	33.
34.	Total RCND Rate Base (a)	<u>\$ 19,904,996</u>	<u>\$ 15,747,542</u>	<u>\$ 4,157,453</u>	34.

Supporting Schedules:

For Lines 2-3 Col. (A): See Schedule B-1, Column (A) page 1 of 2.  
 For Lines 2-3 Col. (B): See Schedule B-1, Column (D) page 1 of 2.  
 For Lines 6-32 Col. (A): See Schedule B-1 (2), Column (A) page 2 of 2.  
 For Lines 6-32 Col. (B): See Schedule B-1 (2), Column (D) page 2 of 2.  
 For Line 33 Col. (A): See Schedule B-1 (2), Column (B), Line 24, page 2 of 2.  
 For Line 33 Col. (B): See Schedule B-1 (2), Column (E), Line 24, page 2 of 2.  
 For Line 34 Col. (A): See Schedule B-1 (2), Column (C), Line 24, page 2 of 2.  
 For Line 34 Col. (B): See Schedule B-1 (2), Column (F), Line 24, page 2 of 2.  
 (b) B-4

Recap Schedules:

(a) B-3

ARIZONA PUBLIC SERVICE COMPANY  
 COMPUTATION OF WORKING CAPITAL  
 TOTAL COMPANY  
 TEST YEAR ENDED JUNE 30, 2019  
 (Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Line No.</u>
1.	Working Capital - Operations (a)	\$ (138,583)	1.
2.	Materials and Supplies (b)	289,928	2.
3.	Fuel - Coal and Oil (b)	25,453	3.
4.	Fuel - Nuclear, Net (b)	159,633	4.
5.	Prepayments	45,659	5.
6.	Special Deposits & Working Funds	2,066	6.
7.	Total Allowance for Working Capital (c)	<u>\$ 384,155</u>	7.

Supporting Schedules:  
 (a) Lead-Lag Study  
 (b) E-1

Recap Schedule  
 (c) B-1