DIRECT TESTIMONY OF ELIZABETH A. BLANKENSHIP

On Behalf of Arizona Public Service Company

Docket No. E-01345A-22-0144

October 28, 2022

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2019 Depreciation Rate Study Approved in Decision No. 78317 .... Attachment EAB-01DR

Proposed Nuclear Decommissioning Trust Funding Schedules ... Attachment EAB-02DR

DIRECT TESTIMONY OF ELIZABETH A. BLANKENSHIP
ON BEHALF OF ARIZONA PUBLIC SERVICE COMPANY
(Docket No. E-01345A-22-0144)

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, ADDRESS, AND OCCUPATION.

A. My name is Elizabeth A. Blankenship. I am the Vice President, Controller and Chief Accounting Officer for Arizona Public Service Company (APS or Company), a subsidiary of Pinnacle West Capital Corporation (Pinnacle West). I am primarily responsible for overseeing the financial accounting and reporting functions of the Company and Pinnacle West. My business address is 400 N. 5th Street, Phoenix, Arizona 85004.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I received a Bachelor of Science degree in Business with a major in Accounting from Arkansas State University in 1993. From 1993 to 2000, I was employed as an accountant for two companies in the long-term healthcare service industry. I joined APS in October 2000 as a Senior Accountant and during my 22 years at APS have worked in Accounting in various roles with increasing levels of responsibility.

Prior to my current position as the Vice President, Controller and Chief Accounting Officer, I was responsible for overseeing the accounting functions of the generation, transmission, distribution, customer service, and corporate resource areas, as well as the accounting systems and budget governance functions at Pinnacle West and APS as the Director of Accounting Operations. Prior to that position, I was responsible for the revenue and regulatory accounting, asset accounting, accounts receivable, and cash control functions at APS as the Manager of the Revenue/Regulatory Accounting Department. I am a Certified Public Accountant and a member of the Arizona Society of Certified Public Accountants.

II. SUMMARY

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. My testimony addresses the historical and forecasted accounting information and pro forma adjustments required by the Standard Filing Requirements (SFR) of the Arizona Corporation Commission (ACC or Commission) in support of the Company's rate case filing. I sponsor historical information for the 12-month period ended June 30, 2022 (Test Year), which was used as the Test Year in this proceeding, as well as any prior years and projected information presented as part of the following SFR Schedules:

- A-2 through A-5 – Summary Schedules
- B-1, B-3 through B-5 – Rate Base Schedules
- C-1 – Test Year Income Statements
- C-3 – Computation of Gross Revenue Conversion Factor
- D-1 through D-4 – Cost of Capital
- E-1 through E-9 – Financial Statements and Statistical Schedules
- F-1 through F-4 – Projections and Forecasts

APS witness Jamie Moe jurisdictionalizes the Total Company data to separate those items that fall within the Commission's regulatory jurisdiction from those that do not.

I will also provide direct testimony on certain pro forma adjustments made to the Test Year on SFR Schedules B-2 and C-2. Specifically, I will be sponsoring the "Total Company" column for the following pro formas on SFR Schedule B-2:

- Include West Phoenix Unit 4 Regulatory Disallowance
- Adjust Cash Working Capital for Cost of Service
- Include Cloud Computing

- Include Accumulated Deferred Income Taxes (ADIT) Impact from Navajo Generating Station (NGS) Amortization Disallowance
- Include Four Corners Selective Catalytic Reduction (SCR) Regulatory Disallowance
- Include E-3/E-4 Customer Bill Payment Fees Deferral

Additionally, I will be sponsoring the "Total Company" columns for the following pro formas on SFR Schedule C-2:

- Adjust for Post-Test Year Plant Additions
- Remove, Transfer and Annualize Test Year Surcharge Revenue and Expense
- Include West Phoenix Unit 4 Regulatory Disallowance
- Include Interest Expense on Customer Deposits
- Annualize E-3/E-4 Customer Bill Payment Fees Deferral Amortization
- Annualize Depreciation Expense – 2019 Approved Depreciation Rates
- Annualize Payroll Expense
- Normalize Employee Benefits
- Remove Supplemental Excess Benefit Retirement Plan Expense (SERP)
- Remove Stock Compensation
- Include Active Union Medical Trust Interest Income and Realized Gains
- Normalize Cash Incentive Expense
- Normalize Income Tax Expense/Interest Synchronization
- Annualize Property Tax Expense
- Annualize Property Tax Deferral Amortization
- Include Amortization of Property Tax Residual Deferral
- Annualize Four Corners Coal Reclamation Costs
- Annualize Navajo Coal Reclamation Costs

- Adjust Cash Working Capital for Cost of Service
- Normalize Nuclear Maintenance Expense
- Normalize Fossil Maintenance Expense
- Annualize Sundance Maintenance Expense Accrual
- Remove Navajo Power Plant Costs
- Include Navajo Regulatory Asset Amortization Disallowance
- Annualize Ocotillo Modernization Project (OMP) Deferral Amortization
- Include Amortization of OMP Residual Deferral
- Include OMP Deferral Equity Return Disallowance
- Adjust Four Corners SCR Depreciation Expense
- Annualize Four Corners SCR Deferral Amortization
- Include Amortization of Four Corners SCR Residual Deferral
- Annualize Cholla Inventory
- Annualize Four Corners Inventory
- Normalize Advertising Expense
- Include Removal Costs Associated with the West Phoenix Steam Units
- Remove Out of Period and Miscellaneous Items
- Amortize Cholla Unit 2 Regulatory Asset
- Annualize TEAM Balancing Account Amortization
- Include Amortization of TEAM Balancing Account Residual
- Amortize COVID Customer Relief Deferral

These adjustments are consistent with prior filings and represent "normalizations" and "annualizations" as discussed later in my testimony. These operating income pro formas are tax-affected; that is, they include an income tax calculation at the adjusted Test Year federal and state statutory income tax rates, expected to be in place when new retail rates go into effect. The SFR Schedule C-2 pro formas that

have a related rate base pro forma also include a calculation for synchronization of interest expense, which in turn is used in determining overall jurisdictional federal and state income tax expense.

I will discuss and explain the "Gross Revenue Conversion Factor" that is used to gross-up operating income to account for income taxes as well as an estimate of uncollectible revenue, as presented on SFR Schedule C-3, consistent with the Commission Utilities Division Staff's (Staff) recommendations in prior rate cases. In addition, I will present testimony concerning the capital structure of the Company and provide APS's actual overall cost of capital, as presented on SFR Schedules D-1 through D-4. This discussion will include information on the cost of equity provided by APS witness Dr. Roger Morin, APS's return on equity (ROE) witness, as well as the Company's embedded cost of debt. In addition, I will sponsor the various schedules relating to the Company's financial statements on SFR Schedules E-1 through E-9. SFR Schedule E-6 refers only to "combination" utilities (*e.g.*, electric and gas) and thus is not applicable to APS. Finally, I will sponsor the data on SFR Schedules F-1 through F-4. These schedules also include projected income statements and projected changes in financial position.

III. HISTORICAL AND TEST YEAR ACCOUNTING DATA

Q. PLEASE DESCRIBE THE ACCOUNTING INFORMATION CONTAINED WITHIN THE SFR SCHEDULES THAT YOU ARE SPONSORING.

A. My testimony covers historical accounting data, including the actual data for the Test Year. The majority of this information is disclosed directly or indirectly in both the unconsolidated APS audited financial statements, which are included in filings made with the Federal Energy Regulatory Commission (FERC), and the consolidated APS and consolidated Pinnacle West audited financial statements filed with the Securities and Exchange Commission (SEC) for the relevant periods.

Additionally, all of the accounting information provided in my testimony complies with Generally Accepted Accounting Principles (GAAP), which are required by the SEC for publicly traded companies. These are the principles that accounting professionals use to prepare public financial statements. One major goal of GAAP is to make financial statements comparable from period to period, from firm to firm, and from industry to industry. It also provides consistency from jurisdiction to jurisdiction. In addition to GAAP, APS's accounting practices comply with other applicable utility accounting standards, such as the FERC Uniform System of Accounts, which this Commission has adopted for electric and gas utilities.[1] My testimony also covers the forecasted accounting statements and financial results, which are periodically supplied to investors and filed with the SEC. All of the accounting projections provided in my testimony follow GAAP and comply with other applicable utility accounting standards as mentioned above. As part of rebuttal testimony, where appropriate, APS will update forecasted and other necessary financial information to reflect the more current cost estimates.

In large part, my testimony supports the direct testimony of other APS witnesses. The testimony of Mr. Moe focuses on the jurisdictional allocation of APS revenues, costs, and rate base items for the actual Test Year and all pro forma adjustments. APS witness Jessica Hobbick's testimony addresses adjustor mechanisms, proposed changes, and related financial impacts. Dr. Morin's testimony addresses the Company's ROE.

[1] *See* A.A.C. R14-2-212(G)(2).

A. *Summary Schedules*

Q. PLEASE DESCRIBE THE HISTORICAL AND FORECASTED INFORMATION ON SFR SCHEDULES A-2 THROUGH A-5.

A. These summary schedules provide the "Summary Results of Operations," the "Summary of Capital Structure," the "Construction Expenditures, Net Plant Placed in Service and Gross Utility Plant in Service," and "Summary Changes in Financial Position" for the Test Year, the prior two calendar years and the next three calendar years. These schedules include historical and projected information. While the schedules have been prepared assuming a rate effective date of December 1, 2023, any difference in timing will be addressed in the Company's subsequent rate filing, as is typical in a rate case proceeding.

B. *Rate Base Schedules*

Q. PLEASE DESCRIBE THE INFORMATION ON SFR SCHEDULES B-1 THROUGH B-5.

A. These schedules provide summary and detailed information of APS's Original Cost Rate Base (OCRB) and Reconstructed Cost New less Depreciation (RCND) Rate Base, including the related pro forma adjustments needed to present an adjusted rate base as of the end of the Test Year. I am sponsoring the "Total Company" portion of these schedules and certain pro forma adjustments. Mr. Moe is sponsoring the ACC portion, and his testimony will present the allocation of "Total Company" figures to the ACC jurisdiction.

Q. PLEASE SUMMARIZE THE ADJUSTED TEST YEAR OCRB PROPOSED BY APS.

A. As of June 30, 2022, APS is proposing a Total Company Adjusted OCRB of $13.1 billion. This represents an increase of $578.2 million over the unadjusted amount. The amount of the adjusted OCRB allocated to the ACC jurisdiction is

$10.5 billion. The requested adjustments to the Test Year amounts are summarized in SFR Schedule B-2, page 5.

Q. HAS THE COMPANY INCLUDED PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) IN RATE BASE?

A. Yes, the Company has included pension and OPEB assets and liabilities in rate base. As stated in Decision No. 78317 (November 9, 2021), "Pension expense must be recognized as accounted for under GAAP as an operating expense, and plan assets, pension benefit obligations ("PBO"), and the pension components of [Other Comprehensive Income] OCI must be included in rate base to recognize the time value of money invested in pension plans." It was determined through this order that inclusion of pension and OPEB assets and liabilities in rate base is appropriate. It was further determined that the return allowed on these assets and liabilities in rate base should be at the Company's weighted average cost of capital (WACC). As such, the Company has included the total pension asset, the net OPEB liability and the net SERP liability in rate base, along with the offsetting associated ADIT within SFR Schedule B-1.

Q. WHAT IS MEANT BY THE TERMS "RCND" AND "RCN" AS USED IN YOUR TESTIMONY?

A. The Commission regulations define Reconstructed Cost New Depreciation (RCND) and Amortization as:

> An amount consisting of the depreciated reconstruction cost new of the property (exclusive of contributions and/or advances in aid of construction) at the end of the test year, used and useful, plus a proper allowance for working capital and including all applicable pro forma adjustments. Contributions and advances in aid of construction, if recorded in the accounts of the public service corporation, shall be increased to a reconstruction new basis. (A.A.C. R14-2-103(A)(3)(n))

Thus, Reconstructed Cost New (RCN) refers to the estimated cost of utility property that would be incurred if APS were to reproduce or reconstruct the property as new, using current cost levels. RCND is the net amount that results after deducting accumulated depreciation and amortization (both of which are also restated in current dollars) from the RCN amount.

Q. WHAT DOES SFR SCHEDULE B-4 PRESENT?

A. SFR Schedule B-4 presents the RCN and RCND amounts of APS's utility properties. These amounts were determined by performing an RCN study using Handy-Whitman indices (or CPI indices for transportation equipment and general plant not covered by Handy-Whitman). Using these indices has been a long-standing practice by all major utilities in Arizona and accepted by the Commission and the industry in general for determining the RCN amount.

Q. BASED ON YOUR STUDY, WHAT IS THE RCN OF APS'S UTILITY PROPERTY DEVOTED TO SERVICE TO THE PUBLIC AS OF THE END OF THE TEST YEAR?

A. Total RCN for APS's utility property is $46.2 billion. This total amount is shown in column (A) of SFR Schedule B-4, page 2 of 2.

Q. WOULD YOU PLEASE EXPLAIN HOW RCND WAS CALCULATED AS SHOWN ON SFR SCHEDULE B-4?

A. To arrive at RCND, the RCN column (A) is multiplied by a "condition percent," also known as a net book value percent, which is shown in column (B). The RCND is shown in column (C). The condition percent used to convert RCN to RCND is calculated by first determining the net book value (original cost less accumulated depreciation and removal costs) for all depreciable plant by each FERC plant account. This amount is then divided by the original cost for each FERC account to arrive at the condition percent. In other words, the condition percent is the

percentage that results when comparing net book value to the original cost of plant in service.

For example, assume that distribution lines have an original cost of $400,000, and accumulated depreciation and removal costs of $250,000. The net book value would be $150,000 ($400,000 less $250,000). Also, assume the distribution lines were purchased in 1985 and have an RCN value of $632,000. Using these assumptions, the condition percent is calculated by dividing original cost less accumulated depreciation and removal costs by original cost, or $150,000/$400,000, resulting in a condition percent of 37.5%. Multiplying the RCN of $632,000 by the condition percent of 37.5% yields $237,000 of RCND.

Q. ARE THERE ANY OTHER RELATED ADJUSTMENTS NECESSARY TO DETERMINE FAIR VALUE RATE BASE?

A. Yes. Plant-related ADIT were also adjusted. Plant-related ADIT arises primarily as a result of differences between book depreciation recorded for GAAP purposes and tax depreciation used for income tax purposes. Since RCND trending results in a change in accumulated book depreciation, a corresponding change was made to original cost ADIT. To make this adjustment, the Company trended plant-related ADIT using the relationship between the OCRB less depreciation and RCND.

Q. WOULD YOU PLEASE EXPLAIN SFR SCHEDULE B-4A?

A. SFR Schedule B-4a shows the computation of adjusted jurisdictional RCND Rate Base as of June 30, 2022. Column (A) presents data for Total RCND Rate Base. Mr. Moe provided the jurisdictional allocations of the RCND Rate Base split between "ACC" and "Other," which is presented in columns (B) and (C), respectively.

Q. HOW DID YOU ARRIVE AT THE AMOUNTS SHOWN ON LINES 9 THROUGH 31 OF SFR SCHEDULE B-4A?

A. The amounts shown on lines 9 through 31 of SFR Schedule B-4a for other rate base elements were obtained from SFR Schedule B-1, page 2 of 2, column (A). Consistent with past Commission practice, the RCND of these specific rate base elements are stated at their original cost levels, as these elements are assumed not to change in value with the passage of time, with the exception of deferred income taxes and regulatory liabilities as a result of excess deferred tax amortization.

Q. WOULD YOU PLEASE EXPLAIN LINES 32 AND 33 OF SFR SCHEDULE B-4A?

A. The amounts shown on line 32 represent the RCND rate base as of June 30, 2022. However, the end of Test Year data needs to be adjusted to more closely reflect the value of certain items of property when the proposed rates become effective. Therefore, it is necessary to also reflect the pro forma rate base adjustments in the RCND rate base. The RCND pro forma adjustments are shown in detail in SFR Schedule B-3. The total pro formas are shown on line 33 of SFR Schedule B-4a.

Q. WHAT IS THE TOTAL ADJUSTED RCND RATE BASE?

A. The Total Company RCND rate base, as adjusted, is $27.8 billion. This is shown in SFR Schedule B-4a, column (A), line 34.

Q. PLEASE EXPLAIN THE COMPUTATION OF WORKING CAPITAL ON SFR SCHEDULE B-5.

A. SFR Schedule B-5 outlines the computation of the allowance for working capital of $506.5 million included in the Company's rate base. Working capital is a measure of investor funding of daily operating expenditures and a variety of non-plant investments that are necessary to sustain ongoing operations. Working capital includes materials and supplies, fuel inventories, prepayments, and cash working capital. Working capital is an investment just like other capital requirements, such

as power plants and transmission and distribution infrastructure; thus, it is part of APS's rate base. My testimony presents the calculation of the allowance for working capital, which includes a cash working capital component that is determined using a lead/lag study. The lead/lag study is required by Decision No. 55931 (April 1, 1988).

Q. HOW WAS THE CASH WORKING CAPITAL CALCULATED?

A. APS calculated the cash working capital by performing a lead/lag study. A lead/lag study establishes the amount of investor funds used to maintain utility operations from the time expenditures are made to the time revenues are collected as a reimbursement for that utility service. The Company used the number of lead/lag study days derived from a 12-month period ending June 30, 2022 and applied this information to the Test Year income statement expenses.

In addition, the Company considered the pro forma adjustments to the Test Year income statement expenses and computed a rate base pro forma to reflect the related change in cash working capital (*see* Section IV, Pro Forma Adjustments to Test Year).

C. *Test Year Income Statements*

Q. PLEASE DISCUSS THE INFORMATION THAT YOU ARE SPONSORING ON SFR SCHEDULE C-1.

A. SFR Schedule C-1 is a summary of the Company's adjusted Test Year income statement. I am sponsoring the actual Test Year data in the first column of SFR Schedule C-1, page 1. Mr. Moe sponsors the ACC jurisdictional data in the first column on page 2. This information provides the baseline from which pro forma adjustments are made and shows operating income and net income for the Test Year.

Q. ARE YOU SPONSORING ANY OTHER RELATED SFR SCHEDULES?

A. Yes. I am sponsoring the Total Company amounts for certain pro forma adjustments on SFR Schedule C-2, which presents pro forma adjustments to the Company's Test Year operating income. Mr. Moe sponsors the ACC jurisdictional amounts on this schedule. I will discuss these adjustments in detail later in my testimony (*see* Section IV, Pro Forma Adjustments to Test Year). I am also sponsoring SFR Schedule C-3, which provides the "Computation of Gross Revenue Conversion Factor."

Q. PLEASE DESCRIBE SFR SCHEDULE C-3.

A. SFR Schedule C-3 calculates the factor applied to "gross-up" income to account for income taxes as well as an estimated percentage of uncollectible revenue. The Company applies this factor to operating income to ensure income tax expense is reflected in the requested revenue requirement. The Gross Revenue Conversion Factor of 1.3359 (line 8) is an algebraic transformation of gross revenue adjusted for uncollectable revenue and the Test Year Composite Tax rate of 24.61% (line 6). This factor is used on SFR Schedule A-1 (line 7) to arrive at the increase or decrease in Revenue Requirements necessary to account for income taxes.

D. *Cost of Capital*

Q. PLEASE DISCUSS THE COST OF CAPITAL INFORMATION THAT YOU ARE SPONSORING.

A. SFR Schedule D-1 is a summary of the Company's historical and projected cost of capital. SFR Schedule D-2 presents supporting detail for the long-term debt summarized on SFR Schedule D-1. SFR Schedule D-3 addresses preferred stock and is included in the Company's schedules for the sake of completeness. SFR Schedule D-3 is not applicable because APS did not have any outstanding preferred stock as of June 30, 2022. SFR Schedule D-4 addresses the Company's cost of common equity.

Q. WHAT IS THE COST OF CAPITAL THE COMPANY IS REQUESTING?

A. The Company is requesting an adjusted weighted average cost of capital (WACC) of 7.17% as set forth on SFR Schedule D-1 (line 5, column D), page 1 of 2.

Q. PLEASE DISCUSS IN MORE DETAIL THE COMPANY'S OUTSTANDING LONG-TERM DEBT AS OF THE END OF THE TEST YEAR.

A. At the end of the Test Year, approximately 99% of APS's outstanding long-term debt consisted of unsecured debt with a weighted average interest rate of 3.84%. The remaining long-term debt consisted of tax-advantaged pollution control bonds, which had a weighted average interest rate of 1.39%.

Q. WHAT WAS APS'S CAPITAL STRUCTURE AT THE END OF THE TEST YEAR?

A. APS's total long-term debt and common equity was $13.1 billion. This amount includes $6.3 billion in long-term debt and $6.8 billion in common equity. APS's adjusted capital structure at the end of the Test Year was 48.07% debt and 51.93% equity.

Q. WHAT ADJUSTMENTS DID YOU MAKE TO THE CAPITAL STRUCTURE AND COST OF CAPITAL?

A. I have applied two pro forma adjustments to the June 30, 2022 actual capital structure. The first adjustment to the capital structure removes short-term debt, as it is recoverable through the Allowance for Funds Used During Construction (AFUDC) provisions. The second adjustment removes the impacts to equity of non-cash accounting adjustments for SERP.

Q. WHAT RETURN ON EQUITY IS THE COMPANY REQUESTING?

A. Dr. Morin concludes in his testimony that the fair rate of return on equity for APS is 10.25%. The Company is adopting Dr. Morin's recommendation for purposes of this filing.

E. *Financial Statements and Statistical Schedules*

Q. PLEASE SUMMARIZE THE INFORMATION PRESENTED ON SFR SCHEDULES E-1 THROUGH E-9.

A. These schedules relate to historical financial and accounting information as well as the notes to the financial statements. As noted earlier in my testimony, SFR Schedule E-6 is only required for combined electric and gas utilities and, therefore, does not apply to APS.

Q. PLEASE DISCUSS SFR SCHEDULES E-1 THROUGH E-4.

A. These schedules present APS's balance sheets, income statements, statements of changes in financial position, and changes in stockholders' equity for the Test Year and the two prior calendar years. As discussed earlier, these financial statements continue to reflect APS's unconsolidated results, consistent with previous rate filings. The APS FERC Form 1 and Form 3Q filings that support these schedules and are provided in SFR E-9, reflect APS's unconsolidated regulated financial statements.

Q. PLEASE DISCUSS SFR SCHEDULE E-5.

A. SFR Schedule E-5 is a detailed statement of utility plant included in the Company's rate base, broken down by FERC account under the Uniform System of Accounts. The first page of SFR Schedule E-5 is a summary of gross plant in service, accumulated depreciation and amortization, nuclear fuel, construction work in progress (CWIP), plant held for future use, and plant acquisition adjustment. The remainder of the schedule presents supporting detail for each FERC plant account.

Q. WHAT INFORMATION IS PROVIDED ON SFR SCHEDULE E-7?

A. SFR Schedule E-7 provides detailed information concerning APS's sales (in kWh), average number of customers, average kWh usage per customer, and average annual revenue per residential customer over the last three years, including the Test Year. This information is contained in or derived from APS's FERC Form 1 and

Form 3Q filings for the applicable periods. The information in SFR Schedule E-7 is separated by customer classes to show residential, commercial, industrial, irrigation, public street and highway lighting, other sales to public authorities, and sales for resale.

Q. PLEASE DISCUSS SFR SCHEDULE E-8.

A. SFR Schedule E-8 provides a breakdown of APS's tax expense incurred during the Test Year and the two prior calendar years for federal and state taxes.

Q. PLEASE DISCUSS SFR SCHEDULE E-9.

A. SFR Schedule E-9 presents the Company's unconsolidated financial statements and footnotes as filed in the Company's FERC Form 1 for 2021, Form 10-Q for the six months ended June 30, 2021 and Form 10-Q for the six months ended June 30, 2022. The footnotes include, but are not limited to, the Company's accounting policies for depreciation, allowance for funds used during construction (AFUDC) and income taxes. The footnotes also provide additional detailed information related to the income statements, the balance sheets, and statements of cash flows.

F. *Projections and Forecasts*

Q. PLEASE DISCUSS THE INFORMATION THAT YOU ARE SPONSORING ON SFR SCHEDULES F-1 THROUGH F-4.

A. SFR Schedule F-1 presents income statements for projected calendar years, compared with actual Test Year results, at present and proposed rates. As I have previously indicated, Schedule F-1, like Schedule A-2, shows key information relating to the Company's actual and projected ROE. As Schedule F-1 shows, under APS's present rates, the Company's ROE on end-of-year equity falls from 8.4% at the end of the Test Year to under 6% by 2024—well below any reasonable ROE found in Dr. Morin's testimony as required to maintain the financial stability of APS to support investment necessary to meet customers' needs. It is important to note that even with the Company's proposed rates, the Company's ROE in 2024

would still be below the cost of equity capital, but significantly better than the 5.7% projected under present rates. SFR Schedule F-2 shows projected changes in the financial position of the Company for future calendar years compared with the Test Year, at present and proposed rates. SFR Schedule F-3 presents projected annual capital expenditure requirements, by property classification, for two and a half years subsequent to the Test Year. Finally, SFR Schedule F-4 presents the key assumptions used in developing the projections.

IV. PRO FORMA ADJUSTMENTS TO TEST YEAR

A. *Types of Pro Forma Adjustments*

Q. WHAT ARE PRO FORMA ADJUSTMENTS?

A. Pro forma adjustments are adjustments made to a historical test year to reflect conditions during the period in which rates are to be in effect. Because the Company has used a historical test year, it is necessary to adjust recorded revenues and expenses for known and measurable changes. Pro forma adjustments commonly include normalizations, annualizations and out-of-period adjustments. All of the pro forma adjustments discussed in my testimony reflect Total Company amounts prior to any jurisdictional allocation, and are reflected on either SFR Schedule B-2 or SFR Schedule C-2.

Q. WHAT ARE NORMALIZATIONS?

A. Normalization adjustments compensate or adjust for unusual levels of operations experienced during the Test Year period. These adjustments generally relate to items that are abnormal in amount or nonrecurring in nature and are made to better reflect what is believed to be an ongoing level of operations.

Q. WHAT ARE ANNUALIZATIONS?

A. Annualization adjustments recognize that some events occurring during the Test Year period are ongoing and must be adjusted to reflect their impact over an entire 12-month period. One example of an annualization is for payroll costs. Since

payroll costs can be higher or lower on an ongoing basis than what was recorded during the Test Year, an adjustment must be made to reflect the prospective level of costs.

Q. WHAT IS AN "OUT-OF-PERIOD" OR MISCELLANEOUS ADJUSTMENT?

A. Out-of-period adjustments remove expenses or revenues properly recorded during the Test Year but which are associated with operations from another year. Miscellaneous adjustments remove costs from the Test Year for items which the Company does not intend to collect from customers.

Q. ARE THERE ANY OTHER TYPES OF ADJUSTMENTS THE COMPANY MADE TO THE TEST YEAR?

A. Yes. As a result of the historical Test Year containing seven months of updated rates effective December 1, 2021, as ordered in Decision No. 78317, several pro forma adjustments were made to reflect an on-going annualized level of costs that were approved for recovery from this decision but that are not contained in the Test Year. These pro forma adjustments reflect a full 12 months or annualized amount.

B. *Pro Forma Adjustment Descriptions*

1. Adjust for Post-Test Year Plant Additions

Q. WHAT ADJUSTMENTS HAS THE COMPANY MADE TO ACCOUNT FOR POST-TEST YEAR PLANT (PTYP) ADDITIONS?

A. APS witness Jacob Tetlow addresses the details of the Company's capital investments in his direct testimony. The Company is proposing to include plant additions that go into service after the Test Year (July 1, 2022 to June 30, 2023), but well before new base rates are expected to be in effect. My testimony covers the mechanics of the pro formas, as discussed below:

Step 1: CWIP was extracted from the general ledger as of June 30, 2022 for non-transmission plant that is expected to go into service on or before June 30, 2023;

Step 2: The forecast plant in service cost of each project that is expected to go into service on or before June 30, 2023 was compiled (projects in CWIP at June 30, 2022, and projects that began after June 30, 2022 but are expected to be completed and in service within 12 months), and all growth-related plant additions are excluded at this point;

Step 3: The plant was classified by functional area: nuclear generation, renewable generation, other generation, distribution, information technology/facilities, and customer technology innovation;

Step 4: Annual accumulated depreciation and amortization, net of accumulated deferred income taxes, and tax credits (where applicable), were offset against the PTYP additions adjustment;

Step 5: The sum of the forecast plant in service costs, less accumulated depreciation and deferred income taxes and other associated tax credits as applicable, was presented by functional unit and included in the rate base pro forma adjustments that increase rate base at June 30, 2022 by $788.8 million (*see* SFR Schedule B-2, pages 1 and 2, columns 2 through 6, line 6); and

Step 6: Property taxes and depreciation expense were calculated and reflected as a reduction to pre-tax operating income of $78.8 million (*see* SFR Schedule C-2, pages 1 and 2, columns 1 through 5).

APS will true-up this adjustment with actual plant placed in service, net of retirements, throughout the case.

Q. DID THE COMPANY INCLUDE ANY TAX CREDIT BENEFITS IT EXPECTS TO RECEIVE UNDER THE INFLATION REDUCTION ACT FOR ITS POST-TEST YEAR CLEAN ENERGY AND ENERGY STORAGE ADDITIONS?

A. Yes. As addressed in APS witness Andrew Cooper's Direct Testimony, the Inflation Reduction Act of 2022 (IRA) extended and expanded the federal tax credits available for clean energy and energy storage investments. The Company's PTYP pro forma includes an offset for Investment Tax Credits (ITC) of $77.3 million related to energy storage investments of which the Company is seeking recovery. With regard to its post-Test Year solar investments, the Company intends to claim the Production Tax Credit (PTC) which was enacted under the IRA. When the PTC is earned (i.e., when energy is produced by PTYP solar facilities that qualify for the tax credit), the Company is proposing to include any such PTC related to its solar post-Test Year investments as a part of the expanded Renewable Energy Adjustment Charge, keeping costs affordable for customers for these post-Test Year investments by passing savings from any PTCs to customers in a timely manner.

2. Remove, Transfer, and Annualize Test Year Surcharge Revenue and Expenses

Q. PLEASE EXPLAIN THE ADJUSTMENT TO REMOVE, TRANSFER, AND ANNUALIZE TEST YEAR SURCHARGE REVENUES AND EXPENSES.

A. This pro forma captures several types of adjustments made to revenue and expense to account for the amounts collected or refunded during the Test Year under adjustor mechanisms, including regulatory assessments. Adjustor mechanisms and regulatory assessments are not collected or refunded as part of base rates, so they must first be excluded from Test Year revenue to calculate new base rates, with the exception of those adjustor revenues and expenses that are either in total or in part proposed to be transferred into base rates. Ms. Hobbick, in her testimony, supports the Company's adjustor mechanisms and any proposed changes requested to those in this case. Her testimony also supports the proposed treatment of the Test Year adjustor mechanisms revenue and expense in deriving base rates. This results in a reduction to pre-tax operating income of $36.6 million. (*See* SFR Schedule C-2, page 4 through 6, columns 11 through 18.)

3. Include West Phoenix Unit 4 Regulatory Disallowance

Q. PLEASE EXPLAIN THE RATE BASE PRO FORMA ADJUSTMENT FOR THE WEST PHOENIX UNIT 4 REGULATORY DISALLOWANCE.

A. This disallowance was recorded for regulatory purposes as ordered by Decision Nos. 67744 (April 7, 2005) and 69663 (June 28, 2007) but did not qualify as a disallowance for GAAP purposes. Consequently, a pro forma adjustment is needed to reduce rate base by the disallowed amount. Accordingly, the rate base reduction for the West Phoenix Unit 4 regulatory disallowance at June 30, 2022 is $4.8 million. (S*ee* SFR Schedule B-2, page 3, column 7.)

Q. IS THERE A CORRESPONDING OPERATING INCOME ADJUSTMENT FOR THE DEPRECIATION EXPENSE RELATED TO THE WEST PHOENIX UNIT 4 REGULATORY DISALLOWANCE?

A. Yes. The operating income pro forma reflects an annual reduction in depreciation expense. This results in an increase to pre-tax operating income of $329,000. (S*ee* SFR Schedule C-2, page 7, column 20.)

4. Include Interest Expense on Customer Deposits

Q. PLEASE DESCRIBE THE ADJUSTMENT FOR INTEREST EXPENSE ON CUSTOMER DEPOSITS.

A. This pro forma adjustment reflects the annualized interest cost associated with customer deposits as an operating expense. This treatment conforms to the approach used by the Commission in the Company's previous rate cases. This adjustment was calculated by applying the 0.40% annual 2022 interest rate to the June 30, 2022 outstanding deposit balance. The annual interest rate is the rate required by APS Schedule 1 for customer deposits—the established one-year Treasury Constant Maturities rate, effective on the first business day of each year (in this instance, January 1, 2022), as published on the Federal Reserve website. The result of this pro forma is a reduction to pre-tax operating income of $160,000. (*See* SFR Schedule C-2, page 7, column 21.)

5. Include E-3/E-4 Customer Bill Payment Fees Deferral

Q. PLEASE DESCRIBE THE ADJUSTMENT TO INCLUDE E-3/E-4 CUSTOMER BILL PAYMENT FEES DEFERRAL.

A. The Company was authorized in Decision No. 78317 to track and defer for future recovery the amounts paid on behalf of customers under certain limited-income discount programs, Rate Riders E-3 and E-4, including the credit card processing fee. This rate base pro forma annualizes the amounts deferred in the Test Year to include the estimated E-3/E-4 customer bill payment fees deferral amount from

July 1, 2022 to December 1, 2023 (estimated rate effective date). Accordingly, the rate base increase for the E-3/E-4 Customer Bill Payment Fees Deferral is $574,000. (S*ee* SFR Schedule B-2, page 4, column 12.)

Q. IS THERE A CORRESPONDING OPERATING INCOME ADJUSTMENT FOR THE AMORTIZATION RELATED TO E-3/E-4 CUSTOMER BILL PAYMENT FEES DEFERRALS?

A. Yes, the Company is requesting to amortize the deferral over a three-year period. This pro forma adjustment results in a reduction to pre-tax operating income of $270,000. (S*ee* SFR Schedule C-2, page 9, column 25.)

6. Annualize Depreciation Expense – 2019 Approved Depreciation Rates

Q. WHAT ADJUSTMENTS HAVE THE COMPANY MADE TO DEPRECIATION AND AMORTIZATION EXPENSE?

A. For this filing, APS utilized the 2019 Depreciation Rates contained in the 2019 Depreciation Rate Study performed by Dr. Ronald E. White and approved and authorized in Decision No. 78317. This pro forma adjustment increases depreciation expense and thus results in a reduction to pre-tax operating income of $44.7 million. (*See* SFR Schedule C-2, page 9, column 26 and Attachment EAB-01DR.)

Q. IS THE COMPANY PROPOSING ANY CHANGES TO ITS EXISTING AMORTIZATION RATES?

A. No, APS is not requesting any change to the amortization rates authorized in Decision No. 78317.

Q. IS THE COMPANY PROPOSING TO ACCELERATE THE DEPRECIATION OF FOUR CORNERS?

A. No, APS proposes to continue depreciation of the Four Corners Power Plant (Four Corners) until 2038 as previously communicated to the Commission and in agreement with the most recent Commission authorized depreciation study.

7. Annualize Payroll Expense

Q. PLEASE DESCRIBE THE ADJUSTMENT TO ANNUALIZE PAYROLL EXPENSE.

A. This pro forma adjustment decreases Test Year expense mainly as a result of a decrease in average wage levels and fewer employees. This pro forma adjustment annualizes the Test Year payroll and payroll tax expense to June 2022 employee and wage levels for non-union and union employees (per the current union contract finalized in 2020 and in effect until 2023). Any subsequent changes in union payroll as a result of a renegotiated contract will be reflected in rebuttal testimony. This results in an increase to pre-tax operating income of $2.1 million (*see* SFR Schedule C-2, page 9, column 27).

Q. DOES THIS TOTAL PAYROLL ADJUSTMENT ONLY AFFECT OPERATIONS AND MAINTENANCE?

A. Yes. This adjustment excludes capitalized payroll costs. This Operations and Maintenance (O&M) adjustment was estimated by calculating the percentage of APS's O&M payroll to total payroll during the Test Year. The total payroll and payroll taxes were allocated to O&M based on the same Test Year O&M percentage payroll amounts.

8. Normalize Employee Benefits

Q. PLEASE EXPLAIN THE NEED FOR THE EMPLOYEE BENEFIT PRO FORMA ADJUSTMENT.

A. This adjustment is necessary to appropriately recognize the costs associated with pension and other OPEB plans, which are primarily medical benefits for eligible retirees. This adjustment is consistent with the adjustment recommended by Staff in Decision No. 69663 and used by the Company in Decision Nos. 71448 (December 30, 2009), 73183 (May 24, 2012), 76295 (August 18, 2017), and 78317.

Q. HOW WAS THE EMPLOYEE BENEFITS PRO FORMA ADJUSTMENT DETERMINED?

A. The total change in pension and OPEB expense is the difference between the Test Year expense and the 2022 level of that expense, as determined by APS's actuaries, Willis Towers Watson. As noted below, this calculation resulted in an increase to employee benefits expense.

Q. HOW DID YOU DETERMINE THE AMOUNT OF INCREASED BENEFITS COSTS PROPERLY ALLOCABLE TO APS'S O&M?

A. An APS allocation factor was calculated and applied to the total Pinnacle West change in benefit expenses. This allocation factor was determined by dividing APS's 12 months ended June 30, 2022 actual O&M employee benefits by the total actual employee benefits costs for Pinnacle West for the same 12-month period. This results in a reduction to pre-tax operating income of $5.2 million (*see* SFR Schedule C-2, page 10, column 28).

9. Remove Supplemental Excess Benefit Retirement Plan Expense

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO REMOVE SERP.

A. This pro forma removes from expense the associated costs of Test Year operations SERP. This results in an increase to pre-tax operating income of $7.6 million (*see* SFR Schedule C-2, page 10, column 29).

10. Remove Stock Compensation

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO REMOVE STOCK COMPENSATION.

A. This pro forma removes the Test Year level of expense associated with stock compensation. This results in an increase to pre-tax operating income of $11.3 million (*see* SFR Schedule C-2, page 10, column 30).

11. Include Active Union Medical Trust Interest Income and Realized Gains

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO INCLUDE THE ACTIVE UNION MEDICAL TRUST INTEREST INCOME AND REALIZED GAINS.

A. This pro forma adjustment reflects the Test Year level of interest income and realized gain on investments in the Active Union Medical Account. This results in an increase to pre-tax operating income of $3.5 million (*see* SFR Schedule C-2, page 11, column 31).

12. Normalize Cash Incentive Expense

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO NORMALIZE CASH INCENTIVE.

A. This pro forma normalizes the associated costs of Test Year operations for the cash incentive program over a three-year period. The use of this three-year normalization of cash incentive expense was first proposed by Staff and adopted

by the Commission in Decision No. 71448. This results in a reduction to pre-tax operating income of $8.2 million (*see* SFR Schedule C-2, page 11, column 32).

13. Normalize Income Tax Expense/Interest Synchronization

Q. WHAT METHODOLOGY DID YOU USE TO DETERMINE THE FEDERAL AND STATE INCOME TAX PRO FORMA ADJUSTMENT?

A. The Company used a "top down" approach in computing cost-of-service income tax expense. This calculation, which was also adopted in Decision No. 69663 and consistently used thereafter, uses the statutory rate and estimated Test Year levels of various tax credits and other permanent tax items, adjusted for known changes (*e.g.*, amortization of excess deferred taxes resulting from the Tax Cuts and Jobs Act), reflecting the Company's best estimate of on-going income tax expense. It also considers the deduction of interest expense synchronized to the end of the Test Year's rate base. The total federal and state income tax pro forma increases income tax expense by $3.0 million (*see* SFR Schedule C-2, page 11, column 33).

14. Annualize Property Tax Expense

Q. HAS APS PROPOSED AN ADJUSTMENT TO THE TEST YEAR AD VALOREM (PROPERTY) TAX?

A. Yes. An adjustment is appropriate to reflect June 30, 2022 plant values, the current state assessment ratios, and the most current estimated composite tax rate.

Q. HOW WERE PROPERTY TAXES CALCULATED?

A. Property taxes were calculated using June 30, 2022 property values as filed with the Arizona Department of Revenue in April 2022. These property values were then multiplied by the most current approved assessment ratios. Finally, that assessed value is multiplied by the actual current estimated composite tax rate. APS will update the expected composite tax rate with the actual rate when it becomes available near the end of the fourth quarter of 2022. This adjustment results in a

reduction to pre-tax operating income of $9.5 million (*see* SFR Schedule C-2, page 12, column 34).

15. Include and Annualize Property Tax Deferral Amortization

Q. IS THE COMPANY REQUESTING A PROPERTY TAX DEFERRAL MECHANISM?

A. The Company is not requesting a rate base pro forma adjustment or on-going property tax deferral approval. However, as discussed below, there are pro forma adjustments needed to reflect prior Commission decisions.

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENTS TO OPERATING INCOME FOR THE PROPERTY TAX DEFERRAL.

A. There are two operating income adjustments related to the property tax deferral that was authorized in Decision No. 78317. The first pro forma adjustment reflects the annual level of amortization to be refunded to customers that was authorized in Decision No. 78317, since the Test Year in this case only includes seven months of that allowed amortization. The second pro forma adjustment reflects the additional annual level of amortization to be refunded to customers that the Company is requesting in this case, which is related to the residual amount of property tax expense that the Company continued deferring under prior Commission order up until the December 1, 2021 rate effective date of Decision No. 78317 (amounts deferred from December 31, 2020 through December 1, 2021). Both pro formas reflect an annual refund, or benefit, to customers. APS requests to amortize this refund over a three-year period consistent with the related deferral amortization authorized in Decision No. 78317 for this matter. These pro forma adjustments result in an increase to pre-tax operating income of $1.9 million and $2.2 million, respectively (*see* SFR Schedule C-2, page 12, columns 35 and 36, respectively).

16. Annualize Four Corners Coal Reclamation Costs

Q. PLEASE DESCRIBE THE PRO FORMA TO ANNUALIZE FOUR CORNERS COAL RECLAMATION COSTS.

A. This pro forma adjustment for Four Corners coal reclamation annualizes the estimate for final reclamation costs, the costs to account for inflation, and the amortization period for Four Corners. The estimate for final reclamation costs is based on a study performed by Golder Associates as of September 2019. The costs within the Golder Associates study were presented on a December 2019 dollar basis. Due to the long-term nature of these costs, APS escalated the cost estimates for Four Corners through June 2031, which is aligned with the terms of the coal supply agreement. The Company is using an amortization period to June 2038. The result is an increase to pre-tax operating income of $1.5 million (*see* SFR Schedule C-2, page 13, column 37).

Q. HOW WAS THE ESCALATION CALCULATED?

A. Total estimated costs from the Golder Associates study were used to derive APS's share of Four Corners coal reclamation (in 2019 dollars). The reclamation costs for Four Corners are inflated using an annual rate of 4% over 12.5 years to adjust the 2019 dollar basis to second quarter 2031, which is the end of the coal contract. Per the current coal supply agreement, APS shall fund Final Reclamation in 13 equal annual installments, on August 1 of each Contract Year (beginning August 2018) into an irrevocable escrow account, solely dedicated to the Final Reclamation Costs of the Navajo Mine (the Escrow Account). The funding will be based on the initial final reclamation estimates with true-ups for updates of estimates made periodically. The Company is using an amortization period to June 2038.

17. Annualize Navajo Coal Reclamation Costs

Q. PLEASE DESCRIBE THE PRO FORMA TO ANNUALIZE NAVAJO COAL RECLAMATION COSTS.

A. This pro forma adjustment for Navajo coal reclamation annualizes the final reclamation costs over the original plant life of June 2026. APS finalized the settlement of the Navajo final coal reclamation obligation with Peabody based on a study prepared by Golder Associates. This results in a reduction to pre-tax operating income of $2.1 million (*see* SFR Schedule C-2, page 13, column 38).

18. Adjust Cash Working Capital for Cost of Service

Q. PLEASE DESCRIBE THE PRO FORMA TO ADJUST CASH WORKING CAPITAL FOR COST OF SERVICE PRO FORMAS.

A. This is a rate base pro forma to adjust cash working capital to include the effects of the cost-of-service pro formas. As discussed earlier in my testimony, the cash working capital on SFR Schedule B-5 includes a cash working capital component determined using a lead/lag study. The expense levels in that study reflect the actual expense in the Test Year. This pro forma adjusts the study to take into consideration the cost-of-service pro formas which adjust actual Test Year levels of expense. This pro forma reduces rate base at June 30, 2022 by $15.2 million (*see* SFR Schedule B-2, page 3, column 8).

Q. ARE THERE ANY ADDITIONAL IMPACTS OF THIS RATE BASE PRO FORMA?

A. Yes. Since the rate base pro forma affects total rate base, there is a corresponding operating income pro forma necessary to reflect the income tax impacts of interest. This pro forma was calculated using the rate base adjustment above and the weighted cost of debt. This adjustment increases income tax expense by $69,000 (*see* SFR Schedule C-2, page 13, column 39).

19. Normalize Nuclear and Fossil Maintenance Expenses

Q. PLEASE DESCRIBE THE PRO FORMAS TO NORMALIZE NUCLEAR AND FOSSIL MAINTENANCE.

A. These pro formas adjust for both planned maintenance time and unplanned outage time so that the level of maintenance expense included in the Test Year is consistent with an average year. These adjustments are necessary because outage time at each of the power plants in the Test Year for planned routine maintenance and unplanned forced outages is not indicative of the normal levels of availability. APS adjusted Test Year O&M expenses to normalize maintenance levels for the Company's production plant in service at June 30, 2022. This was done separately for the Company's nuclear facilities and its fossil facilities.

The nuclear generation maintenance adjustment increases pre-tax operating income by $431,000 and the fossil generation maintenance adjustment reduces pre-tax operating income by $28.0 million. The O&M expense adjustments include the impacts of the outage time normalization for all of the units. (*See* SFR Schedule C-2, page 14, columns 40 and 41.)

Q. HOW DID YOU ADJUST THE OUTAGE TIME TO NORMALIZE THE TEST YEAR RESULTS?

A. Planned maintenance time for each non-nuclear generating plant is an average over the routine overhaul cycle for the plant type. For example, the Company's fossil plants are on a six-year overhaul cycle, which means that each of the fossil units should experience a major overhaul once in every six-year period. The specific six-year period applicable to the normalization includes the historical years of 2017 through the 12 months ended June 30, 2022.

Normalized Palo Verde Generating Station (PV) outage time is calculated in a similar manner, using a three-year period spanning 2020 through the 12 months ended June 30, 2022, but the rationale is slightly different than the one applicable to the fossil outage time normalization. The nuclear units are each on an 18-month refueling cycle, so a three-year period ensures that each unit's maintenance time is reflected in equal proportion in the normalization period. Any single year, such as the Test Year, does not represent the average maintenance time and associated expense levels that can reasonably be expected when rates established in this case will be in effect.

Q. HOW DID YOU ADJUST THE MAINTENANCE EXPENSES TO NORMALIZE THE TEST YEAR RESULTS?

A. The maintenance expenses were normalized in a similar fashion to the outage time. For fossil generating units, normal maintenance levels are determined by averaging the historical maintenance expense at each power plant using the six-year average maintenance cycle. Normal PV expenses are based on historical expenses for a three-year period.

Labor costs, including overtime costs, have been adjusted to reflect historical labor cost increases. Non-labor maintenance costs were adjusted to current cost levels using the relevant Handy-Whitman cost indices.

20. Annualize Sundance Maintenance Expense Accrual

Q. PLEASE DESCRIBE THE PRO FORMA TO ADJUST THE SUNDANCE MAINTENANCE EXPENSE ACCRUAL.

A. This pro forma annualizes the accrual of the overhaul maintenance costs associated with the Sundance Units as authorized in Decision Nos. 69663 and 78317. This adjustment results in a reduction to pre-tax operating income of $2.0 million (*see* SFR Schedule C-2, page 14, column 42).

21. Remove Navajo Power Plant Costs

Q. PLEASE DESCRIBE THE PRO FORMA TO REMOVE NAVAJO POWER PLANT COSTS.

A. This pro forma removes the Test Year O&M expense as well as administrative and general expenses as a result of the closure of the Navajo Generating Station (Navajo) in December 2019. This adjustment results in an increase to pre-tax operating income of $56,000 (*see* SFR Schedule C-2, page 15, column 43).

22. Include Navajo Regulatory Asset Amortization Disallowance

Q. PLEASE DESCRIBE THE PRO FORMA TO INCLUDE THE NAVAJO REGULATORY ASSET AMORTIZATION DISALLOWANCE.

A. This pro forma reflects the 15% regulatory disallowance of the Navajo regulatory asset amortization that was ordered in Decision No. 78317. As this does not qualify as a disallowance for GAAP purposes, a pro forma adjustment is needed to the Test Year to reflect the reduction in depreciation expense. This results in an increase to pre-tax operating income of $1.4 million (*see* SFR Schedule C-2, page 15, column 44).

Q. IS THERE A CORRESPONDING RATE BASE PRO FORMA ADJUSTMENT RELATED TO THE NAVAJO REGULATORY ASSET AMORTIZATION DISALLOWANCE?

A. Yes. As a result of the 15% regulatory disallowance of the Navajo regulatory asset amortization that was ordered in Decision No. 78317, there must also be a corresponding rate base pro forma adjustment to ADIT to avoid an IRS normalization rule violation, which was also approved in Decision No. 78317. This results in a rate base increase of $2.1 million (*see* SFR Schedule B-2, page 4, column 10).

23. Include and Annualize Ocotillo Modernization Project Deferral Amortization and Include Equity Return Disallowance

Q. PLEASE EXPLAIN THE OPERATING INCOME PRO FORMA ADJUSTMENTS FOR THE OCOTILLO MODERNIZATION PROJECT DEFERRAL.

A. In Decision No. 76295, APS was allowed to defer for later recovery all non-fuel costs of owning, operating and maintaining the Ocotillo Modernization Project (OMP) and retiring the existing steam generation at Ocotillo and to accrue interest at the cost of debt approved in the 2016 Rate Case (*see* Decision No. 76295, Exhibit A, Section 10). In the Company's last rate case, APS requested recovery of the OMP deferral in rate base with a corresponding increase to operating expenses to reflect an annual level of amortization over ten years. Decision No. 78317 authorized the requested rate base inclusion and corresponding operating income increase, however with a return set at the 4.10% embedded cost of debt in that case.

There are three operating income adjustments related to the OMP deferral that were authorized in Decision No. 78317. The first pro forma adjustment reflects the annual level of amortization that was authorized in Decision No. 78317, since the Test Year in this case only includes seven months of that allowed amortization. The second pro forma adjustment reflects the additional annual level of amortization that the Company is requesting in this case, which is related to the residual amount of OMP deferred costs that the Company continued deferring under prior Commission order up until the December 1, 2021 rate effective date of Decision No. 78317 (amounts deferred from December 31, 2020 through December 1, 2021). APS requests to amortize this residual deferral amount over a ten-year period consistent with the related deferral amortization authorized in Decision No. 78317 for the same matter. The third pro forma adjustment reflects

the equity return disallowance on the deferral as authorized in Decision No. 78317. These pro forma adjustments result in a reduction to pre-tax operating income of $4.0 million and $5.3 million, respectively, related to the OMP deferral amortization and an increase to pre-tax operating income of $4.4 million related to the equity return disallowance (*see* SFR Schedule C-2, page 15, column 45, and page 16, columns 46 and 47).

24. Include Four Corners Selective Catalytic Reduction (SCR) Regulatory Disallowance and Adjust Depreciation Expense

Q. PLEASE EXPLAIN THE RATE BASE PRO FORMA ADJUSTMENT FOR THE FOUR CORNERS SELECTIVE CATALYTIC REDUCTION (SCR) DISALLOWANCE.

A. Decision No. 78317 authorized APS to include a portion of the SCRs investments in rate base, with the exception of $215.5 million. This disallowance was reflected for regulatory purposes but does not qualify as a disallowance for GAAP purposes; thus, a pro forma adjustment is necessary to reduce rate base by the disallowed amount. Accordingly, the rate base reduction is $215.5 million (*see* SFR Schedule B-2, page 4, column 11).

Q. IS THERE A CORRESPONDING OPERATING INCOME ADJUSTMENT FOR THE DEPRECIATION EXPENSE RELATED TO THE FOUR CORNERS SCR DISALLOWANCE?

A. Yes. There is a corresponding operating income pro forma adjustment related to the Four Corners SCR disallowance that reflects the annual reduction in depreciation expense related to the $215.5 million SCR rate base disallowance discussed above and the additional direction ordered in Decision No. 78317 to accelerate the depreciation on the SCRs based on an end of life of 2031 versus the 2038 end of life reflected in the approved 2019 Depreciation Study. From a technical application, the depreciation expense adjustment presented in the pro

forma reflects the change in the straight-line depreciation of the remaining net book value over a revised estimated useful life. This adjustment results in a reduction to pre-tax operating income of $117,000 (*see* SFR Schedule C-2, page 16, column 48).

25. Include and Annualize Four Corners SCR Deferral Amortization

Q. PLEASE EXPLAIN THE OPERATING INCOME PRO FORMA ADJUSTMENTS FOR THE FOUR CORNERS SELECTIVE CATALYTIC REDUCTION (SCR) DEFERRAL.

A. In relation to the above, APS was authorized in Decision No. 78317 to recover an annual level of amortization of the Four Corners SCR deferral over ten years, through 2031, and to continue deferring costs incurred after December 31, 2020 and through the effective date of new rates as deferrals, and to request recovery for the additional SCRs deferral at the cost of debt established in this rate case.

Therefore, there are two operating income adjustments related to the Four Corners SCR deferral to reflect that which was authorized in Decision No. 78317. The first pro forma adjustment reflects the annual level of amortization that was authorized in Decision No. 78317, since the Test Year only includes seven months of that allowed amortization. The second pro forma adjustment reflects the additional annual level of amortization that the Company is requesting in this case, which is related to the residual amount of Four Corners SCR deferred costs that the Company continued deferring under prior Commission order and Decision No. 78317 up until the December 1, 2021 rate effective date of the decision (amounts deferred from December 31, 2020 through December 1, 2021). APS requests to amortize this residual deferral amount through 2031 to align with the Company's planned exit from the plant. These pro forma adjustments result in a

reduction to pre-tax operating income of $3.4 million and $3.1 million, respectively (*see* SFR Schedule C-2, page 17, columns 49 and 50).

26. Annualize Cholla Inventory

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO INCLUDE CHOLLA INVENTORY.

A. Since the Test Year in this case includes only seven months of authorized cost recovery, this pro forma adjustment is necessary to reflect the annualized level of amortization related to Cholla material and supplies inventory as a result of the anticipated closure of the coal plant and cost recovery of the remaining inventory balance as accepted in Decision No. 78317. This results in a reduction to pre-tax operating income of $310,000 (*see* SFR Schedule C-2, page 17, column 51).

27. Annualize Four Corners Inventory

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO INCLUDE FOUR CORNERS INVENTORY.

A. Similar to the pro forma above, this pro forma adjustment is necessary to reflect the annualized level of amortization related to Four Corners material and supplies inventory as accepted in Decision No. 78317. This results in a reduction to pre-tax operating income of $424,000 (*see* SFR Schedule C-2, page 18, column 52).

28. Normalize Advertising Expense

Q. PLEASE EXPLAIN THE PRO FORMA ADJUSTMENT TO NORMALIZE ADVERTISING EXPENSE.

A. The pro forma normalizes the associated costs of Test Year operations for advertising expense over a three-year period. This results in an increase to pre-tax operating income of $1.7 million (*see* SFR Schedule C-2, page 18, column 53). Please note that advertising costs not normally allowed for ratemaking purposes are excluded from this normalized amount as part of Adjustment 30, described later in my testimony.

29. Include Removal Costs Associated with West Phoenix

Q. PLEASE DESCRIBE THE PRO FORMA TO INCLUDE FOR RECOVERY THE REMOVAL COSTS ASSOCIATED WITH THE CLOSURE AND DECOMMISSIONING OF THE WEST PHOENIX STEAM UNITS.

A. Since the Test Year in this case includes only seven months of authorized cost recovery, this pro forma adjustment is necessary to reflect the annualized level of additional removal costs associated with the closure and subsequent decommissioning of West Phoenix Steam Units as authorized in Decision No. 78317. This adjustment results in a reduction to pre-tax operating income of $416,000 (*see* SFR Schedule C-2, page 18, column 54).

30. Remove Out of Period and Miscellaneous Items

Q. PLEASE DESCRIBE THE PRO FORMA TO REMOVE MISCELLANEOUS AND OUT OF PERIOD ITEMS.

A. In any test year, there are some items recorded that relate to periods other than the Test Year, or conversely, items recorded in other time periods that correctly belong in the Test Year. For the 12 months ended June 30, 2022 (the Test Year), APS is removing costs associated with SCR related legal costs, certain executive compensation, consulting fees, miscellaneous advertising and other general expenses that are not reflective of on-going costs or are costs that APS does not intend to collect from customers. This adjustment, for the sake of simplicity, combines several smaller entries that fit this description and are shown in aggregate in the pro forma. This adjustment results in an increase to pre-tax operating income of $10.3 million (*see* SFR Schedule C-2, page 19, column 55).

31. Include Cloud Computing

Q. PLEASE DESCRIBE THE RATE BASE PRO FORMA ADJUSTMENT TO INCLUDE THE IMPACTS OF CLOUD COMPUTING.

A. As authorized in Decision No. 78317, this rate base pro forma includes the impacts associated with cloud computing in alignment with NARUC's Cloud Computing Resolution (*see* Resolution Encouraging State Utility Commissions to Consider Improving the Regulatory Treatment of Cloud Computing Arrangements, November 16, 2016) and is calculated by taking the annual level of cloud computing costs associated with applications in which contracts have been entered into and multiplying that by the average contract term of 2.8 years. This pro forma increases rate base by $22.2 million (*see* SFR Schedule B-2, page 3, column 9).

32. Amortize Cholla Unit 2 Regulatory Asset

Q. PLEASE DESCRIBE THE PRO FORMA TO AMORTIZE THE CHOLLA UNIT 2 REGULATORY ASSET.

A. As presented in the Company's last rate case and approved in Decision No. 78317, this pro forma adjustment adjusts the Test Year to reflect the impacts of amortizing the Cholla Unit 2 regulatory asset over the remaining plant life instead of the accelerated method previously approved in Decision No. 76295. Since the Test Year in this case includes only seven months of this authorized level of amortization, this pro forma is necessary to reflect the annualized level of amortization as approved. This adjustment results in an increase to pre-tax operating income of $4.8 million (*see* SFR Schedule C-2, page 19, column 56).

33. Include and Annualize Tax Expense Mechanism (TEAM) Balancing Account Amortization

Q. PLEASE EXPLAIN THE OPERATING INCOME PRO FORMA ADJUSTMENT TO INCLUDE THE AMORTIZATION FOR THE TEAM I, II, AND III BALANCING ACCOUNTS.

A. As presented in APS's last rate case and accepted in Decision No. 78317, this pro forma reflects the annual level of amortization of the TEAM I, II, and III balancing accounts over ten years. Since the Test Year in this case includes only seven months of authorized cost recovery, this pro forma adjustment is necessary to reflect the annualized level of amortization. This pro forma adjustment results in a reduction to pre-tax operating income of $273,000 (*see* SFR Schedule C-2, page 19, column 57).

Q. IS THERE AN ADDITIONAL RELATED OPERATING INCOME PRO FORMA ADJUSTMENT TO INCLUDE THE AMORTIZATION FOR THE TEAM I, II AND III BALANCING ACCOUNTS RESIDUAL AMOUNTS?

A. Yes. The Company is requesting the ability to refund to customers the additional, or residual, amounts of TEAM I, II and III that the Company retained in the balancing account up until the December 1, 2021 rate effective date of Decision No. 78317 (amounts recorded to the balancing account from December 31, 2020 through December 1, 2021). This pro forma adjustment reflects the additional annual level of amortization to be refunded to customers. APS requests to amortize this refund, or benefit to customers, over an eight-year period to align with and be consistent with the related balancing account amortization accepted in Decision No. 78317 for this matter. This pro forma adjustment results in an increase to pre-tax operating income of $604,000 (*see* SFR Schedule C-2, page 20, column 58).

34. Amortize COVID Customer Relief Deferral

Q. PLEASE EXPLAIN THE OPERATING INCOME PRO FORMA ADJUSTMENT FOR THE COVID CUSTOMER RELIEF DEFERRAL.

A. In Decision No. 77849 (December 17, 2020), APS, among other Arizona electric utilities, was authorized to defer for possible later recovery through rates all customer discounts ordered to be paid less any amounts voluntarily contributed by the utilities from below the line sources. In December 2020, APS applied credits to customer accounts for COVID relief totaling $3.6 million, of which $1.8 million was deferred to a regulatory asset as it represented amounts above what APS committed to fund with shareholder dollars. This pro forma adjustment reflects the annual level of amortization that the Company is requesting to recover over a three-year period and results in a reduction to pre-tax operating income of $600,000 (*see* SFR Schedule C-2, page 20, column 59).

V. ADJUST NUCLEAR DECOMMISSIONING COSTS

Q. PLEASE EXPLAIN THE NUCLEAR DECOMMISSIONING FUNDS AND WHAT IS MEANT BY A "QUALIFYING" DECOMMISSIONING FUND.

A. Like all nuclear power plants, PV eventually will need to be decommissioned, an expensive and time-consuming process. Regulatory agencies throughout the country, including the Commission, have required that the cost of this eventual decommissioning be recovered from electricity customers over the life of the facility.

Most of the amounts collected from customers that relate to decommissioning of a nuclear power plant can be deposited into a "tax-qualified" decommissioning trust. A trust is "tax-qualified" to the extent it meets certain requirements set forth in the Internal Revenue Code and related regulations. A "tax-qualified" decommissioning trust is afforded income tax benefits versus non-tax-qualified

trusts. This favorable tax treatment is twofold. Contributions to a qualified decommissioning trust are deductible for federal income tax purposes in the year made to the extent these do not exceed the "ruling amount" approved by the U.S. Secretary of the Treasury in a private letter ruling. The plant owner must request from the U.S. Secretary of the Treasury a new schedule of ruling amounts upon (1) each renewal of the operating license of the nuclear power plant; (2) any time the taxpayer is authorized by its state regulatory commission to contribute an amount greater than the previously authorized contribution to a tax-qualified trust; or (3) in any event, on the ten-year anniversary of the existing private letter ruling. Secondly, investment earnings of the assets within the trust are taxed at a federal income tax rate of 20% versus 21% if the investment earnings occurred outside of the "tax-qualified" trust. In accordance with the Code of Federal Regulations (CFR) rule, an owner of a nuclear facility is required to select one of three funding methods. The Nuclear Regulatory Commission (NRC) and most state regulators prefer the external funding option, both because of increased security of the funding for its intended purpose and because of the income tax benefits afforded "tax-qualified" decommissioning trusts.

Q. IS THE COMPANY SEEKING AN ADJUSTMENT FOR NUCLEAR DECOMMISSIONING FUNDING AND THE CORRESPONDING EXPENSE?

A. APS is not proposing a change to the total annual amount of funding in the Test Year ($2,281,000); however, the Company is proposing a change to the allocation of the annual funding between the three PV units, with the full amount of funding going to PV Unit 2. Two basic components associated with determining the annual amounts to deposit into the decommissioning fund have changed: earnings assumptions and the decommissioning study cost estimates. While these changes reflect an expected increase in costs and a need for elevated funding levels in PV

Unit 2, a pro forma adjustment is not necessary if Test Year levels are maintained. Commission approval is requested to allow the change in the allocation of the funding amongst the three PV units as provided in Attachment EAB-02DR. The revised decommissioning funding and expense estimates reflect a 2019 study performed by TLG Services, Inc., in which the decommissioning costs are presented in 2019 dollars. An escalation rate is used to account for the inflation that has occurred since the date of the decommissioning cost study and reflects expected increases in decommissioning costs.

Q. PLEASE EXPLAIN THE COMPANY'S PLAN FOR DECOMMISSIONING CONTRIBUTIONS TO PV UNITS 1, 2, AND 3.

A. The Company is requesting at this time that contributions to PV Units 1 and 3 be temporarily suspended. Under the sale leaseback agreement the PV Unit 2 trust is to be fully funded and can only be invested in fixed income securities. Since the yield on fixed income is relatively low compared to the assumed rate of escalation in decommissioning costs, there is a possibility that the earnings of the PV Unit 2 trust will be unable to keep pace with the escalation in decommissioning costs, resulting in the PV Unit 2 trust falling below its fully funded status. To reduce the possibility of this event, the Company is requesting that all of the currently approved decommissioning contributions be allocated to PV Unit 2.

Q. HOW DO THE ASSUMED EARNINGS AND ESCALATION RATES COMPARE?

A. The targeted asset allocation of PV Unit 1 and PV Unit 3 is 60% equities and 40% fixed income. APS continues to propose using a 60% equity and a 40% fixed income asset allocation for PV Units 1 and 3 up until five years prior to decommissioning. Using this asset allocation, an after-tax earnings assumption of 4.33% for PV Units 1 and 3 was employed up to five years prior to each Unit's respective license expiration date and 2.35% rate of return reflecting a 100% fixed

income allocation was assumed thereafter. APS is also proposing to use an after-tax earnings assumption of 2.35% for PV Unit 2. The assumed escalation rate in decommissioning costs is 4%. The earnings assumption for PV Units 1 and 3 was determined using pre-tax investment return assumptions for fixed income of 3.00% for the "tax-qualified" trusts and 2.40% for the "non-tax-qualified" trusts and pre-tax equity returns of 7.40%. The Company did not assume an equity return for the PV Unit 2 trusts due to the investment restrictions included in the terms of the sale leaseback agreement, which prohibit PV Unit 2 from holding equities after January 31, 2010. Therefore, the after-tax earnings assumption for PV Unit 2 is 2.35%.

Q. IS SPECIFIC COMMISSION ACTION REQUIRED?

A. Yes. As previously stated, to continue to receive a full tax deduction for contributions, the owner of a nuclear power plant must request a new schedule of ruling amounts from the U.S. Secretary of the Treasury any time the owner is authorized by its state regulatory commission to contribute an amount greater than the previously authorized contribution to a tax-qualified trust. In this instance the Company is asking to increase the funding to PV Unit 2. Treasury Regulation Section 1.468A-3 states that in the private letter ruling process, the applicant has the burden of proving that the proposed schedule of ruling amounts is consistent with the principles of the decommissioning fund provisions, and that it is based on reasonable assumptions. The Regulation goes on to state: "If a public utility commission established or approved the currently applicable rates for the furnishing or sale by the taxpayer of electricity from the plant, the taxpayer can generally satisfy this burden of proof by demonstrating that the schedule of ruling amounts is calculated using the assumptions used by the public utility commission in its most recent order."

Q. WHAT LANGUAGE DOES APS REQUEST BE INCLUDED IN THE COMMISSION'S FINAL ORDER EVIDENCING APPROVAL OF THE COMPANY'S NUCLEAR DECOMMISSIONING CONTRIBUTIONS?

A. The Company requests that the Commission include the following specific language in their final decision:

> "The decommissioning costs as recommended by APS are adopted as set forth in the decommissioning contribution schedule at Appendix X to this Decision."

Q. IF THE COMMISSION GRANTS THE COMPANY'S REQUEST, WILL THAT RESULT IN DECOMMISSIONING TRUSTS THAT ARE ALL FULLY FUNDED?

A. No. As stated earlier in my testimony, APS is proposing at this time to keep the funding level the same as that reflected in the Test Year levels at $2,281,000, but with a different allocation of funding to each of the three PV units. However, this funding level is not sustainable under the capital market, decommissioning cost, and decommissioning escalation assumptions that are currently applicable. The Company and the Commission will need to revisit this issue in future rate proceedings.

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Attachment REW–2DR

2019 Depreciation Rate Study



Arizona Public Service Company



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EXECUTIVE SUMMARY

INTRODUCTION

This report presents a review and update of depreciation rates and parameters for utility plant owned and operated by Arizona Public Service Company (APS). The report contains recommended 2019 depreciation rates and parameters for: a) steam and other production assets; b) nuclear assets; and c) electric transmission, distribution and general plant categories. Work on the study began in January 2019 and progressed through August, at which time the project was completed.

Foster Associates is a public utility economics consulting firm offering economic research and consulting services on issues and problems arising from governmental regulation of business. Areas of specialization supported by the firm's Fort Myers office include property life forecasting, technological forecasting, depreciation estimation, and valuation of industrial property.

Foster Associates has undertaken numerous depreciation engagements for both public and privately owned business entities including detailed statistical life studies, analyses of required net salvage rates, and the selection of depreciation systems that will most nearly achieve the goals of depreciation accounting under the constraints of either government regulation or competitive market pricing. Foster Associates is widely recognized for industry leadership in the development of depreciation systems, life analysis techniques and computer software for conducting depreciation and valuation studies.

Depreciation rates currently used by APS were approved by the Arizona Corporation Commission (ACC) pursuant to a settlement agreement in Docket No. E–01345A–16–0036 et al. (Decision No. 76295, dated August 18, 2017). Depreciation rates initially requested by APS were developed in a 2016 Depreciation Rate Study conducted by Foster Associates. The recommended composite accrual rate of 2.99 percent produced a 2016 annualized accrual of $396,201,674 or an increase of $70,971,863 from previously approved rates of 2.45 percent.

Foster Associates was subsequently requested to develop a set of accrual rates that would produce a reduction of approximately $29 million in 2016 annualized depreciation expense from the filed expense of $396,201,674. The following adjustments were made to the filed 2016 study to achieve a reduction of $29,113,093:

- Projection life for Account 369.00 (Services) extended from 45 years (L1 dispersion) to 55 years (L1 dispersion).
- Future net salvage rate for Account 364.01 (Poles, Towers and Fixtures – Wood) reduced from –25 percent to –10 percent.
- Future net salvage rate for Account 365.00 (Overhead Conductors and Devices) reduced from –25 percent to –10 percent.

- Future net salvage rate for Account 369.00 (Services) reduced from –50 percent to –20 percent.
- Future net salvage rate for Account 373.00 (Street Lighting and Signal Systems) increased from –5 percent to –12 percent.
- Palo Verde reserve imbalance (*i.e.*, $435,409,053 excess) amortized over 12 years rather than remaining lives of approximately 29 years.

The composite accrual rate of 2.77 percent resulting from the above adjustments produced a 2016 annualized accrual of $367,088,581, or a reduction of $29,113,093 from the initially filed accrual of $396,201,674. The adjusted rates were adopted in the Settlement and approved by the ACC in Decision No. 76295.

The principal findings and recommendations developed in the current study are summarized in Section IV of this report. Statement A provides a comparative summary of current and proposed annual depreciation rates for each rate category. Statement B provides a comparison of current and proposed annual depreciation accruals. Statement C provides a comparison of computed, recorded and redistributed depreciation reserves for each rate category. Statement D provides a summary of the investment and net salvage components of rebalanced reserves. Statement E provides a summary of the components used to obtain weighted–average net salvage rates. Statement F provides a computation of the estimated future net salvage rate for steam production facilities. Statement G contains the computation of terminal dismantlement costs for steam production and solar facilities. Statement H provides a comparative summary of current and proposed parameters including projection life, projection curve and future net salvage rates. The statement also contains current and proposed statistics including average service life, average remaining life, and average net salvage rates.

The Settlement Agreement approved by the ACC in Docket No. E–01345A–16–0036 et al. provided, inter alia, that:

> "In APS's next rate case, APS will file a depreciation rate study that includes alternative calculations for cost of removal and dismantlement (negative net salvage) using the 'FAS 143' discounted net present value method, computed using a discount rate to be agreed upon."[1]

In compliance with this directive, Section IV of this report also contains a set of statements providing accrual rates, annualized accruals, depreciation reserves, net salvage rates and parameters derived from an SFAS 143 formulation of accrual rates for net salvage.

[1] Decision No. 76295 (August 18. 2017), Exhibit A, Paragraph 6.6.

SCOPE OF STUDY

The principal activities undertaken in the course of the current study included:

- Collection of plant and net salvage data;
- Reconciliation of data to the official records of the Company;
- Field visits and discussions with APS operations and plant accounting personnel;
- Estimation of projection lives and retirement dispersion patterns;
- Analysis of gross salvage and cost of removal;
- Analysis and redistribution of recorded depreciation reserves; and
- Development of recommended accrual rates for each rate category.

DEPRECIATION SYSTEM

A depreciation rate is formed by combining the elements of a depreciation system. A depreciation system is composed of a method, a procedure and a technique. A depreciation method (*e.g.*, straight–line) describes the component of the system that determines the acceleration or deceleration of depreciation accruals in relation to either time or use. A depreciation procedure (*e.g.*, vintage group) identifies the level of grouping or sub–grouping of assets within a plant category. The level of grouping specifies the weighting used to obtain composite life statistics for an account. A depreciation technique (*e.g.*, remaining–life) describes the life statistic used in the system.

With the exception of selected general support asset categories for which amortization accounting has been approved, APS is currently using a depreciation system composed of the straight–line method, vintage group procedure and remaining–life technique. Amortization accounting is used for general plant categories in which the unit cost of plant items is small in relation to the number of units classified in the account. Plant is retired (*i.e.*, credited to plant and charged to the reserve) as each vintage achieves an age equal to the amortization period. Any realized net salvage for amortizable accounts is netted against current–year vintage additions.

Depreciation theory provides that the cost of an asset (or group of assets) should be allocated to operations over an estimate of the economic life of the asset in proportion to the consumption of service potential. It is the opinion of Foster Associates that the objectives of depreciation accounting are being achieved using the currently approved vintage–group procedure, which distinguishes service lives among vintages, and the remaining–life technique, which provides cost apportionment over the estimated weighted–average remaining life of a rate category. It is also the opinion of Foster Associates that amortization accounting remains ap-

propriate for the approved amortization categories.

PROPOSED DEPRECIATION RATES

Table 1 below provides a summary of the changes in annual rates and accruals resulting from an application of the service life and net salvage parameters recommended in the current study.

	Accrual Rate			2019 Annualized Accrual		
Function	Current	Proposed	Diff.	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Production						
Steam	3.59%	5.02%	1.43%	$ 73,467,101	$ 102,807,136	$ 29,340,035
Nuclear	0.90%	0.96%	0.06%	26,538,968	28,470,493	1,931,525
Other	3.73%	4.00%	0.27%	120,526,363	129,300,016	8,773,653
Transmission	2.01%	2.01%		2,746,897	2,761,160	14,263
Distribution	2.31%	2.51%	0.20%	145,675,247	157,904,801	12,229,554
General Plant	6.31%	6.14%	-0.17%	59,170,196	57,485,130	(1,685,066)
Total	2.74%	3.07%	0.33%	$ 428,124,772	$ 478,728,736	$ 50,603,964

Table 1. Current vs Proposed Rates and Accruals

Foster Associates is recommending primary account depreciation rates equivalent to a composite rate of 3.07 percent. Depreciation expense is currently accrued at rates that composite to 2.74 percent. The recommended change in the composite depreciation rate is, therefore, an increase of 0.33 percentage points.

A continued application of current rates would produce annualized depreciation expense of $428,124,772 compared with an annualized expense of $478,728,736 using the rates developed in this study. The proposed 2019 expense increase is $50,603,964. The computed change in annualized accruals includes a reduction of $28,419,146 attributable to an amortization of a $490,198,765 reserve imbalance. The remaining portion of the change is attributable to adjustments in service life and net salvage statistics recommended in the 2019 study.

Of the 188 plant accounts included in the study, Foster Associates is recommending rate reductions for 45 accounts, increases for 137 accounts and no change for 6 accounts.

In compliance with the directive in Docket No. E–01345A–16–0036, Table 2 below provides a summary of annual rates and accruals derived from an application of the service life parameters developed in the 2019 study combined with an SFAS 143 formulation of accruals for future net salvage.

Function	Accrual Rate			2019 Annualized Accrual		
	Current	SFAS 143	Diff.	Current	SFAS 143	Difference
A	B	C	D=C-B	E	F	G=F-E
Production						
Steam	3.59%	4.93%	1.34%	$ 73,467,101	$ 100,856,998	$ 27,389,897
Nuclear	0.90%	1.00%	0.10%	26,538,968	29,699,623	3,160,655
Other	3.73%	3.95%	0.22%	120,526,363	127,485,476	6,959,113
Transmission	2.01%	1.97%	-0.04%	2,746,897	2,704,116	(42,781)
Distribution	2.31%	2.45%	0.14%	145,675,247	153,978,945	8,303,698
General Plant	6.31%	6.13%	-0.18%	59,170,196	57,401,013	(1,769,183)
Total	2.74%	3.02%	0.28%	$ 428,124,772	$ 472,126,171	$ 44,001,399

Table 2. Current vs SFAS 143 Rates and Accruals

SFAS 143 accrual rates for net salvage would produce primary account depreciation rates equivalent to a composite rate of 3.02 percent. Depreciation expense is currently accrued at rates that composite to 2.74 percent. The resulting change in the composite depreciation rate would be an increase of 0.28 percentage points.

A continued application of current rates would produce annualized depreciation expense of $428,124,772 compared with an annualized expense of $472,126,171 using SFAS 143 accrual rates for net salvage. The resulting 2019 expense increase would be $44,001,399.

Of the 188 plant accounts included in the study, a SFAS 143 formulation of accrual rates for net salvage would produce rate reductions for 67 accounts, increases for 116 accounts and no change for 5 accounts.

COMPANY PROFILE

GENERAL

Arizona Public Service Company is the largest subsidiary of Pinnacle West Capital Corporation. APS provides electric service to more than 1.2 million customers in 11 of Arizona's 15 counties mainly concentrated in northern and central Arizona. Pinnacle West owns all of the outstanding common stock of APS.

Incorporated in 1920 under the laws of the state of Arizona, APS employs more than 6,400 employees, including employees at jointly–owned generating facilities for which APS serves as the generating facility manager.



TRANSMISSION AND DISTRIBUTION FACILITIES

Transmission facilities consist of approximately 6,192 pole miles of overhead lines and approximately 49 miles of underground lines, 5,969 miles of which are located in Arizona. APS projects it will develop 275 miles of new transmission lines over the next ten years. APS shares ownership of some of its transmission facilities with other companies.

Distribution facilities consist of approximately 11,194 miles of overhead lines and approximately 21,854 miles of underground primary cable, all of which are located in Arizona.

GENERATING RESOURCES

In addition to the Palo Verde Nuclear Generating Station, APS owns and operates six natural–gas plants, one oil plant, two coal–fired plants, and an increasing array of renewable energy power generation. APS's portfolio of owned and leased generating facilities is provided in Table 3 below.

Table 3. Generation Facilities

Name	No. of Units	% Owned (a)	Principal Fuels Used	Primary Dispatch Type	Owned Capacity (MW)
Nuclear:					
Palo Verde (b)	3	29.1%	Uranium	Base Load	1,146
Total Nuclear					1,146
Steam:					
Four Corners 4, 5 (c)	2	63%	Coal	Base Load	970
Cholla 1,3	2		Coal	Base Load	387
Navajo (d)	3	14%	Coal	Base Load	315
Ocotillo (e)	—		Gas	Peaking	—
Total Steam					1,672
Combined Cycle:					
Redhawk	2		Gas	Load Following	984
West Phoenix	5		Gas	Load Following	887
Total Combined Cycle					1,871
Combustion Turbine:					
Ocotillo (e)	2		Gas	Peaking	110
Saguaro	3		Gas	Peaking	189
Douglas/Fairview	1		Oil	Peaking	16
Sundance	10		Gas	Peaking	420
West Phoenix	2		Gas	Peaking	110
Yucca 1, 2, 3	3		Gas	Peaking	93
Yucca 4	1		Oil	Peaking	54
Yucca 5, 6	2		Gas	Peaking	96
Total Combustion Turbine					1,088
Solar:					
Cotton Center (f)	1		Solar	As Available	17
Hyder I (f)	1		Solar	As Available	16
Paloma (f)	1		Solar	As Available	17
Chino Valley	1		Solar	As Available	19
Gila Bend (f)	1		Solar	As Available	32
Hyder II (f)	1		Solar	As Available	14
Foothills (f)	1		Solar	As Available	35
Luke AFB	1		Solar	As Available	10
Desert Star (f)	1		Solar	As Available	10
Red Rock	1		Solar	As Available	40
APS Owned Distributed Energy			Solar	As Available	24
Multiple facilities			Solar	As Available	4
Total Solar					238
Total Capacity					6,015

(a) 100% unless otherwise noted.

(b) The other participants are Salt River Project (17.49%), SCE (15.8%), El Paso (15.8%), Public Service Company of New Mexico (10.2%), Southern California Public Power Authority (5.91%), and Los Angeles Department of Water & Power (5.7%). The plant is operated by APS.

(c) The other participants are Salt River Project (10%), Public Service Company of New Mexico (13%), Tucson Electric Power Company (7%) and NTEC (7%). The plant is operated by APS.

(d) The other participants are Salt River Project (42.9%), Nevada Power Company (11.3%), the United States Government (24.3%) and Tucson Electric Power Company (7.5%). The plant is operated by Salt River Project. In July 2016, Salt River Project purchased Los Angeles Department of Water & Power's share in this plant (21.2%).

(e) Ocotillo Steam Units 1 and 2 were retired on January 10, 2019. Units 3 through 7 are expected to go into service by the middle of 2019 and will increase generation capacity by 510 MW.

(f) APS is under contract to add battery storage at these AZ Sun sites and anticipates such storage facilities could be in service by mid-2020.

STUDY PROCEDURE

INTRODUCTION

The purpose of a depreciation study is to analyze the mortality characteristics, net salvage rates and adequacy of depreciation accruals and recorded depreciation reserves for each rate category. This study provides the foundation and documentation for recommended changes in the depreciation rates used by APS for its steam, nuclear, other production, transmission, distribution and general plant categories. The proposed rates are subject to approval by the Arizona Corporation Commission.

SCOPE

The steps involved in conducting a depreciation study can be grouped into five major tasks:

- Data Collection;
- Life Analysis and Estimation;
- Net Salvage Analysis;
- Depreciation Reserve Analysis; and
- Development of Accrual Rates.

The scope of the 2019 study included a consideration of each of these tasks as described below.

DATA COLLECTION

The minimum database required to conduct a statistical life study consists of a history of vintage year additions and unaged activity–year retirements, transfers and adjustments. These data must be appropriately adjusted for transfers, sales and other plant activity that would otherwise bias the measured service life of normal retirements. The age distribution of surviving plant for unaged data can be estimated by distributing plant in service at the beginning of the study year to prior vintages in proportion to the theoretical amount surviving from a projection or survivor curve identified in the life study. The statistical methods of life analysis used to examine unaged plant data are known as *semi–actuarial techniques*.

A far more extensive database is required to apply statistical methods of life analysis known as *actuarial techniques*. Plant data used in an actuarial life study most often include age distributions of surviving plant at the beginning of a study year and the vintage year, activity year, and dollar amounts associated with normal retirements, reimbursed retirements, sales, abnormal retirements, transfers, corrections, and extraordinary adjustments over a series of prior activity years. An actuarial database may include age distributions of surviving plant at the beginning of the earliest activity year, rather than at the beginning of the study year. Plant additions, however, must be included in a database containing an opening age distribu-

tion to derive aged survivors at the beginning of the study year. All activity year transactions with vintage year identification are coded and stored in a database. These data are processed by a computer program and transaction summary reports are created in a format reconcilable to official plant records. The availability of such detailed information is dependent upon an accounting system that supports aged property records. The Continuing Property Record (CPR) system used by APS provides aged transactions for all plant accounts.

Service life statistics estimated in this study were derived from plant accounting transactions recorded over the period 1971 through 2018. Detailed accounting transactions were extracted from the CPR system and assigned transaction codes which describe the nature of the accounting activity. Transaction codes for plant additions, for example, were used to distinguish normal additions from acquisitions, purchases, reimbursements and adjustments. Similar transaction codes were used to distinguish normal retirements from sales, reimbursements, abnormal retirements and adjustments. Transaction codes were also assigned to transfers, capital leases, gross salvage, cost of removal and other accounting activity that should be considered in a depreciation study.

The database used in conducting the 2016 study was updated for the current study by appending additional plant and net salvage transactions for activity years 2016–2018 and age distributions of surviving plant at December 31, 2018. The accuracy and completeness of the assembled database was verified for activity years 2016 through 2018 by comparing the beginning plant balance, additions, retirements, transfers and adjustments, and the ending plant balance derived for each activity year to the official plant records of the Company. Activity years prior to 2016 were verified in the 2016 study. Age distributions of surviving plant at December 31, 2018 were reconciled to the CPR.

Reserve transactions recorded over the period 1980–2018 were used in the 2019 study to derive appropriate net salvage rates. Realized net salvage was blended with future net salvage estimates to derive average net salvage rates used in the computation of theoretical reserves.

LIFE ANALYSIS AND ESTIMATION

Life analysis and life estimation are terms used to describe a two–step procedure for estimating the mortality characteristics of a plant category. The first step (*i.e.*, life analysis) is largely mechanical and primarily concerned with history. Statistical techniques are used in this step to obtain a mathematical description of the forces of retirement acting upon a plant category and an estimate of the *projection life* of the account. The mathematical expressions used to describe these life characteristics are known as *survival functions* or *survivor curves*.

The second step (*i.e.*, life estimation) is concerned with predicting the expected

remaining life of property units still exposed to forces of retirement. It is a process of blending the results of a life analysis with informed judgment (including expectations about the future) to obtain an appropriate projection life and curve descriptive of the parent population from which a plant account is viewed as a random sample. The amount of weight given to a life analysis will depend upon the extent to which past retirement experience is considered descriptive of the future.

Analytical methods used in a life analysis are broadly classified as actuarial and semi–actuarial techniques. Actuarial techniques can be applied to plant accounting records that reveal the age of a plant asset at the time of its retirement from service. Stated differently, each property unit must be identifiable by date of installation and age at retirement. Semi–actuarial techniques can be used to derive service life and dispersion estimates when age identification of retirements is not maintained or readily available. Age identification of retirements was available for all plant accounts included in the 2019 study.

An actuarial life analysis program designed and developed by Foster Associates was used in this study. The first step in an actuarial analysis involves a systematic treatment of the available data for the purpose of constructing an observed life table. A complete life table contains the life history of a group of property units installed during the same accounting period and various probability relationships derived from the data. A life table is arranged by age–intervals (usually defined as one year) and shows the number of units (or dollars) entering and leaving each age–interval and probability relationships associated with this activity. A life table minimally shows the age of each survivor and the age of each retirement from a group of units installed in a given accounting year.

A life table can be constructed in any one of at least five methods. The annual–rate or retirement–rate method was used in this study. The mechanics of the annual–rate method require the calculation of a series of ratios obtained by dividing the number of units (or dollars) surviving at the beginning of an age interval into the number of units (or dollars) retired during the same interval. This ratio—called a "retirement ratio"—is an estimator of the hazard rate or conditional probability of retirement during an age interval. The cumulative proportion surviving is obtained by multiplying the retirement ratio for each age interval by the proportion of the original group surviving at the beginning of that age interval and subtracting this product from the proportion surviving at the beginning of the same interval. The annual–rate method is applied to multiple groups or vintages by combining the retirements and/or survivors of like ages for each vintage included in the analysis.

The second step in an actuarial analysis involves graduating or smoothing the observed life table and fitting the smoothed series to a family of survival functions. The functions used in this study are the Iowa–type curves, which are mathematically described by the Pearson frequency curve family. Observed life tables were

smoothed by a weighted least–squares procedure in which first, second and third degree orthogonal polynomials were fitted to the observed retirement ratios. The resulting function was expressed as a survivorship function and numerically integrated to obtain an estimate of the projection life for each plant account. The observed proportions surviving were then fitted by a weighted least–squares procedure to the Iowa–curve family (using the projection life derived from the polynomial hazard function) to obtain a mathematical description or classification of the dispersion characteristics of the data.

The set of computer programs used in this analysis provides multiple rolling–band, shrinking–band and progressive–band analyses of an account. Observation bands are defined in terms of a "retirement era" that restricts the analysis to the retirement activity of all vintages represented by survivors at the beginning of a selected era. In a rolling–band analysis, a year of retirement experience is added to each successive retirement band and the earliest year from the preceding band is dropped. A shrinking–band analysis begins with the total retirement experience available and the earliest year from the preceding band is dropped for each successive band. A progressive–band analysis adds a year of retirement activity to a previous band without dropping earlier years from the analysis. Rolling, shrinking and progressive band analyses are used to detect the emergence of trends in the behavior of the dispersion and projection life.

Options available in the actuarial life analysis program include: the width and location of both placement and observation bands; the interval of years included in a selected band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated. The program also provides tabular and graphics output as an aid in the analysis.

While actuarial and semi–actuarial statistical methods are well suited to an analysis of plant categories containing a large number of homogeneous units (*e.g.*, meters and services), retirement dispersion is also exhibited in plant categories composed of major items of plant that will most likely be retired as a single unit. Property units retired from an integrated system prior to the retirement of the entire facility are viewed as "interim" retirements that will be replaced in order to maintain the integrity of the system. Plant facilities may also be added to the existing system (*i.e.*, interim additions) in order to expand or enhance its productive capacity without extending the service life of the existing system. A proper depreciation rate can be developed for an integrated system using a life–span method with interim retirements described by an appropriate survivor curve. All plant accounts classified in Steam, Nuclear and Other Production were identified by unit and treated as life–span categories in the 2019 study.

NET SALVAGE ANALYSIS

Depreciation rates designed to achieve the goals and objectives of depreciation accounting will include a parameter for future net salvage and a variable for average net salvage reflecting both realized and future net salvage rates.

A. TRADITIONAL METHOD (STRAIGHT–LINE)

Estimates of net salvage rates applicable to future retirements are most often derived from an analysis of gross salvage and cost of removal realized in the past. An analysis of past experience (including an examination of trends over time) provides a reasonable basis for estimating future salvage and cost of removal. However, consideration should also be given to events that may cause deviations from net salvage realized in the past. Among the factors that should be considered are: the age of plant retirements; the portion of retirements likely to be reused; changes in the method of removing plant; the type of plant to be retired in the future; inflation expectations; the shape of the projection life curve; and economic conditions that may warrant greater or lesser weight to be given to net salvage rates observed in the past.

Average net salvage rates for an account or plant function are derived from a direct dollar weighting of a) historical retirements with historical (or realized) net salvage rates and b) future retirements *(i.e.*, surviving plant) with the estimated future net salvage rate. Average net salvage rates will change, therefore, as additional years of retirement and net salvage activity become available and as subsequent plant additions alter the weighting of future net salvage estimates.

Independent contractors were retained by APS between 2013 and 2015 to develop cost estimates for the demolition and abatement of steam and other production units. Costs estimated for dismantling these units were used in the current depreciation study to formulate average and future net salvage rates. Statement G provides a computation of terminal dismantlement costs used in Statement F to derive future net salvage rates for these production facilities.[2]

Special consideration should also be given to the treatment of insurance proceeds and other forms of third–party reimbursements credited to the depreciation reserve. A properly conducted net salvage study will exclude such activity from the

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[2]The firm of Burns & McDonnell was retained in 2013 to conduct a decommissioning cost study of generation assets located at Cholla, Ocotillo and Saguaro. The firm was retained in 2014 to conduct a decommissioning cost evaluation for Foothills Solar Plant and in 2015 to conduct a cost evaluation for Luke Solar Plant and Desert Star Solar Plant.

Shaw Environmental Inc. was retained by Arizona Public Service Company to estimate demolition costs in 2015 dollars for the Four Corners Generating Station of which APS holds 63 percent ownership interest in Units 4 and 5, and 63 percent ownership of Common Facilities.

estimate of future parameters and include the activity in the computation of realized and average net salvage rates.

A five–year moving average analysis of the ratio of realized salvage and removal expense to the associated retirements was used in the 2019 study for transmission, distribution and general plant categories to: a) estimate a realized net salvage rate; b) detect the emergence of historical trends; and c) establish a basis for estimating a future net salvage rate. Cost of removal and salvage opinions obtained from Company personnel were blended with judgment and historical net salvage indications in developing estimates of the future.

Average net salvage rates for all depreciable plant accounts were estimated using direct dollar weighting of historical retirements with the historical net salvage rate, and future retirements (*i.e.*, surviving plant) with the estimated future net salvage rate. The computation of estimated average net salvage rates is shown in Statement E.

B. SFAS 143 METHOD

The SFAS 143 method of accruing for net savage was modeled in the current study by first estimating the present value of non–legal asset retirement obligations (AROs). Present values were derived by discounting the product of future retirements and future net salvage rates estimated in the traditional net salvage analysis.[3] Future retirements for each vintage were derived from an application of survivor ratios to the age distributions of surviving plant at December 31, 2018. Survivor ratios were derived from the projection lives and curves estimated in the statistical life analysis. The present value of the non–legal AROs was accreted and added to straight–line, whole–life accruals of estimated asset retirement costs (ARCs) to obtain a total accrual for net salvage.

ARC investments were derived by discounting the present value of estimated AROs to the installation date of each vintage. ARC reserves were obtained by multiplying derived ARCs by the compliment of theoretical net book ratios (*i.e.* the ratio of remaining life to average service life). Cumulative accretion was derived as the difference between estimated AROs and ARCs. The sum of ARC reserves and cumulative accretion is the theoretical net salvage reserve. Theoretical investment reserves were obtained by multiplying plant in service by the compliment of theoretical net book ratios.

[3] A discount rate of 3.78 percent was used in the analysis.

DEPRECIATION RESERVE ANALYSIS

The purpose of a depreciation reserve analysis is to compare the current level of recorded reserves with the level required to achieve the goals or objectives of depreciation accounting if the amount and timing of future retirements and net salvage are realized as predicted. The difference between a required (or theoretical) depreciation reserve and a recorded reserve provides a measurement of the expected excess or shortfall that will remain in the depreciation reserve if corrective action is not taken to eliminate the reserve imbalance.

Unlike a recorded reserve which represents the net amount of depreciation expense charged to previous periods of operations, a theoretical reserve is a measure of the implied reserve requirement at the beginning of a study year if the timing of future retirements and net salvage is in exact conformance with a survivor curve chosen to predict the probable life of property still exposed to the forces of retirement. Stated differently, a theoretical depreciation reserve is the difference between the recorded cost of plant presently in service and the sum of depreciation expense and net salvage that will be charged in the future if retirements are distributed over time according to a specified retirement frequency distribution.

Survivor curves used in the calculation of theoretical depreciation reserves are intended to describe forces of retirement that will be operative in the future. However, retirements caused by forces such as accidents, physical deterioration and changing technology seldom, if ever, remain stable over time. It is unlikely, therefore, that a probability or retirement frequency distribution can be identified that will accurately describe the age of plant retirements over the complete life cycle of a vintage. It is for this reason that depreciation rates should be reviewed periodically and adjusted for observed or expected changes in the parameters chosen to describe the underlying forces of mortality.

Although reserve records are commonly maintained by various account classifications, the sum of all reserves is the most important indicator of the adequacy (or inadequacy) of recorded depreciation reserves. If statistical life studies have not been conducted or retirement dispersion has been ignored in setting depreciation rates, it is likely that some accounts will be over–depreciated and other accounts will be under–depreciated relative to a calculated theoretical reserve. Differences between theoretical and recorded reserves will also arise as a normal occurrence when service lives, dispersion patterns and net salvage estimates are adjusted in the course of depreciation reviews. Differences can also arise from plant accounting activity such as transfers and adjustments that may require an identification of reserves at a level lower than maintained in the accounting system. It is appropriate, therefore, and consistent with group depreciation theory to periodically redistribute or rebalance recorded reserves among the various primary accounts based

upon the most recent estimates of retirement dispersion and net salvage rates.

It is the opinion of Foster Associates that a redistribution of recorded reserves is again appropriate for APS. Offsetting reserve imbalances (attributable to both the passage of time and parameter adjustments recommended in the current study) should be realigned among primary accounts to reduce offsetting imbalances and increase depreciation rate stability.

A redistribution of the recorded reserve for depreciable plant categories was achieved by multiplying the calculated reserve for each primary account within a function (or plant location) by the ratio of the function (or location) total recorded reserves (net of amortizable accounts) to the function (or location) total calculated reserve. The sum of the redistributed reserves within a function (or location) is, therefore, equal to the function (or location) total recorded depreciation reserve before the redistribution. Depreciation reserves for amortizable categories were redistributed by setting the recorded reserves for the proposed amortization accounts equal to the theoretical reserves derived from the proposed amortization periods and distributing the residual imbalances to the remaining depreciable accounts within the appropriate function.

Table 4 below contains a summary of recorded and computed reserves at December 31, 2018 for the alternative methods of accruing for net salvage considered in this study.

		Recorded Reserve		Computed Reserve		
Method	Plant	Amount	Ratio	Amount	Ratio	Imbalance
A	B	C	D=C/B	E	F=E/B	G=C-E
Straight-Line	$15,618,730,997	$5,443,951,822	34.86%	$4,953,753,056	31.72%	$490,198,766
SFAS 143	15,618,730,997	5,443,951,822	34.86%	4,850,479,818	31.06%	593,472,004

Table 4. Recorded and Computed Reserves (December 31, 2018)

With the exception of Palo Verde, a proportionate amount of the measured reserve imbalances (Column G) would be amortized over the composite weighted–average remaining life of each rate category using the remaining–life depreciation rates developed for each alternative. Consistent with the settlement agreement in Docket No. E–01345A–16–0036 et al., measured reserve imbalances for Palo Verde are amortized over a period of nine years in the current study. A comparison of recorded, computed and redistributed reserves for each of the alternative methods of accruing for net salvage is contained in Section IV, Statement C.

DEVELOPMENT OF ACCRUAL RATES

The goal or objective of depreciation accounting is cost allocation over the economic life of an asset in proportion to the consumption of service potential. Ideally, the cost of an asset—which represents the cost of obtaining a bundle of service

units—should be allocated to future periods of operation in proportion to the amount of service potential expended during an accounting interval. The service potential of an asset is the present value of future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other non–cash expenses) or cash inflows attributable to the use of that asset alone.

Cost allocation in proportion to the consumption of service potential is often approximated by the use of depreciation methods employing time rather than net revenue as the apportionment base. Examples of time–based methods include sinking–fund, straight–line, declining balance, and sum–of–the–years' digits. The advantage of using a time–based method is that it does not require an estimate of the remaining amount of service capacity an asset will provide or the amount of capacity actually consumed during an accounting interval. Using a time–based allocation method, however, does not change the goal of depreciation accounting. If it is reasonable to predict that the net revenue pattern of an asset will either decrease or increase over time, then an accelerated or decelerated time–based method should be used to approximate the rate at which service potential is actually consumed.

The time period over which the cost of an asset will be allocated to operations is determined by the combination of a procedure and a technique. A depreciation procedure describes the level of grouping or sub–grouping of assets within a plant category. The broad group, vintage group, equal–life group, and item (or unit) are a few of the more widely used procedures. A depreciation technique describes the life statistic used in a depreciation system. Whole life and remaining life (or expectancy) are the most common techniques.

Depreciation rates recommended in the 2019 study were developed using the currently approved system composed of the straight–line method, vintage group procedure and remaining–life technique. This formulation of the accrual rate is equivalent to a straight–line method, vintage group procedure and whole–life technique with amortization of reserve imbalances over the estimated remaining life of each rate category. It is the opinion of Foster Associates that this system will remain appropriate for APS, provided depreciation studies are conducted periodically and parameters are routinely adjusted to reflect changing operating conditions. Although the emergence of economic factors such as restructuring and performance based regulation may ultimately encourage abandonment of the straight–line method, no attempt was made in the current study to address this concern.

It is also the opinion of Foster Associates that amortization accounting currently approved for selected general support asset accounts is consistent with the goals and objectives of depreciation accounting and remains appropriate for APS.

The treatment of amortization accounts in the current study was designed to produce annualized accruals equivalent to applying a rate equal to the reciprocal of an amortization period to plant balances after 2019 retirements have been recorded. Amortization rates shown in Statement A (Column G) have been applied to year–end 2018 plant balances to derive 2019 annualized accruals. Applying a reciprocally–derived rate to plant balances prior to posting retirements would overstate 2019 annualized amortization expense.

The SFAS 143 treatment of accruing for net salvage is formulated as the sum of straight–line accruals for asset retirement costs and accretion of asset retirement obligations using the vintage group procedure, remaining–life technique. The investment portion of depreciation accruals is derived using the straight–line method, vintage group procedure, remaining–life technique.

The computation of a SFAS 143 formulation of accrual rates for net salvage is shown in Statement D. Future net salvage rates (Sf) that could be used in a straight–line, remaining–life formulation of depreciation rates to produce rates equivalent to the sum of investment and net salvage accrual rates shown in Statement A are presented in Statement E, Column M.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annual depreciation accruals, recorded, computed and redistributed depreciation reserves, and current and proposed service life and net salvage parameters recommended for a) steam and other production assets; b) nuclear assets; and c) electric transmission, distribution and general plant categories. The content of the statements developed for the straight–line method of accruing for net salvage is briefly described below:

- Statement A provides a comparative summary of current and proposed annual depreciation rates using the vintage group procedure, remaining–life technique.
- Statement B provides a comparison of current and proposed annualized 2019 depreciation accruals based upon the depreciation rates contained in Statement A.
- Statement C provides a comparison of recorded, computed and redistributed reserves for each rate category at December 31, 2018.
- Statement D provides a summary of the investment and net salvage components of rebalanced reserves.
- Statement E provides a summary of the components used to obtain weighted average net salvage rates.
- Statement F provides a computation of the estimated future net salvage rate for steam production facilities.
- Statement G contains the computation of terminal dismantlement costs for steam production facilities.
- Statement H provides a comparative summary of current and proposed parameters and statistics including projection life, projection curve, average service life, average remaining life, and average and future net salvage rates.

Current depreciation accruals shown on Statement B are the product of the plant investment (Column B) and current depreciation rates shown on Statement A. These are the effective rates used by the Company for the mix of investments recorded on December 31, 2018. Similarly, proposed depreciation accruals shown on Statements B are the product of the plant investment and proposed depreciation rates shown on Statement A. Proposed remaining life accrual rates (Statement A) are given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}.$$

This formulation of a remaining–life accrual rate is equivalent to

$$\text{Accrual Rate} = \frac{1.0 - \text{Average Net Salvage}}{\text{Average Life}} + \frac{\text{Computed Reserve} - \text{Recorded Reserve}}{\text{Remaining Life}}$$

where Average Net Salvage, Computed Reserve and Recorded Reserve are expressed in percent.

Statements developed for the SFAS 143 method of accruing for net salvage are described as follows:

- Statement A provides a comparative summary of current and SFAS 143 annual depreciation rates using the vintage group procedure, remaining–life technique.
- Statement B provides a comparison of current and SFAS 143 annualized 2019 depreciation accruals based upon the depreciation rates contained in Statement A.
- Statement C provides a comparison of recorded, computed and redistributed reserves for each rate category at December 31, 2018.
- Statement D provides the derivation of SFAS 143 net salvage accrual rates.
- Statement E provides a comparative summary of current and SFAS 143 parameters and statistics used in the formulation of depreciation rates.

Straight–Line

Statements A through H

ARIZONA PUBLIC SERVICE COMPANY Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
STEAM PRODUCTION						
311.00 Structures and Improvements	5.01%	0.39%	5.40%	5.77%	0.44%	6.21%
312.00 Boiler Plant Equipment	2.90%	0.33%	3.23%	4.41%	0.44%	4.85%
314.00 Turbogenerator Units	3.63%	0.36%	3.99%	4.86%	0.47%	5.33%
315.00 Accessory Electric Equipment	4.26%	0.41%	4.67%	4.91%	0.40%	5.31%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.43%	4.23%	4.58%	0.40%	4.98%
Total Steam Production Plant	3.24%	0.35%	3.59%	4.58%	0.44%	5.02%
NUCLEAR PRODUCTION						
321.00 Structures and Improvements	0.98%	0.01%	0.99%	1.14%	0.01%	1.15%
322.00 Reactor Plant Equipment	0.76%	0.06%	0.82%	0.71%	0.07%	0.78%
323.00 Turbogenerator Units	0.89%	0.03%	0.92%	1.03%		1.03%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.40%	0.42%	0.01%	0.43%
325.00 Miscellaneous Power Plant Equipment	1.39%	0.05%	1.44%	1.66%	0.04%	1.70%
Total Nuclear Production Plant	0.86%	0.04%	0.90%	0.92%	0.04%	0.96%
OTHER PRODUCTION						
341.00 Structures and Improvements	3.53%	0.25%	3.78%	3.88%	0.37%	4.25%
342.00 Fuel Holders, Products and Accessories	3.60%	0.18%	3.78%	3.91%	0.21%	4.12%
343.00 Prime Movers	3.29%	0.15%	3.44%	3.57%	0.23%	3.80%
344.00 Generators and Devices	3.70%	0.07%	3.77%	3.86%	0.14%	4.00%
345.00 Accessory Electric Equipment	3.74%	0.23%	3.97%	3.94%	0.31%	4.25%
346.00 Miscellaneous Power Plant Equipment	3.95%	0.20%	4.15%	4.61%	0.27%	4.88%
Total Other Production Plant	3.62%	0.11%	3.73%	3.82%	0.18%	4.00%
TRANSMISSION PLANT						
352.02 Structures and Improvements	2.51%		2.51%	2.66%		2.66%
353.00 Station Equipment	1.91%	0.09%	2.00%	1.92%	0.09%	2.01%
354.00 Towers and Fixtures	1.78%		1.78%	1.80%		1.80%
355.00 Poles and Fixtures	1.85%	0.37%	2.22%	1.86%	0.37%	2.23%
356.00 Overhead Conductors and Devices	1.74%	0.33%	2.07%	1.76%	0.33%	2.09%
Total Transmission Plant	1.91%	0.10%	2.01%	1.92%	0.09%	2.01%
DISTRIBUTION PLANT						
361.00 Structures and Improvements	1.58%	0.08%	1.66%	1.62%	0.16%	1.78%
362.00 Station Equipment	2.20%	0.08%	2.28%	2.16%	0.09%	2.25%
363.00 Storage Battery Equipment	8.79%		8.79%	9.81%	0.25%	10.06%
364.01 Poles, Towers and Fixtures - Wood	2.10%	0.19%	2.29%	2.16%	0.43%	2.59%
364.02 Poles, Towers and Fixtures - Steel	1.95%	0.19%	2.14%	1.97%	0.19%	2.16%
365.00 Overhead Conductors and Devices	1.92%	0.20%	2.12%	1.96%	0.40%	2.36%
366.00 Underground Conduit	1.57%	0.17%	1.74%	1.61%	0.25%	1.86%
367.00 Underground Conductors and Devices	2.34%	0.20%	2.54%	2.41%	0.33%	2.74%
368.00 Line Transformers	1.70%	0.06%	1.76%	1.75%	0.07%	1.82%
369.00 Services	1.68%	0.33%	2.01%	1.74%	0.35%	2.09%
370.01 Meters - Electronic	5.52%	-0.03%	5.49%	5.96%	-0.03%	5.93%
370.03 Meters - AMI	4.84%		4.84%	6.22%		6.22%
371.00 Installations on Customers' Premises	2.11%	0.31%	2.42%	2.15%	0.31%	2.46%
373.00 Street Lighting and Signal Systems	1.72%	0.18%	1.90%	1.77%	0.24%	2.01%
Total Distribution Plant	2.15%	0.16%	2.31%	2.27%	0.24%	2.51%
GENERAL PLANT						
Depreciable						
390.00 Structures and Improvements	2.52%	0.17%	2.69%	2.50%	0.27%	2.77%
391.CM Office Furn. and Equip. - Computer	12.86%	0.02%	12.88%	12.15%	0.06%	12.21%
397.00 Communication Equipment	4.83%		4.83%	4.72%	0.02%	4.74%
Total Depreciable	6.50%	0.06%	6.56%	6.24%	0.11%	6.35%

ARIZONA PUBLIC SERVICE COMPANY Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Amortizable						
391.FE Office Furn. and Equip. - Furniture	← 20 Year Amortization →			← 20 Year Amortization →		
393.00 Stores Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
394.00 Tools, Shop and Garage Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
395.00 Laboratory Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
398.00 Miscellaneous Equipment	← 24 Year Amortization →			← 24 Year Amortization →		
Total Amortizable	4.84%		4.84%	4.84%		4.84%
Total General Plant	6.26%	0.05%	6.31%	6.04%	0.10%	6.14%
TOTAL UTILITY	2.60%	0.14%	2.74%	2.86%	0.21%	3.07%
STEAM PRODUCTION (by Unit)						
Cholla						
311.00 Structures and Improvements	7.05%	0.50%	7.55%	8.11%	0.63%	8.74%
312.00 Boiler Plant Equipment	7.01%	0.58%	7.59%	7.97%	0.64%	8.61%
314.00 Turbogenerator Units	6.63%	0.45%	7.08%	7.39%	0.50%	7.89%
315.00 Accessory Electric Equipment	6.12%	0.44%	6.56%	6.99%	0.50%	7.49%
316.00 Miscellaneous Power Plant Equipment	7.29%	0.55%	7.84%	8.51%	0.63%	9.14%
Total Cholla	6.90%	0.54%	7.44%	7.85%	0.61%	8.46%
Cholla Unit 1						
311.00 Structures and Improvements	5.36%	0.44%	5.80%	5.79%	0.47%	6.26%
312.00 Boiler Plant Equipment	6.04%	0.65%	6.69%	6.67%	0.71%	7.38%
314.00 Turbogenerator Units	6.37%	0.58%	6.95%	6.85%	0.62%	7.47%
315.00 Accessory Electric Equipment	5.48%	0.48%	5.96%	5.91%	0.51%	6.42%
316.00 Miscellaneous Power Plant Equipment	5.15%	0.45%	5.60%	6.73%	0.56%	7.29%
Total Cholla Unit 1	6.02%	0.61%	6.63%	6.62%	0.66%	7.28%
Cholla Unit 3						
311.00 Structures and Improvements	7.02%	0.46%	7.48%	7.94%	0.52%	8.46%
312.00 Boiler Plant Equipment	7.28%	0.55%	7.83%	8.33%	0.61%	8.94%
314.00 Turbogenerator Units	6.72%	0.39%	7.11%	7.63%	0.44%	8.07%
315.00 Accessory Electric Equipment	5.99%	0.42%	6.41%	6.79%	0.48%	7.27%
316.00 Miscellaneous Power Plant Equipment	7.24%	0.52%	7.76%	8.37%	0.62%	8.99%
Total Cholla Unit 3	7.05%	0.51%	7.56%	8.05%	0.57%	8.62%
Cholla Common						
311.00 Structures and Improvements	7.19%	0.52%	7.71%	8.33%	0.67%	9.00%
312.00 Boiler Plant Equipment	7.27%	0.60%	7.87%	8.32%	0.67%	8.99%
314.00 Turbogenerator Units	8.50%	0.63%	9.13%	8.30%	0.59%	8.89%
315.00 Accessory Electric Equipment	7.29%	0.47%	7.76%	8.92%	0.58%	9.50%
316.00 Miscellaneous Power Plant Equipment	7.89%	0.59%	8.48%	9.06%	0.66%	9.72%
Total Cholla Common	7.31%	0.56%	7.87%	8.43%	0.67%	9.10%
Four Corners						
311.00 Structures and Improvements	2.52%	0.25%	2.77%	2.92%	0.19%	3.11%
312.00 Boiler Plant Equipment	1.47%	0.25%	1.72%	3.16%	0.37%	3.53%
314.00 Turbogenerator Units	1.59%	0.30%	1.89%	3.14%	0.44%	3.58%
315.00 Accessory Electric Equipment	2.72%	0.39%	3.11%	3.19%	0.32%	3.51%
316.00 Miscellaneous Power Plant Equipment	2.36%	0.38%	2.74%	2.96%	0.31%	3.27%
Total Four Corners	1.62%	0.26%	1.88%	3.14%	0.37%	3.51%
Four Corners Units 4-5						
311.00 Structures and Improvements	1.75%	0.31%	2.06%	2.05%	0.19%	2.24%
312.00 Boiler Plant Equipment	1.40%	0.24%	1.64%	3.14%	0.37%	3.51%
314.00 Turbogenerator Units	1.55%	0.30%	1.85%	3.13%	0.45%	3.58%
315.00 Accessory Electric Equipment	2.12%	0.41%	2.53%	2.60%	0.32%	2.92%
316.00 Miscellaneous Power Plant Equipment	2.02%	0.40%	2.42%	2.50%	0.28%	2.78%
Total Four Corners Units 4-5	1.47%	0.26%	1.73%	3.07%	0.37%	3.44%

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Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Four Corners Common						
311.00 Structures and Improvements	3.81%	0.16%	3.97%	4.36%	0.18%	4.54%
312.00 Boiler Plant Equipment	3.44%	0.44%	3.88%	3.78%	0.38%	4.16%
314.00 Turbogenerator Units	2.87%	0.27%	3.14%	3.45%	0.25%	3.70%
315.00 Accessory Electric Equipment	3.93%	0.36%	4.29%	4.38%	0.33%	4.71%
316.00 Miscellaneous Power Plant Equipment	3.03%	0.34%	3.37%	3.87%	0.37%	4.24%
Total Four Corners Common	3.52%	0.34%	3.86%	4.03%	0.32%	4.35%
NUCLEAR PRODUCTION (by Unit)						
Palo Verde						
321.00 Structures and Improvements	0.98%	0.01%	0.99%	1.85%	-0.70%	1.15%
322.00 Reactor Plant Equipment	0.76%	0.06%	0.82%	0.71%	0.07%	0.78%
323.00 Turbogenerator Units	0.89%	0.03%	0.92%	1.03%		1.03%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.40%	0.42%	0.01%	0.43%
325.00 Miscellaneous Power Plant Equipment	1.39%	0.05%	1.44%	1.66%	0.04%	1.70%
Total Palo Verde	0.86%	0.04%	0.90%	0.92%	0.04%	0.96%
Palo Verde Unit 1						
321.00 Structures and Improvements	0.18%		0.18%	0.30%	0.01%	0.31%
322.00 Reactor Plant Equipment	0.60%	0.01%	0.61%	0.56%	0.02%	0.58%
323.00 Turbogenerator Units	0.79%	0.05%	0.84%	0.98%	0.08%	1.06%
324.00 Accessory Electric Equipment	0.19%		0.19%	0.23%	0.01%	0.24%
325.00 Miscellaneous Power Plant Equipment	0.40%	0.04%	0.44%	0.56%	0.03%	0.59%
Total Palo Verde Unit 1	0.49%	0.01%	0.50%	0.53%	0.03%	0.56%
Palo Verde Unit 2						
321.00 Structures and Improvements	0.37%		0.37%	0.33%	0.01%	0.34%
322.00 Reactor Plant Equipment	0.96%	0.06%	1.02%	0.88%	0.06%	0.94%
323.00 Turbogenerator Units	1.11%	0.03%	1.14%	1.10%	0.05%	1.15%
324.00 Accessory Electric Equipment	0.47%	0.01%	0.48%	0.45%	0.01%	0.46%
325.00 Miscellaneous Power Plant Equipment	0.69%	0.03%	0.72%	0.60%	0.03%	0.63%
Total Palo Verde Unit 2	0.81%	0.04%	0.85%	0.76%	0.04%	0.80%
Palo Verde Unit 3						
321.00 Structures and Improvements	0.29%		0.29%	0.22%		0.22%
322.00 Reactor Plant Equipment	0.81%	0.09%	0.90%	0.72%	0.10%	0.82%
323.00 Turbogenerator Units	0.81%	0.01%	0.82%	0.98%	-0.09%	0.89%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.40%	0.36%	0.02%	0.38%
325.00 Miscellaneous Power Plant Equipment	0.55%	0.04%	0.59%	0.50%	0.04%	0.54%
Total Palo Verde Unit 3	0.66%	0.05%	0.71%	0.63%	0.03%	0.66%
Palo Verde Water Reclamation						
321.00 Structures and Improvements	2.05%	0.03%	2.08%	2.35%	0.02%	2.37%
322.00 Reactor Plant Equipment	2.92%	0.04%	2.96%	3.04%	0.04%	3.08%
323.00 Turbogenerator Units	1.43%	0.17%	1.60%	1.67%	0.14%	1.81%
324.00 Accessory Electric Equipment						
325.00 Miscellaneous Power Plant Equipment	2.19%	0.01%	2.20%	2.67%	3.63%	6.30%
Total Palo Verde Water Reclamation	2.05%	0.03%	2.08%	2.35%	0.02%	2.37%
Palo Verde Common						
321.00 Structures and Improvements	1.31%	0.02%	1.33%	1.61%	0.03%	1.64%
322.00 Reactor Plant Equipment	0.98%	0.42%	1.40%	1.30%	0.45%	1.75%
323.00 Turbogenerator Units	2.31%	0.24%	2.55%	2.42%	0.17%	2.59%
324.00 Accessory Electric Equipment	1.08%	0.01%	1.09%	1.39%	0.02%	1.41%
325.00 Miscellaneous Power Plant Equipment	1.94%	0.06%	2.00%	2.37%	0.04%	2.41%
Total Palo Verde Common	1.50%	0.07%	1.57%	1.85%	0.07%	1.92%

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Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
OTHER PRODUCTION						
Combined Cycle						
341.00 Structures and Improvements	4.00%	0.20%	4.20%	3.78%	0.21%	3.99%
342.00 Fuel Holders, Products and Accessories	4.37%	0.23%	4.60%	4.13%	0.22%	4.35%
343.00 Prime Movers	3.97%	0.26%	4.23%	3.81%	0.21%	4.02%
344.00 Generators and Devices	4.33%	-0.11%	4.22%	4.58%	-0.04%	4.54%
345.00 Accessory Electric Equipment	3.97%	0.19%	4.16%	4.86%	0.32%	5.18%
346.00 Miscellaneous Power Plant Equipment	4.41%	0.20%	4.61%	4.89%	0.30%	5.19%
Total Combined Cycle	3.99%	0.05%	4.04%	4.37%	0.07%	4.44%
Redhawk CC Units 1-2						
341.00 Structures and Improvements	4.00%	0.20%	4.20%	4.10%	0.20%	4.30%
342.00 Fuel Holders, Products and Accessories	4.37%	0.23%	4.60%	4.64%	0.27%	4.91%
343.00 Prime Movers	3.97%	0.26%	4.23%	4.09%	0.28%	4.37%
344.00 Generators and Devices	4.33%	-0.11%	4.22%	4.69%	-0.18%	4.51%
345.00 Accessory Electric Equipment	3.97%	0.19%	4.16%	4.32%	0.33%	4.65%
346.00 Miscellaneous Power Plant Equipment	4.41%	0.20%	4.61%	4.61%	0.20%	4.81%
Total Redhawk CC Units 1-2	4.22%	0.01%	4.23%	4.51%	-0.02%	4.49%
West Phoenix						
341.00 Structures and Improvements	2.90%	0.21%	3.11%	3.59%	0.21%	3.80%
342.00 Fuel Holders, Products and Accessories	3.76%	0.19%	3.95%	3.91%	0.20%	4.11%
343.00 Prime Movers	3.42%	0.14%	3.56%	3.56%	0.14%	3.70%
344.00 Generators and Devices	3.86%	0.02%	3.88%	4.46%	0.11%	4.57%
345.00 Accessory Electric Equipment	4.66%	0.30%	4.96%	5.19%	0.32%	5.51%
346.00 Miscellaneous Power Plant Equipment	4.55%	0.23%	4.78%	5.04%	0.33%	5.37%
Total West Phoenix	3.77%	0.09%	3.86%	4.24%	0.15%	4.39%
West Phoenix CC Units 1-3						
341.00 Structures and Improvements	4.03%	0.19%	4.22%	4.21%	0.21%	4.42%
342.00 Fuel Holders, Products and Accessories	3.94%	0.20%	4.14%	3.75%	0.19%	3.94%
343.00 Prime Movers						
344.00 Generators and Devices	4.00%	0.14%	4.14%	4.97%	0.24%	5.21%
345.00 Accessory Electric Equipment	5.21%	0.35%	5.56%	5.81%	0.37%	6.18%
346.00 Miscellaneous Power Plant Equipment	4.82%	0.23%	5.05%	5.46%	0.41%	5.87%
Total West Phoenix CC Units 1-3	4.23%	0.19%	4.42%	4.99%	0.26%	5.25%
West Phoenix CC Unit 4						
341.00 Structures and Improvements	3.30%	0.17%	3.47%	4.12%	0.21%	4.33%
342.00 Fuel Holders, Products and Accessories	3.21%	0.16%	3.37%	3.32%	0.17%	3.49%
343.00 Prime Movers	3.21%	0.02%	3.23%	3.25%	0.01%	3.26%
344.00 Generators and Devices	3.80%	0.18%	3.98%	3.87%	0.18%	4.05%
345.00 Accessory Electric Equipment	4.00%	0.20%	4.20%	4.34%	0.22%	4.56%
346.00 Miscellaneous Power Plant Equipment	4.50%	0.22%	4.72%	4.77%	0.20%	4.97%
Total West Phoenix CC Unit 4	3.40%	0.09%	3.49%	3.52%	0.08%	3.60%
West Phoenix CC Unit 5						
341.00 Structures and Improvements	3.48%	0.18%	3.66%	3.74%	0.17%	3.91%
342.00 Fuel Holders, Products and Accessories	3.21%	0.16%	3.37%	6.37%	0.32%	6.69%
343.00 Prime Movers	3.53%	0.20%	3.73%	3.72%	0.22%	3.94%
344.00 Generators and Devices	3.76%	-0.09%	3.67%	4.17%	0.01%	4.18%
345.00 Accessory Electric Equipment	3.52%	0.19%	3.71%	3.91%	0.21%	4.12%
346.00 Miscellaneous Power Plant Equipment	4.12%	0.22%	4.34%	4.38%	0.24%	4.62%
Total West Phoenix CC Unit 5	3.67%	0.03%	3.70%	4.03%	0.09%	4.12%

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Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
West Phoenix Common						
341.00 Structures and Improvements	2.44%	0.24%	2.68%	3.32%	0.24%	3.56%
342.00 Fuel Holders, Products and Accessories						
343.00 Prime Movers						
344.00 Generators and Devices						
345.00 Accessory Electric Equipment						
346.00 Miscellaneous Power Plant Equipment						
Total West Phoenix Common	2.44%	0.24%	2.68%	3.32%	0.24%	3.56%
Combustion Turbine						
341.00 Structures and Improvements	4.00%	0.20%	4.20%	4.57%	0.52%	5.09%
342.00 Fuel Holders, Products and Accessories	4.37%	0.23%	4.60%	3.30%	0.01%	3.31%
343.00 Prime Movers	3.97%	0.26%	4.23%	3.40%	0.14%	3.54%
344.00 Generators and Devices	4.33%	-0.11%	4.22%	3.42%	0.15%	3.57%
345.00 Accessory Electric Equipment	3.97%	0.19%	4.16%	3.39%	0.04%	3.43%
346.00 Miscellaneous Power Plant Equipment	4.41%	0.20%	4.61%	4.30%	0.10%	4.40%
Total Combustion Turbine	3.27%	0.08%	3.35%	3.45%	0.21%	3.66%
Douglas CT						
341.00 Structures and Improvements	16.13%	0.81%	16.94%	9.06%	0.46%	9.52%
342.00 Fuel Holders, Products and Accessories	24.09%	1.08%	25.17%	9.19%	0.46%	9.65%
343.00 Prime Movers	11.37%	-9.17%	2.20%	8.99%	0.30%	9.29%
344.00 Generators and Devices	18.97%	0.95%	19.92%	9.11%	0.45%	9.56%
345.00 Accessory Electric Equipment	23.54%	1.09%	24.63%	9.08%	0.45%	9.53%
346.00 Miscellaneous Power Plant Equipment	24.08%	1.28%	25.36%	9.19%	0.46%	9.65%
Total Douglas CT	14.46%	-5.82%	8.64%	9.03%	0.35%	9.38%
Ocotillo						
341.00 Structures and Improvements	5.50%	0.48%	5.98%	6.93%	1.44%	8.37%
342.00 Fuel Holders, Products and Accessories	3.72%	0.19%	3.91%	5.51%	0.28%	5.79%
343.00 Prime Movers	5.41%	0.70%	6.11%	6.23%	0.65%	6.88%
344.00 Generators and Devices	3.37%	0.01%	3.38%	3.26%	0.16%	3.42%
345.00 Accessory Electric Equipment	4.84%	0.27%	5.11%	5.60%	0.30%	5.90%
346.00 Miscellaneous Power Plant Equipment	4.18%	0.20%	4.38%	4.95%	0.24%	5.19%
Total Ocotillo	3.46%	0.04%	3.50%	3.41%	0.19%	3.60%
Ocotillo CT Units 1-2						
341.00 Structures and Improvements	5.50%	0.48%	5.98%	6.93%	1.44%	8.37%
342.00 Fuel Holders, Products and Accessories	3.72%	0.19%	3.91%	5.51%	0.28%	5.79%
343.00 Prime Movers	5.41%	0.70%	6.11%	6.23%	0.65%	6.88%
344.00 Generators and Devices	4.73%	0.25%	4.98%	5.88%	0.38%	6.26%
345.00 Accessory Electric Equipment	4.84%	0.27%	5.11%	5.60%	0.30%	5.90%
346.00 Miscellaneous Power Plant Equipment	4.18%	0.20%	4.38%	4.95%	0.24%	5.19%
Total Octillo CT Units 1-2	5.08%	0.48%	5.56%	6.07%	0.57%	6.64%
Ocotillo CT Units 3-7						
341.00 Structures and Improvements						
342.00 Fuel Holders, Products and Accessories						
343.00 Prime Movers						
344.00 Generators and Devices	3.33%		3.33%	3.19%	0.16%	3.35%
345.00 Accessory Electric Equipment						
346.00 Miscellaneous Power Plant Equipment						
Total Octillo CT Units 3-7	3.33%		3.33%	3.19%	0.16%	3.35%

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Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Saguaro						
341.00 Structures and Improvements	4.20%	0.41%	4.61%	5.14%	1.17%	6.31%
342.00 Fuel Holders, Products and Accessories	2.16%	0.13%	2.29%	3.39%	0.18%	3.57%
343.00 Prime Movers	4.09%	0.48%	4.57%	5.89%	0.58%	6.47%
344.00 Generators and Devices	2.90%	0.15%	3.05%	4.07%	0.21%	4.28%
345.00 Accessory Electric Equipment	4.02%	0.24%	4.26%	4.93%	0.27%	5.20%
346.00 Miscellaneous Power Plant Equipment	2.25%	0.11%	2.36%	3.58%	0.18%	3.76%
Total Saguaro	3.38%	0.27%	3.65%	4.73%	0.38%	5.11%
Saguaro CT Units 1-2						
341.00 Structures and Improvements	4.20%	0.41%	4.61%	5.14%	1.17%	6.31%
342.00 Fuel Holders, Products and Accessories	2.16%	0.13%	2.29%	3.39%	0.18%	3.57%
343.00 Prime Movers	4.10%	0.50%	4.60%	6.08%	0.62%	6.70%
344.00 Generators and Devices	2.72%	0.15%	2.87%	6.40%	0.32%	6.72%
345.00 Accessory Electric Equipment	4.12%	0.25%	4.37%	5.02%	0.28%	5.30%
346.00 Miscellaneous Power Plant Equipment	2.25%	0.11%	2.36%	3.58%	0.18%	3.76%
Total Saguaro CT Units 1-2	3.55%	0.34%	3.89%	5.89%	0.51%	6.40%
Saguaro CT Unit 3						
341.00 Structures and Improvements						
342.00 Fuel Holders, Products and Accessories						
343.00 Prime Movers	3.99%	0.20%	4.19%	3.77%	0.19%	3.96%
344.00 Generators and Devices	3.01%	0.15%	3.16%	2.63%	0.14%	2.77%
345.00 Accessory Electric Equipment	3.00%	0.16%	3.16%	3.98%	0.20%	4.18%
346.00 Miscellaneous Power Plant Equipment						
Total Saguaro CT Unit 3	3.08%	0.15%	3.23%	2.73%	0.15%	2.88%
Sundance Units 1-10						
341.00 Structures and Improvements	2.49%	0.23%	2.72%	2.77%	0.23%	3.00%
342.00 Fuel Holders, Products and Accessories	2.45%	0.12%	2.57%	2.63%	0.14%	2.77%
343.00 Prime Movers	2.34%	0.12%	2.46%	2.57%	0.14%	2.71%
344.00 Generators and Devices	4.45%	0.22%	4.67%	4.29%	0.22%	4.51%
345.00 Accessory Electric Equipment	2.41%	0.13%	2.54%	2.65%	0.15%	2.80%
346.00 Miscellaneous Power Plant Equipment	2.85%	0.15%	3.00%	4.42%	0.22%	4.64%
Total Sun Dance Units 1-10	2.46%	0.13%	2.59%	2.71%	0.15%	2.86%
West Phoenix CT Units 1-2						
341.00 Structures and Improvements	6.05%	0.46%	6.51%	6.87%	0.45%	7.32%
342.00 Fuel Holders, Products and Accessories	3.36%	0.17%	3.53%	4.78%	0.28%	5.06%
343.00 Prime Movers	5.03%	0.49%	5.52%	5.97%	0.48%	6.45%
344.00 Generators and Devices	4.80%	0.29%	5.09%	6.63%	0.37%	7.00%
345.00 Accessory Electric Equipment	2.61%	0.13%	2.74%	4.97%	0.22%	5.19%
346.00 Miscellaneous Power Plant Equipment	3.52%	0.26%	3.78%	4.87%	0.31%	5.18%
Total West Phoenix CT Units 1-2	4.86%	0.39%	5.25%	6.17%	0.42%	6.59%
Yucca						
341.00 Structures and Improvements	4.72%	0.29%	5.01%	5.37%	1.39%	6.76%
342.00 Fuel Holders, Products and Accessories	1.86%	0.10%	1.96%	2.55%	0.13%	2.68%
343.00 Prime Movers	2.98%	0.20%	3.18%	3.27%	0.22%	3.49%
344.00 Generators and Devices	3.36%	0.21%	3.57%	4.03%	0.27%	4.30%
345.00 Accessory Electric Equipment	2.94%	0.26%	3.20%	3.53%	0.27%	3.80%
346.00 Miscellaneous Power Plant Equipment	2.93%	0.15%	3.08%	3.70%	0.18%	3.88%
Total Yucca	3.06%	0.20%	3.26%	3.45%	0.29%	3.74%

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Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Yucca CT Units 1-4						
341.00 Structures and Improvements	4.99%	0.31%	5.30%	5.75%	1.62%	7.37%
342.00 Fuel Holders, Products and Accessories	1.42%	0.08%	1.50%	2.34%	0.12%	2.46%
343.00 Prime Movers	2.80%	0.44%	3.24%	4.02%	0.47%	4.49%
344.00 Generators and Devices	3.36%	0.21%	3.57%	4.04%	0.27%	4.31%
345.00 Accessory Electric Equipment	2.84%	0.27%	3.11%	3.54%	0.28%	3.82%
346.00 Miscellaneous Power Plant Equipment	2.38%	0.12%	2.50%	3.60%	0.18%	3.78%
Total Yucca CT Units 1-4	3.12%	0.29%	3.41%	4.05%	0.52%	4.57%
Yucca CT Units 5-6						
341.00 Structures and Improvements	3.29%	0.17%	3.46%	3.36%	0.17%	3.53%
342.00 Fuel Holders, Products and Accessories	3.01%	0.15%	3.16%	3.10%	0.16%	3.26%
343.00 Prime Movers	3.01%	0.15%	3.16%	3.13%	0.17%	3.30%
344.00 Generators and Devices	3.14%	0.16%	3.30%	3.45%	0.17%	3.62%
345.00 Accessory Electric Equipment	3.41%	0.23%	3.64%	3.51%	0.22%	3.73%
346.00 Miscellaneous Power Plant Equipment	3.70%	0.19%	3.89%	3.83%	0.20%	4.03%
Total Yucca CT Units 5-6	3.03%	0.15%	3.18%	3.15%	0.17%	3.32%
Solar Units						
341.00 Structures and Improvements	3.54%	0.25%	3.79%	3.48%	0.33%	3.81%
342.00 Fuel Holders, Products and Accessories						
343.00 Prime Movers						
344.00 Generators and Devices	3.57%	0.25%	3.82%	3.53%	0.33%	3.86%
345.00 Accessory Electric Equipment	3.54%	0.23%	3.77%	3.55%	0.35%	3.90%
346.00 Miscellaneous Power Plant Equipment	3.91%	0.35%	4.26%	3.47%	0.32%	3.79%
Total Solar Units	3.56%	0.25%	3.81%	3.53%	0.32%	3.85%
Chino Valley						
341.05 Structures and Improvements	3.53%	0.26%	3.79%	3.53%	0.27%	3.80%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.53%	0.26%	3.79%	3.53%	0.27%	3.80%
345.05 Accessory Electric Equipment	3.53%	0.26%	3.79%	3.53%	0.27%	3.80%
346.05 Miscellaneous Power Plant Equipment	3.53%	0.26%	3.79%	3.53%	0.27%	3.80%
Total Chino Valley	3.53%	0.26%	3.79%	3.53%	0.27%	3.80%
Cotton Center						
341.05 Structures and Improvements	3.52%	0.24%	3.76%	3.53%	0.24%	3.77%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.52%	0.24%	3.76%	3.55%	0.19%	3.74%
345.05 Accessory Electric Equipment	3.52%	0.24%	3.76%	3.53%	0.24%	3.77%
346.05 Miscellaneous Power Plant Equipment	3.52%	0.24%	3.76%	3.53%	0.24%	3.77%
Total Cotton Center	3.52%	0.24%	3.76%	3.55%	0.20%	3.75%
Desert Star						
341.05 Structures and Improvements	4.51%	0.52%	5.03%	3.43%	0.37%	3.80%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	4.51%	0.52%	5.03%	3.50%	-0.10%	3.40%
345.05 Accessory Electric Equipment	4.51%	0.52%	5.03%	3.43%	0.37%	3.80%
346.05 Miscellaneous Power Plant Equipment	4.51%	0.52%	5.03%	3.43%	0.37%	3.80%
Total Desert Star	4.51%	0.52%	5.03%	3.49%	-0.02%	3.47%

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Foothills Units						
341.05 Structures and Improvements	3.48%	0.30%	3.78%	3.49%	0.29%	3.78%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.48%	0.30%	3.78%	3.49%	0.29%	3.78%
345.05 Accessory Electric Equipment	3.48%	0.30%	3.78%	3.49%	0.29%	3.78%
346.05 Miscellaneous Power Plant Equipment	3.48%	0.30%	3.78%	3.49%	0.29%	3.78%
Total Foothills Units	3.48%	0.30%	3.78%	3.49%	0.29%	3.78%
Gila Bend						
341.05 Structures and Improvements	3.46%	0.36%	3.82%	3.45%	0.35%	3.80%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.46%	0.36%	3.82%	3.45%	0.35%	3.80%
345.05 Accessory Electric Equipment	3.46%	0.36%	3.82%	3.45%	0.35%	3.80%
346.05 Miscellaneous Power Plant Equipment	3.46%	0.36%	3.82%	3.45%	0.35%	3.80%
Total Gila Bend	3.46%	0.36%	3.82%	3.45%	0.35%	3.80%
Hyder						
341.05 Structures and Improvements	3.51%	0.16%	3.67%	3.51%	0.15%	3.66%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.50%	0.16%	3.66%	3.50%	0.15%	3.65%
345.05 Accessory Electric Equipment	3.48%	0.16%	3.64%	3.48%	0.15%	3.63%
346.05 Miscellaneous Power Plant Equipment	3.42%	0.15%	3.57%	3.41%	0.15%	3.56%
Total Hyder	3.50%	0.16%	3.66%	3.50%	0.15%	3.65%
Legacy						
341.00 Structures and Improvements	1.31%	0.03%	1.34%	-0.55%	0.02%	-0.53%
342.00 Fuel Holders, Products and Accessories						
343.00 Prime Movers						
344.00 Generators and Devices	3.44%	0.08%	3.52%	2.48%	0.07%	2.55%
345.00 Accessory Electric Equipment	4.23%	0.22%	4.45%	3.17%	0.14%	3.31%
346.00 Miscellaneous Power Plant Equipment						
Total Legacy	3.51%	0.10%	3.61%	2.51%	0.08%	2.59%
Luke AFB						
341.05 Structures and Improvements	4.51%	0.54%	5.05%	3.42%	0.44%	3.86%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	4.51%	0.54%	5.05%	3.42%	0.44%	3.86%
345.05 Accessory Electric Equipment	4.51%	0.54%	5.05%	3.42%	0.44%	3.86%
346.05 Miscellaneous Power Plant Equipment	4.51%	0.54%	5.05%	3.42%	0.44%	3.86%
Total Luke AFB	4.51%	0.54%	5.05%	3.42%	0.44%	3.86%
Paloma						
341.05 Structures and Improvements	3.52%	0.30%	3.82%	3.53%	0.30%	3.83%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.52%	0.30%	3.82%	3.53%	0.31%	3.84%
345.05 Accessory Electric Equipment	3.52%	0.30%	3.82%	3.53%	0.30%	3.83%
346.05 Miscellaneous Power Plant Equipment	3.52%	0.30%	3.82%	3.53%	0.30%	3.83%
Total Paloma	3.52%	0.30%	3.82%	3.53%	0.31%	3.84%

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2018) Investment	Net Salvage	Total	Proposed (at 12/31/2018) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
Red Rock						
341.05 Structures and Improvements	3.33%		3.33%	3.59%	0.56%	4.15%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.33%		3.33%	3.59%	0.56%	4.15%
345.05 Accessory Electric Equipment	3.33%		3.33%	3.59%	0.56%	4.15%
346.05 Miscellaneous Power Plant Equipment	3.33%		3.33%	3.59%	0.56%	4.15%
Total Redrock	3.33%		3.33%	3.59%	0.56%	4.15%
Roof Tops						
341.05 Structures and Improvements	3.53%	0.18%	3.71%	3.70%	0.62%	4.32%
342.05 Fuel Holders, Products and Accessories						
343.05 Prime Movers						
344.05 Generators and Devices	3.55%	0.18%	3.73%	3.81%	0.65%	4.46%
345.05 Accessory Electric Equipment	3.54%	0.18%	3.72%	3.88%	0.66%	4.54%
346.05 Miscellaneous Power Plant Equipment						
Total Roof Tops	3.55%	0.18%	3.73%	3.82%	0.65%	4.47%

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
STEAM PRODUCTION								
311.00 Structures and Improvements	$ 141,937,433	$ 7,116,777	$ 556,174	$ 7,672,951	$ 8,195,586	$ 612,637	$ 8,808,223	$ 1,135,272
312.00 Boiler Plant Equipment	1,491,411,135	43,316,033	4,965,341	48,281,374	65,706,404	6,564,985	72,271,389	23,990,015
314.00 Turbogenerator Units	211,425,539	7,675,326	764,743	8,440,069	10,273,254	985,885	11,259,139	2,819,070
315.00 Accessory Electric Equipment	117,866,116	5,015,509	488,047	5,503,556	5,784,209	476,340	6,260,549	756,993
316.00 Miscellaneous Power Plant Equipment	84,425,866	3,206,651	362,500	3,569,151	3,866,319	341,517	4,207,836	638,685
Total Steam Production Plant	$ 2,047,066,089	$ 66,330,296	$ 7,136,805	$ 73,467,101	$ 93,825,772	$ 8,981,364	$ 102,807,136	$ 29,340,035
NUCLEAR PRODUCTION								
321.00 Structures and Improvements	$ 850,120,585	$ 8,353,862	$ 107,082	$ 8,460,944	$ 9,657,063	$ 128,524	$ 9,785,587	$ 1,324,643
322.00 Reactor Plant Equipment	1,187,263,758	9,081,206	737,370	9,818,576	8,416,265	838,223	9,254,488	(564,088)
323.00 Turbogenerator Units	405,048,258	3,596,722	128,395	3,725,117	4,153,050	18,098	4,171,148	446,031
324.00 Accessory Electric Equipment	294,782,526	1,139,638	17,347	1,156,985	1,236,114	41,849	1,277,963	120,978
325.00 Miscellaneous Power Plant Equipment	233,949,471	3,258,152	119,194	3,377,346	3,885,218	96,089	3,981,307	603,961
Total Nuclear Production Plant	$ 2,971,164,598	$ 25,429,580	$ 1,109,388	$ 26,538,968	$ 27,347,710	$ 1,122,783	$ 28,470,493	$ 1,931,525
OTHER PRODUCTION								
341.00 Structures and Improvements	$ 131,575,027	$ 4,650,609	$ 324,073	$ 4,974,682	$ 5,108,490	$ 479,245	$ 5,587,735	$ 613,053
342.00 Fuel Holders, Products and Accessories	56,786,945	2,047,133	104,977	2,152,110	2,222,257	118,313	2,340,570	188,460
343.00 Prime Movers	655,542,039	21,587,034	1,010,774	22,597,808	23,423,690	1,477,720	24,901,410	2,303,602
344.00 Generators and Devices	2,104,937,839	77,968,261	1,545,723	79,513,984	81,160,482	3,086,425	84,246,907	4,732,923
345.00 Accessory Electric Equipment	247,553,984	9,267,556	572,772	9,840,328	9,750,306	772,062	10,522,368	682,040
346.00 Miscellaneous Power Plant Equipment	34,845,144	1,376,440	71,011	1,447,451	1,608,075	92,951	1,701,026	253,575
Total Other Production Plant	$ 3,231,240,978	$ 116,897,033	$ 3,629,330	$ 120,526,363	$ 123,273,300	$ 6,026,716	$ 129,300,016	$ 8,773,653
TRANSMISSION PLANT								
352.02 Structures and Improvements	$ 151,995	$ 3,815	$ -	$ 3,815	$ 4,043	$ -	$ 4,043	$ 228
353.00 Station Equipment	132,434,328	2,529,496	119,191	2,648,687	2,542,739	119,191	2,661,930	13,243
354.00 Towers and Fixtures	1,329,316	23,662		23,662	23,928		23,928	266
355.00 Poles and Fixtures	1,370,085	25,347	5,069	30,416	25,484	5,069	30,553	137
356.00 Overhead Conductors and Devices	1,947,677	33,890	6,427	40,317	34,279	6,427	40,706	389
Total Transmission Plant	$ 137,233,401	$ 2,616,210	$ 130,687	$ 2,746,897	$ 2,630,473	$ 130,687	$ 2,761,160	$ 14,263
DISTRIBUTION PLANT								
361.00 Structures and Improvements	$ 93,053,192	$ 1,470,240	$ 74,443	$ 1,544,683	$ 1,507,462	$ 148,885	$ 1,656,347	$ 111,664
362.00 Station Equipment	631,870,595	13,901,153	505,496	14,406,649	13,648,405	568,684	14,217,089	(189,560)
363.00 Storage Battery Equipment	13,585,353	1,194,153		1,194,153	1,332,723	33,963	1,366,686	172,533
364.01 Poles, Towers and Fixtures - Wood	357,345,350	7,504,252	678,956	8,183,208	7,718,660	1,536,585	9,255,245	1,072,037
364.02 Poles, Towers and Fixtures - Steel	323,911,866	6,316,281	615,433	6,931,714	6,381,064	615,433	6,996,497	64,783
365.00 Overhead Conductors and Devices	468,658,341	8,998,240	937,317	9,935,557	9,185,703	1,874,633	11,060,336	1,124,779
366.00 Underground Conduit	727,611,816	11,423,506	1,236,940	12,660,446	11,714,550	1,819,030	13,533,580	873,134

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
367.00 Underground Conductors and Devices	1,863,851,442	43,614,124	3,727,703	47,341,827	44,918,820	6,150,710	51,069,530	3,727,703
368.00 Line Transformers	921,018,156	15,657,309	552,611	16,209,920	16,117,818	644,713	16,762,531	552,611
369.00 Services	447,263,911	7,514,034	1,475,971	8,990,005	7,782,392	1,565,424	9,347,816	357,811
370.01 Meters - Electronic	17,843,353	984,953	(5,353)	979,600	1,063,464	(5,353)	1,058,111	78,511
370.03 Meters - AMI	302,666,385	14,649,053		14,649,053	18,825,849		18,825,849	4,176,796
371.00 Installations on Customers' Premises	46,529,246	981,767	144,241	1,126,008	1,000,379	144,241	1,144,620	18,612
373.00 Street Lighting and Signal Systems	80,127,587	1,378,194	144,230	1,522,424	1,418,258	192,306	1,610,564	88,140
Total Distribution Plant	$ 6,295,336,593	$ 135,587,259	$ 10,087,988	$ 145,675,247	$ 142,615,547	$ 15,289,254	$ 157,904,801	$ 12,229,554
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	$ 265,654,498	$ 6,694,493	$ 451,613	$ 7,146,106	$ 6,641,362	$ 717,267	$ 7,358,629	$ 212,523
391.CM Office Furn. and Equip. - Computer	243,545,219	31,319,915	48,709	31,368,624	29,590,744	146,127	29,736,871	(1,631,753)
397.00 Communication Equipment	295,372,374	14,266,486		14,266,486	13,941,576	59,074	14,000,650	(265,836)
Total Depreciable	$ 804,572,091	$ 52,280,894	$ 500,322	$ 52,781,216	$ 50,173,682	$ 922,468	$ 51,096,150	$ (1,685,066)
Amortizable								
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ 3,179,056	$ -	$ 3,179,056	$ 3,179,056	$ -	$ 3,179,056	$ -
393.00 Stores Equipment	594,181	29,709		29,709	29,709		29,709	
394.00 Tools, Shop and Garage Equipment	43,094,855	2,147,617		2,147,617	2,147,617		2,147,617	
395.00 Laboratory Equipment	767,547	38,377		38,377	38,377		38,377	
398.00 Miscellaneous Equipment	23,861,303	994,221		994,221	994,221		994,221	
Total Amortizable	$ 132,117,247	$ 6,388,980	$ -	$ 6,388,980	$ 6,388,980	$ -	$ 6,388,980	$ -
Total General Plant	$ 936,689,338	$ 58,669,874	$ 500,322	$ 59,170,196	$ 56,562,662	$ 922,468	$ 57,485,130	$ (1,685,066)
TOTAL UTILITY	$ 15,618,730,997	$ 405,530,252	$ 22,594,520	$ 428,124,772	$ 446,255,464	$ 32,473,272	$ 478,728,736	$ 50,603,964
STEAM PRODUCTION (by Unit)								
Cholla								
311.00 Structures and Improvements	$ 78,078,473	$ 5,504,450	$ 394,240	$ 5,898,690	$ 6,331,634	$ 493,706	$ 6,825,340	$ 926,650
312.00 Boiler Plant Equipment	385,237,434	27,018,838	2,231,038	29,249,876	30,718,192	2,468,167	33,186,359	3,936,483
314.00 Turbogenerator Units	85,554,772	5,671,879	388,323	6,060,202	6,320,784	427,413	6,748,197	687,995
315.00 Accessory Electric Equipment	53,298,558	3,259,945	234,003	3,493,948	3,725,130	267,587	3,992,717	498,769
316.00 Miscellaneous Power Plant Equipment	24,674,267	1,798,701	135,432	1,934,133	2,099,928	156,304	2,256,232	322,099
Total Cholla	$ 626,843,504	$ 43,253,813	$ 3,383,036	$ 46,636,849	$ 49,195,668	$ 3,813,177	$ 53,008,845	$ 6,371,996

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Cholla Unit 1								
311.00 Structures and Improvements	$ 4,743,207	$ 254,236	$ 20,870	$ 275,106	$ 274,632	$ 22,293	$ 296,925	$ 21,819
312.00 Boiler Plant Equipment	82,295,074	4,970,622	534,918	5,505,540	5,489,081	584,295	6,073,376	567,836
314.00 Turbogenerator Units	27,444,492	1,748,214	159,178	1,907,392	1,879,948	170,156	2,050,104	142,712
315.00 Accessory Electric Equipment	9,492,908	520,211	45,566	565,777	561,031	48,414	609,445	43,668
316.00 Miscellaneous Power Plant Equipment	3,742,187	192,723	16,840	209,563	251,849	20,956	272,805	63,242
Total Cholla Unit 1	$ 127,717,868	$ 7,686,006	$ 777,372	$ 8,463,378	$ 8,456,541	$ 846,114	$ 9,302,655	$ 839,277
Cholla Unit 3								
311.00 Structures and Improvements	$ 13,288,725	$ 932,868	$ 61,128	$ 993,996	$ 1,055,125	$ 69,101	$ 1,124,226	$ 130,230
312.00 Boiler Plant Equipment	243,068,426	17,695,381	1,336,876	19,032,257	20,247,600	1,482,717	21,730,317	2,698,060
314.00 Turbogenerator Units	57,062,305	3,834,587	222,543	4,057,130	4,353,854	251,074	4,604,928	547,798
315.00 Accessory Electric Equipment	34,899,789	2,090,497	146,579	2,237,076	2,369,696	167,519	2,537,215	300,139
316.00 Miscellaneous Power Plant Equipment	7,009,816	507,511	36,451	543,962	586,722	43,461	630,183	86,221
Total Cholla Unit 3	$ 355,329,061	$ 25,060,844	$ 1,803,577	$ 26,864,421	$ 28,612,997	$ 2,013,872	$ 30,626,869	$ 3,762,448
Cholla Common								
311.00 Structures and Improvements	$ 60,046,541	$ 4,317,346	$ 312,242	$ 4,629,588	$ 5,001,877	$ 402,312	$ 5,404,189	$ 774,601
312.00 Boiler Plant Equipment	59,873,934	4,352,835	359,244	4,712,079	4,981,511	401,155	5,382,666	670,587
314.00 Turbogenerator Units	1,047,975	89,078	6,602	95,680	86,982	6,183	93,165	(2,515)
315.00 Accessory Electric Equipment	8,905,861	649,237	41,858	691,095	794,403	51,654	846,057	154,962
316.00 Miscellaneous Power Plant Equipment	13,922,264	1,098,467	82,141	1,180,608	1,261,357	91,887	1,353,244	172,636
Total Cholla Common	$ 143,796,575	$ 10,506,963	$ 802,087	$ 11,309,050	$ 12,126,130	$ 953,191	$ 13,079,321	$ 1,770,271
Four Corners								
311.00 Structures and Improvements	$ 63,858,960	$ 1,612,327	$ 161,934	$ 1,774,261	$ 1,863,952	$ 118,931	$ 1,982,883	$ 208,622
312.00 Boiler Plant Equipment	1,106,173,701	16,297,195	2,734,303	19,031,498	34,988,212	4,096,818	39,085,030	20,053,532
314.00 Turbogenerator Units	125,870,767	2,003,447	376,420	2,379,867	3,952,470	558,472	4,510,942	2,131,075
315.00 Accessory Electric Equipment	64,567,558	1,755,564	254,044	2,009,608	2,059,079	208,753	2,267,832	258,224
316.00 Miscellaneous Power Plant Equipment	59,751,599	1,407,950	227,068	1,635,018	1,766,391	185,213	1,951,604	316,586
Total Four Corners	$ 1,420,222,585	$ 23,076,483	$ 3,753,769	$ 26,830,252	$ 44,630,104	$ 5,168,187	$ 49,798,291	$ 22,968,039
Four Corners Units 4-5								
311.00 Structures and Improvements	$ 39,839,762	$ 697,196	$ 123,503	$ 820,699	$ 816,715	$ 75,696	$ 892,411	$ 71,712
312.00 Boiler Plant Equipment	1,066,430,407	14,930,026	2,559,433	17,489,459	33,485,915	3,945,793	37,431,708	19,942,249
314.00 Turbogenerator Units	121,897,287	1,889,408	365,692	2,255,100	3,815,385	548,538	4,363,923	2,108,823
315.00 Accessory Electric Equipment	43,201,151	915,864	177,125	1,092,989	1,123,230	138,244	1,261,474	168,485
316.00 Miscellaneous Power Plant Equipment	39,853,780	805,046	159,415	964,461	996,345	111,591	1,107,936	143,475
Total Four Corners Units 4-5	$ 1,311,222,387	$ 19,237,540	$ 3,385,168	$ 22,622,708	$ 40,237,590	$ 4,819,862	$ 45,057,452	$ 22,434,744

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Four Corners Common								
311.00 Structures and Improvements	$ 24,019,198	$ 915,131	$ 38,431	$ 953,562	$ 1,047,237	$ 43,235	$ 1,090,472	$ 136,910
312.00 Boiler Plant Equipment	39,743,294	1,367,169	174,870	1,542,039	1,502,297	151,025	1,653,322	111,283
314.00 Turbogenerator Units	3,973,480	114,039	10,728	124,767	137,085	9,934	147,019	22,252
315.00 Accessory Electric Equipment	21,366,407	839,700	76,919	916,619	935,849	70,509	1,006,358	89,739
316.00 Miscellaneous Power Plant Equipment	19,897,819	602,904	67,653	670,557	770,046	73,622	843,668	173,111
Total Four Corners Common	$ 109,000,198	$ 3,838,943	$ 368,601	$ 4,207,544	$ 4,392,514	$ 348,325	$ 4,740,839	$ 533,295
NUCLEAR PRODUCTION (by Unit)								
Palo Verde								
321.00 Structures and Improvements	$ 850,120,585	$ 8,353,862	$ 107,082	$ 8,460,944	$ 9,657,063	$ 128,524	$ 9,785,587	$ 1,324,643
322.00 Reactor Plant Equipment	1,187,263,758	9,081,206	737,370	9,818,576	8,416,265	838,223	9,254,488	(564,088)
323.00 Turbogenerator Units	405,048,258	3,596,722	128,395	3,725,117	4,153,050	18,098	4,171,148	446,031
324.00 Accessory Electric Equipment	294,782,526	1,139,638	17,347	1,156,985	1,236,114	41,849	1,277,963	120,978
325.00 Miscellaneous Power Plant Equipment	233,949,471	3,258,152	119,194	3,377,346	3,885,218	96,089	3,981,307	603,961
Total Palo Verde	$ 2,971,164,598	$ 25,429,580	$ 1,109,388	$ 26,538,968	$ 27,347,710	$ 1,122,783	$ 28,470,493	$ 1,931,525
Palo Verde Unit 1								
321.00 Structures and Improvements	$ 169,287,979	$ 304,718	$ -	$ 304,718	$ 507,864	$ 16,929	$ 524,793	$ 220,075
322.00 Reactor Plant Equipment	465,986,593	2,795,920	46,599	2,842,519	2,609,525	93,197	2,702,722	(139,797)
323.00 Turbogenerator Units	144,321,116	1,140,137	72,161	1,212,298	1,414,347	115,457	1,529,804	317,506
324.00 Accessory Electric Equipment	121,319,415	230,507		230,507	279,035	12,132	291,167	60,660
325.00 Miscellaneous Power Plant Equipment	33,599,919	134,400	13,440	147,840	188,160	10,080	198,240	50,400
Total Palo Verde Unit 1	$ 934,515,022	$ 4,605,682	$ 132,200	$ 4,737,882	$ 4,998,931	$ 247,795	$ 5,246,726	$ 508,844
Palo Verde Unit 2								
321.00 Structures and Improvements	$ 94,477,904	$ 349,568	$ -	$ 349,568	$ 311,777	$ 9,448	$ 321,225	$ (28,343)
322.00 Reactor Plant Equipment	248,880,636	2,389,254	149,328	2,538,582	2,190,150	149,328	2,339,478	(199,104)
323.00 Turbogenerator Units	87,819,612	974,798	26,346	1,001,144	966,016	43,910	1,009,926	8,782
324.00 Accessory Electric Equipment	49,752,711	233,838	4,975	238,813	223,887	4,975	228,862	(9,951)
325.00 Miscellaneous Power Plant Equipment	27,865,592	192,273	8,360	200,633	167,194	8,360	175,554	(25,079)
Total Palo Verde Unit 2	$ 508,796,455	$ 4,139,731	$ 189,009	$ 4,328,740	$ 3,859,024	$ 216,021	$ 4,075,045	$ (253,695)
Palo Verde Unit 3								
321.00 Structures and Improvements	$167,896,725.00	$ 486,901	$ -	$ 486,901	$ 369,373	$ -	$ 369,373	$ (117,528)
322.00 Reactor Plant Equipment	436,634,437	3,536,739	392,971	3,929,710	3,143,768	436,634	3,580,402	(349,308)
323.00 Turbogenerator Units	167,364,071	1,355,649	16,736	1,372,385	1,640,168	(150,628)	1,489,540	117,155
324.00 Accessory Electric Equipment	95,765,260	373,485	9,577	383,062	344,755	19,153	363,908	(19,154)
325.00 Miscellaneous Power Plant Equipment	29,878,581	164,332	11,951	176,283	149,393	11,951	161,344	(14,939)
Total Palo Verde Unit 3	$ 897,539,074	$ 5,917,106	$ 431,235	$ 6,348,341	$ 5,647,457	$ 317,110	$ 5,964,567	$ (383,774)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Palo Verde Water Reclamation								
321.00 Structures and Improvements	$ 233,902,104	$ 4,794,993	$ 70,171	$ 4,865,164	$ 5,496,699	$ 46,780	$ 5,543,479	$ 678,315
322.00 Reactor Plant Equipment	454,911	13,283	182	13,465	13,829	182	14,011	546
323.00 Turbogenerator Units	217,756	3,114	370	3,484	3,637	305	3,942	458
324.00 Accessory Electric Equipment								
325.00 Miscellaneous Power Plant Equipment	241,107	5,280	24	5,304	6,438	8,752	15,190	9,886
Total Palo Verde Water Reclamation	$ 234,815,878	$ 4,816,670	$ 70,747	$ 4,887,417	$ 5,520,603	$ 56,019	$ 5,576,622	$ 689,205
Palo Verde Common								
321.00 Structures and Improvements	$ 184,555,873	$ 2,417,682	$ 36,911	$ 2,454,593	$ 2,971,350	$ 55,367	$ 3,026,717	$ 572,124
322.00 Reactor Plant Equipment	35,307,181	346,010	148,290	494,300	458,993	158,882	617,875	123,575
323.00 Turbogenerator Units	5,325,703	123,024	12,782	135,806	128,882	9,054	137,936	2,130
324.00 Accessory Electric Equipment	27,945,140	301,808	2,795	304,603	388,437	5,589	394,026	89,423
325.00 Miscellaneous Power Plant Equipment	142,364,272	2,761,867	85,419	2,847,286	3,374,033	56,946	3,430,979	583,693
Total Palo Verde Common	$ 395,498,169	$ 5,950,391	$ 286,197	$ 6,236,588	$ 7,321,695	$ 285,838	$ 7,607,533	$ 1,370,945
OTHER PRODUCTION								
Combined Cycle								
341.00 Structures and Improvements	$ 63,600,586	$ 2,107,372	$ 131,304	$ 2,238,676	$ 2,404,625	$ 133,087	$ 2,537,712	$ 299,036
342.00 Fuel Holders, Products and Accessories	41,829,313	1,652,145	84,706	1,736,851	1,729,348	92,103	1,821,451	84,600
343.00 Prime Movers	274,702,584	10,121,342	539,819	10,661,161	10,476,390	579,920	11,056,310	395,149
344.00 Generators and Devices	727,795,468	29,917,431	(368,782)	29,548,649	33,354,267	(330,003)	33,024,264	3,475,615
345.00 Accessory Electric Equipment	78,442,697	3,449,660	201,290	3,650,950	3,811,854	252,855	4,064,709	413,759
346.00 Miscellaneous Power Plant Equipment	20,741,997	934,600	45,066	979,666	1,015,182	60,380	1,075,562	95,896
Total Combined Cycle	$ 1,207,112,645	$ 48,182,550	$ 633,403	$ 48,815,953	$ 52,791,666	$ 788,342	$ 53,580,008	$ 4,764,055
Redhawk CC Units 1-2								
341.00 Structures and Improvements	$ 23,988,173	$ 959,527	$ 47,976	$ 1,007,503	$ 983,515	$ 47,976	$ 1,031,491	$ 23,988
342.00 Fuel Holders, Products and Accessories	12,809,613	559,780	29,462	589,242	594,366	34,586	628,952	39,710
343.00 Prime Movers	132,414,998	5,256,875	344,279	5,601,154	5,415,773	370,762	5,786,535	185,381
344.00 Generators and Devices	391,212,295	16,939,492	(430,334)	16,509,158	18,347,857	(704,182)	17,643,675	1,134,517
345.00 Accessory Electric Equipment	29,897,838	1,186,944	56,806	1,243,750	1,291,587	98,663	1,390,250	146,500
346.00 Miscellaneous Power Plant Equipment	6,872,469	303,076	13,745	316,821	316,821	13,745	330,566	13,745
Total Redhawk CC Units 1-2	$ 597,195,386	$ 25,205,694	$ 61,934	$ 25,267,628	$ 26,949,919	$ (138,450)	$ 26,811,469	$ 1,543,841

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual Investment	Current 2019 Annualized Accrual Net Salvage	Current 2019 Annualized Accrual Total	Proposed 2019 Annualized Accrual Investment	Proposed 2019 Annualized Accrual Net Salvage	Proposed 2019 Annualized Accrual Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
West Phoenix								
341.00 Structures and Improvements	$ 39,612,413	$ 1,147,845	$ 83,328	$ 1,231,173	$ 1,421,110	$ 85,111	$ 1,506,221	$ 275,048
342.00 Fuel Holders, Products and Accessories	29,019,700	1,092,365	55,244	1,147,609	1,134,982	57,517	1,192,499	44,890
343.00 Prime Movers	142,287,586	4,864,467	195,540	5,060,007	5,060,617	209,158	5,269,775	209,768
344.00 Generators and Devices	336,583,173	12,977,939	61,552	13,039,491	15,006,410	374,179	15,380,589	2,341,098
345.00 Accessory Electric Equipment	48,544,859	2,262,716	144,484	2,407,200	2,520,267	154,192	2,674,459	267,259
346.00 Miscellaneous Power Plant Equipment	13,869,528	631,524	31,321	662,845	698,361	46,635	744,996	82,151
Total West Phoenix	$ 609,917,259	$ 22,976,856	$ 571,469	$ 23,548,325	$ 25,841,747	$ 926,792	$ 26,768,539	$ 3,220,214
West Phoenix CC Units 1-3								
341.00 Structures and Improvements	$ 366,217	$ 14,759	$ 696	$ 15,455	$ 15,418	$ 769	$ 16,187	$ 732
342.00 Fuel Holders, Products and Accessories	22,031,967	868,059	44,064	912,123	826,199	41,861	868,060	(44,063)
343.00 Prime Movers								
344.00 Generators and Devices	130,345,213	5,213,809	182,483	5,396,292	6,478,157	312,829	6,790,986	1,394,694
345.00 Accessory Electric Equipment	32,620,455	1,699,526	114,172	1,813,698	1,895,248	120,696	2,015,944	202,246
346.00 Miscellaneous Power Plant Equipment	8,073,969	389,165	18,570	407,735	440,839	33,103	473,942	66,207
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 8,185,318	$ 359,985	$ 8,545,303	$ 9,655,861	$ 509,258	$ 10,165,119	$ 1,619,816
West Phoenix CC Unit 4								
341.00 Structures and Improvements	$ 7,035,987	$ 232,188	$ 11,961	$ 244,149	$ 289,883	$ 14,776	$ 304,659	$ 60,510
342.00 Fuel Holders, Products and Accessories	4,470,010	143,487	7,152	150,639	148,404	7,599	156,003	5,364
343.00 Prime Movers	49,464,010	1,587,795	9,893	1,597,688	1,607,580	4,946	1,612,526	14,838
344.00 Generators and Devices	23,956,815	910,359	43,122	953,481	927,129	43,122	970,251	16,770
345.00 Accessory Electric Equipment	552,377	22,095	1,105	23,200	23,973	1,215	25,188	1,988
346.00 Miscellaneous Power Plant Equipment	942,600	42,417	2,074	44,491	44,962	1,885	46,847	2,356
Total West Phoenix CC Unit 4	$ 86,421,799	$ 2,938,341	$ 75,307	$ 3,013,648	$ 3,041,931	$ 73,543	$ 3,115,474	$ 101,826
West Phoenix CC Unit 5								
341.00 Structures and Improvements	$ 11,054,705	$ 384,704	$ 19,898	$ 404,602	$ 413,446	$ 18,793	$ 432,239	$ 27,637
342.00 Fuel Holders, Products and Accessories	2,517,723	80,819	4,028	84,847	160,379	8,057	168,436	83,589
343.00 Prime Movers	92,823,576	3,276,672	185,647	3,462,319	3,453,037	204,212	3,657,249	194,930
344.00 Generators and Devices	182,281,145	6,853,771	(164,053)	6,689,718	7,601,124	18,228	7,619,352	929,634
345.00 Accessory Electric Equipment	15,372,027	541,095	29,207	570,302	601,046	32,281	633,327	63,025
346.00 Miscellaneous Power Plant Equipment	4,852,959	199,942	10,677	210,619	212,560	11,647	224,207	13,588
Total West Phoenix CC Unit 5	$ 308,902,135	$ 11,337,003	$ 85,404	$ 11,422,407	$ 12,441,592	$ 293,218	$ 12,734,810	$ 1,312,403

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual Investment	Net Salvage	Total	Proposed 2019 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
West Phoenix Common								
341.00 Structures and Improvements	$ 21,155,504	$ 516,194	$ 50,773	$ 566,967	$ 702,363	$ 50,773	$ 753,136	$ 186,169
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total West Phoenix Common	$ 21,155,504	$ 516,194	$ 50,773	$ 566,967	$ 702,363	$ 50,773	$ 753,136	$ 186,169
Combustion Turbine								
341.00 Structures and Improvements	$ 31,102,449	$ 1,238,442	$ 99,263	$ 1,337,705	$ 1,422,644	$ 226,766	$ 1,649,410	$ 311,705
342.00 Fuel Holders, Products and Accessories	14,957,632	394,988	20,271	415,259	492,909	26,210	519,119	103,860
343.00 Prime Movers	380,839,455	11,465,692	470,955	11,936,647	12,947,300	897,800	13,845,100	1,908,453
344.00 Generators and Devices	689,863,781	23,548,896	199,699	23,748,595	23,573,757	1,210,251	24,784,008	1,035,413
345.00 Accessory Electric Equipment	42,078,140	1,319,888	75,988	1,395,876	1,428,524	81,802	1,510,326	114,450
346.00 Miscellaneous Power Plant Equipment	12,525,501	380,177	20,381	400,558	538,150	27,550	565,700	165,142
Total Combustion Turbine	$ 1,171,366,958	$ 38,348,083	$ 886,557	$ 39,234,640	$ 40,403,284	$ 2,470,379	$ 42,873,663	$ 3,639,023
Douglas CT								
341.00 Structures and Improvements	$ 103,952	$ 16,767	$ 842	$ 17,609	$ 9,418	$ 478	$ 9,896	$ (7,713)
342.00 Fuel Holders, Products and Accessories	137,759	33,186	1,488	34,674	12,660	634	13,294	(21,380)
343.00 Prime Movers	3,721,569	423,142	(341,268)	81,874	334,569	11,165	345,734	263,860
344.00 Generators and Devices	971,924	184,374	9,233	193,607	88,542	4,374	92,916	(100,691)
345.00 Accessory Electric Equipment	582,402	137,097	6,348	143,445	52,882	2,621	55,503	(87,942)
346.00 Miscellaneous Power Plant Equipment	33,564	8,082	430	8,512	3,085	154	3,239	(5,273)
Total Douglas CT	$ 5,551,170	$ 802,648	$ (322,927)	$ 479,721	$ 501,156	$ 19,426	$ 520,582	$ 40,861
Ocotillo								
341.00 Structures and Improvements	$ 3,189,602	$ 175,428	$ 15,310	$ 190,738	$ 221,039	$ 45,930	$ 266,969	$ 76,231
342.00 Fuel Holders, Products and Accessories	1,484,432	55,221	2,820	58,041	81,792	4,156	85,948	27,907
343.00 Prime Movers	24,161,626	1,307,144	169,131	1,476,275	1,505,269	157,051	1,662,320	186,045
344.00 Generators and Devices	612,033,648	20,597,536	38,717	20,636,253	19,940,469	1,013,325	20,953,794	317,541
345.00 Accessory Electric Equipment	4,017,658	194,455	10,848	205,303	224,989	12,053	237,042	31,739
346.00 Miscellaneous Power Plant Equipment	950,460	39,729	1,901	41,630	47,048	2,281	49,329	7,699
Total Ocotillo	$ 645,837,426	$ 22,369,513	$ 238,727	$ 22,608,240	$ 22,020,606	$ 1,234,796	$ 23,255,402	$ 647,162

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual Investment	Net Salvage	Total	Proposed 2019 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Ocotillo CT Units 1-2								
341.00 Structures and Improvements	$ 3,189,602	$ 175,428	$ 15,310	$ 190,738	$ 221,039	$ 45,930	$ 266,969	$ 76,231
342.00 Fuel Holders, Products and Accessories	1,484,432	55,221	2,820	58,041	81,792	4,156	85,948	27,907
343.00 Prime Movers	24,161,626	1,307,144	169,131	1,476,275	1,505,269	157,051	1,662,320	186,045
344.00 Generators and Devices	15,486,821	732,527	38,717	771,244	910,625	58,850	969,475	198,231
345.00 Accessory Electric Equipment	4,017,658	194,455	10,848	205,303	224,989	12,053	237,042	31,739
346.00 Miscellaneous Power Plant Equipment	950,460	39,729	1,901	41,630	47,048	2,281	49,329	7,699
Total Octillo CT Units 1-2	$ 49,290,599	$ 2,504,504	$ 238,727	$ 2,743,231	$ 2,990,762	$ 280,321	$ 3,271,083	$ 527,852
Ocotillo CT Units 3-7								
341.00 Structures and Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	596,546,827	19,865,009		19,865,009	19,029,844	954,475	19,984,319	119,310
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Octillo CT Units 3-7	$ 596,546,827	$ 19,865,009	$ -	$ 19,865,009	$ 19,029,844	$ 954,475	$ 19,984,319	$ 119,310
Saguaro								
341.00 Structures and Improvements	$ 3,051,365	$ 128,157	$ 12,511	$ 140,668	$ 156,840	$ 35,701	$ 192,541	$ 51,873
342.00 Fuel Holders, Products and Accessories	1,642,488	35,478	2,135	37,613	55,680	2,956	58,636	21,023
343.00 Prime Movers	23,292,483	952,858	110,645	1,063,503	1,371,385	136,075	1,507,460	443,957
344.00 Generators and Devices	38,498,152	1,116,094	57,748	1,173,842	1,567,613	80,401	1,648,014	474,172
345.00 Accessory Electric Equipment	3,593,189	144,412	8,691	153,103	177,010	9,802	186,812	33,709
346.00 Miscellaneous Power Plant Equipment	916,172	20,614	1,008	21,622	32,799	1,649	34,448	12,826
Total Saguaro	$ 70,993,849	$ 2,397,613	$ 192,738	$ 2,590,351	$ 3,361,327	$ 266,584	$ 3,627,911	$ 1,037,560
Saguaro CT Units 1-2								
341.00 Structures and Improvements	$ 3,051,365	$ 128,157	$ 12,511	$ 140,668	$ 156,840	$ 35,701	$ 192,541	$ 51,873
342.00 Fuel Holders, Products and Accessories	1,642,488	35,478	2,135	37,613	55,680	2,956	58,636	21,023
343.00 Prime Movers	21,353,178	875,480	106,766	982,246	1,298,273	132,390	1,430,663	448,417
344.00 Generators and Devices	14,724,431	400,505	22,087	422,592	942,364	47,118	989,482	566,890
345.00 Accessory Electric Equipment	3,269,324	134,696	8,173	142,869	164,120	9,154	173,274	30,405
346.00 Miscellaneous Power Plant Equipment	916,172	20,614	1,008	21,622	32,799	1,649	34,448	12,826
Total Saguaro CT Units 1-2	$ 44,956,958	$ 1,594,930	$ 152,680	$ 1,747,610	$ 2,650,076	$ 228,968	$ 2,879,044	$ 1,131,434

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Saguaro CT Unit 3								
341.00 Structures and Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers	1,939,305	77,378	3,879	81,257	73,112	3,685	76,797	(4,460)
344.00 Generators and Devices	23,773,721	715,589	35,661	751,250	625,249	33,283	658,532	(92,718)
345.00 Accessory Electric Equipment	323,865	9,716	518	10,234	12,890	648	13,538	3,304
346.00 Miscellaneous Power Plant Equipment								
Total Saguaro CT Unit 3	$ 26,036,891	$ 802,683	$ 40,058	$ 842,741	$ 711,251	$ 37,616	$ 748,867	$ (93,874)
Sundance Units 1-10								
341.00 Structures and Improvements	$ 13,762,067	$ 342,675	$ 31,653	$ 374,328	$ 381,209	$ 31,653	$ 412,862	$ 38,534
342.00 Fuel Holders, Products and Accessories	4,418,231	108,247	5,302	113,549	116,199	6,186	122,385	8,836
343.00 Prime Movers	227,932,672	5,333,625	273,519	5,607,144	5,857,870	319,106	6,176,976	569,832
344.00 Generators and Devices	13,058,506	581,104	28,729	609,833	560,210	28,729	588,939	(20,894)
345.00 Accessory Electric Equipment	27,804,255	670,083	36,146	706,229	736,813	41,706	778,519	72,290
346.00 Miscellaneous Power Plant Equipment	6,970,933	198,672	10,456	209,128	308,115	15,336	323,451	114,323
Total Sun Dance Units 1-10	$ 293,946,664	$ 7,234,406	$ 385,805	$ 7,620,211	$ 7,960,416	$ 442,716	$ 8,403,132	$ 782,921
West Phoenix CT Units 1-2								
341.00 Structures and Improvements	$ 4,239,486	$ 256,489	$ 19,502	$ 275,991	$ 291,253	$ 19,078	$ 310,331	$ 34,340
342.00 Fuel Holders, Products and Accessories	1,843,219	61,932	3,133	65,065	88,106	5,161	93,267	28,202
343.00 Prime Movers	20,466,623	1,029,471	100,286	1,129,757	1,221,857	98,240	1,320,097	190,340
344.00 Generators and Devices	15,280,205	733,450	44,313	777,763	1,013,078	56,537	1,069,615	291,852
345.00 Accessory Electric Equipment	1,525,954	39,827	1,984	41,811	75,840	3,357	79,197	37,386
346.00 Miscellaneous Power Plant Equipment	1,026,473	36,132	2,669	38,801	49,989	3,182	53,171	14,370
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 2,157,301	$ 171,887	$ 2,329,188	$ 2,740,123	$ 185,555	$ 2,925,678	$ 596,490
Yucca								
341.00 Structures and Improvements	$ 6,755,977	$ 318,926	$ 19,445	$ 338,371	$ 362,885	$ 93,926	$ 456,811	$ 118,440
342.00 Fuel Holders, Products and Accessories	5,431,503	100,924	5,393	106,317	138,472	7,117	145,589	39,272
343.00 Prime Movers	81,264,482	2,419,452	158,642	2,578,094	2,656,350	176,163	2,832,513	254,419
344.00 Generators and Devices	10,021,346	336,338	20,959	357,297	403,845	26,885	430,730	73,433
345.00 Accessory Electric Equipment	4,554,682	134,014	11,971	145,985	160,990	12,263	173,253	27,268
346.00 Miscellaneous Power Plant Equipment	2,627,899	76,948	3,917	80,865	97,114	4,948	102,062	21,197
Total Yucca	$ 110,655,889	$ 3,386,602	$ 220,327	$ 3,606,929	$ 3,819,656	$ 321,302	$ 4,140,958	$ 534,029

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Yucca CT Units 1-4								
341.00 Structures and Improvements	$ 5,685,548	$ 283,709	$ 17,625	$ 301,334	$ 326,919	$ 92,106	$ 419,025	$ 117,691
342.00 Fuel Holders, Products and Accessories	3,934,860	55,875	3,148	59,023	92,076	4,722	96,798	37,775
343.00 Prime Movers	12,670,962	354,787	55,752	410,539	509,373	59,554	568,927	158,388
344.00 Generators and Devices	9,848,867	330,922	20,683	351,605	397,894	26,592	424,486	72,881
345.00 Accessory Electric Equipment	3,737,069	106,133	10,090	116,223	132,292	10,464	142,756	26,533
346.00 Miscellaneous Power Plant Equipment	1,536,718	36,574	1,844	38,418	55,322	2,766	58,088	19,670
Total Yucca CT Units 1-4	$ 37,414,024	$ 1,168,000	$ 109,142	$ 1,277,142	$ 1,513,876	$ 196,204	$ 1,710,080	$ 432,938
Yucca CT Units 5-6								
341.00 Structures and Improvements	$ 1,070,429	$ 35,217	$ 1,820	$ 37,037	$ 35,966	$ 1,820	$ 37,786	$ 749
342.00 Fuel Holders, Products and Accessories	1,496,643	45,049	2,245	47,294	46,396	2,395	48,791	1,497
343.00 Prime Movers	68,593,520	2,064,665	102,890	2,167,555	2,146,977	116,609	2,263,586	96,031
344.00 Generators and Devices	172,479	5,416	276	5,692	5,951	293	6,244	552
345.00 Accessory Electric Equipment	817,613	27,881	1,881	29,762	28,698	1,799	30,497	735
346.00 Miscellaneous Power Plant Equipment	1,091,181	40,374	2,073	42,447	41,792	2,182	43,974	1,527
Total Yucca CT Units 5-6	$ 73,241,865	$ 2,218,602	$ 111,185	$ 2,329,787	$ 2,305,780	$ 125,098	$ 2,430,878	$ 101,091
Solar Units								
341.00 Structures and Improvements	$ 36,871,992	$ 1,304,795	$ 93,506	$ 1,398,301	$ 1,281,221	$ 119,392	$ 1,400,613	$ 2,312
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	687,278,590	24,501,934	1,714,806	26,216,740	24,232,458	2,206,177	26,438,635	221,895
345.00 Accessory Electric Equipment	127,033,147	4,498,008	295,494	4,793,502	4,509,928	437,405	4,947,333	153,831
346.00 Miscellaneous Power Plant Equipment	1,577,646	61,663	5,564	67,227	54,743	5,021	59,764	(7,463)
Total Solar Units	$ 852,761,375	$ 30,366,400	$ 2,109,370	$ 32,475,770	$ 30,078,350	$ 2,767,995	$ 32,846,345	$ 370,575
Chino Valley								
341.05 Structures and Improvements	$ 527,890	$ 18,635	$ 1,373	$ 20,008	$ 18,635	$ 1,425	$ 20,060	$ 52
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	77,719,184	2,743,487	202,070	2,945,557	2,743,487	209,842	2,953,329	7,772
345.05 Accessory Electric Equipment	6,511,784	229,866	16,931	246,797	229,866	17,582	247,448	651
346.05 Miscellaneous Power Plant Equipment	216,504	7,643	563	8,206	7,643	585	8,228	22
Total Chino Valley	$ 84,975,362	$ 2,999,631	$ 220,937	$ 3,220,568	$ 2,999,631	$ 229,434	$ 3,229,065	$ 8,497

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual Investment	Net Salvage	Total	Proposed 2019 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Cotton Center								
341.05 Structures and Improvements	$ 1,813,499	$ 63,835	$ 4,352	$ 68,187	$ 64,017	$ 4,352	$ 68,369	$ 182
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	62,644,922	2,205,101	150,348	2,355,449	2,223,895	119,025	2,342,920	(12,529)
345.05 Accessory Electric Equipment	15,418,007	542,714	37,003	579,717	544,256	37,003	581,259	1,542
346.05 Miscellaneous Power Plant Equipment	262,640	9,245	630	9,875	9,271	630	9,901	26
Total Cotton Center	$ 80,139,068	$ 2,820,895	$ 192,333	$ 3,013,228	$ 2,841,439	$ 161,010	$ 3,002,449	$ (10,779)
Desert Star								
341.05 Structures and Improvements	$ 1,557,800	$ 70,257	$ 8,101	$ 78,358	$ 53,433	$ 5,764	$ 59,197	$ (19,161)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	29,042,805	1,309,831	151,023	1,460,854	1,016,498	(29,043)	987,455	(473,399)
345.05 Accessory Electric Equipment	4,084,919	184,230	21,242	205,472	140,113	15,114	155,227	(50,245)
346.05 Miscellaneous Power Plant Equipment	291,809	13,161	1,517	14,678	10,009	1,080	11,089	(3,589)
Total Desert Star	$ 34,977,333	$ 1,577,479	$ 181,883	$ 1,759,362	$ 1,220,053	$ (7,085)	$ 1,212,968	$ (546,394)
Foothills Units								
341.05 Structures and Improvements	$ 10,906,684	$ 379,553	$ 32,720	$ 412,273	$ 380,643	$ 31,629	$ 412,272	$ (1)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	105,443,248	3,669,425	316,330	3,985,755	3,679,969	305,785	3,985,754	(1)
345.05 Accessory Electric Equipment	20,815,540	724,381	62,447	786,828	726,462	60,365	786,827	(1)
346.05 Miscellaneous Power Plant Equipment	57,708	2,008	173	2,181	2,014	167	2,181	
Total Foothills Units	$ 137,223,180	$ 4,775,367	$ 411,670	$ 5,187,037	$ 4,789,088	$ 397,946	$ 5,187,034	$ (3)
Gila Bend								
341.05 Structures and Improvements	$ 5,018,097	$ 173,626	$ 18,065	$ 191,691	$ 173,124	$ 17,563	$ 190,687	$ (1,004)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	89,246,612	3,087,933	321,288	3,409,221	3,079,008	312,363	3,391,371	(17,850)
345.05 Accessory Electric Equipment	11,096,944	383,954	39,949	423,903	382,845	38,839	421,684	(2,219)
346.05 Miscellaneous Power Plant Equipment	21,142	732	76	808	729	74	803	(5)
Total Gila Bend	$ 105,382,795	$ 3,646,245	$ 379,378	$ 4,025,623	$ 3,635,706	$ 368,839	$ 4,004,545	$ (21,078)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Hyder								
341.05 Structures and Improvements	$ 6,915,232	$ 242,725	$ 11,064	$ 253,789	$ 242,725	$ 10,373	$ 253,098	$ (691)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	93,250,197	3,263,757	149,200	3,412,957	3,263,757	139,875	3,403,632	(9,325)
345.05 Accessory Electric Equipment	22,556,482	784,966	36,090	821,056	784,966	33,835	818,801	(2,255)
346.05 Miscellaneous Power Plant Equipment	206,389	7,059	310	7,369	7,038	310	7,348	(21)
Total Hyder	$ 122,928,300	$ 4,298,507	$ 196,664	$ 4,495,171	$ 4,298,486	$ 184,393	$ 4,482,879	$ (12,292)
Legacy								
341.00 Structures and Improvements	$ 313,214	$ 4,103	$ 94	$ 4,197	$ (1,723)	$ 63	$ (1,660)	$ (5,857)
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	10,452,105	359,552	8,362	367,914	259,212	7,316	266,528	(101,386)
345.00 Accessory Electric Equipment	1,972,486	83,436	4,339	87,775	62,528	2,761	65,289	(22,486)
346.00 Miscellaneous Power Plant Equipment								
Total Legacy	$ 12,737,805	$ 447,091	$ 12,795	$ 459,886	$ 320,017	$ 10,140	$ 330,157	$ (129,729)
Luke AFB								
341.05 Structures and Improvements	$ 1,488,329	$ 67,124	$ 8,037	$ 75,161	$ 50,901	$ 6,549	$ 57,450	$ (17,711)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	25,469,888	1,148,692	137,537	1,286,229	871,070	112,068	983,138	(303,091)
345.05 Accessory Electric Equipment	1,757,020	79,242	9,488	88,730	60,090	7,731	67,821	(20,909)
346.05 Miscellaneous Power Plant Equipment	357,678	16,131	1,931	18,062	12,233	1,574	13,807	(4,255)
Total Luke AFB	$ 29,072,915	$ 1,311,189	$ 156,993	$ 1,468,182	$ 994,294	$ 127,922	$ 1,122,216	$ (345,966)
Paloma								
341.05 Structures and Improvements	$ 2,281,950	$ 80,325	$ 6,846	$ 87,171	$ 80,553	$ 6,846	$ 87,399	$ 228
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	49,207,939	1,732,119	147,624	1,879,743	1,737,040	152,545	1,889,585	9,842
345.05 Accessory Electric Equipment	12,514,947	440,526	37,545	478,071	441,778	37,545	479,323	1,252
346.05 Miscellaneous Power Plant Equipment	121,486	4,276	364	4,640	4,288	364	4,652	12
Total Paloma	$ 64,126,322	$ 2,257,246	$ 192,379	$ 2,449,625	$ 2,263,659	$ 197,300	$ 2,460,959	$ 11,334

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Investment	Current 2019 Annualized Accrual			Proposed 2019 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Red Rock								
341.05 Structures and Improvements	$ 4,463,879	$ 148,647	$ -	$ 148,647	$ 160,253	$ 24,998	$ 185,251	$ 36,604
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	72,010,410	2,397,947		2,397,947	2,585,174	403,258	2,988,432	590,485
345.05 Accessory Electric Equipment	13,383,040	445,655		445,655	480,451	74,945	555,396	109,741
346.05 Miscellaneous Power Plant Equipment	42,290	1,408		1,408	1,518	237	1,755	347
Total Redrock	$ 89,899,619	$ 2,993,657	$ -	$ 2,993,657	$ 3,227,396	$ 503,438	$ 3,730,834	$ 737,177
Roof Tops								
341.05 Structures and Improvements	$ 1,585,418	$ 55,965	$ 2,854	$ 58,819	$ 58,660	$ 9,830	$ 68,490	$ 9,671
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	72,791,280	2,584,090	131,024	2,715,114	2,773,348	473,143	3,246,491	531,377
345.05 Accessory Electric Equipment	16,921,978	599,038	30,460	629,498	656,573	111,685	768,258	138,760
346.05 Miscellaneous Power Plant Equipment								
Total Roof Tops	$ 91,298,676	$ 3,239,093	$ 164,338	$ 3,403,431	$ 3,488,581	$ 594,658	$ 4,083,239	$ 679,808

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
STEAM PRODUCTION							
311.00 Structures and Improvements	$ 141,937,433	$ 70,349,340	49.56%	$ 82,547,199	58.16%	$ 72,283,777	50.93%
312.00 Boiler Plant Equipment	1,491,411,135	709,065,790	47.54%	629,291,816	42.19%	692,936,249	46.46%
314.00 Turbogenerator Units	211,425,539	94,840,375	44.86%	103,864,897	49.13%	103,083,344	48.76%
315.00 Accessory Electric Equipment	117,866,116	56,775,610	48.17%	64,893,268	55.06%	59,619,255	50.58%
316.00 Miscellaneous Power Plant Equipment	84,425,866	37,830,698	44.81%	40,045,625	47.43%	40,939,187	48.49%
Total Steam Production Plant	$ 2,047,066,089	$ 968,861,812	47.33%	$ 920,642,805	44.97%	$ 968,861,812	47.33%
NUCLEAR PRODUCTION							
321.00 Structures and Improvements	$ 850,120,585	$ 432,691,790	50.90%	$ 348,117,564	40.95%	$ 430,094,870	50.59%
322.00 Reactor Plant Equipment	1,187,263,758	677,764,052	57.09%	517,753,190	43.61%	670,979,119	56.51%
323.00 Turbogenerator Units	405,048,258	198,640,744	49.04%	160,235,841	39.56%	207,867,040	51.32%
324.00 Accessory Electric Equipment	294,782,526	185,001,401	62.76%	142,385,715	48.30%	184,098,954	62.45%
325.00 Miscellaneous Power Plant Equipment	233,949,471	88,709,442	37.92%	70,807,951	30.27%	89,767,444	38.37%
Total Nuclear Production Plant	$ 2,971,164,598	$ 1,582,807,428	53.27%	$ 1,239,300,261	41.71%	$ 1,582,807,428	53.27%
OTHER PRODUCTION							
341.00 Structures and Improvements	$ 131,575,027	$ 35,451,261	26.94%	$ 39,407,583	29.95%	$ 37,666,409	28.63%
342.00 Fuel Holders, Products and Accessories	56,786,945	26,898,551	47.37%	28,373,750	49.97%	26,541,703	46.74%
343.00 Prime Movers	655,542,039	269,866,990	41.17%	264,211,048	40.30%	259,658,256	39.61%
344.00 Generators and Devices	2,104,937,839	369,238,514	17.54%	454,023,321	21.57%	374,181,849	17.78%
345.00 Accessory Electric Equipment	247,553,984	63,395,509	25.61%	70,583,118	28.51%	66,746,440	26.96%
346.00 Miscellaneous Power Plant Equipment	34,845,144	9,634,963	27.65%	10,718,913	30.76%	9,691,130	27.81%
Total Other Production Plant	$ 3,231,240,978	$ 774,485,788	23.97%	$ 867,317,732	26.84%	$ 774,485,788	23.97%
TRANSMISSION PLANT							
352.02 Structures and Improvements	$ 151,995	$ 113,034	74.37%	$ 122,246	80.43%	$ 110,605	72.77%
353.00 Station Equipment	132,434,328	30,719,777	23.20%	34,049,834	25.71%	30,807,429	23.26%
354.00 Towers and Fixtures	1,329,316	623,782	46.93%	663,124	49.88%	599,978	45.13%
355.00 Poles and Fixtures	1,370,085	393,906	28.75%	404,811	29.55%	366,263	26.73%
356.00 Overhead Conductors and Devices	1,947,677	734,906	37.73%	774,923	39.79%	701,131	36.00%
Total Transmission Plant	$ 137,233,401	$ 32,585,406	23.74%	$ 36,014,938	26.24%	$ 32,585,406	23.74%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
DISTRIBUTION PLANT							
361.00 Structures and Improvements	$ 93,053,192	$ 24,784,504	26.63%	$ 21,495,505	23.10%	$ 24,117,620	25.92%
362.00 Station Equipment	631,870,595	152,459,460	24.13%	119,308,223	18.88%	133,861,958	21.19%
363.00 Storage Battery Equipment	13,585,353	(242,468)	-1.78%	1,533,841	11.29%	1,720,945	12.67%
364.01 Poles, Towers and Fixtures - Wood	357,345,350	94,269,551	26.38%	96,616,197	27.04%	108,401,860	30.34%
364.02 Poles, Towers and Fixtures - Steel	323,911,866	54,022,644	16.68%	40,630,852	12.54%	45,587,180	14.07%
365.00 Overhead Conductors and Devices	468,658,341	85,935,082	18.34%	76,845,701	16.40%	86,219,673	18.40%
366.00 Underground Conduit	727,611,816	208,762,604	28.69%	181,124,928	24.89%	203,219,332	27.93%
367.00 Underground Conductors and Devices	1,863,851,442	640,622,806	34.37%	539,076,287	28.92%	604,835,151	32.45%
368.00 Line Transformers	921,018,156	274,977,840	29.86%	227,089,449	24.66%	254,790,805	27.66%
369.00 Services	447,263,911	141,008,738	31.53%	123,303,844	27.57%	138,344,982	30.93%
370.01 Meters - Electronic	17,843,353	4,356,437	24.41%	2,463,630	13.81%	2,764,154	15.49%
370.03 Meters - AMI	302,666,385	47,048,548	15.54%	112,520,045	37.18%	126,245,728	41.71%
371.00 Installations on Customers' Premises	46,529,246	13,161,123	28.29%	10,824,012	23.26%	12,144,372	26.10%
373.00 Street Lighting and Signal Systems	80,127,587	25,060,492	31.28%	21,367,146	26.67%	23,973,603	29.92%
Total Distribution Plant	$ 6,295,336,593	$ 1,766,227,362	28.06%	$ 1,574,199,660	25.01%	$ 1,766,227,362	28.06%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 265,654,498	$ 33,232,710	12.51%	$ 42,706,660	16.08%	$ 43,160,983	16.25%
391.CM Office Furn. and Equip. - Computer	243,545,219	113,384,516	46.56%	109,465,517	44.95%	110,630,038	45.42%
397.00 Communication Equipment	295,372,374	108,507,607	36.74%	102,227,593	34.61%	103,315,115	34.98%
Total Depreciable	$ 804,572,091	$ 255,124,832	31.71%	$ 254,399,770	31.62%	$ 257,106,137	31.96%
Amortizable							
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ 34,632,270	54.28%	$ 34,177,862	53.57%	$ 34,177,862	53.57%
393.00 Stores Equipment	594,181	159,335	26.82%	162,894	27.41%	162,894	27.41%
394.00 Tools, Shop and Garage Equipment	43,094,855	21,913,348	50.85%	20,743,001	48.13%	20,743,001	48.13%
395.00 Laboratory Equipment	767,547	489,181	63.73%	492,765	64.20%	492,765	64.20%
398.00 Miscellaneous Equipment	23,861,303	6,665,059	27.93%	6,301,368	26.41%	6,301,368	26.41%
Total Amortizable	$ 132,117,247	$ 63,859,194	48.34%	$ 61,877,890	46.84%	$ 61,877,890	46.84%
Total General Plant	$ 936,689,338	$ 318,984,027	34.05%	$ 316,277,660	33.77%	$ 318,984,027	34.05%
TOTAL UTILITY	$ 15,618,730,997	$ 5,443,951,822	34.86%	$ 4,953,753,056	31.72%	$ 5,443,951,822	34.86%

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STEAM PRODUCTION (by Unit)							
Cholla							
311.00 Structures and Improvements	$ 78,078,473	$ 38,575,882	49.41%	$ 56,662,385	72.57%	$ 39,706,361	50.85%
312.00 Boiler Plant Equipment	385,237,434	203,229,153	52.75%	269,673,742	70.00%	199,913,198	51.89%
314.00 Turbogenerator Units	85,554,772	47,896,982	55.98%	63,935,487	74.73%	48,476,834	56.66%
315.00 Accessory Electric Equipment	53,298,558	30,464,401	57.16%	42,757,564	80.22%	31,459,855	59.03%
316.00 Miscellaneous Power Plant Equipment	24,674,267	11,356,450	46.03%	16,594,143	67.25%	11,966,620	48.50%
Total Cholla	$ 626,843,504	$ 331,522,868	52.89%	$ 449,623,321	71.73%	$ 331,522,868	52.89%
Cholla Unit 1							
311.00 Structures and Improvements	$ 4,743,207	$ 3,184,960	67.15%	$ 3,748,682	79.03%	$ 3,219,192	67.87%
312.00 Boiler Plant Equipment	82,295,074	50,638,747	61.53%	58,295,076	70.84%	50,061,075	60.83%
314.00 Turbogenerator Units	27,444,492	16,306,099	59.41%	19,255,663	70.16%	16,535,860	60.25%
315.00 Accessory Electric Equipment	9,492,908	6,262,264	65.97%	7,394,449	77.89%	6,350,006	66.89%
316.00 Miscellaneous Power Plant Equipment	3,742,187	2,070,672	55.33%	2,674,353	71.46%	2,296,609	61.37%
Total Cholla Unit 1	$ 127,717,868	$ 78,462,742	61.43%	$ 91,368,223	71.54%	$ 78,462,742	61.43%
Cholla Unit 3							
311.00 Structures and Improvements	$ 13,288,725	$ 6,623,928	49.85%	$ 9,725,808	73.19%	$ 6,958,137	52.36%
312.00 Boiler Plant Equipment	243,068,426	121,796,129	50.11%	168,012,254	69.12%	120,201,033	49.45%
314.00 Turbogenerator Units	57,062,305	31,015,320	54.35%	43,912,565	76.96%	31,416,373	55.06%
315.00 Accessory Electric Equipment	34,899,789	20,381,771	58.40%	29,369,052	84.15%	21,011,505	60.21%
316.00 Miscellaneous Power Plant Equipment	7,009,816	3,213,795	45.85%	4,813,741	68.67%	3,443,895	49.13%
Total Cholla Unit 3	$ 355,329,061	$ 183,030,943	51.51%	$ 255,833,421	72.00%	$ 183,030,943	51.51%
Cholla Common							
311.00 Structures and Improvements	$ 60,046,541	$ 28,766,995	47.91%	$ 43,187,895	71.92%	$ 29,529,032	49.18%
312.00 Boiler Plant Equipment	59,873,934	30,794,277	51.43%	43,366,412	72.43%	29,651,091	49.52%
314.00 Turbogenerator Units	1,047,975	575,563	54.92%	767,258	73.21%	524,600	50.06%
315.00 Accessory Electric Equipment	8,905,861	3,820,365	42.90%	5,994,063	67.30%	4,098,345	46.02%
316.00 Miscellaneous Power Plant Equipment	13,922,264	6,071,983	43.61%	9,106,049	65.41%	6,226,116	44.72%
Total Cholla Common	$ 143,796,575	$ 70,029,184	48.70%	$ 102,421,677	71.23%	$ 70,029,184	48.70%

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Four Corners							
311.00 Structures and Improvements	$ 63,858,960	$ 31,773,458	49.76%	$ 25,884,814	40.53%	$ 32,577,416	51.01%
312.00 Boiler Plant Equipment	1,106,173,701	505,836,637	45.73%	359,618,074	32.51%	493,023,051	44.57%
314.00 Turbogenerator Units	125,870,767	46,943,393	37.29%	39,929,410	31.72%	54,606,511	43.38%
315.00 Accessory Electric Equipment	64,567,558	26,311,209	40.75%	22,135,704	34.28%	28,159,399	43.61%
316.00 Miscellaneous Power Plant Equipment	59,751,599	26,474,248	44.31%	23,451,482	39.25%	28,972,568	48.49%
Total Four Corners	$ 1,420,222,585	$ 637,338,944	44.88%	$ 471,019,484	33.17%	$ 637,338,944	44.88%
Four Corners Units 4-5							
311.00 Structures and Improvements	$ 39,839,762	$ 26,512,392	66.55%	$ 19,611,711	49.23%	$ 27,315,993	68.56%
312.00 Boiler Plant Equipment	1,066,430,407	493,094,646	46.24%	345,419,361	32.39%	481,114,204	45.11%
314.00 Turbogenerator Units	121,897,287	45,574,050	37.39%	38,108,838	31.26%	53,079,548	43.54%
315.00 Accessory Electric Equipment	43,201,151	22,772,976	52.71%	17,313,382	40.08%	24,114,787	55.82%
316.00 Miscellaneous Power Plant Equipment	39,853,780	21,055,267	52.83%	16,789,283	42.13%	23,384,800	58.68%
Total Four Corners Units 4-5	$ 1,311,222,387	$ 609,009,331	46.45%	$ 437,242,577	33.35%	$ 609,009,331	46.45%
Four Corners Common							
311.00 Structures and Improvements	$ 24,019,198	$ 5,261,065	21.90%	$ 6,273,103	26.12%	$ 5,261,422	21.91%
312.00 Boiler Plant Equipment	39,743,294	12,741,991	32.06%	14,198,712	35.73%	11,908,847	29.96%
314.00 Turbogenerator Units	3,973,480	1,369,343	34.46%	1,820,572	45.82%	1,526,963	38.43%
315.00 Accessory Electric Equipment	21,366,407	3,538,233	16.56%	4,822,322	22.57%	4,044,613	18.93%
316.00 Miscellaneous Power Plant Equipment	19,897,819	5,418,980	27.23%	6,662,199	33.48%	5,587,768	28.08%
Total Four Corners Common	$ 109,000,198	$ 28,329,613	25.99%	$ 33,776,907	30.99%	$ 28,329,613	25.99%
NUCLEAR PRODUCTION (by Unit)							
Palo Verde							
321.00 Structures and Improvements	$ 850,120,585	$ 432,691,790	50.90%	$ 348,117,564	40.95%	$ 430,094,870	50.59%
322.00 Reactor Plant Equipment	1,187,263,758	677,764,052	57.09%	517,753,190	43.61%	670,979,119	56.51%
323.00 Turbogenerator Units	405,048,258	198,640,744	49.04%	160,235,841	39.56%	207,867,040	51.32%
324.00 Accessory Electric Equipment	294,782,526	185,001,401	62.76%	142,385,715	48.30%	184,098,954	62.45%
325.00 Miscellaneous Power Plant Equipment	233,949,471	88,709,442	37.92%	70,807,951	30.27%	89,767,444	38.37%
Total Palo Verde	$ 2,971,164,598	$ 1,582,807,428	53.27%	$ 1,239,300,261	41.71%	$ 1,582,807,428	53.27%

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Palo Verde Unit 1							
321.00 Structures and Improvements	$ 169,287,979	$ 113,114,947	66.82%	$ 86,088,078	50.85%	$ 111,921,549	66.11%
322.00 Reactor Plant Equipment	465,986,593	287,237,408	61.64%	221,653,492	47.57%	288,167,686	61.84%
323.00 Turbogenerator Units	144,321,116	74,895,472	51.90%	58,781,248	40.73%	76,420,435	52.95%
324.00 Accessory Electric Equipment	121,319,415	82,787,025	68.24%	62,939,373	51.88%	81,826,338	67.45%
325.00 Miscellaneous Power Plant Equipment	33,599,919	20,834,661	62.01%	15,794,009	47.01%	20,533,505	61.11%
Total Palo Verde Unit 1	$ 934,515,022	$ 578,869,513	61.94%	$ 445,256,200	47.65%	$ 578,869,513	61.94%
Palo Verde Unit 2							
321.00 Structures and Improvements	$ 94,477,904	$ 62,447,235	66.10%	$ 48,795,819	51.65%	$ 62,198,364	65.83%
322.00 Reactor Plant Equipment	248,880,636	139,105,347	55.89%	107,732,446	43.29%	137,322,870	55.18%
323.00 Turbogenerator Units	87,819,612	42,490,094	48.38%	34,978,907	39.83%	44,586,419	50.77%
324.00 Accessory Electric Equipment	49,752,711	31,501,138	63.32%	24,738,254	49.72%	31,533,007	63.38%
325.00 Miscellaneous Power Plant Equipment	27,865,592	16,921,154	60.72%	13,198,994	47.37%	16,824,307	60.38%
Total Palo Verde Unit 2	$ 508,796,455	$ 292,464,968	57.48%	$ 229,444,421	45.10%	$ 292,464,968	57.48%
Palo Verde Unit 3							
321.00 Structures and Improvements	$ 167,896,725	$ 107,517,902	64.04%	$ 81,684,945	48.65%	$ 106,853,469	63.64%
322.00 Reactor Plant Equipment	436,634,437	236,799,254	54.23%	177,162,392	40.57%	231,749,145	53.08%
323.00 Turbogenerator Units	167,364,071	80,085,013	47.85%	65,470,961	39.12%	85,643,680	51.17%
324.00 Accessory Electric Equipment	95,765,260	57,980,208	60.54%	44,510,437	46.48%	58,224,861	60.80%
325.00 Miscellaneous Power Plant Equipment	29,878,581	17,348,950	58.06%	13,194,669	44.16%	17,260,172	57.77%
Total Palo Verde Unit 3	$ 897,539,074	$ 499,731,327	55.68%	$ 382,023,405	42.56%	$ 499,731,327	55.68%
Palo Verde Water Reclamation							
321.00 Structures and Improvements	$ 233,902,104	$ 74,873,790	32.01%	$ 70,914,080	30.32%	$ 74,709,524	31.94%
322.00 Reactor Plant Equipment	454,911	(315,403)	-69.33%	65,600	14.42%	69,111	15.19%
323.00 Turbogenerator Units	217,756	104,964	48.20%	95,049	43.65%	100,136	45.99%
324.00 Accessory Electric Equipment							
325.00 Miscellaneous Power Plant Equipment	241,107	56,987	23.64%	(150,382)	-62.37%	(158,431)	-65.71%
Total Palo Verde Water Reclamation	$ 234,815,878	$ 74,720,339	31.82%	$ 70,924,346	30.20%	$ 74,720,339	31.82%

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Palo Verde Common							
321.00 Structures and Improvements	$ 184,555,873	$ 74,737,915	40.50%	$ 60,634,641	32.85%	$ 74,411,964	40.32%
322.00 Reactor Plant Equipment	35,307,181	14,937,445	42.31%	11,139,260	31.55%	13,670,308	38.72%
323.00 Turbogenerator Units	5,325,703	1,065,201	20.00%	909,676	17.08%	1,116,371	20.96%
324.00 Accessory Electric Equipment	27,945,140	12,733,029	45.56%	10,197,652	36.49%	12,514,748	44.78%
325.00 Miscellaneous Power Plant Equipment	142,364,272	33,547,691	23.56%	28,770,660	20.21%	35,307,891	24.80%
Total Palo Verde Common	$ 395,498,169	$ 137,021,281	34.65%	$ 111,651,888	28.23%	$ 137,021,281	34.65%
OTHER PRODUCTION							
Combined Cycle							
341.00 Structures and Improvements	$ 63,600,586	$ 18,701,434	29.40%	$ 22,799,732	35.85%	$ 20,220,947	31.79%
342.00 Fuel Holders, Products and Accessories	41,829,313	18,054,578	43.16%	19,714,363	47.13%	18,146,036	43.38%
343.00 Prime Movers	274,702,584	95,474,865	34.76%	116,291,024	42.33%	86,697,343	31.56%
344.00 Generators and Devices	727,795,468	201,653,014	27.71%	270,971,681	37.23%	206,753,284	28.41%
345.00 Accessory Electric Equipment	78,442,697	20,068,505	25.58%	26,640,732	33.96%	21,966,673	28.00%
346.00 Miscellaneous Power Plant Equipment	20,741,997	5,209,055	25.11%	6,326,926	30.50%	5,377,167	25.92%
Total Combined Cycle	$ 1,207,112,645	$ 359,161,451	29.75%	$ 462,744,458	38.33%	$ 359,161,451	29.75%
Redhawk CC Units 1-2							
341.00 Structures and Improvements	$ 23,988,173	$ 6,434,553	26.82%	$ 9,977,489	41.59%	$ 6,551,241	27.31%
342.00 Fuel Holders, Products and Accessories	12,809,613	1,858,155	14.51%	3,176,511	24.80%	2,085,704	16.28%
343.00 Prime Movers	132,414,998	36,154,393	27.30%	52,507,606	39.65%	34,476,612	26.04%
344.00 Generators and Devices	391,212,295	90,340,613	23.09%	139,906,675	35.76%	91,863,036	23.48%
345.00 Accessory Electric Equipment	29,897,838	6,334,454	21.19%	9,596,019	32.10%	6,300,767	21.07%
346.00 Miscellaneous Power Plant Equipment	6,872,469	1,400,145	20.37%	1,896,053	27.59%	1,244,952	18.12%
Total Redhawk CC Units 1-2	$ 597,195,386	$ 142,522,314	23.87%	$ 217,060,352	36.35%	$ 142,522,314	23.87%
West Phoenix							
341.00 Structures and Improvements	$ 39,612,413	$ 12,266,881	30.97%	$ 12,822,243	32.37%	$ 13,669,706	34.51%
342.00 Fuel Holders, Products and Accessories	29,019,700	16,196,423	55.81%	16,537,852	56.99%	16,060,331	55.34%
343.00 Prime Movers	142,287,586	59,320,471	41.69%	63,783,419	44.83%	52,220,732	36.70%
344.00 Generators and Devices	336,583,173	111,312,401	33.07%	131,065,007	38.94%	114,890,248	34.13%
345.00 Accessory Electric Equipment	48,544,859	13,734,051	28.29%	17,044,713	35.11%	15,665,906	32.27%
346.00 Miscellaneous Power Plant Equipment	13,869,528	3,808,910	27.46%	4,430,874	31.95%	4,132,215	29.79%
Total West Phoenix	$ 609,917,259	$ 216,639,138	35.52%	$ 245,684,106	40.28%	$ 216,639,138	35.52%

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West Phoenix CC Units 1-3							
341.00 Structures and Improvements	$ 366,217	$ (174,165)	-47.56%	$ 201,780	55.10%	$ 201,293	54.97%
342.00 Fuel Holders, Products and Accessories	22,031,967	14,160,758	64.27%	13,331,306	60.51%	13,299,135	60.36%
343.00 Prime Movers							
344.00 Generators and Devices	130,345,213	61,299,140	47.03%	60,018,475	46.05%	59,873,641	45.93%
345.00 Accessory Electric Equipment	32,620,455	9,777,883	29.97%	11,449,742	35.10%	11,422,112	35.02%
346.00 Miscellaneous Power Plant Equipment	8,073,969	2,842,783	35.21%	3,117,741	38.61%	3,110,218	38.52%
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 87,906,399	45.44%	$ 88,119,044	45.55%	$ 87,906,399	45.44%
West Phoenix CC Unit 4							
341.00 Structures and Improvements	$ 7,035,987	$ 2,018,949	28.69%	$ 2,398,614	34.09%	$ 2,177,748	30.95%
342.00 Fuel Holders, Products and Accessories	4,470,010	2,035,665	45.54%	2,231,577	49.92%	2,026,092	45.33%
343.00 Prime Movers	49,464,010	24,639,897	49.81%	26,824,918	54.23%	24,354,859	49.24%
344.00 Generators and Devices	23,956,815	8,472,007	35.36%	9,413,492	39.29%	8,546,690	35.68%
345.00 Accessory Electric Equipment	552,377	143,454	25.97%	164,429	29.77%	149,289	27.03%
346.00 Miscellaneous Power Plant Equipment	942,600	132,993	14.11%	207,385	22.00%	188,289	19.98%
Total West Phoenix CC Unit 4	$ 86,421,799	$ 37,442,966	43.33%	$ 41,240,415	47.72%	$ 37,442,966	43.33%
West Phoenix CC Unit 5							
341.00 Structures and Improvements	$ 11,054,705	$ 2,517,789	22.78%	$ 4,491,324	40.63%	$ 3,386,356	30.63%
342.00 Fuel Holders, Products and Accessories	2,517,723			974,969	38.72%	735,105	29.20%
343.00 Prime Movers	92,823,576	34,680,574	37.36%	36,958,501	39.82%	27,865,873	30.02%
344.00 Generators and Devices	182,281,145	41,541,253	22.79%	61,633,040	33.81%	46,469,917	25.49%
345.00 Accessory Electric Equipment	15,372,027	3,812,715	24.80%	5,430,542	35.33%	4,094,505	26.64%
346.00 Miscellaneous Power Plant Equipment	4,852,959	833,134	17.17%	1,105,748	22.79%	833,709	17.18%
Total West Phoenix CC Unit 5	$ 308,902,135	$ 83,385,465	26.99%	$ 110,594,123	35.80%	$ 83,385,465	26.99%
West Phoenix Common							
341.00 Structures and Improvements	$ 21,155,504	$ 7,904,308	37.36%	$ 5,730,525	27.09%	$ 7,904,308	37.36%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total West Phoenix Common	$ 21,155,504	$ 7,904,308	37.36%	$ 5,730,525	27.09%	$ 7,904,308	37.36%

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Combustion Turbine							
341.00 Structures and Improvements	$ 31,102,449	$ 10,228,622	32.89%	$ 9,625,235	30.95%	$ 10,723,333	34.48%
342.00 Fuel Holders, Products and Accessories	14,957,632	8,843,973	59.13%	8,659,387	57.89%	8,395,667	56.13%
343.00 Prime Movers	380,839,455	174,392,126	45.79%	147,920,024	38.84%	172,960,913	45.42%
344.00 Generators and Devices	689,863,781	37,302,414	5.41%	46,325,853	6.72%	38,103,473	5.52%
345.00 Accessory Electric Equipment	42,078,140	20,677,181	49.14%	18,830,310	44.75%	21,378,077	50.81%
346.00 Miscellaneous Power Plant Equipment	12,525,501	4,137,658	33.03%	4,090,899	32.66%	4,020,511	32.10%
Total Combustion Turbine	$ 1,171,366,958	$ 255,581,974	21.82%	$ 235,451,707	20.10%	$ 255,581,974	21.82%
Douglas CT							
341.00 Structures and Improvements	$ 103,952	$ (109,082)	-104.94%	$ 53,167	51.15%	$ (2,933)	-2.82%
342.00 Fuel Holders, Products and Accessories	137,759	(301,173)	-218.62%	105,207	76.37%	(5,803)	-4.21%
343.00 Prime Movers	3,721,569	2,728,550	73.32%	204,962	5.51%	(11,306)	-0.30%
344.00 Generators and Devices	971,924	(1,480,347)	-152.31%	586,003	60.29%	(32,325)	-3.33%
345.00 Accessory Electric Equipment	582,402	(834,397)	-143.27%	313,807	53.88%	(17,310)	-2.97%
346.00 Miscellaneous Power Plant Equipment	33,564	(74,654)	-222.42%	25,845	77.00%	(1,426)	-4.25%
Total Douglas CT	$ 5,551,170	$ (71,102)	-1.28%	$ 1,288,991	23.22%	$ (71,102)	-1.28%
Ocotillo							
341.00 Structures and Improvements	$ 3,189,602	$ 65,746	2.06%	$ 426,443	13.37%	$ 325,151	10.19%
342.00 Fuel Holders, Products and Accessories	1,484,432	581,896	39.20%	767,366	51.69%	585,095	39.42%
343.00 Prime Movers	24,161,626	6,082,793	25.18%	8,558,860	35.42%	6,525,889	27.01%
344.00 Generators and Devices	612,033,648	8,902,408	1.45%	16,020,014	2.62%	8,242,082	1.35%
345.00 Accessory Electric Equipment	4,017,658	1,504,914	37.46%	2,007,447	49.97%	1,530,622	38.10%
346.00 Miscellaneous Power Plant Equipment	950,460	510,095	53.67%	575,775	60.58%	439,012	46.19%
Total Ocotillo	$ 645,837,426	$ 17,647,852	2.73%	$ 28,355,906	4.39%	$ 17,647,852	2.73%
Ocotillo CT Units 1-2							
341.00 Structures and Improvements	$ 3,189,602	$ 65,746	2.06%	$ 426,443	13.37%	$ 325,151	10.19%
342.00 Fuel Holders, Products and Accessories	1,484,432	581,896	39.20%	767,366	51.69%	585,095	39.42%
343.00 Prime Movers	24,161,626	6,082,793	25.18%	8,558,860	35.42%	6,525,889	27.01%
344.00 Generators and Devices	15,486,821	5,931,627	38.30%	6,913,437	44.64%	5,271,301	34.04%
345.00 Accessory Electric Equipment	4,017,658	1,504,914	37.46%	2,007,447	49.97%	1,530,622	38.10%
346.00 Miscellaneous Power Plant Equipment	950,460	510,095	53.67%	575,775	60.58%	439,012	46.19%
Total Octillo CT Units 1-2	$ 49,290,599	$ 14,677,070	29.78%	$ 19,249,328	39.05%	$ 14,677,070	29.78%

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Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
Ocotillo CT Units 3-7							
341.00 Structures and Improvements	$ -	$ -		$ -		$ -	
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	596,546,827	2,970,782	0.50%	9,106,578	1.53%	2,970,782	0.50%
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Octillo CT Units 3-7	$ 596,546,827	$ 2,970,782	0.50%	$ 9,106,578	1.53%	$ 2,970,782	0.50%
Saguaro							
341.00 Structures and Improvements	$ 3,051,365	$ 1,442,471	47.27%	$ 1,119,690	36.69%	$ 1,021,922	33.49%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,271,253	77.40%	1,161,496	70.72%	1,060,077	64.54%
343.00 Prime Movers	23,292,483	5,718,981	24.55%	7,393,588	31.74%	6,872,727	29.51%
344.00 Generators and Devices	38,498,152	17,877,019	46.44%	16,242,291	42.19%	17,335,026	45.03%
345.00 Accessory Electric Equipment	3,593,189	1,454,205	40.47%	1,694,376	47.16%	1,564,699	43.55%
346.00 Miscellaneous Power Plant Equipment	916,172	662,539	72.32%	626,742	68.41%	572,017	62.44%
Total Saguaro	$ 70,993,849	$ 28,426,468	40.04%	$ 28,238,184	39.78%	$ 28,426,468	40.04%
Saguaro CT Units 1-2							
341.00 Structures and Improvements	$ 3,051,365	$ 1,442,471	47.27%	$ 1,119,690	36.69%	$ 1,021,922	33.49%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,271,253	77.40%	1,161,496	70.72%	1,060,077	64.54%
343.00 Prime Movers	21,353,178	5,183,748	24.28%	6,817,804	31.93%	6,222,492	29.14%
344.00 Generators and Devices	14,724,431	4,647,555	31.56%	4,650,787	31.59%	4,244,693	28.83%
345.00 Accessory Electric Equipment	3,269,324	1,383,086	42.30%	1,610,034	49.25%	1,469,450	44.95%
346.00 Miscellaneous Power Plant Equipment	916,172	662,539	72.32%	626,742	68.41%	572,017	62.44%
Total Saguaro CT Units 1-2	$ 44,956,958	$ 14,590,652	32.45%	$ 15,986,553	35.56%	$ 14,590,652	32.45%
Saguaro CT Unit 3							
341.00 Structures and Improvements	$ -	$ -		$ -		$ -	
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers	1,939,305	535,233	27.60%	575,784	29.69%	650,235	33.53%
344.00 Generators and Devices	23,773,721	13,229,464	55.65%	11,591,504	48.76%	13,090,333	55.06%
345.00 Accessory Electric Equipment	323,865	71,120	21.96%	84,342	26.04%	95,248	29.41%
346.00 Miscellaneous Power Plant Equipment							
Total Saguaro CT Unit 3	$ 26,036,891	$ 13,835,816	53.14%	$ 12,251,630	47.05%	$ 13,835,816	53.14%

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Sundance Units 1-10							
341.00 Structures and Improvements	$ 13,762,067	$ 6,860,041	49.85%	$ 5,221,536	37.94%	$ 6,999,321	50.86%
342.00 Fuel Holders, Products and Accessories	4,418,231	2,391,416	54.13%	1,811,844	41.01%	2,428,725	54.97%
343.00 Prime Movers	227,932,672	129,018,866	56.60%	95,403,699	41.86%	127,885,963	56.11%
344.00 Generators and Devices	13,058,506	1,972,219	15.10%	2,293,663	17.56%	3,074,591	23.54%
345.00 Accessory Electric Equipment	27,804,255	15,482,562	55.68%	11,306,832	40.67%	15,156,488	54.51%
346.00 Miscellaneous Power Plant Equipment	6,970,933	1,296,100	18.59%	1,101,191	15.80%	1,476,116	21.18%
Total Sun Dance Units 1-10	$ 293,946,664	$ 157,021,204	53.42%	$ 117,138,765	39.85%	$ 157,021,204	53.42%
West Phoenix CT Units 1-2							
341.00 Structures and Improvements	$ 4,239,486	$ 1,109,653	26.17%	$ 1,292,297	30.48%	$ 933,566	22.02%
342.00 Fuel Holders, Products and Accessories	1,843,219	1,100,840	59.72%	1,217,230	66.04%	879,337	47.71%
343.00 Prime Movers	20,466,623	5,881,051	28.73%	9,054,952	44.24%	6,541,374	31.96%
344.00 Generators and Devices	15,280,205	4,269,530	27.94%	5,424,296	35.50%	3,918,557	25.64%
345.00 Accessory Electric Equipment	1,525,954	463,354	30.36%	975,425	63.92%	704,655	46.18%
346.00 Miscellaneous Power Plant Equipment	1,026,473	628,767	61.26%	658,497	64.15%	475,703	46.34%
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 13,453,194	30.31%	$ 18,622,696	41.96%	$ 13,453,194	30.31%
Yucca							
341.00 Structures and Improvements	$ 6,755,977	$ 859,793	12.73%	$ 1,512,102	22.38%	$ 1,446,305	21.41%
342.00 Fuel Holders, Products and Accessories	5,431,503	3,799,741	69.96%	3,596,244	66.21%	3,448,236	63.49%
343.00 Prime Movers	81,264,482	24,961,885	30.72%	27,303,963	33.60%	25,146,265	30.94%
344.00 Generators and Devices	10,021,346	5,761,585	57.49%	5,759,585	57.47%	5,565,541	55.54%
345.00 Accessory Electric Equipment	4,554,682	2,606,543	57.23%	2,532,423	55.60%	2,438,923	53.55%
346.00 Miscellaneous Power Plant Equipment	2,627,899	1,114,812	42.42%	1,102,849	41.97%	1,059,088	40.30%
Total Yucca	$ 110,655,889	$ 39,104,358	35.34%	$ 41,807,165	37.78%	$ 39,104,358	35.34%
Yucca CT Units 1-4							
341.00 Structures and Improvements	$ 5,685,548	$ 616,237	10.84%	$ 1,262,131	22.20%	$ 1,220,102	21.46%
342.00 Fuel Holders, Products and Accessories	3,934,860	3,357,198	85.32%	3,138,934	79.77%	3,034,408	77.12%
343.00 Prime Movers	12,670,962	6,731,737	53.13%	7,096,573	56.01%	6,860,259	54.14%
344.00 Generators and Devices	9,848,867	5,727,556	58.15%	5,723,145	58.11%	5,532,566	56.17%
345.00 Accessory Electric Equipment	3,737,069	2,473,783	66.20%	2,383,991	63.79%	2,304,605	61.67%
346.00 Miscellaneous Power Plant Equipment	1,536,718	1,001,468	65.17%	988,970	64.36%	956,038	62.21%
Total Yucca CT Units 1-4	$ 37,414,024	$ 19,907,978	53.21%	$ 20,593,744	55.04%	$ 19,907,978	53.21%

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Yucca CT Units 5-6							
341.00 Structures and Improvements	$ 1,070,429	$ 243,556	22.75%	$ 249,971	23.35%	$ 226,203	21.13%
342.00 Fuel Holders, Products and Accessories	1,496,643	442,543	29.57%	457,310	30.56%	413,828	27.65%
343.00 Prime Movers	68,593,520	18,230,148	26.58%	20,207,390	29.46%	18,286,006	26.66%
344.00 Generators and Devices	172,479	34,030	19.73%	36,440	21.13%	32,975	19.12%
345.00 Accessory Electric Equipment	817,613	132,760	16.24%	148,432	18.15%	134,318	16.43%
346.00 Miscellaneous Power Plant Equipment	1,091,181	113,344	10.39%	113,879	10.44%	103,051	9.44%
Total Yucca CT Units 5-6	$ 73,241,865	$ 19,196,381	26.21%	$ 21,213,422	28.96%	$ 19,196,381	26.21%
Solar Units							
341.00 Structures and Improvements	$ 36,871,992	$ 6,521,205	17.69%	$ 6,982,617	18.94%	$ 6,722,129	18.23%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	687,278,590	130,283,085	18.96%	136,725,787	19.89%	129,325,092	18.82%
345.00 Accessory Electric Equipment	127,033,147	22,649,823	17.83%	25,112,076	19.77%	23,401,690	18.42%
346.00 Miscellaneous Power Plant Equipment	1,577,646	288,249	18.27%	301,087	19.08%	293,452	18.60%
Total Solar Units	$ 852,761,375	$ 159,742,363	18.73%	$ 169,121,567	19.83%	$ 159,742,363	18.73%
Chino Valley							
341.05 Structures and Improvements	$ 527,890	$ 110,183	20.87%	$ 120,132	22.76%	$ 110,182	20.87%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	77,719,184	16,221,704	20.87%	17,686,608	22.76%	16,221,704	20.87%
345.05 Accessory Electric Equipment	6,511,784	1,359,153	20.87%	1,481,891	22.76%	1,359,153	20.87%
346.05 Miscellaneous Power Plant Equipment	216,504	45,189	20.87%	49,270	22.76%	45,189	20.87%
Total Chino Valley	$ 84,975,362	$ 17,736,228	20.87%	$ 19,337,902	22.76%	$ 17,736,228	20.87%
Cotton Center							
341.05 Structures and Improvements	$ 1,813,499	$ 442,322	24.39%	$ 474,336	26.16%	$ 441,884	24.37%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	62,644,922	15,731,380	25.11%	16,891,250	26.96%	15,735,612	25.12%
345.05 Accessory Electric Equipment	15,418,007	3,760,538	24.39%	4,032,712	26.16%	3,756,808	24.37%
346.05 Miscellaneous Power Plant Equipment	262,640	64,060	24.39%	68,696	26.16%	63,996	24.37%
Total Cotton Center	$ 80,139,068	$ 19,998,300	24.95%	$ 21,466,993	26.79%	$ 19,998,300	24.95%

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Desert Star							
341.05 Structures and Improvements	$ 1,557,800	$ 202,535	13.00%	$ 196,142	12.59%	$ 210,914	13.54%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	29,042,805	6,928,587	23.86%	6,398,394	22.03%	6,880,292	23.69%
345.05 Accessory Electric Equipment	4,084,919	514,847	12.60%	514,329	12.59%	553,066	13.54%
346.05 Miscellaneous Power Plant Equipment	291,809	37,812	12.96%	36,741	12.59%	39,509	13.54%
Total Desert Star	$ 34,977,333	$ 7,683,781	21.97%	$ 7,145,606	20.43%	$ 7,683,781	21.97%
Foothills Units							
341.05 Structures and Improvements	$ 10,906,684	$ 2,002,258	18.36%	$ 2,116,240	19.40%	$ 2,040,629	18.71%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	105,443,248	19,840,062	18.82%	20,459,309	19.40%	19,728,315	18.71%
345.05 Accessory Electric Equipment	20,815,540	3,821,391	18.36%	4,038,870	19.40%	3,894,565	18.71%
346.05 Miscellaneous Power Plant Equipment	57,708	10,594	18.36%	11,197	19.40%	10,797	18.71%
Total Foothills Units	$ 137,223,180	$ 25,674,305	18.71%	$ 26,625,616	19.40%	$ 25,674,305	18.71%
Gila Bend							
341.05 Structures and Improvements	$ 5,018,097	$ 796,443	15.87%	$ 808,219	16.11%	$ 827,381	16.49%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	89,246,612	14,814,413	16.60%	14,374,140	16.11%	14,714,928	16.49%
345.05 Accessory Electric Equipment	11,096,944	1,761,241	15.87%	1,787,284	16.11%	1,829,658	16.49%
346.05 Miscellaneous Power Plant Equipment	21,142	3,356	15.87%	3,405	16.11%	3,486	16.49%
Total Gila Bend	$ 105,382,795	$ 17,375,452	16.49%	$ 16,973,048	16.11%	$ 17,375,452	16.49%
Hyder							
341.05 Structures and Improvements	$ 6,915,232	$ 1,439,968	20.82%	$ 1,500,091	21.69%	$ 1,442,728	20.86%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	93,250,197	19,712,675	21.14%	20,495,412	21.98%	19,711,667	21.14%
345.05 Accessory Electric Equipment	22,556,482	4,868,348	21.58%	5,060,109	22.43%	4,866,610	21.58%
346.05 Miscellaneous Power Plant Equipment	206,389	47,783	23.15%	49,668	24.07%	47,769	23.14%
Total Hyder	$ 122,928,300	$ 26,068,774	21.21%	$ 27,105,279	22.05%	$ 26,068,774	21.21%

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Legacy							
341.00 Structures and Improvements	$ 313,214	$ 210,689	67.27%	$ 171,974	54.91%	$ 343,852	109.78%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	10,452,105	6,148,103	58.82%	2,828,556	27.06%	5,655,515	54.11%
345.00 Accessory Electric Equipment	1,972,486	436,675	22.14%	398,162	20.19%	796,100	40.36%
346.00 Miscellaneous Power Plant Equipment							
Total Legacy	$ 12,737,805	$ 6,795,467	53.35%	$ 3,398,693	26.68%	$ 6,795,467	53.35%
Luke AFB							
341.05 Structures and Improvements	$ 1,488,329	$ 195,442	13.13%	$ 190,943	12.83%	$ 209,520	14.08%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	25,469,888	3,634,445	14.27%	3,267,622	12.83%	3,585,540	14.08%
345.05 Accessory Electric Equipment	1,757,020	215,719	12.28%	225,414	12.83%	247,346	14.08%
346.05 Miscellaneous Power Plant Equipment	357,678	47,152	13.18%	45,888	12.83%	50,352	14.08%
Total Luke AFB	$ 29,072,915	$ 4,092,758	14.08%	$ 3,729,867	12.83%	$ 4,092,758	14.08%
Paloma							
341.05 Structures and Improvements	$ 2,281,950	$ 564,894	24.75%	$ 606,364	26.57%	$ 565,148	24.77%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	49,207,939	12,136,521	24.66%	13,019,849	26.46%	12,134,861	24.66%
345.05 Accessory Electric Equipment	12,514,947	3,098,061	24.75%	3,325,496	26.57%	3,099,455	24.77%
346.05 Miscellaneous Power Plant Equipment	121,486	30,074	24.76%	32,281	26.57%	30,087	24.77%
Total Paloma	$ 64,126,322	$ 15,829,551	24.68%	$ 16,983,990	26.49%	$ 15,829,551	24.68%
Red Rock							
341.05 Structures and Improvements	$ 4,463,879	$ 235,358	5.27%	$ 415,961	9.32%	$ 239,284	5.36%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	72,010,410	3,796,746	5.27%	6,710,208	9.32%	3,860,082	5.36%
345.05 Accessory Electric Equipment	13,383,040	784,690	5.86%	1,247,083	9.32%	717,391	5.36%
346.05 Miscellaneous Power Plant Equipment	42,290	2,230	5.27%	3,941	9.32%	2,267	5.36%
Total Redrock	$ 89,899,619	$ 4,819,024	5.36%	$ 8,377,194	9.32%	$ 4,819,024	5.36%

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Roof Tops							
341.05 Structures and Improvements	$ 1,585,418	$ 321,114	20.25%	$ 382,213	24.11%	$ 290,608	18.33%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	72,791,280	11,318,449	15.55%	14,594,440	20.05%	11,096,576	15.24%
345.05 Accessory Electric Equipment	16,921,978	2,029,160	11.99%	3,000,726	17.73%	2,281,539	13.48%
346.05 Miscellaneous Power Plant Equipment							
Total Roof Tops	$ 91,298,676	$ 13,668,723	14.97%	$ 17,977,379	19.69%	$ 13,668,723	14.97%

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Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
STEAM PRODUCTION							
311.00 Structures and Improvements	$ 141,937,433	$ 65,671,630	46.27%	$ 6,612,147	4.66%	$ 72,283,777	50.93%
312.00 Boiler Plant Equipment	1,491,411,135	627,611,807	42.08%	65,324,442	4.38%	692,936,249	46.46%
314.00 Turbogenerator Units	211,425,539	95,537,570	45.19%	7,545,775	3.57%	103,083,344	48.76%
315.00 Accessory Electric Equipment	117,866,116	54,701,477	46.41%	4,917,777	4.17%	59,619,255	50.58%
316.00 Miscellaneous Power Plant Equipment	84,425,866	37,308,659	44.19%	3,630,528	4.30%	40,939,187	48.49%
Total Steam Production Plant	$ 2,047,066,089	$ 880,831,143	43.03%	$ 88,030,669	4.30%	$ 968,861,812	47.33%
NUCLEAR PRODUCTION							
321.00 Structures and Improvements	$ 850,120,585	$ 430,543,511	50.64%	$ (448,641)	-0.05%	$ 430,094,870	50.59%
322.00 Reactor Plant Equipment	1,187,263,758	677,419,114	57.06%	(6,439,994)	-0.54%	670,979,119	56.51%
323.00 Turbogenerator Units	405,048,258	207,144,449	51.14%	722,591	0.18%	207,867,040	51.32%
324.00 Accessory Electric Equipment	294,782,526	184,078,913	62.45%	20,041	0.01%	184,098,954	62.45%
325.00 Miscellaneous Power Plant Equipment	233,949,471	91,159,981	38.97%	(1,392,536)	-0.60%	89,767,444	38.37%
Total Nuclear Production Plant	$ 2,971,164,598	$ 1,590,345,967	53.53%	$ (7,538,539)	-0.25%	$ 1,582,807,428	53.27%
OTHER PRODUCTION							
341.00 Structures and Improvements	$ 131,575,027	$ 37,689,245	28.64%	$ (22,836)	-0.02%	$ 37,666,409	28.63%
342.00 Fuel Holders, Products and Accessories	56,786,945	25,393,083	44.72%	1,148,620	2.02%	26,541,703	46.74%
343.00 Prime Movers	655,542,039	251,052,239	38.30%	8,606,017	1.31%	259,658,256	39.61%
344.00 Generators and Devices	2,104,937,839	315,131,793	14.97%	59,050,056	2.81%	374,181,849	17.78%
345.00 Accessory Electric Equipment	247,553,984	64,016,199	25.86%	2,730,241	1.10%	66,746,440	26.96%
346.00 Miscellaneous Power Plant Equipment	34,845,144	9,313,034	26.73%	378,097	1.09%	9,691,130	27.81%
Total Other Production Plant	$ 3,231,240,978	$ 702,595,592	21.74%	$ 71,890,195	2.22%	$ 774,485,788	23.97%
TRANSMISSION PLANT							
352.02 Structures and Improvements	$ 151,995	$ 110,605	72.77%	$ -		$ 110,605	72.77%
353.00 Station Equipment	132,434,328	29,081,145	21.96%	1,726,284	1.30%	30,807,429	23.26%
354.00 Towers and Fixtures	1,329,316	599,978	45.13%			599,978	45.13%
355.00 Poles and Fixtures	1,370,085	305,219	22.28%	61,044	4.46%	366,263	26.73%
356.00 Overhead Conductors and Devices	1,947,677	571,375	29.34%	129,756	6.66%	701,131	36.00%
Total Transmission Plant	$ 137,233,401	$ 30,668,322	22.35%	$ 1,917,083	1.40%	$ 32,585,406	23.74%

ARIZONA PUBLIC SERVICE COMPANY
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Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
DISTRIBUTION PLANT							
361.00 Structures and Improvements	$ 93,053,192	$ 22,000,022	23.64%	$ 2,117,598	2.28%	$ 24,117,620	25.92%
362.00 Station Equipment	631,870,595	122,460,536	19.38%	11,401,422	1.80%	133,861,958	21.19%
363.00 Storage Battery Equipment	13,585,353	2,012,017	14.81%	(291,072)	-2.14%	1,720,945	12.67%
364.01 Poles, Towers and Fixtures - Wood	357,345,350	89,556,435	25.06%	18,845,425	5.27%	108,401,860	30.34%
364.02 Poles, Towers and Fixtures - Steel	323,911,866	41,735,335	12.88%	3,851,845	1.19%	45,587,180	14.07%
365.00 Overhead Conductors and Devices	468,658,341	72,981,841	15.57%	13,237,832	2.82%	86,219,673	18.40%
366.00 Underground Conduit	727,611,816	179,481,539	24.67%	23,737,793	3.26%	203,219,332	27.93%
367.00 Underground Conductors and Devices	1,863,851,442	509,438,141	27.33%	95,397,009	5.12%	604,835,151	32.45%
368.00 Line Transformers	921,018,156	233,516,753	25.35%	21,274,052	2.31%	254,790,805	27.66%
369.00 Services	447,263,911	115,930,639	25.92%	22,414,343	5.01%	138,344,982	30.93%
370.01 Meters - Electronic	17,843,353	2,677,442	15.01%	86,713	0.49%	2,764,154	15.49%
370.03 Meters - AMI	302,666,385	125,603,779	41.50%	641,949	0.21%	126,245,728	41.71%
371.00 Installations on Customers' Premises	46,529,246	10,378,468	22.31%	1,765,903	3.80%	12,144,372	26.10%
373.00 Street Lighting and Signal Systems	80,127,587	20,179,703	25.18%	3,793,900	4.73%	23,973,603	29.92%
Total Distribution Plant	$ 6,295,336,593	$ 1,547,952,649	24.59%	$ 218,274,712	3.47%	$ 1,766,227,362	28.06%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 265,654,498	$ 40,480,892	15.24%	$ 2,680,091	1.01%	$ 43,160,983	16.25%
391.CM Office Furn. and Equip. - Computer	243,545,219	111,304,198	45.70%	(674,160)	-0.28%	110,630,038	45.42%
397.00 Communication Equipment	295,372,374	103,898,962	35.18%	(583,847)	-0.20%	103,315,115	34.98%
Total Depreciable	$ 804,572,091	$ 255,684,052	31.78%	$ 1,422,084	0.18%	$ 257,106,137	31.96%
Amortizable							
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ 34,177,862	53.57%	$ -		$ 34,177,862	53.57%
393.00 Stores Equipment	594,181	162,894	27.41%			162,894	27.41%
394.00 Tools, Shop and Garage Equipment	43,094,855	20,743,001	48.13%			20,743,001	48.13%
395.00 Laboratory Equipment	767,547	492,765	64.20%			492,765	64.20%
398.00 Miscellaneous Equipment	23,861,303	6,301,368	26.41%			6,301,368	26.41%
Total Amortizable	$ 132,117,247	$ 61,877,890	46.84%	$ -		$ 61,877,890	46.84%
Total General Plant	$ 936,689,338	$ 317,561,942	33.90%	$ 1,422,084	0.15%	$ 318,984,027	34.05%
TOTAL UTILITY	$ 15,618,730,997	$ 5,069,955,616	32.46%	$ 373,996,206	2.39%	$ 5,443,951,822	34.86%

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Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
STEAM PRODUCTION (by Unit)							
Cholla							
311.00 Structures and Improvements	$ 78,078,473	$ 37,230,474	47.68%	$ 2,475,887	3.17%	$ 39,706,361	50.85%
312.00 Boiler Plant Equipment	385,237,434	187,052,065	48.56%	12,861,133	3.34%	199,913,198	51.89%
314.00 Turbogenerator Units	85,554,772	44,770,942	52.33%	3,705,892	4.33%	48,476,834	56.66%
315.00 Accessory Electric Equipment	53,298,558	29,293,767	54.96%	2,166,088	4.06%	31,459,855	59.03%
316.00 Miscellaneous Power Plant Equipment	24,674,267	11,129,295	45.10%	837,324	3.39%	11,966,620	48.50%
Total Cholla	$ 626,843,504	$ 309,476,543	49.37%	$ 22,046,325	3.52%	$ 331,522,868	52.89%
Cholla Unit 1							
311.00 Structures and Improvements	$ 4,743,207	$ 2,975,224	62.73%	$ 243,968	5.14%	$ 3,219,192	67.87%
312.00 Boiler Plant Equipment	82,295,074	46,905,302	57.00%	3,155,773	3.83%	50,061,075	60.83%
314.00 Turbogenerator Units	27,444,492	15,315,389	55.80%	1,220,471	4.45%	16,535,860	60.25%
315.00 Accessory Electric Equipment	9,492,908	5,873,866	61.88%	476,140	5.02%	6,350,006	66.89%
316.00 Miscellaneous Power Plant Equipment	3,742,187	2,118,643	56.62%	177,966	4.76%	2,296,609	61.37%
Total Cholla Unit 1	$ 127,717,868	$ 73,188,423	57.30%	$ 5,274,318	4.13%	$ 78,462,742	61.43%
Cholla Unit 3							
311.00 Structures and Improvements	$ 13,288,725	$ 6,486,408	48.81%	$ 471,728	3.55%	$ 6,958,137	52.36%
312.00 Boiler Plant Equipment	243,068,426	112,404,775	46.24%	7,796,258	3.21%	120,201,033	49.45%
314.00 Turbogenerator Units	57,062,305	28,968,380	50.77%	2,447,994	4.29%	31,416,373	55.06%
315.00 Accessory Electric Equipment	34,899,789	19,636,921	56.27%	1,374,584	3.94%	21,011,505	60.21%
316.00 Miscellaneous Power Plant Equipment	7,009,816	3,223,950	45.99%	219,945	3.14%	3,443,895	49.13%
Total Cholla Unit 3	$ 355,329,061	$ 170,720,434	48.05%	$ 12,310,509	3.46%	$ 183,030,943	51.51%
Cholla Common							
311.00 Structures and Improvements	$ 60,046,541	$ 27,768,842	46.25%	$ 1,760,190	2.93%	$ 29,529,032	49.18%
312.00 Boiler Plant Equipment	59,873,934	27,741,988	46.33%	1,909,103	3.19%	29,651,091	49.52%
314.00 Turbogenerator Units	1,047,975	487,173	46.49%	37,427	3.57%	524,600	50.06%
315.00 Accessory Electric Equipment	8,905,861	3,782,981	42.48%	315,364	3.54%	4,098,345	46.02%
316.00 Miscellaneous Power Plant Equipment	13,922,264	5,786,702	41.56%	439,413	3.16%	6,226,116	44.72%
Total Cholla Common	$ 143,796,575	$ 65,567,686	45.60%	$ 4,461,497	3.10%	$ 70,029,184	48.70%

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Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
Four Corners							
311.00 Structures and Improvements	$ 63,858,960	$ 28,441,155	44.54%	$ 4,136,260	6.48%	$ 32,577,416	51.01%
312.00 Boiler Plant Equipment	1,106,173,701	440,559,742	39.83%	52,463,309	4.74%	493,023,051	44.57%
314.00 Turbogenerator Units	125,870,767	50,766,628	40.33%	3,839,883	3.05%	54,606,511	43.38%
315.00 Accessory Electric Equipment	64,567,558	25,407,710	39.35%	2,751,689	4.26%	28,159,399	43.61%
316.00 Miscellaneous Power Plant Equipment	59,751,599	26,179,364	43.81%	2,793,204	4.67%	28,972,568	48.49%
Total Four Corners	$ 1,420,222,585	$ 571,354,599	40.23%	$ 65,984,345	4.65%	$ 637,338,944	44.88%
Four Corners Units 4-5							
311.00 Structures and Improvements	$ 39,839,762	$ 24,334,464	61.08%	$ 2,981,529	7.48%	$ 27,315,993	68.56%
312.00 Boiler Plant Equipment	1,066,430,407	429,390,184	40.26%	51,724,019	4.85%	481,114,204	45.11%
314.00 Turbogenerator Units	121,897,287	49,396,176	40.52%	3,683,372	3.02%	53,079,548	43.54%
315.00 Accessory Electric Equipment	43,201,151	21,838,684	50.55%	2,276,103	5.27%	24,114,787	55.82%
316.00 Miscellaneous Power Plant Equipment	39,853,780	20,923,130	52.50%	2,461,670	6.18%	23,384,800	58.68%
Total Four Corners Units 4-5	$ 1,311,222,387	$ 545,882,638	41.63%	$ 63,126,693	4.81%	$ 609,009,331	46.45%
Four Corners Common							
311.00 Structures and Improvements	$ 24,019,198	$ 4,106,691	17.10%	$ 1,154,731	4.81%	$ 5,261,422	21.91%
312.00 Boiler Plant Equipment	39,743,294	11,169,558	28.10%	739,289	1.86%	11,908,847	29.96%
314.00 Turbogenerator Units	3,973,480	1,370,452	34.49%	156,511	3.94%	1,526,963	38.43%
315.00 Accessory Electric Equipment	21,366,407	3,569,027	16.70%	475,586	2.23%	4,044,613	18.93%
316.00 Miscellaneous Power Plant Equipment	19,897,819	5,256,234	26.42%	331,534	1.67%	5,587,768	28.08%
Total Four Corners Common	$ 109,000,198	$ 25,471,962	23.37%	$ 2,857,651	2.62%	$ 28,329,613	25.99%
NUCLEAR PRODUCTION (by Unit)							
Palo Verde							
321.00 Structures and Improvements	$ 850,120,585	$ 430,543,511	50.64%	$ (448,641)	-0.05%	$ 430,094,870	50.59%
322.00 Reactor Plant Equipment	1,187,263,758	677,419,114	57.06%	(6,439,994)	-0.54%	670,979,119	56.51%
323.00 Turbogenerator Units	405,048,258	207,144,449	51.14%	722,591	0.18%	207,867,040	51.32%
324.00 Accessory Electric Equipment	294,782,526	184,078,913	62.45%	20,041	0.01%	184,098,954	62.45%
325.00 Miscellaneous Power Plant Equipment	233,949,471	91,159,981	38.97%	(1,392,536)	-0.60%	89,767,444	38.37%
Total Palo Verde	$ 2,971,164,598	$ 1,590,345,967	53.53%	$ (7,538,539)	-0.25%	$ 1,582,807,428	53.27%

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Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
Palo Verde Unit 1							
321.00 Structures and Improvements	$ 169,287,979	$ 111,802,712	66.04%	$ 118,837	0.07%	$ 111,921,549	66.11%
322.00 Reactor Plant Equipment	465,986,593	286,578,865	61.50%	1,588,821	0.34%	288,167,686	61.84%
323.00 Turbogenerator Units	144,321,116	78,049,150	54.08%	(1,628,715)	-1.13%	76,420,435	52.95%
324.00 Accessory Electric Equipment	121,319,415	81,733,122	67.37%	93,215	0.08%	81,826,338	67.45%
325.00 Miscellaneous Power Plant Equipment	33,599,919	20,678,507	61.54%	(145,002)	-0.43%	20,533,505	61.11%
Total Palo Verde Unit 1	$ 934,515,022	$ 578,842,355	61.94%	$ 27,157	0.00%	$ 578,869,513	61.94%
Palo Verde Unit 2							
321.00 Structures and Improvements	$ 94,477,904	$ 62,008,748	65.63%	$ 189,616	0.20%	$ 62,198,364	65.83%
322.00 Reactor Plant Equipment	248,880,636	138,091,728	55.49%	(768,858)	-0.31%	137,322,870	55.18%
323.00 Turbogenerator Units	87,819,612	45,250,943	51.53%	(664,524)	-0.76%	44,586,419	50.77%
324.00 Accessory Electric Equipment	49,752,711	31,534,404	63.38%	(1,397)	0.00%	31,533,007	63.38%
325.00 Miscellaneous Power Plant Equipment	27,865,592	16,903,904	60.66%	(79,596)	-0.29%	16,824,307	60.38%
Total Palo Verde Unit 2	$ 508,796,455	$ 293,789,726	57.74%	$ (1,324,759)	-0.26%	$ 292,464,968	57.48%
Palo Verde Unit 3							
321.00 Structures and Improvements	$167,896,725.00	$ 106,427,758	63.39%	$ 425,711	0.25%	$ 106,853,469	63.64%
322.00 Reactor Plant Equipment	436,634,437	236,185,749	54.09%	(4,436,604)	-1.02%	231,749,145	53.08%
323.00 Turbogenerator Units	167,364,071	82,447,723	49.26%	3,195,956	1.91%	85,643,680	51.17%
324.00 Accessory Electric Equipment	95,765,260	58,259,871	60.84%	(35,010)	-0.04%	58,224,861	60.80%
325.00 Miscellaneous Power Plant Equipment	29,878,581	17,385,917	58.19%	(125,745)	-0.42%	17,260,172	57.77%
Total Palo Verde Unit 3	$ 897,539,074	$ 500,707,018	55.79%	$ (975,691)	-0.11%	$ 499,731,327	55.68%
Palo Verde Water Reclamation							
321.00 Structures and Improvements	$ 233,902,104	$ 75,433,712	32.25%	$ (724,189)	-0.31%	$ 74,709,524	31.94%
322.00 Reactor Plant Equipment	454,911	68,359	15.03%	752	0.17%	69,111	15.19%
323.00 Turbogenerator Units	217,756	107,049	49.16%	(6,913)	-3.17%	100,136	45.99%
324.00 Accessory Electric Equipment							
325.00 Miscellaneous Power Plant Equipment	241,107	58,245	24.16%	(216,676)	-89.87%	(158,431)	-65.71%
Total Palo Verde Water Reclamation	$ 234,815,878	$ 75,667,366	32.22%	$ (947,026)	-0.40%	$ 74,720,339	31.82%

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Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
Palo Verde Common							
321.00 Structures and Improvements	$ 184,555,873	$ 74,870,580	40.57%	$ (458,617)	-0.25%	$ 74,411,964	40.32%
322.00 Reactor Plant Equipment	35,307,181	16,494,414	46.72%	(2,824,106)	-8.00%	13,670,308	38.72%
323.00 Turbogenerator Units	5,325,703	1,289,584	24.21%	(173,213)	-3.25%	1,116,371	20.96%
324.00 Accessory Electric Equipment	27,945,140	12,551,516	44.91%	(36,767)	-0.13%	12,514,748	44.78%
325.00 Miscellaneous Power Plant Equipment	142,364,272	36,133,408	25.38%	(825,517)	-0.58%	35,307,891	24.80%
Total Palo Verde Common	$ 395,498,169	$ 141,339,501	35.74%	$ (4,318,220)	-1.09%	$ 137,021,281	34.65%
OTHER PRODUCTION							
Combined Cycle							
341.00 Structures and Improvements	$ 63,600,586	$ 19,489,259	30.64%	$ 731,689	1.15%	$ 20,220,947	31.79%
342.00 Fuel Holders, Products and Accessories	41,829,313	17,378,212	41.55%	767,824	1.84%	18,146,036	43.38%
343.00 Prime Movers	274,702,584	83,662,701	30.46%	3,034,642	1.10%	86,697,343	31.56%
344.00 Generators and Devices	727,795,468	163,105,386	22.41%	43,647,898	6.00%	206,753,284	28.41%
345.00 Accessory Electric Equipment	78,442,697	21,832,366	27.83%	134,307	0.17%	21,966,673	28.00%
346.00 Miscellaneous Power Plant Equipment	20,741,997	5,206,878	25.10%	170,290	0.82%	5,377,167	25.92%
Total Combined Cycle	$ 1,207,112,645	$ 310,674,801	25.74%	$ 48,486,650	4.02%	$ 359,161,451	29.75%
Redhawk CC Units 1-2							
341.00 Structures and Improvements	$ 23,988,173	$ 6,221,126	25.93%	$ 330,115	1.38%	$ 6,551,241	27.31%
342.00 Fuel Holders, Products and Accessories	12,809,613	2,064,953	16.12%	20,751	0.16%	2,085,704	16.28%
343.00 Prime Movers	132,414,998	34,580,323	26.12%	(103,712)	-0.08%	34,476,612	26.04%
344.00 Generators and Devices	391,212,295	60,132,621	15.37%	31,730,415	8.11%	91,863,036	23.48%
345.00 Accessory Electric Equipment	29,897,838	6,596,589	22.06%	(295,822)	-0.99%	6,300,767	21.07%
346.00 Miscellaneous Power Plant Equipment	6,872,469	1,147,209	16.69%	97,744	1.42%	1,244,952	18.12%
Total Redhawk CC Units 1-2	$ 597,195,386	$ 110,742,821	18.54%	$ 31,779,492	5.32%	$ 142,522,314	23.87%
West Phoenix							
341.00 Structures and Improvements	$ 39,612,413	$ 13,268,133	33.49%	$ 401,573	1.01%	$ 13,669,706	34.51%
342.00 Fuel Holders, Products and Accessories	29,019,700	15,313,259	52.77%	747,072	2.57%	16,060,331	55.34%
343.00 Prime Movers	142,287,586	49,082,377	34.50%	3,138,354	2.21%	52,220,732	36.70%
344.00 Generators and Devices	336,583,173	102,972,765	30.59%	11,917,483	3.54%	114,890,248	34.13%
345.00 Accessory Electric Equipment	48,544,859	15,235,777	31.38%	430,129	0.89%	15,665,906	32.27%
346.00 Miscellaneous Power Plant Equipment	13,869,528	4,059,669	29.27%	72,546	0.52%	4,132,215	29.79%
Total West Phoenix	$ 609,917,259	$ 199,931,979	32.78%	$ 16,707,158	2.74%	$ 216,639,138	35.52%

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West Phoenix CC Units 1-3							
341.00 Structures and Improvements	$ 366,217	$ 191,708	52.35%	$ 9,585	2.62%	$ 201,293	54.97%
342.00 Fuel Holders, Products and Accessories	22,031,967	12,683,548	57.57%	615,587	2.79%	13,299,135	60.36%
343.00 Prime Movers							
344.00 Generators and Devices	130,345,213	56,952,917	43.69%	2,920,724	2.24%	59,873,641	45.93%
345.00 Accessory Electric Equipment	32,620,455	11,143,137	34.16%	278,975	0.86%	11,422,112	35.02%
346.00 Miscellaneous Power Plant Equipment	8,073,969	3,075,908	38.10%	34,310	0.42%	3,110,218	38.52%
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 84,047,218	43.45%	$ 3,859,181	2.00%	$ 87,906,399	45.44%
West Phoenix CC Unit 4							
341.00 Structures and Improvements	$ 7,035,987	$ 2,078,150	29.54%	$ 99,598	1.42%	$ 2,177,748	30.95%
342.00 Fuel Holders, Products and Accessories	4,470,010	1,929,611	43.17%	96,481	2.16%	2,026,092	45.33%
343.00 Prime Movers	49,464,010	21,971,767	44.42%	2,383,092	4.82%	24,354,859	49.24%
344.00 Generators and Devices	23,956,815	8,113,730	33.87%	432,961	1.81%	8,546,690	35.68%
345.00 Accessory Electric Equipment	552,377	142,180	25.74%	7,109	1.29%	149,289	27.03%
346.00 Miscellaneous Power Plant Equipment	942,600	173,474	18.40%	14,815	1.57%	188,289	19.98%
Total West Phoenix CC Unit 4	$ 86,421,799	$ 34,408,912	39.82%	$ 3,034,054	3.51%	$ 37,442,966	43.33%
West Phoenix CC Unit 5							
341.00 Structures and Improvements	$ 11,054,705	$ 3,205,561	29.00%	$ 180,796	1.64%	$ 3,386,356	30.63%
342.00 Fuel Holders, Products and Accessories	2,517,723	700,100	27.81%	35,005	1.39%	735,105	29.20%
343.00 Prime Movers	92,823,576	27,110,610	29.21%	755,263	0.81%	27,865,873	30.02%
344.00 Generators and Devices	182,281,145	37,906,118	20.80%	8,563,798	4.70%	46,469,917	25.49%
345.00 Accessory Electric Equipment	15,372,027	3,950,460	25.70%	144,045	0.94%	4,094,505	26.64%
346.00 Miscellaneous Power Plant Equipment	4,852,959	810,287	16.70%	23,422	0.48%	833,709	17.18%
Total West Phoenix CC Unit 5	$ 308,902,135	$ 73,683,136	23.85%	$ 9,702,329	3.14%	$ 83,385,465	26.99%
West Phoenix Common							
341.00 Structures and Improvements	$ 21,155,504	$ 7,792,714	36.84%	$ 111,594	0.53%	$ 7,904,308	37.36%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total West Phoenix Common	$ 21,155,504	$ 7,792,714	36.84%	$ 111,594	0.53%	$ 7,904,308	37.36%

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Combustion Turbine							
341.00 Structures and Improvements	$ 31,102,449	$ 11,973,816	38.50%	$ (1,250,483)	-4.02%	$ 10,723,333	34.48%
342.00 Fuel Holders, Products and Accessories	14,957,632	8,014,871	53.58%	380,796	2.55%	8,395,667	56.13%
343.00 Prime Movers	380,839,455	167,389,538	43.95%	5,571,375	1.46%	172,960,913	45.42%
344.00 Generators and Devices	689,863,781	36,607,831	5.31%	1,495,641	0.22%	38,103,473	5.52%
345.00 Accessory Electric Equipment	42,078,140	20,490,557	48.70%	887,520	2.11%	21,378,077	50.81%
346.00 Miscellaneous Power Plant Equipment	12,525,501	3,835,414	30.62%	185,097	1.48%	4,020,511	32.10%
Total Combustion Turbine	$ 1,171,366,958	$ 248,312,028	21.20%	$ 7,269,946	0.62%	$ 255,581,974	21.82%
Douglas CT							
341.00 Structures and Improvements	$ 103,952	$ (2,793)	-2.69%	$ (140)	-0.13%	$ (2,933)	-2.82%
342.00 Fuel Holders, Products and Accessories	137,759	(5,554)	-4.03%	(249)	-0.18%	(5,803)	-4.21%
343.00 Prime Movers	3,721,569	(69,666)	-1.87%	58,360	1.57%	(11,306)	-0.30%
344.00 Generators and Devices	971,924	(30,785)	-3.17%	(1,539)	-0.16%	(32,325)	-3.33%
345.00 Accessory Electric Equipment	582,402	(16,807)	-2.89%	(503)	-0.09%	(17,310)	-2.97%
346.00 Miscellaneous Power Plant Equipment	33,564	(1,353)	-4.03%	(72)	-0.21%	(1,426)	-4.25%
Total Douglas CT	$ 5,551,170	$ (126,959)	-2.29%	$ 55,856	1.01%	$ (71,102)	-1.28%
Ocotillo							
341.00 Structures and Improvements	$ 3,189,602	$ 686,931	21.54%	$ (361,780)	-11.34%	$ 325,151	10.19%
342.00 Fuel Holders, Products and Accessories	1,484,432	558,326	37.61%	26,769	1.80%	585,095	39.42%
343.00 Prime Movers	24,161,626	7,109,410	29.42%	(583,521)	-2.42%	6,525,889	27.01%
344.00 Generators and Devices	612,033,648	8,001,289	1.31%	240,793	0.04%	8,242,082	1.35%
345.00 Accessory Electric Equipment	4,017,658	1,466,858	36.51%	63,764	1.59%	1,530,622	38.10%
346.00 Miscellaneous Power Plant Equipment	950,460	417,522	43.93%	21,490	2.26%	439,012	46.19%
Total Ocotillo	$ 645,837,426	$ 18,240,335	2.82%	$ (592,484)	-0.09%	$ 17,647,852	2.73%
Ocotillo CT Units 1-2							
341.00 Structures and Improvements	$ 3,189,602	$ 686,931	21.54%	$ (361,780)	-11.34%	$ 325,151	10.19%
342.00 Fuel Holders, Products and Accessories	1,484,432	558,326	37.61%	26,769	1.80%	585,095	39.42%
343.00 Prime Movers	24,161,626	7,109,410	29.42%	(583,521)	-2.42%	6,525,889	27.01%
344.00 Generators and Devices	15,486,821	5,171,973	33.40%	99,328	0.64%	5,271,301	34.04%
345.00 Accessory Electric Equipment	4,017,658	1,466,858	36.51%	63,764	1.59%	1,530,622	38.10%
346.00 Miscellaneous Power Plant Equipment	950,460	417,522	43.93%	21,490	2.26%	439,012	46.19%
Total Octillo CT Units 1-2	$ 49,290,599	$ 15,411,020	31.27%	$ (733,950)	-1.49%	$ 14,677,070	29.78%

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Ocotillo CT Units 3-7							
341.00 Structures and Improvements	$ -	$ -		$ -		$ -	
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	596,546,827	2,829,316	0.47%	141,466	0.02%	2,970,782	0.50%
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Octillo CT Units 3-7	$ 596,546,827	$ 2,829,316	0.47%	$ 141,466	0.02%	$ 2,970,782	0.50%
Saguaro							
341.00 Structures and Improvements	$ 3,051,365	$ 1,275,204	41.79%	$ (253,282)	-8.30%	$ 1,021,922	33.49%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,012,839	61.66%	47,238	2.88%	1,060,077	64.54%
343.00 Prime Movers	23,292,483	7,255,405	31.15%	(382,677)	-1.64%	6,872,727	29.51%
344.00 Generators and Devices	38,498,152	16,532,172	42.94%	802,854	2.09%	17,335,026	45.03%
345.00 Accessory Electric Equipment	3,593,189	1,500,682	41.76%	64,017	1.78%	1,564,699	43.55%
346.00 Miscellaneous Power Plant Equipment	916,172	544,222	59.40%	27,795	3.03%	572,017	62.44%
Total Saguaro	$ 70,993,849	$ 28,120,523	39.61%	$ 305,945	0.43%	$ 28,426,468	40.04%
Saguaro CT Units 1-2							
341.00 Structures and Improvements	$ 3,051,365	$ 1,275,204	41.79%	$ (253,282)	-8.30%	$ 1,021,922	33.49%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,012,839	61.66%	47,238	2.88%	1,060,077	64.54%
343.00 Prime Movers	21,353,178	6,636,133	31.08%	(413,641)	-1.94%	6,222,492	29.14%
344.00 Generators and Devices	14,724,431	4,051,505	27.52%	193,188	1.31%	4,244,693	28.83%
345.00 Accessory Electric Equipment	3,269,324	1,409,969	43.13%	59,481	1.82%	1,469,450	44.95%
346.00 Miscellaneous Power Plant Equipment	916,172	544,222	59.40%	27,795	3.03%	572,017	62.44%
Total Saguaro CT Units 1-2	$ 44,956,958	$ 14,929,872	33.21%	$ (339,220)	-0.75%	$ 14,590,652	32.45%
Saguaro CT Unit 3							
341.00 Structures and Improvements	$ -	$ -		$ -		$ -	
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers	1,939,305	619,272	31.93%	30,964	1.60%	650,235	33.53%
344.00 Generators and Devices	23,773,721	12,480,666	52.50%	609,666	2.56%	13,090,333	55.06%
345.00 Accessory Electric Equipment	323,865	90,713	28.01%	4,536	1.40%	95,248	29.41%
346.00 Miscellaneous Power Plant Equipment							
Total Saguaro CT Unit 3	$ 26,036,891	$ 13,190,651	50.66%	$ 645,165	2.48%	$ 13,835,816	53.14%

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Sundance Units 1-10							
341.00 Structures and Improvements	$ 13,762,067	$ 6,875,422	49.96%	$ 123,899	0.90%	$ 6,999,321	50.86%
342.00 Fuel Holders, Products and Accessories	4,418,231	2,319,934	52.51%	108,792	2.46%	2,428,725	54.97%
343.00 Prime Movers	227,932,672	121,970,980	53.51%	5,914,983	2.60%	127,885,963	56.11%
344.00 Generators and Devices	13,058,506	2,928,182	22.42%	146,409	1.12%	3,074,591	23.54%
345.00 Accessory Electric Equipment	27,804,255	14,499,811	52.15%	656,678	2.36%	15,156,488	54.51%
346.00 Miscellaneous Power Plant Equipment	6,970,933	1,405,824	20.17%	70,291	1.01%	1,476,116	21.18%
Total Sun Dance Units 1-10	$ 293,946,664	$ 150,000,153	51.03%	$ 7,021,051	2.39%	$ 157,021,204	53.42%
West Phoenix CT Units 1-2							
341.00 Structures and Improvements	$ 4,239,486	$ 941,631	22.21%	$ (8,065)	-0.19%	$ 933,566	22.02%
342.00 Fuel Holders, Products and Accessories	1,843,219	844,423	45.81%	34,914	1.89%	879,337	47.71%
343.00 Prime Movers	20,466,623	6,633,582	32.41%	(92,208)	-0.45%	6,541,374	31.96%
344.00 Generators and Devices	15,280,205	3,800,890	24.87%	117,668	0.77%	3,918,557	25.64%
345.00 Accessory Electric Equipment	1,525,954	666,115	43.65%	38,541	2.53%	704,655	46.18%
346.00 Miscellaneous Power Plant Equipment	1,026,473	460,544	44.87%	15,160	1.48%	475,703	46.34%
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 13,347,185	30.07%	$ 106,009	0.24%	$ 13,453,194	30.31%
Yucca							
341.00 Structures and Improvements	$ 6,755,977	$ 2,197,421	32.53%	$ (751,116)	-11.12%	$ 1,446,305	21.41%
342.00 Fuel Holders, Products and Accessories	5,431,503	3,284,903	60.48%	163,332	3.01%	3,448,236	63.49%
343.00 Prime Movers	81,264,482	24,489,826	30.14%	656,439	0.81%	25,146,265	30.94%
344.00 Generators and Devices	10,021,346	5,376,085	53.65%	189,456	1.89%	5,565,541	55.54%
345.00 Accessory Electric Equipment	4,554,682	2,373,899	52.12%	65,024	1.43%	2,438,923	53.55%
346.00 Miscellaneous Power Plant Equipment	2,627,899	1,008,656	38.38%	50,433	1.92%	1,059,088	40.30%
Total Yucca	$ 110,655,889	$ 38,730,790	35.00%	$ 373,568	0.34%	$ 39,104,358	35.34%
Yucca CT Units 1-4							
341.00 Structures and Improvements	$ 5,685,548	$ 1,981,989	34.86%	$ (761,887)	-13.40%	$ 1,220,102	21.46%
342.00 Fuel Holders, Products and Accessories	3,934,860	2,890,782	73.47%	143,626	3.65%	3,034,408	77.12%
343.00 Prime Movers	12,670,962	6,905,109	54.50%	(44,850)	-0.35%	6,860,259	54.14%
344.00 Generators and Devices	9,848,867	5,344,680	54.27%	187,886	1.91%	5,532,566	56.17%
345.00 Accessory Electric Equipment	3,737,069	2,236,792	59.85%	67,813	1.81%	2,304,605	61.67%
346.00 Miscellaneous Power Plant Equipment	1,536,718	910,512	59.25%	45,526	2.96%	956,038	62.21%
Total Yucca CT Units 1-4	$ 37,414,024	$ 20,269,865	54.18%	$ (361,887)	-0.97%	$ 19,907,978	53.21%

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Yucca CT Units 5-6							
341.00 Structures and Improvements	$ 1,070,429	$ 215,432	20.13%	$ 10,772	1.01%	$ 226,203	21.13%
342.00 Fuel Holders, Products and Accessories	1,496,643	394,121	26.33%	19,706	1.32%	413,828	27.65%
343.00 Prime Movers	68,593,520	17,584,717	25.64%	701,289	1.02%	18,286,006	26.66%
344.00 Generators and Devices	172,479	31,405	18.21%	1,570	0.91%	32,975	19.12%
345.00 Accessory Electric Equipment	817,613	137,107	16.77%	(2,789)	-0.34%	134,318	16.43%
346.00 Miscellaneous Power Plant Equipment	1,091,181	98,143	8.99%	4,907	0.45%	103,051	9.44%
Total Yucca CT Units 5-6	$ 73,241,865	$ 18,460,926	25.21%	$ 735,455	1.00%	$ 19,196,381	26.21%
Solar Units							
341.00 Structures and Improvements	$ 36,871,992	$ 6,226,170	16.89%	$ 495,959	1.35%	$ 6,722,129	18.23%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	687,278,590	115,418,575	16.79%	13,906,517	2.02%	129,325,092	18.82%
345.00 Accessory Electric Equipment	127,033,147	21,693,276	17.08%	1,708,413	1.34%	23,401,690	18.42%
346.00 Miscellaneous Power Plant Equipment	1,577,646	270,742	17.16%	22,710	1.44%	293,452	18.60%
Total Solar Units	$ 852,761,375	$ 143,608,763	16.84%	$ 16,133,599	1.89%	$ 159,742,363	18.73%
Chino Valley							
341.05 Structures and Improvements	$ 527,890	$ 102,591	19.43%	$ 7,592	1.44%	$ 110,182	20.87%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	77,719,184	15,104,008	19.43%	1,117,697	1.44%	16,221,704	20.87%
345.05 Accessory Electric Equipment	6,511,784	1,265,505	19.43%	93,647	1.44%	1,359,153	20.87%
346.05 Miscellaneous Power Plant Equipment	216,504	42,076	19.43%	3,114	1.44%	45,189	20.87%
Total Chino Valley	$ 84,975,362	$ 16,514,179	19.43%	$ 1,222,049	1.44%	$ 17,736,228	20.87%
Cotton Center							
341.05 Structures and Improvements	$ 1,813,499	$ 413,749	22.81%	$ 28,135	1.55%	$ 441,884	24.37%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	62,644,922	13,985,857	22.33%	1,749,755	2.79%	15,735,612	25.12%
345.05 Accessory Electric Equipment	15,418,007	3,517,611	22.81%	239,198	1.55%	3,756,808	24.37%
346.05 Miscellaneous Power Plant Equipment	262,640	59,921	22.81%	4,075	1.55%	63,996	24.37%
Total Cotton Center	$ 80,139,068	$ 17,977,138	22.43%	$ 2,021,162	2.52%	$ 19,998,300	24.95%

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Desert Star							
341.05 Structures and Improvements	$ 1,557,800	$ 190,184	12.21%	$ 20,730	1.33%	$ 210,914	13.54%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	29,042,805	2,967,474	10.22%	3,912,818	13.47%	6,880,292	23.69%
345.05 Accessory Electric Equipment	4,084,919	498,707	12.21%	54,359	1.33%	553,066	13.54%
346.05 Miscellaneous Power Plant Equipment	291,809	35,625	12.21%	3,883	1.33%	39,509	13.54%
Total Desert Star	$ 34,977,333	$ 3,691,990	10.56%	$ 3,991,790	11.41%	$ 7,683,781	21.97%
Foothills Units							
341.05 Structures and Improvements	$ 10,906,684	$ 1,880,764	17.24%	$ 159,865	1.47%	$ 2,040,629	18.71%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	105,443,248	18,182,779	17.24%	1,545,536	1.47%	19,728,315	18.71%
345.05 Accessory Electric Equipment	20,815,540	3,589,460	17.24%	305,104	1.47%	3,894,565	18.71%
346.05 Miscellaneous Power Plant Equipment	57,708	9,951	17.24%	846	1.47%	10,797	18.71%
Total Foothills Units	$ 137,223,180	$ 23,662,954	17.24%	$ 2,011,351	1.47%	$ 25,674,305	18.71%
Gila Bend							
341.05 Structures and Improvements	$ 5,018,097	$ 750,119	14.95%	$ 77,262	1.54%	$ 827,381	16.49%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	89,246,612	13,340,823	14.95%	1,374,105	1.54%	14,714,928	16.49%
345.05 Accessory Electric Equipment	11,096,944	1,658,801	14.95%	170,857	1.54%	1,829,658	16.49%
346.05 Miscellaneous Power Plant Equipment	21,142	3,160	14.95%	326	1.54%	3,486	16.49%
Total Gila Bend	$ 105,382,795	$ 15,752,903	14.95%	$ 1,622,549	1.54%	$ 17,375,452	16.49%
Hyder							
341.05 Structures and Improvements	$ 6,915,232	$ 1,381,923	19.98%	$ 60,805	0.88%	$ 1,442,728	20.86%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	93,250,197	18,880,907	20.25%	830,760	0.89%	19,711,667	21.14%
345.05 Accessory Electric Equipment	22,556,482	4,661,504	20.67%	205,106	0.91%	4,866,610	21.58%
346.05 Miscellaneous Power Plant Equipment	206,389	45,755	22.17%	2,013	0.98%	47,769	23.14%
Total Hyder	$ 122,928,300	$ 24,970,090	20.31%	$ 1,098,684	0.89%	$ 26,068,774	21.21%

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Legacy							
341.00 Structures and Improvements	$ 313,214	$ 344,571	110.01%	$ (719)	-0.23%	$ 343,852	109.78%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	10,452,105	5,765,051	55.16%	(109,536)	-1.05%	5,655,515	54.11%
345.00 Accessory Electric Equipment	1,972,486	844,010	42.79%	(47,910)	-2.43%	796,100	40.36%
346.00 Miscellaneous Power Plant Equipment							
Total Legacy	$ 12,737,805	$ 6,953,632	54.59%	$ (158,165)	-1.24%	$ 6,795,467	53.35%
Luke AFB							
341.05 Structures and Improvements	$ 1,488,329	$ 185,416	12.46%	$ 24,104	1.62%	$ 209,520	14.08%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	25,469,888	3,173,044	12.46%	412,496	1.62%	3,585,540	14.08%
345.05 Accessory Electric Equipment	1,757,020	218,890	12.46%	28,456	1.62%	247,346	14.08%
346.05 Miscellaneous Power Plant Equipment	357,678	44,560	12.46%	5,793	1.62%	50,352	14.08%
Total Luke AFB	$ 29,072,915	$ 3,621,910	12.46%	$ 470,848	1.62%	$ 4,092,758	14.08%
Paloma							
341.05 Structures and Improvements	$ 2,281,950	$ 520,874	22.83%	$ 44,274	1.94%	$ 565,148	24.77%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	49,207,939	11,184,203	22.73%	950,657	1.93%	12,134,861	24.66%
345.05 Accessory Electric Equipment	12,514,947	2,856,640	22.83%	242,814	1.94%	3,099,455	24.77%
346.05 Miscellaneous Power Plant Equipment	121,486	27,730	22.83%	2,357	1.94%	30,087	24.77%
Total Paloma	$ 64,126,322	$ 14,589,448	22.75%	$ 1,240,103	1.93%	$ 15,829,551	24.68%
Red Rock							
341.05 Structures and Improvements	$ 4,463,879	$ 207,172	4.64%	$ 32,112	0.72%	$ 239,284	5.36%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	72,010,410	3,342,062	4.64%	518,020	0.72%	3,860,082	5.36%
345.05 Accessory Electric Equipment	13,383,040	621,118	4.64%	96,273	0.72%	717,391	5.36%
346.05 Miscellaneous Power Plant Equipment	42,290	1,963	4.64%	304	0.72%	2,267	5.36%
Total Redrock	$ 89,899,619	$ 4,172,315	4.64%	$ 646,709	0.72%	$ 4,819,024	5.36%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Components
Redistributed Reserve
December 31, 2018

Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
Roof Tops							
341.05 Structures and Improvements	$ 1,585,418	$ 248,808	15.69%	$ 41,800	2.64%	$ 290,608	18.33%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	72,791,280	9,492,366	13.04%	1,604,210	2.20%	11,096,576	15.24%
345.05 Accessory Electric Equipment	16,921,978	1,961,030	11.59%	320,509	1.89%	2,281,539	13.48%
346.05 Miscellaneous Power Plant Equipment							
Total Roof Tops	$ 91,298,676	$ 11,702,205	12.82%	$ 1,966,519	2.15%	$ 13,668,723	14.97%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
STEAM PRODUCTION									
311.00 Structures and Improvements	$ 208,338,936	$ 66,401,503	$ 141,937,433	-4.0%	-8.5%	$ (2,680,828)	$ (12,021,004)	$ (14,701,832)	-7.1%
312.00 Boiler Plant Equipment	1,636,735,456	145,324,321	1,491,411,135	-13.2%	-10.6%	(19,125,894)	(158,076,874)	(177,202,768)	-10.8%
314.00 Turbogenerator Units	254,737,767	43,312,228	211,425,539	-9.6%	-9.9%	(4,159,552)	(20,920,089)	(25,079,641)	-9.8%
315.00 Accessory Electric Equipment	128,645,312	10,779,196	117,866,116	-7.0%	-9.0%	(752,800)	(10,578,899)	(11,331,699)	-8.8%
316.00 Miscellaneous Power Plant Equipment	93,580,026	9,154,160	84,425,866	-10.8%	-9.7%	(986,064)	(8,196,437)	(9,182,501)	-9.8%
Total Steam Production Plant	$ 2,322,037,497	$ 274,971,408	$ 2,047,066,089	-10.1%	-10.2%	$ (27,705,138)	$ (209,793,303)	$ (237,498,441)	-10.2%
NUCLEAR PRODUCTION									
321.00 Structures and Improvements	$ 912,948,097	$ 62,827,512	$ 850,120,585	-5.3%	-0.4%	$ (3,300,703)	$ (3,231,194)	$ (6,531,898)	-0.7%
322.00 Reactor Plant Equipment	1,294,848,155	107,584,397	1,187,263,758	-19.6%	-1.0%	(21,074,780)	(12,345,034)	(33,419,814)	-2.6%
323.00 Turbogenerator Units	494,670,526	89,622,268	405,048,258	-0.5%	-0.3%	(451,681)	(1,388,052)	(1,839,733)	-0.4%
324.00 Accessory Electric Equipment	310,301,052	15,518,526	294,782,526	-6.8%	-0.4%	(1,055,997)	(1,057,811)	(2,113,808)	-0.7%
325.00 Miscellaneous Power Plant Equipment	282,680,555	48,731,084	233,949,471	-5.6%	-0.4%	(2,705,186)	(874,332)	(3,579,519)	-1.3%
Total Nuclear Production Plant	$ 3,295,448,385	$ 324,283,787	$ 2,971,164,598	-8.8%	-0.6%	$ (28,588,347)	$ (18,896,424)	$ (47,484,771)	-1.4%
OTHER PRODUCTION									
341.00 Structures and Improvements	$ 142,431,708	$ 10,856,681	$ 131,575,027	-37.7%	-6.2%	$ (4,089,200)	$ (8,161,862)	$ (12,251,063)	-8.6%
342.00 Fuel Holders, Products and Accessories	60,861,744	4,074,799	56,786,945	-11.9%	-5.0%	(486,418)	(2,839,347)	(3,325,765)	-5.5%
343.00 Prime Movers	803,601,945	148,059,906	655,542,039	-14.8%	-5.0%	(21,969,406)	(32,777,102)	(54,746,508)	-6.8%
344.00 Generators and Devices	2,472,634,936	367,697,097	2,104,937,839	26.7%	-6.5%	98,197,558	(137,295,793)	(39,098,235)	-1.6%
345.00 Accessory Electric Equipment	262,275,083	14,721,099	247,553,984	-22.4%	-7.3%	(3,292,132)	(18,136,699)	(21,428,831)	-8.2%
346.00 Miscellaneous Power Plant Equipment	38,983,932	4,138,788	34,845,144	-9.4%	-5.2%	(388,211)	(1,808,606)	(2,196,817)	-5.6%
Total Other Production Plant	$ 3,780,789,348	$ 549,548,370	$ 3,231,240,978	12.4%	-6.2%	$ 67,972,191	$ (201,019,410)	$ (133,047,219)	-3.5%
TRANSMISSION PLANT									
352.02 Structures and Improvements	$ 151,995	$ -	$ 151,995			$ -	$ -	$ -	
353.00 Station Equipment	151,555,932	19,121,604	132,434,328	-3.0%	-5.0%	(573,648)	(6,621,716)	(7,195,365)	-4.7%
354.00 Towers and Fixtures	1,329,316		1,329,316						
355.00 Poles and Fixtures	1,370,085		1,370,085		-20.0%		(274,017)	(274,017)	-20.0%
356.00 Overhead Conductors and Devices	2,086,319	138,842	1,947,677		-20.0%		(389,535)	(389,535)	-18.7%
Total Transmission Plant	$ 156,493,647	$ 19,260,246	$ 137,233,401	-3.0%	-5.3%	$ (573,648)	$ (7,285,269)	$ (7,858,917)	-5.0%
DISTRIBUTION PLANT									
361.00 Structures and Improvements	$ 95,893,785	$ 2,840,593	$ 93,053,192	-13.9%	-10.0%	$ (394,842)	$ (9,305,319)	$ (9,700,162)	-10.1%
362.00 Station Equipment	719,198,223	87,327,628	631,870,595	2.5%	-5.0%	2,183,191	(31,593,530)	(29,410,339)	-4.1%
363.00 Storage Battery Equipment	15,708,983	2,123,630	13,585,353	-16.5%		(350,399)		(350,399)	-2.2%
364.01 Poles, Towers and Fixtures - Wood	501,314,280	143,968,930	357,345,350	-18.9%	-20.0%	(27,210,128)	(71,469,070)	(98,679,198)	-19.7%
364.02 Poles, Towers and Fixtures - Steel	344,231,547	20,319,681	323,911,866	-12.3%	-10.0%	(2,499,321)	(32,391,187)	(34,890,507)	-10.1%
365.00 Overhead Conductors and Devices	556,228,215	87,569,874	468,658,341	-22.2%	-20.0%	(19,440,512)	(93,731,668)	(113,172,180)	-20.3%
366.00 Underground Conduit	772,775,737	45,163,921	727,611,816	-23.8%	-15.0%	(10,749,013)	(109,141,772)	(119,890,786)	-15.5%
367.00 Underground Conductors and Devices	2,141,262,621	277,411,179	1,863,851,442	-5.5%	-15.0%	(15,257,615)	(279,577,716)	(294,835,331)	-13.8%
368.00 Line Transformers	1,048,831,400	127,813,244	921,018,156	5.0%	-5.0%	6,390,662	(46,050,908)	(39,660,246)	-3.8%
369.00 Services	497,829,690	50,565,779	447,263,911	-22.2%	-20.0%	(11,225,603)	(89,452,782)	(100,678,385)	-20.2%
370.01 Meters - Electronic	141,440,235	123,596,882	17,843,353	0.6%		741,581		741,581	0.5%
370.03 Meters - AMI	350,263,986	47,597,601	302,666,385	2.5%		1,189,940		1,189,940	0.3%
371.00 Installations on Customers' Premises	58,078,738	11,549,492	46,529,246	-12.3%	-15.0%	(1,420,588)	(6,979,387)	(8,399,974)	-14.5%
373.00 Street Lighting and Signal Systems	96,259,099	16,131,512	80,127,587	-8.7%	-15.0%	(1,403,442)	(12,019,138)	(13,422,580)	-13.9%
Total Distribution Plant	$ 7,339,316,539	$ 1,043,979,946	$ 6,295,336,593	-7.6%	-12.4%	$ (79,446,088)	$ (781,712,477)	$ (861,158,565)	-11.7%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	$ 323,500,264	$ 57,845,766	$ 265,654,498	-13.3%	-10.0%	$ (7,693,487)	$ (26,565,450)	$ (34,258,937)	-10.6%
391.CM Office Furn. and Equip. - Computer	462,857,657	219,312,438	243,545,219	-1.0%		(2,193,124)		(2,193,124)	-0.5%
397.00 Communication Equipment	395,793,945	100,421,571	295,372,374	-1.0%		(1,004,216)		(1,004,216)	-0.3%
Total Depreciable	$ 1,182,151,866	$ 377,579,775	$ 804,572,091	-2.9%	-3.3%	$ (10,890,827)	$ (26,565,450)	$ (37,456,277)	-3.2%
Amortizable									
391.FE Office Furn. and Equip. - Furniture	$ 98,805,447	$ 35,006,086	$ 63,799,361			$ -	$ -	$ -	
393.00 Stores Equipment	2,020,036	1,425,855	594,181						
394.00 Tools, Shop and Garage Equipment	62,007,562	18,912,707	43,094,855						
395.00 Laboratory Equipment	2,550,670	1,783,123	767,547						
398.00 Miscellaneous Equipment	26,398,794	2,537,491	23,861,303						
Total Amortizable	$ 191,782,509	$ 59,665,262	$ 132,117,247			$ -	$ -	$ -	
Total General Plant	$ 1,373,934,375	$ 437,245,037	$ 936,689,338	-2.5%	-2.8%	$ (10,890,827)	$ (26,565,450)	$ (37,456,277)	-2.7%
TOTAL UTILITY	$ 18,268,019,791	$ 2,649,288,794	$ 15,618,730,997	-3.0%	-8.0%	$ (79,231,858)	$ (1,245,272,333)	$ (1,324,504,190)	-7.3%
STEAM PRODUCTION (by Unit)									
Cholla									
311.00 Structures and Improvements	$ 91,708,535	$ 13,630,062	$ 78,078,473	-15.6%	-7.2%	$ (2,119,667)	$ (5,629,216)	$ (7,748,883)	-8.4%
312.00 Boiler Plant Equipment	433,345,405	48,107,971	385,237,434	-16.6%	-7.4%	(8,004,334)	(28,661,190)	(36,665,523)	-8.5%
314.00 Turbogenerator Units	107,426,775	21,872,003	85,554,772	3.0%	-7.5%	656,391	(6,434,311)	(5,777,920)	-5.4%
315.00 Accessory Electric Equipment	57,348,246	4,049,688	53,298,558	-3.7%	-7.3%	(148,692)	(3,881,024)	(4,029,716)	-7.0%
316.00 Miscellaneous Power Plant Equipment	29,039,797	4,365,530	24,674,267	-7.1%	-7.5%	(310,846)	(1,842,288)	(2,153,135)	-7.4%
Total Cholla	$ 718,868,758	$ 92,025,254	$ 626,843,504	-10.8%	-7.4%	$ (9,927,148)	$ (46,448,029)	$ (56,375,177)	-7.8%
Cholla Unit 1									
311.00 Structures and Improvements	$ 4,965,111	$ 221,904	$ 4,743,207	-7.1%	-8.2%	$ (15,755)	$ (388,943)	$ (404,698)	-8.2%
312.00 Boiler Plant Equipment	86,783,913	4,488,839	82,295,074	-72.0%	-8.4%	(3,231,964)	(6,912,786)	(10,144,750)	-11.7%
314.00 Turbogenerator Units	30,723,745	3,279,253	27,444,492	-15.6%	-8.4%	(511,563)	(2,305,337)	(2,816,901)	-9.2%
315.00 Accessory Electric Equipment	9,615,546	122,638	9,492,908	-44.9%	-8.3%	(55,064)	(787,911)	(842,976)	-8.8%
316.00 Miscellaneous Power Plant Equipment	3,751,539	9,352	3,742,187	-8.8%	-8.4%	(823)	(314,344)	(315,167)	-8.4%
Total Cholla Unit 1	$ 135,839,854	$ 8,121,986	$ 127,717,868	-47.0%	-8.4%	$ (3,815,170)	$ (10,709,322)	$ (14,524,492)	-10.7%
Cholla Unit 3									
311.00 Structures and Improvements	$ 15,376,019	$ 2,087,294	$ 13,288,725	-1.0%	-6.9%	$ (20,873)	$ (916,922)	$ (937,795)	-6.1%
312.00 Boiler Plant Equipment	278,166,241	35,097,815	243,068,426	-9.3%	-7.1%	(3,264,097)	(17,257,858)	(20,521,955)	-7.4%
314.00 Turbogenerator Units	74,764,009	17,701,704	57,062,305	6.9%	-7.1%	1,221,418	(4,051,424)	(2,830,006)	-3.8%
315.00 Accessory Electric Equipment	36,421,734	1,521,945	34,899,789	-7.1%	-7.0%	(108,058)	(2,442,985)	(2,551,043)	-7.0%
316.00 Miscellaneous Power Plant Equipment	7,458,584	448,768	7,009,816	-15.1%	-7.1%	(67,764)	(497,697)	(565,461)	-7.6%
Total Cholla Unit 3	$ 412,186,587	$ 56,857,526	$ 355,329,061	-3.9%	-7.1%	$ (2,239,374)	$ (25,166,886)	$ (27,406,260)	-6.6%
Cholla Common									
311.00 Structures and Improvements	$ 71,367,405	$ 11,320,864	$ 60,046,541	-18.4%	-7.2%	$ (2,083,039)	$ (4,323,351)	$ (6,406,390)	-9.0%
312.00 Boiler Plant Equipment	68,395,251	8,521,317	59,873,934	-17.7%	-7.5%	(1,508,273)	(4,490,545)	(5,998,818)	-8.8%
314.00 Turbogenerator Units	1,939,021	891,046	1,047,975	-6.0%	-7.4%	(53,463)	(77,550)	(131,013)	-6.8%
315.00 Accessory Electric Equipment	11,310,966	2,405,105	8,905,861	0.6%	-7.3%	14,431	(650,128)	(635,697)	-5.6%
316.00 Miscellaneous Power Plant Equipment	17,829,674	3,907,410	13,922,264	-6.2%	-7.4%	(242,259)	(1,030,248)	(1,272,507)	-7.1%
Total Cholla Common	$ 170,842,317	$ 27,045,742	$ 143,796,575	-14.3%	-7.4%	$ (3,872,604)	$ (10,571,822)	$ (14,444,425)	-8.5%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Four Corners									
311.00 Structures and Improvements	$ 116,630,401	$ 52,771,441	$ 63,858,960	-1.1%	-10.0%	$ (561,161)	$ (6,391,788)	$ (6,952,949)	-6.0%
312.00 Boiler Plant Equipment	1,203,390,051	97,216,350	1,106,173,701	-11.4%	-11.7%	(11,121,560)	(129,415,684)	(140,537,244)	-11.7%
314.00 Turbogenerator Units	147,310,992	21,440,225	125,870,767	-22.5%	-11.5%	(4,815,943)	(14,485,778)	(19,301,722)	-13.1%
315.00 Accessory Electric Equipment	71,297,066	6,729,508	64,567,558	-9.0%	-10.4%	(604,108)	(6,697,875)	(7,301,983)	-10.2%
316.00 Miscellaneous Power Plant Equipment	64,540,229	4,788,630	59,751,599	-14.1%	-10.6%	(675,218)	(6,354,149)	(7,029,367)	-10.9%
Total Four Corners	$ 1,603,168,739	$ 182,946,154	$ 1,420,222,585	-9.7%	-11.5%	$ (17,777,990)	$ (163,345,274)	$ (181,123,264)	-11.3%
Four Corners Units 4-5									
311.00 Structures and Improvements	$ 46,596,662	$ 6,756,900	$ 39,839,762	-4.9%	-11.1%	$ (331,088)	$ (4,422,214)	$ (4,753,302)	-10.2%
312.00 Boiler Plant Equipment	1,159,144,005	92,713,598	1,066,430,407	-11.0%	-11.8%	(10,198,496)	(125,838,788)	(136,037,284)	-11.7%
314.00 Turbogenerator Units	141,865,590	19,968,303	121,897,287	-24.0%	-11.6%	(4,792,393)	(14,140,085)	(18,932,478)	-13.3%
315.00 Accessory Electric Equipment	45,982,565	2,781,414	43,201,151	-20.3%	-11.3%	(564,627)	(4,881,730)	(5,446,357)	-11.8%
316.00 Miscellaneous Power Plant Equipment	42,831,405	2,977,625	39,853,780	-9.6%	-11.6%	(285,852)	(4,623,038)	(4,908,890)	-11.5%
Total Four Corners Units 4-5	$ 1,436,420,227	$ 125,197,840	$ 1,311,222,387	-12.9%	-11.7%	$ (16,172,456)	$ (153,905,855)	$ (170,078,311)	-11.8%
Four Corners Common									
311.00 Structures and Improvements	$ 70,033,739	$ 46,014,541	$ 24,019,198	-0.5%	-8.2%	$ (230,073)	$ (1,969,574)	$ (2,199,647)	-3.1%
312.00 Boiler Plant Equipment	44,246,046	4,502,752	39,743,294	-20.5%	-9.0%	(923,064)	(3,576,896)	(4,499,961)	-10.2%
314.00 Turbogenerator Units	5,445,402	1,471,922	3,973,480	-1.6%	-8.7%	(23,551)	(345,693)	(369,244)	-6.8%
315.00 Accessory Electric Equipment	25,314,501	3,948,094	21,366,407	-1.0%	-8.5%	(39,481)	(1,816,145)	(1,855,626)	-7.3%
316.00 Miscellaneous Power Plant Equipment	21,708,824	1,811,005	19,897,819	-21.5%	-8.7%	(389,366)	(1,731,110)	(2,120,476)	-9.8%
Total Four Corners Common	$ 166,748,512	$ 57,748,314	$ 109,000,198	-2.8%	-8.7%	$ (1,605,535)	$ (9,439,418)	$ (11,044,953)	-6.6%
NUCLEAR PRODUCTION (by Unit)									
Palo Verde									
321.00 Structures and Improvements	$ 912,948,097	$ 62,827,512	$ 850,120,585	-5.3%	-0.4%	$ (3,300,703)	$ (3,231,194)	$ (6,531,898)	-0.7%
322.00 Reactor Plant Equipment	1,294,848,155	107,584,397	1,187,263,758	-19.6%	-1.0%	(21,074,780)	(12,345,034)	(33,419,814)	-2.6%
323.00 Turbogenerator Units	494,670,526	89,622,268	405,048,258	-0.5%	-0.3%	(451,681)	(1,388,052)	(1,839,733)	-0.4%
324.00 Accessory Electric Equipment	310,301,052	15,518,526	294,782,526	-6.8%	-0.4%	(1,055,997)	(1,057,811)	(2,113,808)	-0.7%
325.00 Miscellaneous Power Plant Equipment	282,680,555	48,731,084	233,949,471	-5.6%	-0.4%	(2,705,186)	(874,332)	(3,579,519)	-1.3%
Total Palo Verde	$ 3,295,448,385	$ 324,283,787	$ 2,971,164,598	-8.8%	-0.6%	$ (28,588,347)	$ (18,896,424)	$ (47,484,771)	-1.4%
Palo Verde Unit 1									
321.00 Structures and Improvements	$ 172,221,669	$ 2,933,690	$ 169,287,979	-10.7%	-0.3%	$ (313,905)	$ (507,864)	$ (821,769)	-0.5%
322.00 Reactor Plant Equipment	501,531,369	35,544,776	465,986,593	-6.9%	-1.0%	(2,452,590)	(4,659,866)	(7,112,455)	-1.4%
323.00 Turbogenerator Units	172,195,829	27,874,713	144,321,116	-10.8%	-0.3%	(3,010,469)	(432,963)	(3,443,432)	-2.0%
324.00 Accessory Electric Equipment	124,527,284	3,207,869	121,319,415	-9.7%	-0.3%	(311,163)	(363,958)	(675,122)	-0.5%
325.00 Miscellaneous Power Plant Equipment	38,064,490	4,464,571	33,599,919	-7.7%	-0.3%	(343,772)	(100,800)	(444,572)	-1.2%
Total Palo Verde Unit 1	$ 1,008,540,641	$ 74,025,619	$ 934,515,022	-8.7%	-0.6%	$ (6,431,899)	$ (6,065,451)	$ (12,497,350)	-1.2%
Palo Verde Unit 2									
321.00 Structures and Improvements	$ 95,904,941	$ 1,427,037	$ 94,477,904	-4.7%	-0.4%	$ (67,071)	$ (377,912)	$ (444,982)	-0.5%
322.00 Reactor Plant Equipment	286,972,878	38,092,242	248,880,636	-10.4%	-1.0%	(3,961,593)	(2,488,806)	(6,450,400)	-2.2%
323.00 Turbogenerator Units	110,397,935	22,578,323	87,819,612	-6.3%	-0.3%	(1,422,434)	(263,459)	(1,685,893)	-1.5%
324.00 Accessory Electric Equipment	55,185,710	5,432,999	49,752,711	-4.2%	-0.4%	(228,186)	(199,011)	(427,197)	-0.8%
325.00 Miscellaneous Power Plant Equipment	30,206,647	2,341,055	27,865,592	-9.6%	-0.3%	(224,741)	(83,597)	(308,338)	-1.0%
Total Palo Verde Unit 2	$ 578,668,111	$ 69,871,656	$ 508,796,455	-8.4%	-0.7%	$ (5,904,025)	$ (3,412,784)	$ (9,316,810)	-1.6%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Palo Verde Unit 3									
321.00 Structures and Improvements	$ 171,038,026	$ 3,141,301	$167,896,725.00	-1.9%	-0.4%	$ (59,685)	$ (671,587)	$ (731,272)	-0.4%
322.00 Reactor Plant Equipment	468,018,931	31,384,494	436,634,437	-33.1%	-1.1%	(10,388,268)	(4,802,979)	(15,191,246)	-3.2%
323.00 Turbogenerator Units	205,365,668	38,001,597	167,364,071	11.1%	-0.4%	4,218,177	(669,456)	3,548,721	1.7%
324.00 Accessory Electric Equipment	100,396,135	4,630,875	95,765,260	-8.1%	-0.4%	(375,101)	(383,061)	(758,162)	-0.8%
325.00 Miscellaneous Power Plant Equipment	33,560,440	3,681,859	29,878,581	-9.0%	-0.4%	(331,367)	(119,514)	(450,882)	-1.3%
Total Palo Verde Unit 3	$ 978,379,200	$ 80,840,126	$ 897,539,074	-8.6%	-0.7%	$ (6,936,243)	$ (6,646,597)	$ (13,582,841)	-1.4%
Palo Verde Water Reclamation									
321.00 Structures and Improvements	$ 274,411,743	$ 40,509,639	$ 233,902,104	-4.5%	-0.4%	$ (1,822,934)	$ (935,608)	$ (2,758,542)	-1.0%
322.00 Reactor Plant Equipment	454,911		454,911		-1.1%		(5,004)	(5,004)	-1.1%
323.00 Turbogenerator Units	246,532	28,776	217,756	-51.7%	-0.4%	(14,877)	(871)	(15,748)	-6.4%
324.00 Accessory Electric Equipment									
325.00 Miscellaneous Power Plant Equipment	284,679	43,572	241,107	-724.1%	-0.4%	(315,505)	(964)	(316,469)	-111.2%
Total Palo Verde Water Reclamation	$ 275,397,865	$ 40,581,987	$ 234,815,878	-5.3%	-0.4%	$ (2,153,316)	$ (942,448)	$ (3,095,764)	-1.1%
Palo Verde Common									
321.00 Structures and Improvements	$ 199,371,718	$ 14,815,845	$ 184,555,873	-7.0%	-0.4%	$ (1,037,109)	$ (738,223)	$ (1,775,333)	-0.9%
322.00 Reactor Plant Equipment	37,870,066	2,562,885	35,307,181	-166.7%	-1.1%	(4,272,329)	(388,379)	(4,660,708)	-12.3%
323.00 Turbogenerator Units	6,464,562	1,138,859	5,325,703	-19.5%	-0.4%	(222,078)	(21,303)	(243,380)	-3.8%
324.00 Accessory Electric Equipment	30,191,923	2,246,783	27,945,140	-6.3%	-0.4%	(141,547)	(111,781)	(253,328)	-0.8%
325.00 Miscellaneous Power Plant Equipment	180,564,299	38,200,027	142,364,272	-3.9%	-0.4%	(1,489,801)	(569,457)	(2,059,258)	-1.1%
Total Palo Verde Common	$ 454,462,568	$ 58,964,399	$ 395,498,169	-12.1%	-0.5%	$ (7,162,864)	$ (1,829,143)	$ (8,992,007)	-2.0%
OTHER PRODUCTION									
Combined Cycle									
341.00 Structures and Improvements	$ 72,158,043	$ 8,557,457	$ 63,600,586	-7.4%	-5.0%	$ (634,548)	$ (3,180,029)	$ (3,814,577)	-5.3%
342.00 Fuel Holders, Products and Accessories	45,311,645	3,482,332	41,829,313	-11.4%	-5.0%	(397,713)	(2,091,466)	(2,489,179)	-5.5%
343.00 Prime Movers	395,322,948	120,620,364	274,702,584	-10.1%	-5.0%	(12,212,031)	(13,735,129)	(25,947,160)	-6.6%
344.00 Generators and Devices	1,077,589,301	349,793,833	727,795,468	27.1%	-5.0%	94,692,426	(36,389,773)	58,302,652	5.4%
345.00 Accessory Electric Equipment	88,989,834	10,547,137	78,442,697	-26.6%	-5.0%	(2,805,156)	(3,922,135)	(6,727,291)	-7.6%
346.00 Miscellaneous Power Plant Equipment	24,619,799	3,877,802	20,741,997	-8.9%	-5.0%	(345,710)	(1,037,100)	(1,382,810)	-5.6%
Total Combined Cycle	$ 1,703,991,570	$ 496,878,925	$ 1,207,112,645	15.8%	-5.0%	$ 78,297,268	$ (60,355,632)	$ 17,941,636	1.1%
Redhawk CC Units 1-2									
341.00 Structures and Improvements	$ 28,965,845	$ 4,977,672	$ 23,988,173	-3.9%	-5.0%	$ (194,129)	$ (1,199,409)	$ (1,393,538)	-4.8%
342.00 Fuel Holders, Products and Accessories	13,635,727	826,114	12,809,613	-26.6%	-5.0%	(219,746)	(640,481)	(860,227)	-6.3%
343.00 Prime Movers	218,146,099	85,731,101	132,414,998	-13.8%	-5.0%	(11,830,892)	(6,620,750)	(18,451,642)	-8.5%
344.00 Generators and Devices	663,960,762	272,748,467	391,212,295	30.5%	-5.0%	83,188,282	(19,560,615)	63,627,668	9.6%
345.00 Accessory Electric Equipment	34,717,991	4,820,153	29,897,838	-39.7%	-5.0%	(1,913,601)	(1,494,892)	(3,408,493)	-9.8%
346.00 Miscellaneous Power Plant Equipment	8,994,173	2,121,704	6,872,469		-5.0%		(343,623)	(343,623)	-3.8%
Total Redhawk CC Units 1-2	$ 968,420,597	$ 371,225,211	$ 597,195,386	18.6%	-5.0%	$ 69,029,914	$ (29,859,769)	$ 39,170,145	4.0%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
West Phoenix									
341.00 Structures and Improvements	$ 43,192,198	$ 3,579,785	$ 39,612,413	-12.3%	-5.0%	$ (440,419)	$ (1,980,621)	$ (2,421,039)	-5.6%
342.00 Fuel Holders, Products and Accessories	31,675,918	2,656,218	29,019,700	-6.7%	-5.0%	(177,967)	(1,450,985)	(1,628,952)	-5.1%
343.00 Prime Movers	177,176,849	34,889,263	142,287,586	-1.1%	-5.0%	(381,139)	(7,114,379)	(7,495,519)	-4.2%
344.00 Generators and Devices	413,628,539	77,045,366	336,583,173	14.9%	-5.0%	11,504,143	(16,829,159)	(5,325,015)	-1.3%
345.00 Accessory Electric Equipment	54,271,843	5,726,984	48,544,859	-15.6%	-5.0%	(891,555)	(2,427,243)	(3,318,798)	-6.1%
346.00 Miscellaneous Power Plant Equipment	15,625,626	1,756,098	13,869,528	-19.7%	-5.0%	(345,710)	(693,476)	(1,039,186)	-6.7%
Total West Phoenix	$ 735,570,973	$ 125,653,714	$ 609,917,259	7.4%	-5.0%	$ 9,267,354	$ (30,495,863)	$ (21,228,509)	-2.9%
West Phoenix CC Units 1-3									
341.00 Structures and Improvements	$ 446,816	$ 80,599	$ 366,217	-5.2%	-5.0%	$ (4,191)	$ (18,311)	$ (22,502)	-5.0%
342.00 Fuel Holders, Products and Accessories	24,688,185	2,656,218	22,031,967	-6.7%	-5.0%	(177,967)	(1,101,598)	(1,279,565)	-5.2%
343.00 Prime Movers									
344.00 Generators and Devices	160,941,427	30,596,214	130,345,213	-4.7%	-5.0%	(1,438,022)	(6,517,261)	(7,955,283)	-4.9%
345.00 Accessory Electric Equipment	37,533,943	4,913,488	32,620,455	-14.9%	-5.0%	(732,110)	(1,631,023)	(2,363,132)	-6.3%
346.00 Miscellaneous Power Plant Equipment	9,635,625	1,561,656	8,073,969	-20.1%	-5.0%	(313,893)	(403,698)	(717,591)	-7.4%
Total West Phoenix CC Units 1-3	$ 233,245,996	$ 39,808,175	$ 193,437,821	-6.7%	-5.0%	$ (2,666,182)	$ (9,671,891)	$ (12,338,073)	-5.3%
West Phoenix CC Unit 4									
341.00 Structures and Improvements	$ 7,091,465	$ 55,478	$ 7,035,987	-11.8%	-5.0%	$ (6,546)	$ (351,799)	$ (358,346)	-5.1%
342.00 Fuel Holders, Products and Accessories	4,470,010		4,470,010		-5.0%		(223,501)	(223,501)	-5.0%
343.00 Prime Movers	54,739,557	5,275,547	49,464,010	53.4%	-5.0%	2,817,142	(2,473,201)	343,942	0.6%
344.00 Generators and Devices	25,137,133	1,180,318	23,956,815	-0.4%	-5.0%	(4,721)	(1,197,841)	(1,202,562)	-4.8%
345.00 Accessory Electric Equipment	552,377		552,377		-5.0%		(27,619)	(27,619)	-5.0%
346.00 Miscellaneous Power Plant Equipment	961,129	18,529	942,600	40.0%	-5.0%	7,412	(47,130)	(39,718)	-4.1%
Total West Phoenix CC Unit 4	$ 92,951,671	$ 6,529,872	$ 86,421,799	43.1%	-5.0%	$ 2,813,286	$ (4,321,090)	$ (1,507,804)	-1.6%
West Phoenix CC Unit 5									
341.00 Structures and Improvements	$ 12,966,230	$ 1,911,525	$ 11,054,705	-2.6%	-5.0%	$ (49,700)	$ (552,735)	$ (602,435)	-4.6%
342.00 Fuel Holders, Products and Accessories	2,517,723		2,517,723		-5.0%		(125,886)	(125,886)	-5.0%
343.00 Prime Movers	122,437,292	29,613,716	92,823,576	-10.8%	-5.0%	(3,198,281)	(4,641,179)	(7,839,460)	-6.4%
344.00 Generators and Devices	227,549,979	45,268,834	182,281,145	28.6%	-5.0%	12,946,887	(9,114,057)	3,832,829	1.7%
345.00 Accessory Electric Equipment	16,185,523	813,496	15,372,027	-19.6%	-5.0%	(159,445)	(768,601)	(928,047)	-5.7%
346.00 Miscellaneous Power Plant Equipment	5,028,872	175,913	4,852,959	-22.3%	-5.0%	(39,229)	(242,648)	(281,877)	-5.6%
Total West Phoenix CC Unit 5	$ 386,685,619	$ 77,783,484	$ 308,902,135	12.2%	-5.0%	$ 9,500,232	$ (15,445,107)	$ (5,944,875)	-1.5%
West Phoenix Common									
341.00 Structures and Improvements	$ 22,687,687	$ 1,532,183	$ 21,155,504	-24.8%	-5.0%	$ (379,981)	$ (1,057,775)	$ (1,437,757)	-6.3%
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total West Phoenix Common	$ 22,687,687	$ 1,532,183	$ 21,155,504	-24.8%	-5.0%	$ (379,981)	$ (1,057,775)	$ (1,437,757)	-6.3%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Combustion Turbine									
341.00 Structures and Improvements	$ 33,283,258	$ 2,180,809	$ 31,102,449	-158.3%	-5.0%	$ (3,452,402)	$ (1,555,122)	$ (5,007,525)	-15.0%
342.00 Fuel Holders, Products and Accessories	15,550,099	592,467	14,957,632	-15.0%	-5.0%	(88,705)	(747,882)	(836,587)	-5.4%
343.00 Prime Movers	408,278,997	27,439,542	380,839,455	-35.6%	-5.0%	(9,757,375)	(19,041,973)	(28,799,347)	-7.1%
344.00 Generators and Devices	694,364,057	4,500,276	689,863,781	-23.2%	-5.0%	(1,045,129)	(34,493,189)	(35,538,318)	-5.1%
345.00 Accessory Electric Equipment	45,091,428	3,013,288	42,078,140	-14.0%	-5.0%	(421,864)	(2,103,907)	(2,525,771)	-5.6%
346.00 Miscellaneous Power Plant Equipment	12,786,487	260,986	12,525,501	-16.3%	-5.0%	(42,501)	(626,275)	(668,776)	-5.2%
Total Combustion Turbine	$ 1,209,354,326	$ 37,987,368	$ 1,171,366,958	-39.0%	-5.0%	$ (14,807,976)	$ (58,568,348)	$ (73,376,324)	-6.1%
Douglas CT									
341.00 Structures and Improvements	$ 103,952	$ -	$ 103,952		-5.0%	$ -	$ (5,198)	$ (5,198)	-5.0%
342.00 Fuel Holders, Products and Accessories	160,633	22,874	137,759	-14.8%	-5.0%	(3,385)	(6,888)	(10,273)	-6.4%
343.00 Prime Movers	4,379,356	657,787	3,721,569	-308.8%	-5.0%	(2,031,246)	(186,078)	(2,217,325)	-50.6%
344.00 Generators and Devices	971,924		971,924		-5.0%		(48,596)	(48,596)	-5.0%
345.00 Accessory Electric Equipment	630,787	48,385	582,402	-33.3%	-5.0%	(16,112)	(29,120)	(45,232)	-7.2%
346.00 Miscellaneous Power Plant Equipment	40,913	7,349	33,564		-5.0%		(1,678)	(1,678)	-4.1%
Total Douglas CT	$ 6,287,565	$ 736,395	$ 5,551,170	-278.5%	-5.0%	$ (2,050,744)	$ (277,559)	$ (2,328,302)	-37.0%
Ocotillo									
341.00 Structures and Improvements	$ 3,391,617	$ 202,015	$ 3,189,602	-386.8%	-5.0%	$ (781,394)	$ (159,480)	$ (940,874)	-27.7%
342.00 Fuel Holders, Products and Accessories	1,556,145	71,713	1,484,432	-9.8%	-5.0%	(7,028)	(74,222)	(81,249)	-5.2%
343.00 Prime Movers	27,141,441	2,979,815	24,161,626	-80.8%	-5.0%	(2,407,691)	(1,208,081)	(3,615,772)	-13.3%
344.00 Generators and Devices	614,147,022	2,113,374	612,033,648	-25.3%	-5.0%	(534,684)	(30,601,682)	(31,136,366)	-5.1%
345.00 Accessory Electric Equipment	4,343,212	325,554	4,017,658	-12.7%	-5.0%	(41,345)	(200,883)	(242,228)	-5.6%
346.00 Miscellaneous Power Plant Equipment	1,026,859	76,399	950,460	-2.1%	-5.0%	(1,604)	(47,523)	(49,127)	-4.8%
Total Ocotillo	$ 651,606,296	$ 5,768,870	$ 645,837,426	-65.4%	-5.0%	$ (3,773,746)	$ (32,291,871)	$ (36,065,617)	-5.5%
Ocotillo CT Units 1-2									
341.00 Structures and Improvements	$ 3,391,617	$ 202,015	$ 3,189,602	-386.8%	-5.0%	$ (781,394)	$ (159,480)	$ (940,874)	-27.7%
342.00 Fuel Holders, Products and Accessories	1,556,145	71,713	1,484,432	-9.8%	-5.0%	(7,028)	(74,222)	(81,249)	-5.2%
343.00 Prime Movers	27,141,441	2,979,815	24,161,626	-80.8%	-5.0%	(2,407,691)	(1,208,081)	(3,615,772)	-13.3%
344.00 Generators and Devices	17,600,195	2,113,374	15,486,821	-25.3%	-5.0%	(534,684)	(774,341)	(1,309,025)	-7.4%
345.00 Accessory Electric Equipment	4,343,212	325,554	4,017,658	-12.7%	-5.0%	(41,345)	(200,883)	(242,228)	-5.6%
346.00 Miscellaneous Power Plant Equipment	1,026,859	76,399	950,460	-2.1%	-5.0%	(1,604)	(47,523)	(49,127)	-4.8%
Total Octillo CT Units 1-2	$ 55,059,469	$ 5,768,870	$ 49,290,599	-65.4%	-5.0%	$ (3,773,746)	$ (2,464,530)	$ (6,238,276)	-11.3%
Ocotillo CT Units 3-7									
341.00 Structures and Improvements	$ -	$ -	$ -			$ -	$ -	$ -	
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices	596,546,827		596,546,827		-5.0%		(29,827,341)	(29,827,341)	-5.0%
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Octillo CT Units 3-7	$ 596,546,827	$ -	$ 596,546,827		-5.0%	$ -	$ (29,827,341)	$ (29,827,341)	-5.0%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Saguaro									
341.00 Structures and Improvements	$ 3,394,644	$ 343,279	$ 3,051,365	-212.5%	-5.0%	$ (729,468)	$ (152,568)	$ (882,036)	-26.0%
342.00 Fuel Holders, Products and Accessories	1,788,911	146,423	1,642,488	-13.0%	-5.0%	(19,035)	(82,124)	(101,159)	-5.7%
343.00 Prime Movers	26,150,147	2,857,664	23,292,483	-54.5%	-5.0%	(1,557,427)	(1,164,624)	(2,722,051)	-10.4%
344.00 Generators and Devices	39,322,036	823,884	38,498,152	-10.4%	-5.0%	(85,463)	(1,924,908)	(2,010,371)	-5.1%
345.00 Accessory Electric Equipment	4,096,064	502,875	3,593,189	-10.1%	-5.0%	(50,790)	(179,659)	(230,450)	-5.6%
346.00 Miscellaneous Power Plant Equipment	927,807	11,635	916,172	8.6%	-5.0%	1,001	(45,809)	(44,808)	-4.8%
Total Saguaro	$ 75,679,609	$ 4,685,760	$ 70,993,849	-52.1%	-5.0%	$ (2,441,183)	$ (3,549,692)	$ (5,990,875)	-7.9%
Saguaro CT Units 1-2									
341.00 Structures and Improvements	$ 3,394,644	$ 343,279	$ 3,051,365	-212.5%	-5.0%	$ (729,468)	$ (152,568)	$ (882,036)	-26.0%
342.00 Fuel Holders, Products and Accessories	1,788,911	146,423	1,642,488	-13.0%	-5.0%	(19,035)	(82,124)	(101,159)	-5.7%
343.00 Prime Movers	24,210,842	2,857,664	21,353,178	-54.5%	-5.0%	(1,557,427)	(1,067,659)	(2,625,086)	-10.8%
344.00 Generators and Devices	15,159,080	434,649	14,724,431	-8.2%	-5.0%	(35,641)	(736,222)	(771,863)	-5.1%
345.00 Accessory Electric Equipment	3,772,199	502,875	3,269,324	-10.1%	-5.0%	(50,790)	(163,466)	(214,257)	-5.7%
346.00 Miscellaneous Power Plant Equipment	927,807	11,635	916,172	8.6%	-5.0%	1,001	(45,809)	(44,808)	-4.8%
Total Saguaro CT Units 1-2	$ 49,253,483	$ 4,296,525	$ 44,956,958	-55.7%	-5.0%	$ (2,391,361)	$ (2,247,848)	$ (4,639,209)	-9.4%
Saguaro CT Unit 3									
341.00 Structures and Improvements	$ -	$ -	$ -			$ -	$ -	$ -	
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers	1,939,305		1,939,305		-5.0%		(96,965)	(96,965)	-5.0%
344.00 Generators and Devices	24,162,956	389,235	23,773,721	-12.8%	-5.0%	(49,822)	(1,188,686)	(1,238,508)	-5.1%
345.00 Accessory Electric Equipment	323,865		323,865		-5.0%		(16,193)	(16,193)	-5.0%
346.00 Miscellaneous Power Plant Equipment									
Total Saguaro CT Unit 3	$ 26,426,126	$ 389,235	$ 26,036,891	-12.8%	-5.0%	$ (49,822)	$ (1,301,845)	$ (1,351,667)	-5.1%
Sundance Units 1-10									
341.00 Structures and Improvements	$ 14,948,128	$ 1,186,061	$ 13,762,067	-28.4%	-5.0%	$ (336,841)	$ (688,103)	$ (1,024,945)	-6.9%
342.00 Fuel Holders, Products and Accessories	4,678,329	260,098	4,418,231	-8.2%	-5.0%	(21,328)	(220,912)	(242,240)	-5.2%
343.00 Prime Movers	240,967,861	13,035,189	227,932,672	-6.0%	-5.0%	(782,111)	(11,396,634)	(12,178,745)	-5.1%
344.00 Generators and Devices	13,426,260	367,754	13,058,506	-3.9%	-5.0%	(14,342)	(652,925)	(667,268)	-5.0%
345.00 Accessory Electric Equipment	28,954,852	1,150,597	27,804,255	-13.0%	-5.0%	(149,578)	(1,390,213)	(1,539,790)	-5.3%
346.00 Miscellaneous Power Plant Equipment	6,970,933		6,970,933		-5.0%		(348,547)	(348,547)	-5.0%
Total Sun Dance Units 1-10	$ 309,946,363	$ 15,999,699	$ 293,946,664	-8.2%	-5.0%	$ (1,304,201)	$ (14,697,333)	$ (16,001,534)	-5.2%
West Phoenix CT Units 1-2									
341.00 Structures and Improvements	$ 4,384,456	$ 144,970	$ 4,239,486	-82.8%	-5.0%	$ (120,035)	$ (211,974)	$ (332,009)	-7.6%
342.00 Fuel Holders, Products and Accessories	1,874,357	31,138	1,843,219	-93.0%	-5.0%	(28,958)	(92,161)	(121,119)	-6.5%
343.00 Prime Movers	25,491,477	5,024,854	20,466,623	-31.6%	-5.0%	(1,587,854)	(1,023,331)	(2,611,185)	-10.2%
344.00 Generators and Devices	15,727,259	447,054	15,280,205	-38.8%	-5.0%	(173,457)	(764,010)	(937,467)	-6.0%
345.00 Accessory Electric Equipment	2,211,261	685,307	1,525,954	-1.2%	-5.0%	(8,224)	(76,298)	(84,521)	-3.8%
346.00 Miscellaneous Power Plant Equipment	1,192,076	165,603	1,026,473	-25.3%	-5.0%	(41,898)	(51,324)	(93,221)	-7.8%
Total West Phoenix CT Units 1-2	$ 50,880,886	$ 6,498,926	$ 44,381,960	-30.2%	-5.0%	$ (1,960,426)	$ (2,219,098)	$ (4,179,524)	-8.2%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Yucca									
341.00 Structures and Improvements	$ 7,060,461	$ 304,484	$ 6,755,977	-487.6%	-5.0%	$ (1,484,664)	$ (337,799)	$ (1,822,463)	-25.8%
342.00 Fuel Holders, Products and Accessories	5,491,724	60,221	5,431,503	-14.9%	-5.0%	(8,971)	(271,575)	(280,546)	-5.1%
343.00 Prime Movers	84,148,715	2,884,233	81,264,482	-48.2%	-5.0%	(1,391,046)	(4,063,224)	(5,454,270)	-6.5%
344.00 Generators and Devices	10,769,556	748,210	10,021,346	-31.7%	-5.0%	(237,183)	(501,067)	(738,250)	-6.9%
345.00 Accessory Electric Equipment	4,855,252	300,570	4,554,682	-51.8%	-5.0%	(155,814)	(227,734)	(383,548)	-7.9%
346.00 Miscellaneous Power Plant Equipment	2,627,899		2,627,899		-5.0%		(131,395)	(131,395)	-5.0%
Total Yucca	$ 114,953,607	$ 4,297,718	$ 110,655,889	-76.3%	-5.0%	$ (3,277,677)	$ (5,532,794)	$ (8,810,472)	-7.7%
Yucca CT Units 1-4									
341.00 Structures and Improvements	$ 5,990,032	$ 304,484	$ 5,685,548	-487.6%	-5.0%	$ (1,484,664)	$ (284,277)	$ (1,768,941)	-29.5%
342.00 Fuel Holders, Products and Accessories	3,977,780	42,920	3,934,860	-18.2%	-5.0%	(7,811)	(196,743)	(204,554)	-5.1%
343.00 Prime Movers	13,457,623	786,661	12,670,962	-130.7%	-5.0%	(1,028,166)	(633,548)	(1,661,714)	-12.3%
344.00 Generators and Devices	10,597,077	748,210	9,848,867	-31.7%	-5.0%	(237,183)	(492,443)	(729,626)	-6.9%
345.00 Accessory Electric Equipment	3,890,494	153,425	3,737,069	-86.5%	-5.0%	(132,713)	(186,853)	(319,566)	-8.2%
346.00 Miscellaneous Power Plant Equipment	1,536,718		1,536,718		-5.0%		(76,836)	(76,836)	-5.0%
Total Yucca CT Units 1-4	$ 39,449,724	$ 2,035,700	$ 37,414,024	-142.0%	-5.0%	$ (2,890,537)	$ (1,870,701)	$ (4,761,238)	-12.1%
Yucca CT Units 5-6									
341.00 Structures and Improvements	$ 1,070,429	$ -	$ 1,070,429		-5.0%	$ -	$ (53,521)	$ (53,521)	-5.0%
342.00 Fuel Holders, Products and Accessories	1,513,944	17,301	1,496,643	-6.7%	-5.0%	(1,159)	(74,832)	(75,991)	-5.0%
343.00 Prime Movers	70,691,092	2,097,572	68,593,520	-17.3%	-5.0%	(362,880)	(3,429,676)	(3,792,556)	-5.4%
344.00 Generators and Devices	172,479		172,479		-5.0%		(8,624)	(8,624)	-5.0%
345.00 Accessory Electric Equipment	964,758	147,145	817,613	-15.7%	-5.0%	(23,102)	(40,881)	(63,982)	-6.6%
346.00 Miscellaneous Power Plant Equipment	1,091,181		1,091,181		-5.0%		(54,559)	(54,559)	-5.0%
Total Yucca CT Units 5-6	$ 75,503,883	$ 2,262,018	$ 73,241,865	-17.1%	-5.0%	$ (387,141)	$ (3,662,093)	$ (4,049,234)	-5.4%
Solar Units									
341.00 Structures and Improvements	$ 36,990,407	$ 118,415	$ 36,871,992	-1.9%	-9.3%	$ (2,250)	$ (3,426,711)	$ (3,428,961)	-9.3%
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices	700,681,578	13,402,988	687,278,590	33.9%	-9.7%	4,550,261	(66,412,830)	(61,862,569)	-8.8%
345.00 Accessory Electric Equipment	128,193,821	1,160,674	127,033,147	-5.6%	-9.5%	(65,112)	(12,110,658)	(12,175,770)	-9.5%
346.00 Miscellaneous Power Plant Equipment	1,577,646		1,577,646		-9.2%		(145,231)	(145,231)	-9.2%
Total Solar Units	$ 867,443,452	$ 14,682,077	$ 852,761,375	30.5%	-9.6%	$ 4,482,899	$ (82,095,430)	$ (77,612,531)	-8.9%
Chino Valley									
341.05 Structures and Improvements	$ 527,890	$ -	$ 527,890		-7.4%	$ -	$ (39,064)	$ (39,064)	-7.4%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	77,719,184		77,719,184		-7.4%		(5,751,220)	(5,751,220)	-7.4%
345.05 Accessory Electric Equipment	6,511,784		6,511,784		-7.4%		(481,872)	(481,872)	-7.4%
346.05 Miscellaneous Power Plant Equipment	216,504		216,504		-7.4%		(16,021)	(16,021)	-7.4%
Total Chino Valley	$ 84,975,362	$ -	$ 84,975,362		-7.4%	$ -	$ (6,288,177)	$ (6,288,177)	-7.4%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Cotton Center									
341.05 Structures and Improvements	$ 1,813,499	$ -	$ 1,813,499		-6.8%	$ -	$ (123,318)	$ (123,318)	-6.8%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	63,041,671	396,749	62,644,922	275.5%	-6.8%	1,093,043	(4,259,855)	(3,166,811)	-5.0%
345.05 Accessory Electric Equipment	15,418,007		15,418,007		-6.8%		(1,048,424)	(1,048,424)	-6.8%
346.05 Miscellaneous Power Plant Equipment	262,640		262,640		-6.8%		(17,860)	(17,860)	-6.8%
Total Cotton Center	$ 80,535,817	$ 396,749	$ 80,139,068	275.5%	-6.8%	$ 1,093,043	$ (5,449,457)	$ (4,356,413)	-5.4%
Desert Star									
341.05 Structures and Improvements	$ 1,557,800	$ -	$ 1,557,800		-10.9%	$ -	$ (169,800)	$ (169,800)	-10.9%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	30,478,200	1,435,395	29,042,805	258.3%	-10.9%	3,707,625	(3,165,666)	541,960	1.8%
345.05 Accessory Electric Equipment	4,084,919		4,084,919		-10.9%		(445,256)	(445,256)	-10.9%
346.05 Miscellaneous Power Plant Equipment	291,809		291,809		-10.9%		(31,807)	(31,807)	-10.9%
Total Desert Star	$ 36,412,728	$ 1,435,395	$ 34,977,333	258.3%	-10.9%	$ 3,707,625	$ (3,812,529)	$ (104,904)	-0.3%
Foothills Units									
341.05 Structures and Improvements	$ 10,906,684	$ -	$ 10,906,684		-8.5%	$ -	$ (927,068)	$ (927,068)	-8.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	105,443,248		105,443,248		-8.5%		(8,962,676)	(8,962,676)	-8.5%
345.05 Accessory Electric Equipment	20,815,540		20,815,540		-8.5%		(1,769,321)	(1,769,321)	-8.5%
346.05 Miscellaneous Power Plant Equipment	57,708		57,708		-8.5%		(4,905)	(4,905)	-8.5%
Total Foothills Units	$ 137,223,180	$ -	$ 137,223,180		-8.5%	$ -	$ (11,663,970)	$ (11,663,970)	-8.5%
Gila Bend									
341.05 Structures and Improvements	$ 5,018,097	$ -	$ 5,018,097		-10.3%	$ -	$ (516,864)	$ (516,864)	-10.3%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	89,246,612		89,246,612		-10.3%		(9,192,401)	(9,192,401)	-10.3%
345.05 Accessory Electric Equipment	11,096,944		11,096,944		-10.3%		(1,142,985)	(1,142,985)	-10.3%
346.05 Miscellaneous Power Plant Equipment	21,142		21,142		-10.3%		(2,178)	(2,178)	-10.3%
Total Gila Bend	$ 105,382,795	$ -	$ 105,382,795		-10.3%	$ -	$ (10,854,428)	$ (10,854,428)	-10.3%
Hyder									
341.05 Structures and Improvements	$ 6,915,232	$ -	$ 6,915,232		-4.4%	$ -	$ (304,270)	$ (304,270)	-4.4%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	93,250,197		93,250,197		-4.4%		(4,103,009)	(4,103,009)	-4.4%
345.05 Accessory Electric Equipment	22,556,482		22,556,482		-4.4%		(992,485)	(992,485)	-4.4%
346.05 Miscellaneous Power Plant Equipment	206,389		206,389		-4.4%		(9,081)	(9,081)	-4.4%
Total Hyder	$ 122,928,300	$ -	$ 122,928,300		-4.4%	$ -	$ (5,408,845)	$ (5,408,845)	-4.4%

ARIZONA PUBLIC SERVICE COMPANY
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Legacy									
341.00 Structures and Improvements	$ 431,629	$ 118,415	$ 313,214	-1.9%	-0.2%	$ (2,250)	$ (626)	$ (2,876)	-0.7%
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices	21,981,316	11,529,211	10,452,105	-1.8%	-0.2%	(207,526)	(20,904)	(228,430)	-1.0%
345.00 Accessory Electric Equipment	3,124,849	1,152,363	1,972,486	-4.5%	-0.2%	(51,856)	(3,945)	(55,801)	-1.8%
346.00 Miscellaneous Power Plant Equipment									
Total Legacy	$ 25,537,794	$ 12,799,989	$ 12,737,805	-2.0%	-0.2%	$ (261,632)	$ (25,476)	$ (287,108)	-1.1%
Luke AFB									
341.05 Structures and Improvements	$ 1,488,329	$ -	$ 1,488,329		-13.0%	$ -	$ (193,483)	$ (193,483)	-13.0%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	25,469,888		25,469,888		-13.0%		(3,311,085)	(3,311,085)	-13.0%
345.05 Accessory Electric Equipment	1,757,020		1,757,020		-13.0%		(228,413)	(228,413)	-13.0%
346.05 Miscellaneous Power Plant Equipment	357,678		357,678		-13.0%		(46,498)	(46,498)	-13.0%
Total Luke AFB	$ 29,072,915	$ -	$ 29,072,915		-13.0%	$ -	$ (3,779,479)	$ (3,779,479)	-13.0%
Paloma									
341.05 Structures and Improvements	$ 2,281,950	$ -	$ 2,281,950		-8.5%	$ -	$ (193,966)	$ (193,966)	-8.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	49,207,939		49,207,939		-8.5%		(4,182,675)	(4,182,675)	-8.5%
345.05 Accessory Electric Equipment	12,514,947		12,514,947		-8.5%		(1,063,770)	(1,063,770)	-8.5%
346.05 Miscellaneous Power Plant Equipment	121,486		121,486		-8.5%		(10,326)	(10,326)	-8.5%
Total Paloma	$ 64,126,322	$ -	$ 64,126,322		-8.5%	$ -	$ (5,450,737)	$ (5,450,737)	-8.5%
Red Rock									
341.05 Structures and Improvements	$ 4,463,879	$ -	$ 4,463,879		-15.5%	$ -	$ (691,901)	$ (691,901)	-15.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	72,010,410		72,010,410		-15.5%		(11,161,614)	(11,161,614)	-15.5%
345.05 Accessory Electric Equipment	13,383,040		13,383,040		-15.5%		(2,074,371)	(2,074,371)	-15.5%
346.05 Miscellaneous Power Plant Equipment	42,290		42,290		-15.5%		(6,555)	(6,555)	-15.5%
Total Redrock	$ 89,899,619	$ -	$ 89,899,619		-15.5%	$ -	$ (13,934,441)	$ (13,934,441)	-15.5%
Roof Tops									
341.05 Structures and Improvements	$ 1,585,418	$ -	$ 1,585,418		-16.8%	$ -	$ (266,350)	$ (266,350)	-16.8%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	72,832,913	41,633	72,791,280	-103.0%	-16.9%	(42,882)	(12,301,726)	(12,344,608)	-16.9%
345.05 Accessory Electric Equipment	16,930,289	8,311	16,921,978	-159.5%	-16.9%	(13,256)	(2,859,814)	(2,873,070)	-17.0%
346.05 Miscellaneous Power Plant Equipment									
Total Roof Tops	$ 91,348,620	$ 49,944	$ 91,298,676	-112.4%	-16.9%	$ (56,138)	$ (15,427,891)	$ (15,484,029)	-17.0%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
STEAM PRODUCTION (by Unit)									
Cholla									
311.00 Structures and Improvements	$ 78,078,473	$ 1,239,263	$ 76,839,210	-5.0%	-7.3%	$ (61,963)	$ (5,588,349)	$ (5,650,312)	-7.2%
312.00 Boiler Plant Equipment	385,237,434	6,047,096	379,190,338	-20.0%	-7.3%	(1,209,419)	(27,530,704)	(28,740,123)	-7.5%
314.00 Turbogenerator Units	85,554,772	1,348,879	84,205,893	-15.0%	-7.4%	(202,332)	(6,190,833)	(6,393,165)	-7.5%
315.00 Accessory Electric Equipment	53,298,558	862,259	52,436,299	-10.0%	-7.2%	(86,226)	(3,784,647)	(3,870,873)	-7.3%
316.00 Miscellaneous Power Plant Equipment	24,674,267	386,796	24,287,471	-15.0%	-7.3%	(58,019)	(1,778,174)	(1,836,193)	-7.4%
Total Cholla	$ 626,843,504	$ 9,884,294	$ 616,959,210	-16.4%	-7.3%	$ (1,617,960)	$ (44,872,707)	$ (46,490,666)	-7.4%
Cholla Unit 1									
311.00 Structures and Improvements	$ 4,743,207	$ 76,334	$ 4,666,873	-5.0%	-8.2%	$ (3,817)	$ (384,794)	$ (388,610)	-8.2%
312.00 Boiler Plant Equipment	82,295,074	1,293,908	81,001,166	-20.0%	-8.2%	(258,782)	(6,678,719)	(6,937,500)	-8.4%
314.00 Turbogenerator Units	27,444,492	430,213	27,014,279	-15.0%	-8.2%	(64,532)	(2,227,385)	(2,291,917)	-8.4%
315.00 Accessory Electric Equipment	9,492,908	152,294	9,340,614	-10.0%	-8.2%	(15,229)	(770,154)	(785,383)	-8.3%
316.00 Miscellaneous Power Plant Equipment	3,742,187	59,048	3,683,139	-15.0%	-8.2%	(8,857)	(303,683)	(312,540)	-8.4%
Total Cholla Unit 1	$ 127,717,868	$ 2,011,798	$ 125,706,070	-17.5%	-8.2%	$ (351,217)	$ (10,364,733)	$ (10,715,950)	-8.4%
Cholla Unit 3									
311.00 Structures and Improvements	$ 13,288,725	$ 212,298	$ 13,076,427	-5.0%	-6.9%	$ (10,615)	$ (905,388)	$ (916,003)	-6.9%
312.00 Boiler Plant Equipment	243,068,426	3,811,639	239,256,787	-20.0%	-6.9%	(762,328)	(16,565,712)	(17,328,040)	-7.1%
314.00 Turbogenerator Units	57,062,305	901,987	56,160,318	-15.0%	-6.9%	(135,298)	(3,888,440)	(4,023,738)	-7.1%
315.00 Accessory Electric Equipment	34,899,789	569,788	34,330,001	-10.0%	-6.9%	(56,979)	(2,376,948)	(2,433,927)	-7.0%
316.00 Miscellaneous Power Plant Equipment	7,009,816	110,840	6,898,976	-15.0%	-6.9%	(16,626)	(477,673)	(494,299)	-7.1%
Total Cholla Unit 3	$ 355,329,061	$ 5,606,552	$ 349,722,509	-17.5%	-6.9%	$ (981,845)	$ (24,214,161)	$ (25,196,006)	-7.1%
Cholla Common									
311.00 Structures and Improvements	$ 60,046,541	$ 950,630	$ 59,095,911	-5.0%	-7.3%	$ (47,532)	$ (4,298,167)	$ (4,345,698)	-7.2%
312.00 Boiler Plant Equipment	59,873,934	941,549	58,932,385	-20.0%	-7.3%	(188,310)	(4,286,273)	(4,474,583)	-7.5%
314.00 Turbogenerator Units	1,047,975	16,680	1,031,295	-15.0%	-7.3%	(2,502)	(75,008)	(77,510)	-7.4%
315.00 Accessory Electric Equipment	8,905,861	140,178	8,765,683	-10.0%	-7.3%	(14,018)	(637,546)	(651,564)	-7.3%
316.00 Miscellaneous Power Plant Equipment	13,922,264	216,908	13,705,356	-15.0%	-7.3%	(32,536)	(996,819)	(1,029,355)	-7.4%
Total Cholla Common	$ 143,796,575	$ 2,265,944	$ 141,530,631	-12.6%	-7.3%	$ (284,897)	$ (10,293,813)	$ (10,578,710)	-7.4%
Four Corners									
311.00 Structures and Improvements	$ 63,858,960	$ 3,176,134	$ 60,682,826	-5.0%	-10.3%	$ (158,807)	$ (6,233,150)	$ (6,391,957)	-10.0%
312.00 Boiler Plant Equipment	1,106,173,701	54,581,828	1,051,591,873	-20.0%	-11.3%	(10,916,366)	(118,709,465)	(129,625,831)	-11.7%
314.00 Turbogenerator Units	125,870,767	6,219,212	119,651,555	-15.0%	-11.3%	(932,882)	(13,522,713)	(14,455,594)	-11.5%
315.00 Accessory Electric Equipment	64,567,558	3,185,195	61,382,363	-10.0%	-10.4%	(318,519)	(6,388,231)	(6,706,750)	-10.4%
316.00 Miscellaneous Power Plant Equipment	59,751,599	2,950,039	56,801,560	-15.0%	-10.4%	(442,506)	(5,908,247)	(6,350,753)	-10.6%
Total Four Corners	$ 1,420,222,585	$ 70,112,408	$ 1,350,110,177	-18.2%	-11.2%	$ (12,769,079)	$ (150,761,805)	$ (163,530,885)	-11.5%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
Four Corners Units 4-5									
311.00 Structures and Improvements	$ 39,839,762	$ 2,009,256	$ 37,830,506	-5.0%	-11.4%	$ (100,463)	$ (4,311,079)	$ (4,411,542)	-11.1%
312.00 Boiler Plant Equipment	1,066,430,407	52,613,656	1,013,816,751	-20.0%	-11.4%	(10,522,731)	(115,532,261)	(126,054,992)	-11.8%
314.00 Turbogenerator Units	121,897,287	6,014,910	115,882,377	-15.0%	-11.4%	(902,237)	(13,205,693)	(14,107,930)	-11.6%
315.00 Accessory Electric Equipment	43,201,151	2,146,326	41,054,825	-10.0%	-11.4%	(214,633)	(4,678,515)	(4,893,147)	-11.3%
316.00 Miscellaneous Power Plant Equipment	39,853,780	1,971,555	37,882,225	-15.0%	-11.4%	(295,733)	(4,316,973)	(4,612,706)	-11.6%
Total Four Corners Units 4-5	$ 1,311,222,387	$ 64,755,703	$ 1,246,466,684	-18.6%	-11.4%	$ (12,035,796)	$ (142,044,521)	$ (154,080,317)	-11.8%
Four Corners Common									
311.00 Structures and Improvements	$ 24,019,198	$ 1,166,878	$ 22,852,320	-5.0%	-8.4%	$ (58,344)	$ (1,922,071)	$ (1,980,415)	-8.2%
312.00 Boiler Plant Equipment	39,743,294	1,968,173	37,775,121	-20.0%	-8.4%	(393,635)	(3,177,204)	(3,570,838)	-9.0%
314.00 Turbogenerator Units	3,973,480	204,302	3,769,178	-15.0%	-8.4%	(30,645)	(317,019)	(347,665)	-8.7%
315.00 Accessory Electric Equipment	21,366,407	1,038,868	20,327,539	-10.0%	-8.4%	(103,887)	(1,709,716)	(1,813,603)	-8.5%
316.00 Miscellaneous Power Plant Equipment	19,897,819	978,484	18,919,335	-15.0%	-8.4%	(146,773)	(1,591,274)	(1,738,047)	-8.7%
Total Four Corners Common	$ 109,000,198	$ 5,356,705	$ 103,643,493	-13.7%	-8.4%	$ (733,283)	$ (8,717,285)	$ (9,450,568)	-8.7%
NUCLEAR PRODUCTION (by Unit)									
Palo Verde									
321.00 Structures and Improvements	$ 850,120,585	$ 61,394,832	$ 788,725,753	-5.0%		$ (3,069,742)	$ -	$ (3,069,742)	-0.4%
322.00 Reactor Plant Equipment	1,187,263,758	83,631,127	1,103,632,631	-15.0%		(12,544,669)		(12,544,669)	-1.1%
323.00 Turbogenerator Units	405,048,258	28,469,740	376,578,518	-5.0%		(1,423,487)		(1,423,487)	-0.4%
324.00 Accessory Electric Equipment	294,782,526	20,960,627	273,821,899	-5.0%		(1,048,031)		(1,048,031)	-0.4%
325.00 Miscellaneous Power Plant Equipment	233,949,471	16,727,503	217,221,968	-5.0%		(836,375)		(836,375)	-0.4%
Total Palo Verde	$ 2,971,164,598	$ 211,183,829	$ 2,759,980,769	-9.0%		$ (18,922,304)	$ -	$ (18,922,304)	-0.6%
Palo Verde Unit 1									
321.00 Structures and Improvements	$ 169,287,979	$ 11,428,174	$ 157,859,805	-5.0%		$ (571,409)	$ -	$ (571,409)	-0.3%
322.00 Reactor Plant Equipment	465,986,593	31,204,704	434,781,889	-15.0%		(4,680,706)		(4,680,706)	-1.0%
323.00 Turbogenerator Units	144,321,116	9,591,019	134,730,097	-5.0%		(479,551)		(479,551)	-0.3%
324.00 Accessory Electric Equipment	121,319,415	8,203,276	113,116,139	-5.0%		(410,164)		(410,164)	-0.3%
325.00 Miscellaneous Power Plant Equipment	33,599,919	2,260,075	31,339,844	-5.0%		(113,004)		(113,004)	-0.3%
Total Palo Verde Unit 1	$ 934,515,022	$ 62,687,248	$ 871,827,774	-10.0%		$ (6,254,833)	$ -	$ (6,254,833)	-0.7%
Palo Verde Unit 2									
321.00 Structures and Improvements	$ 94,477,904	$ 6,648,945	$ 87,828,959	-5.0%		$ (332,447)	$ -	$ (332,447)	-0.4%
322.00 Reactor Plant Equipment	248,880,636	17,260,986	231,619,650	-15.0%		(2,589,148)		(2,589,148)	-1.0%
323.00 Turbogenerator Units	87,819,612	6,067,738	81,751,874	-5.0%		(303,387)		(303,387)	-0.3%
324.00 Accessory Electric Equipment	49,752,711	3,488,305	46,264,406	-5.0%		(174,415)		(174,415)	-0.4%
325.00 Miscellaneous Power Plant Equipment	27,865,592	1,943,424	25,922,168	-5.0%		(97,171)		(97,171)	-0.3%
Total Palo Verde Unit 2	$ 508,796,455	$ 35,409,397	$ 473,387,058	-9.9%		$ (3,496,568)	$ -	$ (3,496,568)	-0.7%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
Palo Verde Unit 3									
321.00 Structures and Improvements	$167,896,725.00	$ 12,669,800	$ 155,226,925	-5.0%		$ (633,490)	$ -	$ (633,490)	-0.4%
322.00 Reactor Plant Equipment	436,634,437	32,510,899	404,123,538	-15.0%		(4,876,635)		(4,876,635)	-1.1%
323.00 Turbogenerator Units	167,364,071	12,413,418	154,950,653	-5.0%		(620,671)		(620,671)	-0.4%
324.00 Accessory Electric Equipment	95,765,260	7,203,640	88,561,620	-5.0%		(360,182)		(360,182)	-0.4%
325.00 Miscellaneous Power Plant Equipment	29,878,581	2,242,657	27,635,924	-5.0%		(112,133)		(112,133)	-0.4%
Total Palo Verde Unit 3	$ 897,539,074	$ 67,040,413	$ 830,498,661	-9.8%		$ (6,603,111)	$ -	$ (6,603,111)	-0.7%
Palo Verde Water Reclamation									
321.00 Structures and Improvements	$ 233,902,104	$ 17,094,030	$ 216,808,074	-5.0%		$ (854,702)	$ -	$ (854,702)	-0.4%
322.00 Reactor Plant Equipment	454,911	32,352	422,559	-15.0%		(4,853)		(4,853)	-1.1%
323.00 Turbogenerator Units	217,756	16,416	201,340	-5.0%		(821)		(821)	-0.4%
324.00 Accessory Electric Equipment									#DIV/0!
325.00 Miscellaneous Power Plant Equipment	241,107	17,412	223,695	-5.0%		(871)		(871)	-0.4%
Total Palo Verde Water Reclamation	$ 234,815,878	$ 17,160,210	$ 217,655,668	-5.0%		$ (861,246)	$ -	$ (861,246)	-0.4%
Palo Verde Common									
321.00 Structures and Improvements	$ 184,555,873	$ 13,553,883	$ 171,001,990	-5.0%		$ (677,694)	$ -	$ (677,694)	-0.4%
322.00 Reactor Plant Equipment	35,307,181	2,622,186	32,684,995	-15.0%		(393,328)		(393,328)	-1.1%
323.00 Turbogenerator Units	5,325,703	381,150	4,944,553	-5.0%		(19,058)		(19,058)	-0.4%
324.00 Accessory Electric Equipment	27,945,140	2,065,406	25,879,734	-5.0%		(103,270)		(103,270)	-0.4%
325.00 Miscellaneous Power Plant Equipment	142,364,272	10,263,934	132,100,338	-5.0%		(513,197)		(513,197)	-0.4%
Total Palo Verde Common	$ 395,498,169	$ 28,886,560	$ 366,611,609	-5.9%		$ (1,706,547)	$ -	$ (1,706,547)	-0.4%
Solar Units									
341.00 Structures and Improvements	$ 28,540,745	$ 1,732,062	$ 26,808,683	-5.0%	-8.2%	$ (86,603)	$ (2,190,060)	$ (2,276,663)	-8.0%
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices	493,268,961	29,612,801	463,656,160	-5.0%	-8.0%	(1,480,640)	(37,289,707)	(38,770,347)	-7.9%
345.00 Accessory Electric Equipment	84,213,182	5,004,727	79,208,455	-5.0%	-7.4%	(250,236)	(5,869,632)	(6,119,869)	-7.3%
346.00 Miscellaneous Power Plant Equipment	1,413,870	86,899	1,326,971	-5.0%	-9.3%	(4,345)	(123,965)	(128,310)	-9.1%
Total Solar Units	$ 607,436,758	$ 36,436,490	$ 571,000,268	-5.0%	-8.0%	$ (1,821,824)	$ (45,473,364)	$ (47,295,188)	-7.8%
Chino Valley									
341.05 Structures and Improvements	$ 527,890	$ 30,855	$ 497,035	-5.0%	-7.5%	$ (1,543)	$ (37,272)	$ (38,815)	-7.4%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	77,719,184	4,542,686	73,176,498	-5.0%	-7.5%	(227,134)	(5,487,382)	(5,714,516)	-7.4%
345.05 Accessory Electric Equipment	6,511,784	380,614	6,131,170	-5.0%	-7.5%	(19,031)	(459,766)	(478,797)	-7.4%
346.05 Miscellaneous Power Plant Equipment	216,504	12,655	203,849	-5.0%	-7.5%	(633)	(15,286)	(15,919)	-7.4%
Total Chino Valley	$ 84,975,362	$ 4,966,810	$ 80,008,552	-5.0%	-7.5%	$ (248,340)	$ (5,999,706)	$ (6,248,046)	-7.4%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
Cotton Center									
341.05 Structures and Improvements	$ 1,813,499	$ 101,649	$ 1,711,850	-5.0%	-7.0%	$ (5,082)	$ (119,094)	$ (124,176)	-6.8%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	62,644,922	3,509,896	59,135,026	-5.0%	-7.0%	(175,495)	(4,114,044)	(4,289,539)	-6.8%
345.05 Accessory Electric Equipment	15,418,007	864,197	14,553,810	-5.0%	-7.0%	(43,210)	(1,012,514)	(1,055,724)	-6.8%
346.05 Miscellaneous Power Plant Equipment	262,640	14,721	247,919	-5.0%	-7.0%	(736)	(17,248)	(17,984)	-6.8%
Total Cotton Center	$ 80,139,068	$ 4,490,463	$ 75,648,605	-5.0%	-7.0%	$ (224,523)	$ (5,262,900)	$ (5,487,423)	-6.8%
Desert Star									
341.05 Structures and Improvements	$ 1,557,800	$ 102,151	$ 1,455,649	-5.0%	-11.3%	$ (5,108)	$ (164,157)	$ (169,265)	-10.9%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	29,042,805	1,901,841	27,140,964	-5.0%	-11.3%	(95,092)	(3,060,755)	(3,155,847)	-10.9%
345.05 Accessory Electric Equipment	4,084,919	267,864	3,817,055	-5.0%	-11.3%	(13,393)	(430,459)	(443,852)	-10.9%
346.05 Miscellaneous Power Plant Equipment	291,809	19,135	272,674	-5.0%	-11.3%	(957)	(30,750)	(31,707)	-10.9%
Total Desert Star	$ 34,977,333	$ 2,290,992	$ 32,686,341	-5.0%	-11.3%	$ (114,550)	$ (3,686,121)	$ (3,800,670)	-10.9%
Foothills Units									
341.05 Structures and Improvements	$ 10,906,684	$ 663,527	$ 10,243,157	-5.0%	-8.7%	$ (33,176)	$ (896,004)	$ (929,180)	-8.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	105,443,248	6,414,818	99,028,430	-5.0%	-8.7%	(320,741)	(8,662,353)	(8,983,094)	-8.5%
345.05 Accessory Electric Equipment	20,815,540	1,266,349	19,549,191	-5.0%	-8.7%	(63,317)	(1,710,034)	(1,773,352)	-8.5%
346.05 Miscellaneous Power Plant Equipment	57,708	3,511	54,197	-5.0%	-8.7%	(176)	(4,741)	(4,916)	-8.5%
Total Foothills Units	$ 137,223,180	$ 8,348,205	$ 128,874,975	-5.0%	-8.7%	$ (417,410)	$ (11,273,132)	$ (11,690,542)	-8.5%
Gila Bend									
341.05 Structures and Improvements	$ 5,018,097	$ 317,200	$ 4,700,897	-5.0%	-10.6%	$ (15,860)	$ (500,606)	$ (516,466)	-10.3%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	89,246,612	5,641,395	83,605,217	-5.0%	-10.6%	(282,070)	(8,903,253)	(9,185,323)	-10.3%
345.05 Accessory Electric Equipment	11,096,944	701,452	10,395,492	-5.0%	-10.6%	(35,073)	(1,107,032)	(1,142,105)	-10.3%
346.05 Miscellaneous Power Plant Equipment	21,142	1,336	19,806	-5.0%	-10.6%	(67)	(2,109)	(2,176)	-10.3%
Total Gila Bend	$ 105,382,795	$ 6,661,385	$ 98,721,410	-5.0%	-10.6%	$ (333,069)	$ (10,513,001)	$ (10,846,070)	-10.3%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
Hyder									
341.05 Structures and Improvements	$ 6,915,232	$ 404,066	$ 6,511,166	-5.0%	-4.4%	$ (20,203)	$ (284,224)	$ (304,427)	-4.4%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	93,250,197	5,450,161	87,800,036	-5.0%	-4.4%	(272,508)	(3,832,622)	(4,105,130)	-4.4%
345.05 Accessory Electric Equipment	22,556,482	1,318,912	21,237,570	-5.0%	-4.4%	(65,946)	(927,056)	(993,002)	-4.4%
346.05 Miscellaneous Power Plant Equipment	206,389	12,087	194,302	-5.0%	-4.4%	(604)	(8,482)	(9,086)	-4.4%
Total Hyder	$ 122,928,300	$ 7,185,226	$ 115,743,074	-5.0%	-4.4%	$ (359,261)	$ (5,052,384)	$ (5,411,645)	-4.4%
Legacy									
341.00 Structures and Improvements	$ 313,214	$ 15,019	$ 298,195	-5.0%		$ (751)	$ -	$ (751)	-0.2%
342.00 Fuel Holders, Products and Accessories									
343.00 Prime Movers									
344.00 Generators and Devices	10,452,105	481,841	9,970,264	-5.0%		(24,092)		(24,092)	-0.2%
345.00 Accessory Electric Equipment	1,972,486	90,124	1,882,362	-5.0%		(4,506)		(4,506)	-0.2%
346.00 Miscellaneous Power Plant Equipment									
Total Legacy	$ 12,737,805	$ 586,984	$ 12,150,821	-5.0%		$ (29,349)	$ -	$ (29,349)	-0.2%
Luke AFB									
341.05 Structures and Improvements	$ 1,488,329	$ 97,596	$ 1,390,733	-5.0%	-13.6%	$ (4,880)	$ (188,703)	$ (193,583)	-13.0%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	25,469,888	1,670,161	23,799,727	-5.0%	-13.6%	(83,508)	(3,229,297)	(3,312,805)	-13.0%
345.05 Accessory Electric Equipment	1,757,020	115,215	1,641,805	-5.0%	-13.6%	(5,761)	(222,771)	(228,531)	-13.0%
346.05 Miscellaneous Power Plant Equipment	357,678	23,454	334,224	-5.0%	-13.6%	(1,173)	(45,350)	(46,522)	-13.0%
Total Luke AFB	$ 29,072,915	$ 1,906,426	$ 27,166,489	-5.0%	-13.6%	$ (95,321)	$ (3,686,121)	$ (3,781,442)	-13.0%
Paloma									
341.05 Structures and Improvements	$ 2,281,950	$ 127,906	$ 2,154,044	-5.0%	-8.7%	$ (6,395)	$ (187,281)	$ (193,676)	-8.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	49,207,939	2,757,957	46,449,982	-5.0%	-8.7%	(137,898)	(4,038,540)	(4,176,438)	-8.5%
345.05 Accessory Electric Equipment	12,514,947	701,477	11,813,470	-5.0%	-8.7%	(35,074)	(1,027,109)	(1,062,182)	-8.5%
346.05 Miscellaneous Power Plant Equipment	121,486	6,809	114,677	-5.0%	-8.7%	(340)	(9,970)	(10,311)	-8.5%
Total Paloma	$ 64,126,322	$ 3,594,149	$ 60,532,173	-5.0%	-8.7%	$ (179,707)	$ (5,262,900)	$ (5,442,607)	-8.5%

ARIZONA PUBLIC SERVICE COMPANY
Future Net Salvage
Steam Production

Statement F

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
Red Rock									
341.05 Structures and Improvements	$ 4,463,879	$ 303,208	$ 4,160,671	-5.0%	-16.3%	$ (15,160)	$ (678,878)	$ (694,038)	-15.5%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	72,010,410	4,891,286	67,119,124	-5.0%	-16.3%	(244,564)	(10,951,522)	(11,196,086)	-15.5%
345.05 Accessory Electric Equipment	13,383,040	909,039	12,474,001	-5.0%	-16.3%	(45,452)	(2,035,326)	(2,080,778)	-15.5%
346.05 Miscellaneous Power Plant Equipment	42,290	2,873	39,417	-5.0%	-16.3%	(144)	(6,432)	(6,575)	-15.5%
Total Redrock	$ 89,899,619	$ 6,106,405	$ 83,793,214	-5.0%	-16.3%	$ (305,320)	$ (13,672,157)	$ (13,977,477)	-15.5%
Roof Tops									
341.05 Structures and Improvements	$ 1,585,418	$ 92,620	$ 1,492,798	-5.0%	-17.6%	$ (4,631)	$ (262,497)	$ (267,128)	-16.8%
342.05 Fuel Holders, Products and Accessories									
343.05 Prime Movers									
344.05 Generators and Devices	72,791,280	4,239,860	68,551,420	-5.0%	-17.6%	(211,993)	(12,054,237)	(12,266,230)	-16.9%
345.05 Accessory Electric Equipment	16,921,978	983,968	15,938,010	-5.0%	-17.6%	(49,198)	(2,802,576)	(2,851,774)	-16.9%
346.05 Miscellaneous Power Plant Equipment									
Total Roof Tops	$ 91,298,676	$ 5,316,448	$ 85,982,228	-5.0%	-17.6%	$ (265,822)	$ (15,119,310)	$ (15,385,133)	-16.9%

ARIZONA PUBLIC SERVICE COMPANY
Dismantlement Costs
Steam Production

Statement G

Unit	Owned MW Capacity	Cost per kW	Estimated Cost	Final Retirements	Distributed Cost	Year of Study	Inflation Rate	Year Spent	Trended Cost	Accrual Rate
A	B	C	D	E		F	G	H	I	J=I/E
Cholla										
1	116	95	$ 11,033,863	$ 125,706,070	$ 8,502,691	2015	2.00%	2025	$ 10,364,733	8.2%
3	271	95	25,777,386	349,722,509	19,864,046	2015	2.00%	2025	24,214,161	6.9%
C			0	141,530,631	8,444,512	2015	2.00%	2025	10,293,813	7.3%
	387	95	$ 36,811,249	$ 616,959,210	$ 36,811,249				$ 44,872,707	7.3%
	Allocated to Common:		8,444,512							
	Allocated to Units:		$ 28,366,737							
Four Corners										
4-5	970	93	$ 90,078,373	$ 1,246,466,684		2015	2.00%	2038	$ 142,044,521	11.4%
C			5,528,118	103,643,493		2015	2.00%	2038	8,717,285	8.4%
	970	99	$ 95,606,491	$ 1,350,110,177					$ 150,761,805	11.2%
Solar Sites										
Chino Valley	19	185	$ 3,515,000	$ 80,008,552		2015	2.00%	2042	$ 5,999,706	7.5%
Cotton Center	17	185	3,145,000	75,648,605		2015	2.00%	2041	5,262,900	7.0%
Desart Star	11	185	2,035,000	32,686,341		2015	2.00%	2045	3,686,121	11.3%
Foothills	35	185	6,475,000	128,874,975		2015	2.00%	2043	11,273,132	8.7%
Gila Bend	32	185	5,920,000	98,721,410		2015	2.00%	2044	10,513,001	10.6%
Hyder	16	185	2,960,000	115,743,074		2015	2.00%	2042	5,052,384	4.4%
Legacy			0	12,150,821		2015	2.00%	2037	0	0.0%
Luke AFB	11	185	2,035,000	27,166,489		2015	2.00%	2045	3,686,121	13.6%
Paloma	17	185	3,145,000	60,532,173		2015	2.00%	2041	5,262,900	8.7%
Red Rock	40	185	7,400,000	83,793,214		2015	2.00%	2046	13,672,157	16.3%
Roof Tops			9,400,000	85,982,228		2018	2.00%	2042	15,119,310	17.6%
	198	232.475	$ 46,030,000	$ 801,307,883					$ 79,527,731	9.9%

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION												
311.00 Structures and Improvements									23.47	10.98	-7.1	-8.5
312.00 Boiler Plant Equipment									24.10	14.83	-10.8	-10.6
314.00 Turbogenerator Units									24.08	13.13	-9.8	-9.9
315.00 Accessory Electric Equipment									26.55	13.09	-8.8	-9.0
316.00 Miscellaneous Power Plant Equipment									24.43	13.80	-9.8	-9.7
Total Steam Production Plant									24.20	14.24	-10.2	-10.2
NUCLEAR PRODUCTION												
321.00 Structures and Improvements									45.35	26.75	-0.7	-0.4
322.00 Reactor Plant Equipment									46.35	25.94	-2.6	-1.0
323.00 Turbogenerator Units									42.95	26.01	-0.4	-0.3
324.00 Accessory Electric Equipment									50.24	25.98	-0.7	-0.4
325.00 Miscellaneous Power Plant Equipment									38.90	26.94	-1.3	-0.4
Total Nuclear Production Plant									45.24	26.28	-1.4	-0.6
OTHER PRODUCTION												
341.00 Structures and Improvements									26.37	18.48	-8.6	-6.2
342.00 Fuel Holders, Products and Accessories									27.20	14.18	-5.5	-5.0
343.00 Prime Movers									28.66	17.38	-6.8	-5.0
344.00 Generators and Devices									26.98	22.18	-1.6	-6.5
345.00 Accessory Electric Equipment									26.00	18.87	-8.2	-7.3
346.00 Miscellaneous Power Plant Equipment									22.60	15.93	-5.6	-5.2
Total Other Production Plant									27.15	20.62	-3.5	-6.2
TRANSMISSION PLANT												
352.02 Structures and Improvements	50.00	R4	51.64	12.17			50.00	R4	52.37	10.25		
353.00 Station Equipment	53.00	R1.5	53.86	41.27	-4.50	-5.0	53.00	R1.5	53.77	40.72	-4.7	-5.0
354.00 Towers and Fixtures	60.00	R3	60.47	32.86			60.00	R3	60.66	30.40		
355.00 Poles and Fixtures	55.00	R1.5	55.37	44.16	-20.00	-20.0	55.00	R1.5	55.56	41.88	-20.0	-20.0
356.00 Overhead Conductors and Devices	60.00	R3	59.50	42.77	-18.7	-20.0	60.00	R3	59.37	40.12	-18.7	-20.0
Total Transmission Plant									53.92	40.60	-5.0	-5.3

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
DISTRIBUTION PLANT												
361.00 Structures and Improvements	60.00	R3	59.90	48.10	-5.1	-5.0	60.00	R3	59.89	47.27	-10.1	-10.0
362.00 Station Equipment	43.00	L0.5	43.08	35.03	-3.8	-5.0	45.00	L0.5	45.04	37.26	-4.1	-5.0
363.00 Storage Battery Equipment	10.00	S3	10.00	6.51			10.00	S3	10.00	8.68	-2.2	
364.01 Poles, Towers and Fixtures - Wood	45.00	L0	44.55	34.73	-9.3	-10.0	45.00	L0	44.59	34.63	-19.7	-20.0
364.02 Poles, Towers and Fixtures - Steel	50.00	R0.5	50.04	44.99	-10.0	-10.0	50.00	R0.5	50.07	44.32	-10.1	-10.0
365.00 Overhead Conductors and Devices	50.00	SC	49.88	42.18	-10.1	-10.0	50.00	SC	49.93	43.00	-20.3	-20.0
366.00 Underground Conduit	60.00	L1	59.99	47.99	-10.4	-10.0	60.00	L1	60.04	46.84	-15.5	-15.0
367.00 Underground Conductors and Devices	40.00	L1	39.80	30.52	-9.0	-10.0	40.00	L1	39.90	30.18	-13.8	-15.0
368.00 Line Transformers	55.00	L1	55.07	43.00	-3.7	-5.0	55.00	L1	55.05	42.61	-3.8	-5.0
369.00 Services	55.00	L1	55.36	42.33	-19.8	-20.0	55.00	L1	55.45	42.64	-20.2	-20.0
370.01 Meters - Electronic	20.00	SC	17.52	15.30	0.5		20.00	SC	16.45	14.25	0.5	
370.03 Meters - AMI	20.00	SC	20.20	17.79	0.4		15.00	R3	14.87	9.37	0.3	
371.00 Installations on Customers' Premises	45.00	L0	44.99	36.69	-14.8	-15.0	45.00	L0	45.07	36.11	-14.5	-15.0
373.00 Street Lighting and Signal Systems	55.00	L0.5	54.49	42.84	-10.5	-12.0	55.00	L0.5	54.53	42.29	-13.9	-15.0
Total Distribution Plant									42.43	33.13	-11.7	-12.4
GENERAL PLANT												
Depreciable												
390.00 Structures and Improvements	40.00	L1	39.90	32.65	-6.6	-5.0	40.00	L1	39.86	33.85	-10.6	-10.0
391.CM Office Furn. and Equip. - Computer	8.00	L3	7.95	4.77	-0.2		8.00	L3	8.16	4.47	-0.5	
397.00 Communication Equipment	21.00	L2	21.02	14.54	-0.1		21.00	L2	21.06	13.73	-0.3	
Total Depreciable									15.92	10.91	-3.2	-3.3
Amortizable												
391.FE Office Furn. and Equip. - Furniture	20.00	SQ	20.00	10.99			20.00	SQ	20.00	9.29		
393.00 Stores Equipment	20.00	SQ	20.00	14.20			20.00	SQ	20.00	14.52		
394.00 Tools, Shop and Garage Equipment	20.00	SQ	20.00	11.54			20.00	SQ	20.00	10.37		
395.00 Laboratory Equipment	20.00	SQ	20.00	9.74			20.00	SQ	20.00	7.16		
398.00 Miscellaneous Equipment	24.00	SQ	24.00	18.64			24.00	SQ	24.00	17.66		
Total Amortizable									20.62	10.96		
Total General Plant									16.45	10.92	-2.7	-2.8
TOTAL UTILITY									32.73	23.11	-7.3	-8.0

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION (by Unit)												
Cholla												
311.00 Structures and Improvements									20.20	6.45	-8.4	-7.2
312.00 Boiler Plant Equipment									18.69	6.45	-8.5	-7.4
314.00 Turbogenerator Units									20.81	6.45	-5.4	-7.5
315.00 Accessory Electric Equipment									25.48	6.44	-7.0	-7.3
316.00 Miscellaneous Power Plant Equipment									17.23	6.45	-7.4	-7.5
Total Cholla									19.52	6.45	-7.8	-7.4
Cholla Unit 1												
311.00 Structures and Improvements	2025	200-SC	23.80	9.38	-8.3	-8.4	2025	200-SC	23.89	6.44	-8.2	-8.2
312.00 Boiler Plant Equipment	2025	200-SC	19.88	9.38	-11.7	-8.7	2025	200-SC	19.18	6.45	-11.7	-8.4
314.00 Turbogenerator Units	2025	200-SC	18.39	9.38	-9.3	-8.6	2025	200-SC	18.42	6.45	-9.2	-8.4
315.00 Accessory Electric Equipment	2025	200-SC	22.99	9.38	-9.0	-8.5	2025	200-SC	23.08	6.45	-8.8	-8.3
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	25.29	9.38	-8.6	-8.6	2025	200-SC	18.93	6.45	-8.4	-8.4
Total Cholla Unit 1									19.39	6.45	-10.7	-8.4
Cholla Unit 3												
311.00 Structures and Improvements	2025	200-SC	20.30	9.38	-6.2	-7.0	2025	200-SC	20.30	6.45	-6.1	-6.9
312.00 Boiler Plant Equipment	2025	200-SC	18.70	9.38	-7.6	-7.4	2025	200-SC	18.24	6.45	-7.4	-7.1
314.00 Turbogenerator Units	2025	200-SC	22.42	9.38	-3.9	-7.2	2025	200-SC	22.21	6.45	-3.8	-7.1
315.00 Accessory Electric Equipment	2025	200-SC	30.24	9.38	-7.1	-7.1	2025	200-SC	30.16	6.44	-7.0	-7.0
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	18.97	9.38	-7.2	-7.2	2025	200-SC	18.06	6.45	-7.6	-7.1
Total Cholla Unit 3									19.64	6.45	-6.6	-7.1
Cholla Common												
311.00 Structures and Improvements	2025	200-SC	20.45	9.38	-6.8	-7.4	2025	200-SC	19.93	6.45	-9.0	-7.2
312.00 Boiler Plant Equipment	2025	200-SC	19.92	9.38	-8.9	-7.7	2025	200-SC	20.01	6.45	-8.8	-7.5
314.00 Turbogenerator Units	2025	200-SC	14.13	9.39	-7.1	-7.6	2025	200-SC	20.15	6.45	-6.8	-7.4
315.00 Accessory Electric Equipment	2025	200-SC	19.82	9.38	-5.2	-7.5	2025	200-SC	17.03	6.45	-5.6	-7.3
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	16.49	9.39	-7.3	-7.6	2025	200-SC	16.45	6.45	-7.1	-7.4
Total Cholla Common									19.36	6.45	-8.5	-7.4

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Four Corners												
311.00 Structures and Improvements									29.26	19.01	-6.0	-10.0
312.00 Boiler Plant Equipment									26.80	19.01	-11.7	-11.7
314.00 Turbogenerator Units									26.95	19.01	-13.1	-11.5
315.00 Accessory Electric Equipment									27.51	19.01	-10.2	-10.4
316.00 Miscellaneous Power Plant Equipment									29.53	19.01	-10.9	-10.6
Total Four Corners									27.05	19.01	-11.3	-11.5
Four Corners Units 4-5												
311.00 Structures and Improvements	2038	200-SC	38.42	21.84	-18.6	-19.7	2038	200-SC	33.84	19.00	-10.2	-11.1
312.00 Boiler Plant Equipment	2038	200-SC	42.42	21.83	-19.1	-20.6	2038	200-SC	26.74	19.01	-11.7	-11.8
314.00 Turbogenerator Units	2038	200-SC	40.60	21.83	-19.7	-20.3	2038	200-SC	26.81	19.01	-13.3	-11.6
315.00 Accessory Electric Equipment	2038	200-SC	34.93	21.84	-19.6	-20.0	2038	200-SC	29.84	19.01	-11.8	-11.3
316.00 Miscellaneous Power Plant Equipment	2038	200-SC	35.89	21.84	-20.3	-20.3	2038	200-SC	30.51	19.01	-11.5	-11.6
Total Four Corners Units 4-5									27.11	19.01	-11.8	-11.7
Four Corners Common												
311.00 Structures and Improvements	2038	200-SC	26.79	21.86	-3.1	-11.2	2038	200-SC	23.89	19.02	-3.1	-8.2
312.00 Boiler Plant Equipment	2038	200-SC	30.09	21.85	-12.8	-12.1	2038	200-SC	28.59	19.01	-10.2	-9.0
314.00 Turbogenerator Units	2038	200-SC	37.20	21.84	-8.9	-11.8	2038	200-SC	32.27	19.00	-6.8	-8.7
315.00 Accessory Electric Equipment	2038	200-SC	25.92	21.86	-8.9	-11.5	2038	200-SC	23.75	19.02	-7.3	-8.5
316.00 Miscellaneous Power Plant Equipment	2038	200-SC	34.86	21.84	-11.0	-11.8	2038	200-SC	27.75	19.01	-9.8	-8.7
Total Four Corners Common									26.36	19.01	-6.6	-8.7
NUCLEAR PRODUCTION (by Unit)												
Palo Verde												
321.00 Structures and Improvements									45.35	26.75	-0.7	-0.4
322.00 Reactor Plant Equipment									46.35	25.94	-2.6	-1.0
323.00 Turbogenerator Units									42.95	26.01	-0.4	-0.3
324.00 Accessory Electric Equipment									50.24	25.98	-0.7	-0.4
325.00 Miscellaneous Power Plant Equipment									38.90	26.94	-1.3	-0.4
Total Palo Verde									45.24	26.28	-1.4	-0.6

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Palo Verde Unit 1												
321.00 Structures and Improvements	2044	200-SC	52.70	27.41	-0.5	-0.4	2044	200-SC	50.06	24.63	-0.5	-0.3
322.00 Reactor Plant Equipment	2044	200-SC	47.42	27.43	-1.3	-1.1	2044	200-SC	46.74	24.63	-1.4	-1.0
323.00 Turbogenerator Units	2044	200-SC	45.43	27.43	-1.4	-0.4	2044	200-SC	42.19	24.64	-2.0	-0.3
324.00 Accessory Electric Equipment	2044	200-SC	52.59	27.41	-0.5	-0.4	2044	200-SC	51.10	24.62	-0.5	-0.3
325.00 Miscellaneous Power Plant Equipment	2044	200-SC	49.87	27.41	-1.3	-0.4	2044	200-SC	46.77	24.63	-1.2	-0.3
Total Palo Verde Unit 1									47.04	24.63	-1.2	-0.6
Palo Verde Unit 2												
321.00 Structures and Improvements	2045	200-SC	54.04	28.33	-0.4	-0.4	2045	200-SC	52.67	25.55	-0.5	-0.4
322.00 Reactor Plant Equipment	2045	200-SC	46.16	28.35	-2.3	-1.2	2045	200-SC	45.28	25.57	-2.2	-1.0
323.00 Turbogenerator Units	2045	200-SC	44.59	28.36	-1.1	-0.4	2045	200-SC	42.92	25.57	-1.5	-0.3
324.00 Accessory Electric Equipment	2045	200-SC	52.50	28.34	-0.6	-0.4	2045	200-SC	50.84	25.56	-0.8	-0.4
325.00 Miscellaneous Power Plant Equipment	2045	200-SC	49.51	28.34	-1.1	-0.4	2045	200-SC	48.77	25.56	-1.0	-0.3
Total Palo Verde Unit 2									46.74	25.57	-1.6	-0.7
Palo Verde Unit 3												
321.00 Structures and Improvements	2047	200-SC	53.93	30.17	-0.4	-0.4	2047	200-SC	53.18	27.41	-0.4	-0.4
322.00 Reactor Plant Equipment	2047	200-SC	47.58	30.20	-3.1	-1.2	2047	200-SC	46.77	27.43	-3.2	-1.1
323.00 Turbogenerator Units	2047	200-SC	47.49	30.19	-0.6	-0.4	2047	200-SC	44.00	27.43	1.7	-0.4
324.00 Accessory Electric Equipment	2047	200-SC	52.54	30.18	-0.7	-0.4	2047	200-SC	51.24	27.41	-0.8	-0.4
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	50.59	30.18	-1.4	-0.4	2047	200-SC	49.39	27.42	-1.3	-0.4
Total Palo Verde Unit 3									47.82	27.42	-1.4	-0.7
Palo Verde Water Reclamation												
321.00 Structures and Improvements	2047	200-SC	41.80	30.22	-1.1	-0.4	2047	200-SC	39.56	27.45	-1.0	-0.4
322.00 Reactor Plant Equipment	2047	200-SC	33.03	30.25	-1.2	-1.2	2047	200-SC	32.04	27.47	-1.1	-1.1
323.00 Turbogenerator Units	2047	200-SC	51.49	30.18	-6.4	-0.4	2047	200-SC	51.39	27.41	-6.4	-0.4
324.00 Accessory Electric Equipment												
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	40.07	30.22	-0.3	-0.4	2047	200-SC	35.63	27.46	-111.2	-0.4
Total Palo Verde Water Reclamation									39.55	27.45	-1.1	-0.4

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A	B	C	D	E	F	G	H	I	J	K	L	M
Palo Verde Common												
321.00 Structures and Improvements	2047	200-SC	42.59	30.21	-0.8	-0.4	2047	200-SC	40.99	27.44	-0.9	-0.4
322.00 Reactor Plant Equipment	2047	200-SC	45.74	30.20	-10.2	-1.2	2047	200-SC	44.29	27.43	-12.3	-1.1
323.00 Turbogenerator Units	2047	200-SC	35.40	30.24	-4.3	-0.4	2047	200-SC	34.21	27.46	-3.8	-0.4
324.00 Accessory Electric Equipment	2047	200-SC	44.78	30.21	-0.6	-0.4	2047	200-SC	43.28	27.44	-0.8	-0.4
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	37.74	30.23	-1.4	-0.4	2047	200-SC	34.62	27.46	-1.1	-0.4
Total Palo Verde Common									38.72	27.45	-2.0	-0.5
OTHER PRODUCTION												
Combined Cycle												
341.00 Structures and Improvements									28.02	18.39	-5.3	-5.0
342.00 Fuel Holders, Products and Accessories									25.59	14.02	-5.5	-5.0
343.00 Prime Movers									30.91	18.22	-6.6	-5.0
344.00 Generators and Devices									23.57	16.84	5.4	-5.0
345.00 Accessory Electric Equipment									22.11	14.61	-7.6	-5.0
346.00 Miscellaneous Power Plant Equipment									21.46	15.15	-5.6	-5.0
Total Combined Cycle									25.05	16.87	1.1	-5.0
Redhawk CC Units 1-2												
341.00 Structures and Improvements	2037	200-SC	30.53	20.91	-4.8	-5.0	2037	200-SC	29.85	18.06	-4.8	-5.0
342.00 Fuel Holders, Products and Accessories	2037	200-SC	25.05	20.92	-5.4	-5.0	2037	200-SC	23.95	18.07	-6.3	-5.0
343.00 Prime Movers	2037	200-SC	31.04	20.90	-8.4	-5.0	2037	200-SC	29.97	18.05	-8.5	-5.0
344.00 Generators and Devices	2037	200-SC	25.53	20.91	11.3	-5.0	2037	200-SC	23.58	18.06	9.6	-5.0
345.00 Accessory Electric Equipment	2037	200-SC	31.05	20.90	-4.2	-5.0	2037	200-SC	27.20	18.06	-9.8	-5.0
346.00 Miscellaneous Power Plant Equipment	2037	200-SC	24.57	20.92	-3.8	-5.0	2037	200-SC	24.23	18.07	-3.8	-5.0
Total Redhawk CC Units 1-2									25.17	18.06	4.0	-5.0
West Phoenix												
341.00 Structures and Improvements									27.02	18.58	-5.6	-5.0
342.00 Fuel Holders, Products and Accessories									26.39	12.05	-5.1	-5.0
343.00 Prime Movers									31.84	18.38	-4.2	-5.0
344.00 Generators and Devices									23.56	15.42	-1.3	-5.0
345.00 Accessory Electric Equipment									19.82	13.06	-6.1	-5.0
346.00 Miscellaneous Power Plant Equipment									20.31	13.94	-6.7	-5.0
Total West Phoenix									24.94	15.72	-2.9	-5.0

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A	B	C	D	E	F	G	H	I	J	K	L	M
West Phoenix CC Units 1-3												
341.00 Structures and Improvements	2030	200-SC	25.02	14.23	-4.9	-5.0	2030	200-SC	23.84	11.33	-5.0	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	25.61	14.23	-5.2	-5.0	2030	200-SC	26.79	11.33	-5.2	-5.0
343.00 Prime Movers												
344.00 Generators and Devices	2030	200-SC	25.17	14.23	-3.4	-5.0	2030	200-SC	20.16	11.33	-4.9	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	19.28	14.23	-6.9	-5.0	2030	200-SC	17.23	11.33	-6.3	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	20.85	14.23	-4.8	-5.0	2030	200-SC	18.33	11.33	-7.4	-5.0
Total West Phoenix CC Units 1-3									20.07	11.33	-5.3	-5.0
West Phoenix CC Unit 4												
341.00 Structures and Improvements	2036	200-SC	32.59	19.96	-5.1	-5.0	2036	200-SC	25.36	17.11	-5.1	-5.0
342.00 Fuel Holders, Products and Accessories	2036	200-SC	33.73	19.96	-5.0	-5.0	2036	200-SC	32.60	17.10	-5.0	-5.0
343.00 Prime Movers	2036	200-SC	33.65	19.96	0.6	-5.0	2036	200-SC	33.48	17.10	0.6	-5.0
344.00 Generators and Devices	2036	200-SC	27.51	19.96	-4.8	-5.0	2036	200-SC	27.29	17.11	-4.8	-5.0
345.00 Accessory Electric Equipment	2036	200-SC	25.84	19.97	-5.0	-5.0	2036	200-SC	23.88	17.11	-5.0	-5.0
346.00 Miscellaneous Power Plant Equipment	2036	200-SC	22.59	19.97	-4.9	-5.0	2036	200-SC	21.46	17.11	-4.1	-5.0
Total West Phoenix CC Unit 4									30.46	17.10	-1.6	-5.0
West Phoenix CC Unit 5												
341.00 Structures and Improvements	2038	200-SC	32.33	21.85	-5.3	-5.0	2038	200-SC	30.89	19.01	-4.6	-5.0
342.00 Fuel Holders, Products and Accessories							2030	200-SC	17.95	11.33	-5.0	-5.0
343.00 Prime Movers	2038	200-SC	31.65	21.85	-6.1	-5.0	2038	200-SC	31.03	19.01	-6.4	-5.0
344.00 Generators and Devices	2038	200-SC	28.72	21.86	5.9	-5.0	2038	200-SC	26.25	19.01	1.7	-5.0
345.00 Accessory Electric Equipment	2038	200-SC	31.69	21.85	-5.3	-5.0	2038	200-SC	28.84	19.01	-5.7	-5.0
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	25.22	21.86	-5.4	-5.0	2038	200-SC	24.43	19.02	-5.6	-5.0
Total West Phoenix CC Unit 5									27.67	18.91	-1.5	-5.0
West Phoenix Common												
341.00 Structures and Improvements	2038	200-SC	32.02	21.85	-7.5	-5.0	2038	200-SC	25.95	19.02	-6.3	-5.0
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers												
344.00 Generators and Devices												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total West Phoenix Common									25.95	19.02	-6.3	-5.0

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A	B	C	D	E	F	G	H	I	J	K	L	M
Combustion Turbine												
341.00 Structures and Improvements									21.51	13.86	-15.0	-5.0
342.00 Fuel Holders, Products and Accessories									33.00	14.76	-5.4	-5.0
343.00 Prime Movers									27.23	16.85	-7.1	-5.0
344.00 Generators and Devices									29.81	27.88	-5.1	-5.0
345.00 Accessory Electric Equipment									27.64	15.78	-5.6	-5.0
346.00 Miscellaneous Power Plant Equipment									24.06	16.56	-5.2	-5.0
Total Combustion Turbine									28.52	22.90	-6.1	-5.0
Douglas CT												
341.00 Structures and Improvements	2030	200-SC	22.02	14.23	-5.0	-5.0	2030	200-SC	22.09	11.33	-5.0	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	42.08	14.22	-6.4	-5.0	2030	200-SC	42.07	11.32	-6.4	-5.0
343.00 Prime Movers	2030	200-SC	17.14	14.24	-50.6	-5.0	2030	200-SC	17.15	11.33	-50.6	-5.0
344.00 Generators and Devices	2030	200-SC	26.54	14.23	-5.0	-5.0	2030	200-SC	26.61	11.33	-5.0	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	39.59	14.22	-5.9	-5.0	2030	200-SC	23.76	11.33	-7.2	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	42.04	14.22	-4.1	-5.0	2030	200-SC	42.09	11.32	-4.1	-5.0
Total Douglas CT									19.35	11.33	-37.0	-5.0
Ocotillo												
341.00 Structures and Improvements									15.79	11.33	-27.7	-5.0
342.00 Fuel Holders, Products and Accessories									22.36	11.33	-5.2	-5.0
343.00 Prime Movers									18.45	11.33	-13.3	-5.0
344.00 Generators and Devices									31.19	30.40	-5.1	-5.0
345.00 Accessory Electric Equipment									21.74	11.33	-5.6	-5.0
346.00 Miscellaneous Power Plant Equipment									26.73	11.33	-4.8	-5.0
Total Ocotillo									30.15	28.80	-5.5	-5.0
Ocotillo CT Units 1-2												
341.00 Structures and Improvements	2030	200-SC	18.74	14.23	-9.3	-5.0	2030	200-SC	15.79	11.33	-27.7	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	29.67	14.23	-5.0	-5.0	2030	200-SC	22.36	11.33	-5.2	-5.0
343.00 Prime Movers	2030	200-SC	19.09	14.23	-14.0	-5.0	2030	200-SC	18.45	11.33	-13.3	-5.0
344.00 Generators and Devices	2030	200-SC	22.32	14.23	-5.5	-5.0	2030	200-SC	20.16	11.33	-7.4	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	21.72	14.23	-5.6	-5.0	2030	200-SC	21.74	11.33	-5.6	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	25.83	14.23	-4.8	-5.0	2030	200-SC	26.73	11.33	-4.8	-5.0
Total Octillo CT Units 1-2									19.21	11.33	-11.3	-5.0

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A	B	C	D	E	F	G	H	I	J	K	L	M
Ocotillo CT Units 3-7												
341.00 Structures and Improvements												
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers												
344.00 Generators and Devices							2051	200-SC	31.64	31.18	-5.0	-5.0
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Octillo CT Units 3-7									31.64	31.18	-5.0	-5.0
Saguaro												
341.00 Structures and Improvements									20.90	11.33	-26.0	-5.0
342.00 Fuel Holders, Products and Accessories									34.90	11.32	-5.7	-5.0
343.00 Prime Movers									17.65	11.72	-10.4	-5.0
344.00 Generators and Devices									23.87	14.27	-5.1	-5.0
345.00 Accessory Electric Equipment									21.69	11.88	-5.6	-5.0
346.00 Miscellaneous Power Plant Equipment									32.45	11.33	-4.8	-5.0
Total Saguaro									21.39	12.94	-7.9	-5.0
Saguaro CT Units 1-2												
341.00 Structures and Improvements	2030	200-SC	21.68	14.23	-8.8	-5.0	2030	200-SC	20.90	11.33	-26.0	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	34.85	14.22	-5.7	-5.0	2030	200-SC	34.90	11.32	-5.7	-5.0
343.00 Prime Movers	2030	200-SC	22.10	14.23	-10.7	-5.0	2030	200-SC	17.18	11.33	-10.8	-5.0
344.00 Generators and Devices	2030	200-SC	29.85	14.23	-5.3	-5.0	2030	200-SC	16.22	11.33	-5.1	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	22.02	14.23	-5.9	-5.0	2030	200-SC	21.48	11.33	-5.7	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	33.93	14.22	-4.9	-5.0	2030	200-SC	32.45	11.33	-4.8	-5.0
Total Saguaro CT Units 1-2									17.81	11.33	-9.4	-5.0
Saguaro CT Unit 3												
341.00 Structures and Improvements												
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers	2037	200-SC	25.14	20.92	-5.0	-5.0	2037	200-SC	25.18	18.06	-5.0	-5.0
344.00 Generators and Devices	2037	200-SC	33.69	20.90	-5.1	-5.0	2037	200-SC	33.73	18.05	-5.1	-5.0
345.00 Accessory Electric Equipment	2037	200-SC	33.70	20.90	-5.0	-5.0	2037	200-SC	24.03	18.07	-5.0	-5.0
346.00 Miscellaneous Power Plant Equipment												
Total Saguaro CT Unit 3									32.74	18.05	-5.1	-5.0

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A	B	C	D	E	F	G	H	I	J	K	L	M
Sundance Units 1-10												
341.00 Structures and Improvements	2037	200-SC	29.70	20.91	-6.8	-5.0	2037	200-SC	28.79	18.06	-6.9	-5.0
342.00 Fuel Holders, Products and Accessories	2037	200-SC	29.93	20.91	-5.0	-5.0	2037	200-SC	29.69	18.06	-5.2	-5.0
343.00 Prime Movers	2037	200-SC	30.53	20.91	-5.0	-5.0	2037	200-SC	30.06	18.06	-5.1	-5.0
344.00 Generators and Devices	2037	200-SC	21.85	20.92	-5.0	-5.0	2037	200-SC	21.70	18.07	-5.0	-5.0
345.00 Accessory Electric Equipment	2037	200-SC	30.16	20.91	-5.2	-5.0	2037	200-SC	29.56	18.06	-5.3	-5.0
346.00 Miscellaneous Power Plant Equipment	2037	200-SC	27.86	20.91	-5.0	-5.0	2037	200-SC	21.27	18.07	-5.0	-5.0
Total Sun Dance Units 1-10									29.16	18.06	-5.2	-5.0
West Phoenix CT Units 1-2												
341.00 Structures and Improvements	2030	200-SC	16.66	14.24	-7.7	-5.0	2030	200-SC	16.36	11.33	-7.6	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	31.39	14.22	-5.0	-5.0	2030	200-SC	30.97	11.33	-6.5	-5.0
343.00 Prime Movers	2030	200-SC	20.27	14.23	-10.0	-5.0	2030	200-SC	20.55	11.33	-10.2	-5.0
344.00 Generators and Devices	2030	200-SC	21.33	14.23	-6.3	-5.0	2030	200-SC	17.28	11.33	-6.0	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	41.82	14.22	-5.1	-5.0	2030	200-SC	28.63	11.33	-3.8	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	29.86	14.23	-7.8	-5.0	2030	200-SC	29.90	11.33	-7.8	-5.0
Total West Phoenix CT Units 1-2									19.41	11.33	-8.2	-5.0
Yucca												
341.00 Structures and Improvements									18.98	12.55	-25.8	-5.0
342.00 Fuel Holders, Products and Accessories									42.38	15.65	-5.1	-5.0
343.00 Prime Movers									31.75	21.37	-6.5	-5.0
344.00 Generators and Devices									25.89	11.52	-6.9	-5.0
345.00 Accessory Electric Equipment									29.64	13.60	-7.9	-5.0
346.00 Miscellaneous Power Plant Equipment									27.99	16.80	-5.0	-5.0
Total Yucca									30.08	18.84	-7.7	-5.0
Yucca CT Units 1-4												
341.00 Structures and Improvements	2030	200-SC	19.06	14.23	-6.1	-5.0	2030	200-SC	17.72	11.33	-29.5	-5.0
342.00 Fuel Holders, Products and Accessories	2030	200-SC	46.94	14.21	-5.1	-5.0	2030	200-SC	47.16	11.32	-5.1	-5.0
343.00 Prime Movers	2030	200-SC	30.01	14.23	-12.9	-5.0	2030	200-SC	25.97	11.33	-12.3	-5.0
344.00 Generators and Devices	2030	200-SC	26.18	14.23	-6.0	-5.0	2030	200-SC	25.83	11.33	-6.9	-5.0
345.00 Accessory Electric Equipment	2030	200-SC	29.68	14.23	-8.2	-5.0	2030	200-SC	29.75	11.33	-8.2	-5.0
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	33.71	14.22	-5.0	-5.0	2030	200-SC	29.27	11.33	-5.0	-5.0
Total Yucca CT Units 1-4									25.77	11.33	-12.1	-5.0

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A	B	C	D	E	F	G	H	I	J	K	L	M
Yucca CT Units 5-6												
341.00 Structures and Improvements	2043	200-SC	30.49	26.54	-5.0	-5.0	2043	200-SC	30.53	23.74	-5.0	-5.0
342.00 Fuel Holders, Products and Accessories	2043	200-SC	33.48	26.54	-5.0	-5.0	2043	200-SC	33.47	23.73	-5.0	-5.0
343.00 Prime Movers	2043	200-SC	33.54	26.54	-5.0	-5.0	2043	200-SC	33.11	23.73	-5.4	-5.0
344.00 Generators and Devices	2043	200-SC	32.00	26.54	-5.0	-5.0	2043	200-SC	29.72	23.74	-5.0	-5.0
345.00 Accessory Electric Equipment	2043	200-SC	29.39	26.55	-6.6	-5.0	2043	200-SC	29.14	23.74	-6.6	-5.0
346.00 Miscellaneous Power Plant Equipment	2043	200-SC	27.02	26.55	-5.0	-5.0	2043	200-SC	26.36	23.74	-5.0	-5.0
Total Yucca CT Units 5-6									32.89	23.73	-5.4	-5.0
Solar Units												
341.00 Structures and Improvements									28.94	23.89	-9.3	-9.3
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers												
344.00 Generators and Devices									28.64	23.56	-8.8	-9.7
345.00 Accessory Electric Equipment									28.54	23.34	-9.5	-9.5
346.00 Miscellaneous Power Plant Equipment									29.01	23.89	-9.2	-9.2
Total Solar Units									28.64	23.54	-8.9	-9.6
Chino Valley												
341.05 Structures and Improvements	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-7.4
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-7.4
345.05 Accessory Electric Equipment	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-7.4
346.05 Miscellaneous Power Plant Equipment	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-7.4
Total Chino Valley									28.93	22.80	-7.4	-7.4
Cotton Center												
341.05 Structures and Improvements	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-6.8
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.75	21.86	-5.0	-6.8
345.05 Accessory Electric Equipment	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-6.8
346.05 Miscellaneous Power Plant Equipment	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-6.8
Total Cotton Center									28.79	21.86	-5.4	-6.8

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Desert Star												
341.05 Structures and Improvements	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-10.9
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.31	25.62	1.8	-10.9
345.05 Accessory Electric Equipment	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-10.9
346.05 Miscellaneous Power Plant Equipment	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-10.9
Total Desert Star									28.41	25.62	-0.3	-10.9
Foothills Units												
341.05 Structures and Improvements	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-8.5
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-8.5
345.05 Accessory Electric Equipment	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-8.5
346.05 Miscellaneous Power Plant Equipment	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-8.5
Total Foothills Units									28.91	23.74	-8.5	-8.5
Gila Bend												
341.05 Structures and Improvements	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-10.3
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-10.3
345.05 Accessory Electric Equipment	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-10.3
346.05 Miscellaneous Power Plant Equipment	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-10.3
Total Gila Bend									28.90	24.68	-10.3	-10.3
Hyder												
341.05 Structures and Improvements	2042	200-SC	28.74	25.62	-4.4	-4.4	2042	200-SC	28.78	22.80	-4.4	-4.4
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2042	200-SC	28.84	25.61	-4.4	-4.4	2042	200-SC	28.88	22.80	-4.4	-4.4
345.05 Accessory Electric Equipment	2042	200-SC	29.00	25.61	-4.4	-4.4	2042	200-SC	29.04	22.80	-4.4	-4.4
346.05 Miscellaneous Power Plant Equipment	2042	200-SC	29.58	25.61	-4.4	-4.4	2042	200-SC	29.63	22.80	-4.4	-4.4
Total Hyder									28.90	22.80	-4.4	-4.4

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Legacy												
341.00 Structures and Improvements	2037	200-SC	41.95	20.89	-3.9	-5.0	2037	200-SC	40.13	18.05	-0.7	-0.2
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers												
344.00 Generators and Devices	2037	200-SC	25.92	20.91	-3.3	-5.0	2037	200-SC	24.94	18.06	-1.0	-0.2
345.00 Accessory Electric Equipment	2037	200-SC	22.73	20.92	-5.2	-5.0	2037	200-SC	22.99	18.07	-1.8	-0.2
346.00 Miscellaneous Power Plant Equipment												
Total Legacy									24.84	18.06	-1.1	-0.2
Luke AFB												
341.05 Structures and Improvements	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-13.0
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-13.0
345.05 Accessory Electric Equipment	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-13.0
346.05 Miscellaneous Power Plant Equipment	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-13.0
Total Luke AFB									28.89	25.61	-13.0	-13.0
Paloma												
341.05 Structures and Improvements	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-8.5
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.91	21.86	-8.5	-8.5
345.05 Accessory Electric Equipment	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-8.5
346.05 Miscellaneous Power Plant Equipment	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-8.5
Total Paloma									28.92	21.86	-8.5	-8.5
Red Rock												
341.05 Structures and Improvements	30	SQ					2046	200-SC	28.88	26.55	-15.5	-15.5
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	30	SQ					2046	200-SC	28.88	26.55	-15.5	-15.5
345.05 Accessory Electric Equipment	30	SQ					2046	200-SC	28.88	26.55	-15.5	-15.5
346.05 Miscellaneous Power Plant Equipment							2046	200-SC	28.88	26.55	-15.5	-15.5
Total Redrock									28.88	26.55	-15.5	-15.5

ARIZONA PUBLIC SERVICE COMPANY
Current and Proposed Parameters
Vintage Group Procedure

Statement H

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2018) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Roof Tops												
341.05 Structures and Improvements	2042	200-SC	28.71	25.62	-5.0	-5.0	2042	200-SC	28.73	22.80	-16.8	-16.8
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2042	200-SC	28.58	25.62	-5.0	-5.0	2042	200-SC	27.52	22.80	-16.9	-16.9
345.05 Accessory Electric Equipment	2042	200-SC	28.62	25.62	-5.0	-5.0	2042	200-SC	26.90	22.80	-17.0	-16.9
346.05 Miscellaneous Power Plant Equipment												
Total Roof Tops									27.42	22.80	-17.0	-16.9

Statements A through E

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Depreciation Accrual Rates - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	Current			SFAS 143 Method			Difference
	Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D=B+C	E	F	G=E+F	H=G-D
STEAM PRODUCTION							
311.00 Structures and Improvements	5.01%	0.39%	5.40%	5.84%	0.32%	6.16%	0.76%
312.00 Boiler Plant Equipment	2.90%	0.33%	3.23%	4.37%	0.38%	4.75%	1.52%
314.00 Turbogenerator Units	3.63%	0.36%	3.99%	4.85%	0.37%	5.22%	1.23%
315.00 Accessory Electric Equipment	4.26%	0.41%	4.67%	4.93%	0.32%	5.25%	0.58%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.43%	4.23%	4.55%	0.35%	4.90%	0.67%
Total Steam Production Plant	3.24%	0.35%	3.59%	4.56%	0.37%	4.93%	1.34%
NUCLEAR PRODUCTION							
321.00 Structures and Improvements	0.98%	0.01%	0.99%	1.22%	0.01%	1.23%	0.24%
322.00 Reactor Plant Equipment	0.76%	0.06%	0.82%	0.75%	0.04%	0.79%	-0.03%
323.00 Turbogenerator Units	0.89%	0.03%	0.92%	1.08%	0.01%	1.09%	0.17%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.40%	0.48%	0.01%	0.49%	0.09%
325.00 Miscellaneous Power Plant Equipment	1.39%	0.05%	1.44%	1.74%	0.01%	1.75%	0.31%
Total Nuclear Production Plant	0.86%	0.04%	0.90%	0.98%	0.02%	1.00%	0.10%
OTHER PRODUCTION							
341.00 Structures and Improvements	3.53%	0.25%	3.78%	3.82%	0.19%	4.01%	0.23%
342.00 Fuel Holders, Products and Accessories	3.60%	0.18%	3.78%	3.90%	0.18%	4.08%	0.30%
343.00 Prime Movers	3.29%	0.15%	3.44%	3.49%	0.16%	3.65%	0.21%
344.00 Generators and Devices	3.70%	0.07%	3.77%	3.81%	0.19%	4.00%	0.23%
345.00 Accessory Electric Equipment	3.74%	0.23%	3.97%	3.89%	0.23%	4.12%	0.15%
346.00 Miscellaneous Power Plant Equipment	3.95%	0.20%	4.15%	4.60%	0.20%	4.80%	0.65%
Total Other Production Plant	3.62%	0.11%	3.73%	3.76%	0.19%	3.95%	0.22%
TRANSMISSION PLANT							
352.02 Structures and Improvements	2.51%		2.51%	2.48%		2.48%	-0.03%
353.00 Station Equipment	1.91%	0.09%	2.00%	1.90%	0.07%	1.97%	-0.03%
354.00 Towers and Fixtures	1.78%		1.78%	1.77%		1.77%	-0.01%
355.00 Poles and Fixtures	1.85%	0.37%	2.22%	1.85%	0.26%	2.11%	-0.11%
356.00 Overhead Conductors and Devices	1.74%	0.33%	2.07%	1.75%	0.25%	2.00%	-0.07%
Total Transmission Plant	1.91%	0.10%	2.01%	1.90%	0.07%	1.97%	-0.04%
DISTRIBUTION PLANT							
361.00 Structures and Improvements	1.58%	0.08%	1.66%	1.59%	0.10%	1.69%	0.03%
362.00 Station Equipment	2.20%	0.08%	2.28%	2.14%	0.10%	2.24%	-0.04%
363.00 Storage Battery Equipment	8.79%		8.79%	9.76%		9.76%	0.97%
364.01 Poles, Towers and Fixtures - Wood	2.10%	0.19%	2.29%	2.12%	0.37%	2.49%	0.20%
364.02 Poles, Towers and Fixtures - Steel	1.95%	0.19%	2.14%	1.95%	0.15%	2.10%	-0.04%
365.00 Overhead Conductors and Devices	1.92%	0.20%	2.12%	1.94%	0.31%	2.25%	0.13%
366.00 Underground Conduit	1.57%	0.17%	1.74%	1.58%	0.20%	1.78%	0.04%
367.00 Underground Conductors and Devices	2.34%	0.20%	2.54%	2.36%	0.32%	2.68%	0.14%
368.00 Line Transformers	1.70%	0.06%	1.76%	1.73%	0.08%	1.81%	0.05%
369.00 Services	1.68%	0.33%	2.01%	1.70%	0.29%	1.99%	-0.02%
370.01 Meters - Electronic	5.52%	-0.03%	5.49%	5.93%		5.93%	0.44%
370.03 Meters - AMI	4.84%		4.84%	6.10%		6.10%	1.26%
371.00 Installations on Customers' Premises	2.11%	0.31%	2.42%	2.12%	0.28%	2.40%	-0.02%
373.00 Street Lighting and Signal Systems	1.72%	0.18%	1.90%	1.74%	0.22%	1.96%	0.06%
Total Distribution Plant	2.15%	0.16%	2.31%	2.23%	0.22%	2.45%	0.14%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	2.52%	0.17%	2.69%	2.51%	0.21%	2.72%	0.03%
391.CM Office Furn. and Equip. - Computer	12.86%	0.02%	12.88%	12.23%		12.23%	-0.65%
397.00 Communication Equipment	4.83%		4.83%	4.74%		4.74%	-0.09%
Total Depreciable	6.50%	0.06%	6.56%	6.27%	0.07%	6.34%	-0.22%

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Depreciation Accrual Rates - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	Current			SFAS 143 Method			Difference
	Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Amortizable							
391.FE Office Furn. and Equip. - Furniture	4.98%		4.98%	← 20 Year Amortization →		4.98%	
393.00 Stores Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%	
394.00 Tools, Shop and Garage Equipment	4.98%		4.98%	← 20 Year Amortization →		4.98%	
395.00 Laboratory Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%	
398.00 Miscellaneous Equipment	4.17%		4.17%	← 24 Year Amortization →		4.17%	
Total Amortizable	4.84%		4.84%	4.84%		4.84%	
Total General Plant	6.26%	0.05%	6.31%	6.07%	0.06%	6.13%	-0.18%
TOTAL UTILITY	2.60%	0.14%	2.74%	2.84%	0.18%	3.02%	0.28%
STEAM PRODUCTION (by Unit)							
Cholla							
311.00 Structures and Improvements	7.05%	0.50%	7.55%	8.32%	0.35%	8.67%	1.12%
312.00 Boiler Plant Equipment	7.01%	0.58%	7.59%	8.14%	0.40%	8.54%	0.95%
314.00 Turbogenerator Units	6.63%	0.45%	7.08%	7.55%	0.38%	7.93%	0.85%
315.00 Accessory Electric Equipment	6.12%	0.44%	6.56%	7.16%	0.31%	7.47%	0.91%
316.00 Miscellaneous Power Plant Equipment	7.29%	0.55%	7.84%	8.69%	0.42%	9.11%	1.27%
Total Cholla	6.90%	0.54%	7.44%	8.02%	0.39%	8.41%	0.97%
Cholla Unit 1							
311.00 Structures and Improvements	5.36%	0.44%	5.80%	5.96%	0.36%	6.32%	0.52%
312.00 Boiler Plant Equipment	6.04%	0.65%	6.69%	6.83%	0.45%	7.28%	0.59%
314.00 Turbogenerator Units	6.37%	0.58%	6.95%	7.01%	0.46%	7.47%	0.52%
315.00 Accessory Electric Equipment	5.48%	0.48%	5.96%	6.09%	0.38%	6.47%	0.51%
316.00 Miscellaneous Power Plant Equipment	5.15%	0.45%	5.60%	6.89%	0.44%	7.33%	1.73%
Total Cholla Unit 1	6.02%	0.61%	6.63%	6.78%	0.44%	7.22%	0.59%
Cholla Unit 3							
311.00 Structures and Improvements	7.02%	0.46%	7.48%	8.08%	0.33%	8.41%	0.93%
312.00 Boiler Plant Equipment	7.28%	0.55%	7.83%	8.48%	0.39%	8.87%	1.04%
314.00 Turbogenerator Units	6.72%	0.39%	7.11%	7.79%	0.34%	8.13%	1.02%
315.00 Accessory Electric Equipment	5.99%	0.42%	6.41%	6.95%	0.27%	7.22%	0.81%
316.00 Miscellaneous Power Plant Equipment	7.24%	0.52%	7.76%	8.51%	0.38%	8.89%	1.13%
Total Cholla Unit 3	7.05%	0.51%	7.56%	8.20%	0.37%	8.57%	1.01%
Cholla Common							
311.00 Structures and Improvements	7.19%	0.52%	7.71%	8.56%	0.36%	8.92%	1.21%
312.00 Boiler Plant Equipment	7.27%	0.60%	7.87%	8.55%	0.38%	8.93%	1.06%
314.00 Turbogenerator Units	8.50%	0.63%	9.13%	8.52%	0.37%	8.89%	-0.24%
315.00 Accessory Electric Equipment	7.29%	0.47%	7.76%	9.13%	0.42%	9.55%	1.79%
316.00 Miscellaneous Power Plant Equipment	7.89%	0.59%	8.48%	9.27%	0.44%	9.71%	1.23%
Total Cholla Common	7.31%	0.56%	7.87%	8.66%	0.38%	9.04%	1.17%
Four Corners							
311.00 Structures and Improvements	2.52%	0.25%	2.77%	2.80%	0.28%	3.08%	0.31%
312.00 Boiler Plant Equipment	1.47%	0.25%	1.72%	3.06%	0.37%	3.43%	1.71%
314.00 Turbogenerator Units	1.59%	0.30%	1.89%	3.02%	0.37%	3.39%	1.50%
315.00 Accessory Electric Equipment	2.72%	0.39%	3.11%	3.09%	0.32%	3.41%	0.30%
316.00 Miscellaneous Power Plant Equipment	2.36%	0.38%	2.74%	2.84%	0.32%	3.16%	0.42%
Total Four Corners	1.62%	0.26%	1.88%	3.03%	0.36%	3.39%	1.51%
Four Corners Units 4-5							
311.00 Structures and Improvements	1.75%	0.31%	2.06%	1.88%	0.28%	2.16%	0.10%
312.00 Boiler Plant Equipment	1.40%	0.24%	1.64%	3.03%	0.37%	3.40%	1.76%
314.00 Turbogenerator Units	1.55%	0.30%	1.85%	3.01%	0.37%	3.38%	1.53%
315.00 Accessory Electric Equipment	2.12%	0.41%	2.53%	2.46%	0.33%	2.79%	0.26%
316.00 Miscellaneous Power Plant Equipment	2.02%	0.40%	2.42%	2.35%	0.34%	2.69%	0.27%
Total Four Corners Units 4-5	1.47%	0.26%	1.73%	2.95%	0.37%	3.32%	1.59%

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Depreciation Accrual Rates - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	Current			SFAS 143 Method			Difference
	Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Four Corners Common							
311.00 Structures and Improvements	3.81%	0.16%	3.97%	4.33%	0.28%	4.61%	0.64%
312.00 Boiler Plant Equipment	3.44%	0.44%	3.88%	3.73%	0.27%	4.00%	0.12%
314.00 Turbogenerator Units	2.87%	0.27%	3.14%	3.39%	0.24%	3.63%	0.49%
315.00 Accessory Electric Equipment	3.93%	0.36%	4.29%	4.35%	0.30%	4.65%	0.36%
316.00 Miscellaneous Power Plant Equipment	3.03%	0.34%	3.37%	3.83%	0.28%	4.11%	0.74%
Total Four Corners Common	3.52%	0.34%	3.86%	3.99%	0.28%	4.27%	0.41%
NUCLEAR PRODUCTION (by Unit)							
Palo Verde							
321.00 Structures and Improvements	0.98%	0.01%	1.00%	1.22%	0.01%	1.23%	0.23%
322.00 Reactor Plant Equipment	0.76%	0.06%	0.83%	0.75%	0.04%	0.79%	-0.04%
323.00 Turbogenerator Units	0.89%	0.03%	0.92%	1.08%	0.01%	1.09%	0.17%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.39%	0.48%	0.01%	0.49%	0.10%
325.00 Miscellaneous Power Plant Equipment	1.39%	0.05%	1.44%	1.74%	0.01%	1.75%	0.31%
Total Palo Verde	0.86%	0.04%	0.90%	0.98%	0.02%	1.00%	0.10%
Palo Verde Unit 1							
321.00 Structures and Improvements	0.18%		0.18%	0.35%	0.01%	0.36%	0.18%
322.00 Reactor Plant Equipment	0.60%	0.01%	0.61%	0.59%	0.03%	0.62%	0.01%
323.00 Turbogenerator Units	0.79%	0.05%	0.84%	1.02%	0.01%	1.03%	0.19%
324.00 Accessory Electric Equipment	0.19%		0.19%	0.27%	0.01%	0.28%	0.09%
325.00 Miscellaneous Power Plant Equipment	0.40%	0.04%	0.44%	0.60%	0.01%	0.61%	0.17%
Total Palo Verde Unit 1	0.49%	0.01%	0.50%	0.57%	0.02%	0.59%	0.09%
Palo Verde Unit 2							
321.00 Structures and Improvements	0.37%		0.37%	0.40%	0.01%	0.41%	0.04%
322.00 Reactor Plant Equipment	0.96%	0.06%	1.02%	0.93%	0.04%	0.97%	-0.05%
323.00 Turbogenerator Units	1.11%	0.03%	1.14%	1.16%	0.01%	1.17%	0.03%
324.00 Accessory Electric Equipment	0.47%	0.01%	0.48%	0.52%	0.01%	0.53%	0.05%
325.00 Miscellaneous Power Plant Equipment	0.69%	0.03%	0.72%	0.67%	0.01%	0.68%	-0.04%
Total Palo Verde Unit 2	0.81%	0.04%	0.85%	0.82%	0.02%	0.84%	-0.01%
Palo Verde Unit 3							
321.00 Structures and Improvements	0.29%		0.29%	0.28%	0.01%	0.29%	
322.00 Reactor Plant Equipment	0.81%	0.09%	0.90%	0.76%	0.04%	0.80%	-0.10%
323.00 Turbogenerator Units	0.81%	0.01%	0.82%	1.03%	0.01%	1.04%	0.22%
324.00 Accessory Electric Equipment	0.39%	0.01%	0.40%	0.42%	0.01%	0.43%	0.03%
325.00 Miscellaneous Power Plant Equipment	0.55%	0.04%	0.59%	0.56%	0.01%	0.57%	-0.02%
Total Palo Verde Unit 3	0.66%	0.05%	0.71%	0.68%	0.02%	0.70%	-0.01%
Palo Verde Water Reclamation							
321.00 Structures and Improvements	2.05%	0.03%	2.08%	2.41%	0.01%	2.42%	0.34%
322.00 Reactor Plant Equipment	2.92%	0.04%	2.96%	3.06%	0.04%	3.10%	0.14%
323.00 Turbogenerator Units	1.43%	0.17%	1.60%	1.75%	0.01%	1.76%	0.16%
324.00 Accessory Electric Equipment							
325.00 Miscellaneous Power Plant Equipment	2.19%	0.01%	2.20%	2.72%	0.01%	2.73%	0.53%
Total Palo Verde Water Reclamation	2.05%	0.03%	2.08%	2.41%	0.01%	2.42%	0.34%
Palo Verde Common							
321.00 Structures and Improvements	1.31%	0.02%	1.33%	1.76%	0.01%	1.77%	0.44%
322.00 Reactor Plant Equipment	0.98%	0.42%	1.40%	1.47%	0.04%	1.51%	0.11%
323.00 Turbogenerator Units	2.31%	0.24%	2.55%	2.52%	0.01%	2.53%	-0.02%
324.00 Accessory Electric Equipment	1.08%	0.01%	1.09%	1.56%	0.01%	1.57%	0.48%
325.00 Miscellaneous Power Plant Equipment	1.94%	0.06%	2.00%	2.47%	0.01%	2.48%	0.48%
Total Palo Verde Common	1.50%	0.07%	1.57%	1.99%	0.01%	2.00%	0.43%

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Statement A

Account Description	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D=B+C	E	F	G=E+F	H=G-D
OTHER PRODUCTION							
Combined Cycle							
341.00 Structures and Improvements	4.00%	0.20%	4.20%	3.64%	0.15%	3.79%	-0.41%
342.00 Fuel Holders, Products and Accessories	4.37%	0.23%	4.60%	4.04%	0.19%	4.23%	-0.37%
343.00 Prime Movers	3.97%	0.26%	4.23%	3.60%	0.14%	3.74%	-0.49%
344.00 Generators and Devices	4.33%	-0.11%	4.22%	4.45%	0.18%	4.63%	0.41%
345.00 Accessory Electric Equipment	3.97%	0.19%	4.16%	4.73%	0.20%	4.93%	0.77%
346.00 Miscellaneous Power Plant Equipment	4.41%	0.20%	4.61%	4.81%	0.21%	5.02%	0.41%
Total Combined Cycle	3.99%	0.05%	4.04%	4.23%	0.17%	4.40%	0.36%
Redhawk CC Units 1-2							
341.00 Structures and Improvements	4.00%	0.20%	4.20%	3.78%	0.15%	3.93%	-0.27%
342.00 Fuel Holders, Products and Accessories	4.37%	0.23%	4.60%	4.44%	0.18%	4.62%	0.02%
343.00 Prime Movers	3.97%	0.26%	4.23%	3.77%	0.15%	3.92%	-0.31%
344.00 Generators and Devices	4.33%	-0.11%	4.22%	4.50%	0.18%	4.68%	0.46%
345.00 Accessory Electric Equipment	3.97%	0.19%	4.16%	4.04%	0.16%	4.20%	0.04%
346.00 Miscellaneous Power Plant Equipment	4.41%	0.20%	4.61%	4.41%	0.18%	4.59%	-0.02%
Total Redhawk CC Units 1-2	4.22%	0.01%	4.23%	4.28%	0.17%	4.45%	0.22%
West Phoenix							
341.00 Structures and Improvements	2.90%	0.21%	3.11%	3.56%	0.16%	3.72%	0.61%
342.00 Fuel Holders, Products and Accessories	3.76%	0.19%	3.95%	3.87%	0.19%	4.06%	0.11%
343.00 Prime Movers	3.42%	0.14%	3.56%	3.44%	0.14%	3.58%	0.02%
344.00 Generators and Devices	3.86%	0.02%	3.88%	4.40%	0.19%	4.59%	0.71%
345.00 Accessory Electric Equipment	4.66%	0.30%	4.96%	5.15%	0.23%	5.38%	0.42%
346.00 Miscellaneous Power Plant Equipment	4.55%	0.23%	4.78%	5.01%	0.22%	5.23%	0.45%
Total West Phoenix	3.77%	0.09%	3.86%	4.17%	0.18%	4.35%	0.49%
West Phoenix CC Units 1-3							
341.00 Structures and Improvements	4.03%	0.19%	4.22%	4.20%	0.20%	4.40%	0.18%
342.00 Fuel Holders, Products and Accessories	3.94%	0.20%	4.14%	3.74%	0.19%	3.93%	-0.21%
343.00 Prime Movers							
344.00 Generators and Devices	4.00%	0.14%	4.14%	4.96%	0.23%	5.19%	1.05%
345.00 Accessory Electric Equipment	5.21%	0.35%	5.56%	5.80%	0.27%	6.07%	0.51%
346.00 Miscellaneous Power Plant Equipment	4.82%	0.23%	5.05%	5.46%	0.25%	5.71%	0.66%
Total West Phoenix CC Units 1-3	4.23%	0.19%	4.42%	4.98%	0.23%	5.21%	0.79%
West Phoenix CC Unit 4							
341.00 Structures and Improvements	3.30%	0.17%	3.47%	4.04%	0.17%	4.21%	0.74%
342.00 Fuel Holders, Products and Accessories	3.21%	0.16%	3.37%	3.21%	0.14%	3.35%	-0.02%
343.00 Prime Movers	3.21%	0.02%	3.23%	3.14%	0.14%	3.28%	0.05%
344.00 Generators and Devices	3.80%	0.18%	3.98%	3.78%	0.16%	3.94%	-0.04%
345.00 Accessory Electric Equipment	4.00%	0.20%	4.20%	4.27%	0.18%	4.45%	0.25%
346.00 Miscellaneous Power Plant Equipment	4.50%	0.22%	4.72%	4.72%	0.20%	4.92%	0.20%
Total West Phoenix CC Unit 4	3.40%	0.09%	3.49%	3.42%	0.15%	3.57%	0.08%
West Phoenix CC Unit 5							
341.00 Structures and Improvements	3.48%	0.18%	3.66%	3.62%	0.14%	3.76%	0.10%
342.00 Fuel Holders, Products and Accessories	3.21%	0.16%	3.37%	6.18%	0.26%	6.44%	3.07%
343.00 Prime Movers	3.53%	0.20%	3.73%	3.60%	0.14%	3.74%	0.01%
344.00 Generators and Devices	3.76%	-0.09%	3.67%	4.08%	0.16%	4.24%	0.57%
345.00 Accessory Electric Equipment	3.52%	0.19%	3.71%	3.80%	0.15%	3.95%	0.24%
346.00 Miscellaneous Power Plant Equipment	4.12%	0.22%	4.34%	4.31%	0.17%	4.48%	0.14%
Total West Phoenix CC Unit 5	3.67%	0.03%	3.70%	3.93%	0.15%	4.08%	0.38%

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Account Description	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D=B+C	E	F	G=E+F	H=G-D
West Phoenix Common							
341.00 Structures and Improvements	2.44%	0.24%	2.68%	3.35%	0.16%	3.51%	0.83%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total West Phoenix Common	2.44%	0.24%	2.68%	3.35%	0.16%	3.51%	0.83%
Combustion Turbine							
341.00 Structures and Improvements	3.98%	0.32%	4.30%	4.65%	0.21%	4.86%	0.56%
342.00 Fuel Holders, Products and Accessories	2.64%	0.14%	2.78%	3.49%	0.15%	3.64%	0.86%
343.00 Prime Movers	3.01%	0.12%	3.13%	3.42%	0.16%	3.58%	0.45%
344.00 Generators and Devices	3.41%	0.03%	3.44%	3.43%	0.12%	3.55%	0.11%
345.00 Accessory Electric Equipment	3.14%	0.18%	3.32%	3.45%	0.16%	3.61%	0.29%
346.00 Miscellaneous Power Plant Equipment	3.04%	0.16%	3.20%	4.40%	0.18%	4.58%	1.38%
Total Combustion Turbine	3.27%	0.08%	3.35%	3.47%	0.14%	3.61%	0.26%
Douglas CT							
341.00 Structures and Improvements	16.13%	0.81%	16.94%	9.15%	0.22%	9.37%	-7.57%
342.00 Fuel Holders, Products and Accessories	24.09%	1.08%	25.17%	9.30%	0.14%	9.44%	-15.73%
343.00 Prime Movers	11.37%	-9.17%	2.20%	9.05%	0.27%	9.32%	7.12%
344.00 Generators and Devices	18.97%	0.95%	19.92%	9.19%	0.18%	9.37%	-10.55%
345.00 Accessory Electric Equipment	23.54%	1.09%	24.63%	9.16%	0.19%	9.35%	-15.28%
346.00 Miscellaneous Power Plant Equipment	24.08%	1.28%	25.36%	9.30%	0.14%	9.44%	-15.92%
Total Douglas CT	14.46%	-5.82%	8.64%	9.10%	0.24%	9.34%	0.70%
Ocotillo							
341.00 Structures and Improvements	5.50%	0.48%	5.98%	7.13%	0.29%	7.42%	1.44%
342.00 Fuel Holders, Products and Accessories	3.72%	0.19%	3.91%	5.85%	0.21%	6.06%	2.15%
343.00 Prime Movers	5.41%	0.70%	6.11%	6.50%	0.25%	6.75%	0.64%
344.00 Generators and Devices	3.37%	0.01%	3.38%	3.27%	0.11%	3.38%	
345.00 Accessory Electric Equipment	4.84%	0.27%	5.11%	5.94%	0.21%	6.15%	1.04%
346.00 Miscellaneous Power Plant Equipment	4.18%	0.20%	4.38%	5.35%	0.18%	5.53%	1.15%
Total Ocotillo	3.46%	0.04%	3.50%	3.43%	0.12%	3.55%	0.05%
Ocotillo CT Units 1-2							
341.00 Structures and Improvements	5.50%	0.48%	5.98%	7.13%	0.29%	7.42%	1.44%
342.00 Fuel Holders, Products and Accessories	3.72%	0.19%	3.91%	5.85%	0.21%	6.06%	2.15%
343.00 Prime Movers	5.41%	0.70%	6.11%	6.50%	0.25%	6.75%	0.64%
344.00 Generators and Devices	4.73%	0.25%	4.98%	6.19%	0.23%	6.42%	1.44%
345.00 Accessory Electric Equipment	4.84%	0.27%	5.11%	5.94%	0.21%	6.15%	1.04%
346.00 Miscellaneous Power Plant Equipment	4.18%	0.20%	4.38%	5.35%	0.18%	5.53%	1.15%
Total Ocotillo CT Units 1-2	5.08%	0.48%	5.56%	6.36%	0.24%	6.60%	1.04%
Ocotillo CT Units 3-7							
341.00 Structures and Improvements							
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	3.33%		3.33%	3.19%	0.11%	3.30%	-0.03%
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Ocotillo CT Units 3-7	3.33%		3.33%	3.19%	0.11%	3.30%	-0.03%

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Account Description	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Saguaro							
341.00 Structures and Improvements	4.20%	0.41%	4.61%	5.39%	0.22%	5.61%	1.00%
342.00 Fuel Holders, Products and Accessories	2.16%	0.13%	2.29%	3.76%	0.15%	3.91%	1.62%
343.00 Prime Movers	4.09%	0.48%	4.57%	6.06%	0.25%	6.31%	1.74%
344.00 Generators and Devices	2.90%	0.15%	3.05%	4.11%	0.19%	4.30%	1.25%
345.00 Accessory Electric Equipment	4.02%	0.24%	4.26%	5.16%	0.21%	5.37%	1.11%
346.00 Miscellaneous Power Plant Equipment	2.25%	0.11%	2.36%	3.95%	0.16%	4.11%	1.75%
Total Saguaro	3.38%	0.27%	3.65%	4.85%	0.21%	5.06%	1.41%
Saguaro CT Units 1-2							
341.00 Structures and Improvements	4.20%	0.41%	4.61%	5.39%	0.22%	5.61%	1.00%
342.00 Fuel Holders, Products and Accessories	2.16%	0.13%	2.29%	3.76%	0.15%	3.91%	1.62%
343.00 Prime Movers	4.10%	0.50%	4.60%	6.27%	0.26%	6.53%	1.93%
344.00 Generators and Devices	2.72%	0.15%	2.87%	6.57%	0.28%	6.85%	3.98%
345.00 Accessory Electric Equipment	4.12%	0.25%	4.37%	5.28%	0.21%	5.49%	1.12%
346.00 Miscellaneous Power Plant Equipment	2.25%	0.11%	2.36%	3.95%	0.16%	4.11%	1.75%
Total Saguaro CT Units 1-2	3.55%	0.34%	3.89%	6.10%	0.25%	6.35%	2.46%
Saguaro CT Unit 3							
341.00 Structures and Improvements							
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers	3.99%	0.20%	4.19%	3.74%	0.18%	3.92%	-0.27%
344.00 Generators and Devices	3.01%	0.15%	3.16%	2.59%	0.14%	2.73%	-0.43%
345.00 Accessory Electric Equipment	3.00%	0.16%	3.16%	3.96%	0.18%	4.14%	0.98%
346.00 Miscellaneous Power Plant Equipment							
Total Saguaro CT Unit 3	3.08%	0.15%	3.23%	2.69%	0.14%	2.83%	-0.40%
Sundance Units 1-10							
341.00 Structures and Improvements	2.49%	0.23%	2.72%	2.72%	0.16%	2.88%	0.16%
342.00 Fuel Holders, Products and Accessories	2.45%	0.12%	2.57%	2.58%	0.15%	2.73%	0.16%
343.00 Prime Movers	2.34%	0.12%	2.46%	2.52%	0.15%	2.67%	0.21%
344.00 Generators and Devices	4.45%	0.22%	4.67%	4.27%	0.20%	4.47%	-0.20%
345.00 Accessory Electric Equipment	2.41%	0.13%	2.54%	2.60%	0.15%	2.75%	0.21%
346.00 Miscellaneous Power Plant Equipment	2.85%	0.15%	3.00%	4.40%	0.20%	4.60%	1.60%
Total Sun Dance Units 1-10	2.46%	0.13%	2.59%	2.66%	0.15%	2.81%	0.22%
West Phoenix CT Units 1-2							
341.00 Structures and Improvements	6.05%	0.46%	6.51%	6.97%	0.28%	7.25%	0.74%
342.00 Fuel Holders, Products and Accessories	3.36%	0.17%	3.53%	4.99%	0.16%	5.15%	1.62%
343.00 Prime Movers	5.03%	0.49%	5.52%	6.11%	0.22%	6.33%	0.81%
344.00 Generators and Devices	4.80%	0.29%	5.09%	6.74%	0.26%	7.00%	1.91%
345.00 Accessory Electric Equipment	2.61%	0.13%	2.74%	5.17%	0.17%	5.34%	2.60%
346.00 Miscellaneous Power Plant Equipment	3.52%	0.26%	3.78%	5.07%	0.17%	5.24%	1.46%
Total West Phoenix CT Units 1-2	4.86%	0.39%	5.25%	6.31%	0.23%	6.54%	1.29%
Yucca							
341.00 Structures and Improvements	4.72%	0.29%	5.01%	5.53%	0.24%	5.77%	0.76%
342.00 Fuel Holders, Products and Accessories	1.86%	0.10%	1.96%	2.84%	0.13%	2.97%	1.01%
343.00 Prime Movers	2.98%	0.20%	3.18%	3.31%	0.13%	3.44%	0.26%
344.00 Generators and Devices	3.36%	0.21%	3.57%	4.31%	0.19%	4.50%	0.93%
345.00 Accessory Electric Equipment	2.94%	0.26%	3.20%	3.80%	0.16%	3.96%	0.76%
346.00 Miscellaneous Power Plant Equipment	2.93%	0.15%	3.08%	3.88%	0.16%	4.04%	0.96%
Total Yucca	3.06%	0.20%	3.26%	3.55%	0.14%	3.69%	0.43%

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Account Description	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Yucca CT Units 1-4							
341.00 Structures and Improvements	4.99%	0.31%	5.30%	5.94%	0.26%	6.20%	0.90%
342.00 Fuel Holders, Products and Accessories	1.42%	0.08%	1.50%	2.74%	0.14%	2.88%	1.38%
343.00 Prime Movers	2.80%	0.44%	3.24%	4.31%	0.18%	4.49%	1.25%
344.00 Generators and Devices	3.36%	0.21%	3.57%	4.33%	0.19%	4.52%	0.95%
345.00 Accessory Electric Equipment	2.84%	0.27%	3.11%	3.86%	0.17%	4.03%	0.92%
346.00 Miscellaneous Power Plant Equipment	2.38%	0.12%	2.50%	3.91%	0.17%	4.08%	1.58%
Total Yucca CT Units 1-4	3.12%	0.29%	3.41%	4.34%	0.19%	4.53%	1.12%
Yucca CT Units 5-6							
341.00 Structures and Improvements	3.29%	0.17%	3.46%	3.37%	0.13%	3.50%	0.04%
342.00 Fuel Holders, Products and Accessories	3.01%	0.15%	3.16%	3.10%	0.12%	3.22%	0.06%
343.00 Prime Movers	3.01%	0.15%	3.16%	3.13%	0.12%	3.25%	0.09%
344.00 Generators and Devices	3.14%	0.16%	3.30%	3.45%	0.14%	3.59%	0.29%
345.00 Accessory Electric Equipment	3.41%	0.23%	3.64%	3.51%	0.14%	3.65%	0.01%
346.00 Miscellaneous Power Plant Equipment	3.70%	0.19%	3.89%	3.83%	0.15%	3.98%	0.09%
Total Yucca CT Units 5-6	3.03%	0.15%	3.18%	3.15%	0.12%	3.27%	0.09%
Solar Units							
341.00 Structures and Improvements	3.54%	0.25%	3.79%	3.44%	0.25%	3.69%	-0.10%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	3.57%	0.25%	3.81%	3.50%	0.26%	3.76%	-0.05%
345.00 Accessory Electric Equipment	3.54%	0.23%	3.77%	3.52%	0.26%	3.78%	0.01%
346.00 Miscellaneous Power Plant Equipment	3.91%	0.35%	4.26%	3.36%	0.25%	3.61%	-0.65%
Total Solar Units	3.56%	0.25%	3.81%	3.50%	0.26%	3.76%	-0.05%
Chino Valley							
341.05 Structures and Improvements	3.53%	0.26%	3.79%	3.52%	0.21%	3.73%	-0.06%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.53%	0.26%	3.79%	3.52%	0.21%	3.73%	-0.06%
345.05 Accessory Electric Equipment	3.53%	0.26%	3.79%	3.52%	0.21%	3.73%	-0.06%
346.05 Miscellaneous Power Plant Equipment	3.53%	0.26%	3.79%	3.52%	0.21%	3.73%	-0.06%
Total Chino Valley	3.53%	0.26%	3.79%	3.52%	0.21%	3.73%	-0.06%
Cotton Center							
341.05 Structures and Improvements	3.52%	0.24%	3.76%	3.47%	0.19%	3.66%	-0.10%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.52%	0.24%	3.76%	3.50%	0.19%	3.69%	-0.07%
345.05 Accessory Electric Equipment	3.52%	0.24%	3.76%	3.47%	0.19%	3.66%	-0.10%
346.05 Miscellaneous Power Plant Equipment	3.52%	0.24%	3.76%	3.47%	0.19%	3.66%	-0.10%
Total Cotton Center	3.52%	0.24%	3.76%	3.49%	0.19%	3.68%	-0.08%
Desert Star							
341.05 Structures and Improvements	4.51%	0.52%	5.03%	2.95%	0.29%	3.24%	-1.79%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	4.51%	0.52%	5.03%	3.10%	0.29%	3.39%	-1.64%
345.05 Accessory Electric Equipment	4.51%	0.52%	5.03%	2.95%	0.29%	3.24%	-1.79%
346.05 Miscellaneous Power Plant Equipment	4.51%	0.52%	5.03%	2.95%	0.29%	3.24%	-1.79%
Total Desert Star	4.51%	0.52%	5.03%	3.07%	0.29%	3.36%	-1.67%

ARIZONA PUBLIC SERVICE COMPANY

Statement A

Depreciation Accrual Rates - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	Current			SFAS 143 Method			Difference
	Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Foothills Units							
341.05 Structures and Improvements	3.48%	0.30%	3.78%	3.47%	0.23%	3.70%	-0.08%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.48%	0.30%	3.78%	3.47%	0.23%	3.70%	-0.08%
345.05 Accessory Electric Equipment	3.48%	0.30%	3.78%	3.47%	0.23%	3.70%	-0.08%
346.05 Miscellaneous Power Plant Equipment	3.48%	0.30%	3.78%	3.47%	0.23%	3.70%	-0.08%
Total Foothills Units	3.48%	0.30%	3.78%	3.47%	0.23%	3.70%	-0.08%
Gila Bend							
341.05 Structures and Improvements	3.46%	0.36%	3.82%	3.43%	0.27%	3.70%	-0.12%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.46%	0.36%	3.82%	3.43%	0.27%	3.70%	-0.12%
345.05 Accessory Electric Equipment	3.46%	0.36%	3.82%	3.43%	0.27%	3.70%	-0.12%
346.05 Miscellaneous Power Plant Equipment	3.46%	0.36%	3.82%	3.43%	0.27%	3.70%	-0.12%
Total Gila Bend	3.46%	0.36%	3.82%	3.43%	0.27%	3.70%	-0.12%
Hyder							
341.05 Structures and Improvements	3.51%	0.16%	3.67%	3.50%	0.12%	3.62%	-0.05%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.50%	0.16%	3.66%	3.49%	0.12%	3.61%	-0.05%
345.05 Accessory Electric Equipment	3.48%	0.16%	3.64%	3.47%	0.12%	3.59%	-0.05%
346.05 Miscellaneous Power Plant Equipment	3.42%	0.15%	3.57%	3.40%	0.12%	3.52%	-0.05%
Total Hyder	3.50%	0.16%	3.66%	3.49%	0.12%	3.61%	-0.05%
Legacy							
341.00 Structures and Improvements	1.31%	0.03%	1.34%	-0.41%	0.01%	-0.40%	-1.74%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	3.44%	0.08%	3.52%	2.56%	0.01%	2.57%	-0.95%
345.00 Accessory Electric Equipment	4.23%	0.22%	4.45%	3.22%	0.02%	3.24%	-1.21%
346.00 Miscellaneous Power Plant Equipment							
Total Legacy	3.51%	0.10%	3.61%	2.59%	0.01%	2.60%	-1.01%
Luke AFB							
341.05 Structures and Improvements	4.51%	0.54%	5.05%	3.40%	0.34%	3.74%	-1.31%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	4.51%	0.54%	5.05%	3.40%	0.34%	3.74%	-1.31%
345.05 Accessory Electric Equipment	4.51%	0.54%	5.05%	3.40%	0.34%	3.74%	-1.31%
346.05 Miscellaneous Power Plant Equipment	4.51%	0.54%	5.05%	3.40%	0.34%	3.74%	-1.31%
Total Luke AFB	4.51%	0.54%	5.05%	3.40%	0.34%	3.74%	-1.31%
Paloma							
341.05 Structures and Improvements	3.52%	0.30%	3.82%	3.51%	0.24%	3.75%	-0.07%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.52%	0.30%	3.82%	3.52%	0.24%	3.76%	-0.06%
345.05 Accessory Electric Equipment	3.52%	0.30%	3.82%	3.51%	0.24%	3.75%	-0.07%
346.05 Miscellaneous Power Plant Equipment	3.52%	0.30%	3.82%	3.51%	0.24%	3.75%	-0.07%
Total Paloma	3.52%	0.30%	3.82%	3.52%	0.24%	3.76%	-0.06%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Accrual Rates - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Statement A

Account Description	Current			SFAS 143 Method			Difference
	Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D=B+C	E	F	G=E+F	H=G-D
Red Rock							
341.05 Structures and Improvements	3.33%		3.33%	3.60%	0.39%	3.99%	0.66%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.33%		3.33%	3.60%	0.39%	3.99%	0.66%
345.05 Accessory Electric Equipment	3.33%		3.33%	3.60%	0.39%	3.99%	0.66%
346.05 Miscellaneous Power Plant Equipment	3.33%		3.33%	3.60%	0.39%	3.99%	0.66%
Total Redrock	3.33%		3.33%	3.60%	0.39%	3.99%	0.66%
Roof Tops							
341.05 Structures and Improvements	3.53%	0.18%	3.71%	3.70%	0.47%	4.17%	0.46%
342.05 Fuel Holders, Products and Accessories							
343.05 Prime Movers							
344.05 Generators and Devices	3.55%	0.18%	3.73%	3.81%	0.48%	4.29%	0.56%
345.05 Accessory Electric Equipment	3.54%	0.18%	3.72%	3.88%	0.49%	4.37%	0.65%
346.05 Miscellaneous Power Plant Equipment							
Total Roof Tops	3.55%	0.18%	3.73%	3.82%	0.48%	4.30%	0.57%

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current			SFAS 143 Method			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
STEAM PRODUCTION								
311.00 Structures and Improvements	$ 141,937,433	$ 7,116,777	$ 556,174	$ 7,672,951	$ 8,285,427	$ 455,902	$ 8,741,329	$ 1,068,378
312.00 Boiler Plant Equipment	1,491,411,135	43,316,033	4,965,341	48,281,374	65,147,444	5,598,916	70,746,360	22,464,986
314.00 Turbogenerator Units	211,425,539	7,675,326	764,743	8,440,069	10,262,109	784,691	11,046,800	2,606,731
315.00 Accessory Electric Equipment	117,866,116	5,015,509	488,047	5,503,556	5,808,945	374,370	6,183,315	679,759
316.00 Miscellaneous Power Plant Equipment	84,425,866	3,206,651	362,500	3,569,151	3,843,616	295,578	4,139,194	570,043
Total Steam Production Plant	$ 2,047,066,089	$ 66,330,296	$ 7,136,805	$ 73,467,101	$ 93,347,541	$ 7,509,457	$ 100,856,998	$ 27,389,897
NUCLEAR PRODUCTION								
321.00 Structures and Improvements	$ 850,120,585	$ 8,353,862	$ 107,082	$ 8,460,944	$ 10,333,638	$ 85,013	$ 10,418,651	$ 1,957,707
322.00 Reactor Plant Equipment	1,187,263,758	9,081,206	737,370	9,818,576	8,901,467	428,307	9,329,774	(488,802)
323.00 Turbogenerator Units	405,048,258	3,596,722	128,395	3,725,117	4,359,762	40,505	4,400,267	675,150
324.00 Accessory Electric Equipment	294,782,526	1,139,638	17,347	1,156,985	1,427,391	29,479	1,456,870	299,885
325.00 Miscellaneous Power Plant Equipment	233,949,471	3,258,152	119,194	3,377,346	4,070,666	23,395	4,094,061	716,715
Total Nuclear Production Plant	$ 2,971,164,598	$ 25,429,580	$ 1,109,388	$ 26,538,968	$ 29,092,924	$ 606,699	$ 29,699,623	$ 3,160,655
OTHER PRODUCTION								
341.00 Structures and Improvements	$ 131,575,027	$ 4,650,609	$ 324,073	$ 4,974,682	$ 5,029,148	$ 255,690	$ 5,284,838	$ 310,156
342.00 Fuel Holders, Products and Accessories	56,786,945	2,047,133	104,977	2,152,110	2,213,412	100,377	2,313,789	161,679
343.00 Prime Movers	655,542,039	21,587,034	1,010,774	22,597,808	22,893,055	1,019,332	23,912,387	1,314,579
344.00 Generators and Devices	2,104,937,839	77,968,261	1,545,723	79,513,984	80,127,616	3,984,664	84,112,280	4,598,296
345.00 Accessory Electric Equipment	247,553,984	9,267,556	572,772	9,840,328	9,631,025	559,992	10,191,017	350,689
346.00 Miscellaneous Power Plant Equipment	34,845,144	1,376,440	71,011	1,447,451	1,601,404	69,761	1,671,165	223,714
Total Other Production Plant	$ 3,231,240,978	$ 116,897,033	$ 3,629,330	$ 120,526,363	$ 121,495,660	$ 5,989,816	$ 127,485,476	$ 6,959,113
TRANSMISSION PLANT								
352.02 Structures and Improvements	$ 151,995	$ 3,815	$ -	$ 3,815	$ 3,769	$ -	$ 3,769	$ (46)
353.00 Station Equipment	132,434,328	2,529,496	119,191	2,648,687	2,516,252	92,704	2,608,956	(39,731)
354.00 Towers and Fixtures	1,329,316	23,662		23,662	23,529		23,529	(133)
355.00 Poles and Fixtures	1,370,085	25,347	5,069	30,416	25,347	3,562	28,909	(1,507)
356.00 Overhead Conductors and Devices	1,947,677	33,890	6,427	40,317	34,084	4,869	38,953	(1,364)
Total Transmission Plant	$ 137,233,401	$ 2,616,210	$ 130,687	$ 2,746,897	$ 2,602,981	$ 101,135	$ 2,704,116	$ (42,781)
DISTRIBUTION PLANT								
361.00 Structures and Improvements	$ 93,053,192	$ 1,470,240	$ 74,443	$ 1,544,683	$ 1,479,546	$ 93,053	$ 1,572,599	$ 27,916
362.00 Station Equipment	631,870,595	13,901,153	505,496	14,406,649	13,522,031	631,871	14,153,902	(252,747)
363.00 Storage Battery Equipment	13,585,353	1,194,153		1,194,153	1,325,930		1,325,930	131,777
364.01 Poles, Towers and Fixtures - Wood	357,345,350	7,504,252	678,956	8,183,208	7,575,721	1,322,178	8,897,899	714,691
364.02 Poles, Towers and Fixtures - Steel	323,911,866	6,316,281	615,433	6,931,714	6,316,281	485,868	6,802,149	(129,565)
365.00 Overhead Conductors and Devices	468,658,341	8,998,240	937,317	9,935,557	9,091,972	1,452,841	10,544,813	609,256
366.00 Underground Conduit	727,611,816	11,423,506	1,236,940	12,660,446	11,496,267	1,455,224	12,951,491	291,045

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
367.00 Underground Conductors and Devices	1,863,851,442	43,614,124	3,727,703	47,341,827	43,986,894	5,964,325	49,951,219	2,609,392
368.00 Line Transformers	921,018,156	15,657,309	552,611	16,209,920	15,933,614	736,815	16,670,429	460,509
369.00 Services	447,263,911	7,514,034	1,475,971	8,990,005	7,603,486	1,297,065	8,900,551	(89,454)
370.01 Meters - Electronic	17,843,353	984,953	(5,353)	979,600	1,058,111		1,058,111	78,511
370.03 Meters - AMI	302,666,385	14,649,053		14,649,053	18,462,649		18,462,649	3,813,596
371.00 Installations on Customers' Premises	46,529,246	981,767	144,241	1,126,008	986,420	130,282	1,116,702	(9,306)
373.00 Street Lighting and Signal Systems	80,127,587	1,378,194	144,230	1,522,424	1,394,220	176,281	1,570,501	48,077
Total Distribution Plant	$ 6,295,336,593	$ 135,587,259	$ 10,087,988	$ 145,675,247	$ 140,233,142	$ 13,745,803	$ 153,978,945	$ 8,303,698
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	$ 265,654,498	$ 6,694,493	$ 451,613	$ 7,146,106	$ 6,667,928	$ 557,874	$ 7,225,802	$ 79,696
391.CM Office Furn. and Equip. - Computer	243,545,219	31,319,915	48,709	31,368,624	29,785,580		29,785,580	(1,583,044)
397.00 Communication Equipment	295,372,374	14,266,486		14,266,486	14,000,651		14,000,651	(265,835)
Total Depreciable	$ 804,572,091	$ 52,280,894	$ 500,322	$ 52,781,216	$ 50,454,159	$ 557,874	$ 51,012,033	$ (1,769,183)
Amortizable								
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ 3,179,056	$ -	$ 3,179,056	$ 3,179,056	$ -	$ 3,179,056	$ -
393.00 Stores Equipment	594,181	29,709		29,709	29,709		29,709	
394.00 Tools, Shop and Garage Equipment	43,094,855	2,147,617		2,147,617	2,147,617		2,147,617	
395.00 Laboratory Equipment	767,547	38,377		38,377	38,377		38,377	
398.00 Miscellaneous Equipment	23,861,303	994,221		994,221	994,221		994,221	
Total Amortizable	$ 132,117,247	$ 6,388,980	$ -	$ 6,388,980	$ 6,388,980	$ -	$ 6,388,980	$ -
Total General Plant	$ 936,689,338	$ 58,669,874	$ 500,322	$ 59,170,196	$ 56,843,139	$ 557,874	$ 57,401,013	$ (1,769,183)
TOTAL UTILITY	$ 15,618,730,997	$ 405,530,252	$ 22,594,520	$ 428,124,772	$ 443,615,387	$ 28,510,784	$ 472,126,171	$ 44,001,399
STEAM PRODUCTION (by Unit)								
Cholla								
311.00 Structures and Improvements	$ 78,078,473	$ 5,504,450	$ 394,240	$ 5,898,690	$ 6,496,408	$ 277,097	$ 6,773,505	$ 874,815
312.00 Boiler Plant Equipment	385,237,434	27,018,838	2,231,038	29,249,876	31,352,178	1,545,816	32,897,994	3,648,118
314.00 Turbogenerator Units	85,554,772	5,671,879	388,323	6,060,202	6,458,300	324,135	6,782,435	722,233
315.00 Accessory Electric Equipment	53,298,558	3,259,945	234,003	3,493,948	3,816,758	167,707	3,984,465	490,517
316.00 Miscellaneous Power Plant Equipment	24,674,267	1,798,701	135,432	1,934,133	2,144,966	104,361	2,249,327	315,194
Total Cholla	$ 626,843,504	$ 43,253,813	$ 3,383,036	$ 46,636,849	$ 50,268,610	$ 2,419,116	$ 52,687,726	$ 6,050,877

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Cholla Unit 1								
311.00 Structures and Improvements	$ 4,743,207	$ 254,236	$ 20,870	$ 275,106	$ 282,695	$ 17,076	$ 299,771	$ 24,665
312.00 Boiler Plant Equipment	82,295,074	4,970,622	534,918	5,505,540	5,620,754	370,328	5,991,082	485,542
314.00 Turbogenerator Units	27,444,492	1,748,214	159,178	1,907,392	1,923,859	126,245	2,050,104	142,712
315.00 Accessory Electric Equipment	9,492,908	520,211	45,566	565,777	578,118	36,073	614,191	48,414
316.00 Miscellaneous Power Plant Equipment	3,742,187	192,723	16,840	209,563	257,837	16,466	274,303	64,740
Total Cholla Unit 1	$ 127,717,868	$ 7,686,006	$ 777,372	$ 8,463,378	$ 8,663,263	$ 566,188	$ 9,229,451	$ 766,073
Cholla Unit 3								
311.00 Structures and Improvements	$ 13,288,725	$ 932,868	$ 61,128	$ 993,996	$ 1,073,729	$ 43,853	$ 1,117,582	$ 123,586
312.00 Boiler Plant Equipment	243,068,426	17,695,381	1,336,876	19,032,257	20,612,203	947,967	21,560,170	2,527,913
314.00 Turbogenerator Units	57,062,305	3,834,587	222,543	4,057,130	4,445,154	194,012	4,639,166	582,036
315.00 Accessory Electric Equipment	34,899,789	2,090,497	146,579	2,237,076	2,425,535	94,229	2,519,764	282,688
316.00 Miscellaneous Power Plant Equipment	7,009,816	507,511	36,451	543,962	596,535	26,637	623,172	79,210
Total Cholla Unit 3	$ 355,329,061	$ 25,060,844	$ 1,803,577	$ 26,864,421	$ 29,153,156	$ 1,306,698	$ 30,459,854	$ 3,595,433
Cholla Common								
311.00 Structures and Improvements	$ 60,046,541	$ 4,317,346	$ 312,242	$ 4,629,588	$ 5,139,984	$ 216,168	$ 5,356,152	$ 726,564
312.00 Boiler Plant Equipment	59,873,934	4,352,835	359,244	4,712,079	5,119,221	227,521	5,346,742	634,663
314.00 Turbogenerator Units	1,047,975	89,078	6,602	95,680	89,287	3,878	93,165	(2,515)
315.00 Accessory Electric Equipment	8,905,861	649,237	41,858	691,095	813,105	37,405	850,510	159,415
316.00 Miscellaneous Power Plant Equipment	13,922,264	1,098,467	82,141	1,180,608	1,290,594	61,258	1,351,852	171,244
Total Cholla Common	$ 143,796,575	$ 10,506,963	$ 802,087	$ 11,309,050	$ 12,452,191	$ 546,230	$ 12,998,421	$ 1,689,371
Four Corners								
311.00 Structures and Improvements	$ 63,858,960	$ 1,612,327	$ 161,934	$ 1,774,261	$ 1,789,019	$ 178,805	$ 1,967,824	$ 193,563
312.00 Boiler Plant Equipment	1,106,173,701	16,297,195	2,734,303	19,031,498	33,795,266	4,053,100	37,848,366	18,816,868
314.00 Turbogenerator Units	125,870,767	2,003,447	376,420	2,379,867	3,803,809	460,556	4,264,365	1,884,498
315.00 Accessory Electric Equipment	64,567,558	1,755,564	254,044	2,009,608	1,992,187	206,663	2,198,850	189,242
316.00 Miscellaneous Power Plant Equipment	59,751,599	1,407,950	227,068	1,635,018	1,698,650	191,217	1,889,867	254,849
Total Four Corners	$ 1,420,222,585	$ 23,076,483	$ 3,753,769	$ 26,830,252	$ 43,078,931	$ 5,090,341	$ 48,169,272	$ 21,339,020
Four Corners Units 4-5								
311.00 Structures and Improvements	$ 39,839,762	$ 697,196	$ 123,503	$ 820,699	$ 748,988	$ 111,551	$ 860,539	$ 39,840
312.00 Boiler Plant Equipment	1,066,430,407	14,930,026	2,559,433	17,489,459	32,312,841	3,945,793	36,258,634	18,769,175
314.00 Turbogenerator Units	121,897,287	1,889,408	365,692	2,255,100	3,669,108	451,020	4,120,128	1,865,028
315.00 Accessory Electric Equipment	43,201,151	915,864	177,125	1,092,989	1,062,748	142,564	1,205,312	112,323
316.00 Miscellaneous Power Plant Equipment	39,853,780	805,046	159,415	964,461	936,564	135,503	1,072,067	107,606
Total Four Corners Units 4-5	$ 1,311,222,387	$ 19,237,540	$ 3,385,168	$ 22,622,708	$ 38,730,249	$ 4,786,431	$ 43,516,680	$ 20,893,972

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current			SFAS 143 Method			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Four Corners Common								
311.00 Structures and Improvements	$ 24,019,198	$ 915,131	$ 38,431	$ 953,562	$ 1,040,031	$ 67,254	$ 1,107,285	$ 153,723
312.00 Boiler Plant Equipment	39,743,294	1,367,169	174,870	1,542,039	1,482,425	107,307	1,589,732	47,693
314.00 Turbogenerator Units	3,973,480	114,039	10,728	124,767	134,701	9,536	144,237	19,470
315.00 Accessory Electric Equipment	21,366,407	839,700	76,919	916,619	929,439	64,099	993,538	76,919
316.00 Miscellaneous Power Plant Equipment	19,897,819	602,904	67,653	670,557	762,086	55,714	817,800	147,243
Total Four Corners Common	$ 109,000,198	$ 3,838,943	$ 368,601	$ 4,207,544	$ 4,348,682	$ 303,910	$ 4,652,592	$ 445,048
NUCLEAR PRODUCTION (by Unit)								
Palo Verde								
321.00 Structures and Improvements	$ 850,120,585	$ 8,353,862	$ 107,082	$ 8,460,944	$ 10,333,638	$ 85,013	$ 10,418,651	$ 1,957,707
322.00 Reactor Plant Equipment	1,187,263,758	9,081,206	737,370	9,818,576	8,901,467	428,307	9,329,774	(488,802)
323.00 Turbogenerator Units	405,048,258	3,596,722	128,395	3,725,117	4,359,762	40,505	4,400,267	675,150
324.00 Accessory Electric Equipment	294,782,526	1,139,638	17,347	1,156,985	1,427,391	29,479	1,456,870	299,885
325.00 Miscellaneous Power Plant Equipment	233,949,471	3,258,152	119,194	3,377,346	4,070,666	23,395	4,094,061	716,715
Total Palo Verde	$ 2,971,164,598	$ 25,429,580	$ 1,109,388	$ 26,538,968	$ 29,092,924	$ 606,699	$ 29,699,623	$ 3,160,655
Palo Verde Unit 1								
321.00 Structures and Improvements	$ 169,287,979	$ 304,718	$ -	$ 304,718	$ 592,108	$ 16,929	$ 609,037	$ 304,319
322.00 Reactor Plant Equipment	465,986,593	2,795,920	46,599	2,842,519	2,737,718	139,796	2,877,514	34,995
323.00 Turbogenerator Units	144,321,116	1,140,137	72,161	1,212,298	1,473,720	14,432	1,488,152	275,854
324.00 Accessory Electric Equipment	121,319,415	230,507		230,507	330,540	12,132	342,672	112,165
325.00 Miscellaneous Power Plant Equipment	33,599,919	134,400	13,440	147,840	202,359	3,360	205,719	57,879
Total Palo Verde Unit 1	$ 934,515,022	$ 4,605,682	$ 132,200	$ 4,737,882	$ 5,336,445	$ 186,649	$ 5,523,094	$ 785,212
Palo Verde Unit 2								
321.00 Structures and Improvements	$ 94,477,904	$ 349,568	$ -	$ 349,568	$ 381,222	$ 9,448	$ 390,670	$ 41,102
322.00 Reactor Plant Equipment	248,880,636	2,389,254	149,328	2,538,582	2,315,376	99,552	2,414,928	(123,654)
323.00 Turbogenerator Units	87,819,612	974,798	26,346	1,001,144	1,018,129	8,782	1,026,911	25,767
324.00 Accessory Electric Equipment	49,752,711	233,838	4,975	238,813	261,131	4,975	266,106	27,293
325.00 Miscellaneous Power Plant Equipment	27,865,592	192,273	8,360	200,633	186,036	2,787	188,823	(11,810)
Total Palo Verde Unit 2	$ 508,796,455	$ 4,139,731	$ 189,009	$ 4,328,740	$ 4,161,894	$ 125,544	$ 4,287,438	$ (41,302)
Palo Verde Unit 3								
321.00 Structures and Improvements	$ 167,896,725	$ 486,901	$ -	$ 486,901	$ 476,365	$ 16,790	$ 493,155	$ 6,254
322.00 Reactor Plant Equipment	436,634,437	3,536,739	392,971	3,929,710	3,316,658	174,654	3,491,312	(438,398)
323.00 Turbogenerator Units	167,364,071	1,355,649	16,736	1,372,385	1,729,957	16,736	1,746,693	374,308
324.00 Accessory Electric Equipment	95,765,260	373,485	9,577	383,062	400,556	9,577	410,133	27,071
325.00 Miscellaneous Power Plant Equipment	29,878,581	164,332	11,951	176,283	165,943	2,988	168,931	(7,352)
Total Palo Verde Unit 3	$ 897,539,074	$ 5,917,106	$ 431,235	$ 6,348,341	$ 6,089,479	$ 220,745	$ 6,310,224	$ (38,117)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current			SFAS 143 Method			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Palo Verde Water Reclamation								
321.00 Structures and Improvements	$ 233,902,104	$ 4,794,993	$ 70,171	$ 4,865,164	$ 5,628,934	$ 23,390	$ 5,652,324	$ 787,160
322.00 Reactor Plant Equipment	454,911	13,283	182	13,465	13,926	182	14,108	643
323.00 Turbogenerator Units	217,756	3,114	370	3,484	3,821	22	3,843	359
324.00 Accessory Electric Equipment								
325.00 Miscellaneous Power Plant Equipment	241,107	5,280	24	5,304	6,552	24	6,576	1,272
Total Palo Verde Water Reclamation	$ 234,815,878	$ 4,816,670	$ 70,747	$ 4,887,417	$ 5,653,233	$ 23,618	$ 5,676,851	$ 789,434
Palo Verde Common								
321.00 Structures and Improvements	$ 184,555,873	$ 2,417,682	$ 36,911	$ 2,454,593	$ 3,255,009	$ 18,456	$ 3,273,465	$ 818,872
322.00 Reactor Plant Equipment	35,307,181	346,010	148,290	494,300	517,789	14,123	531,912	37,612
323.00 Turbogenerator Units	5,325,703	123,024	12,782	135,806	134,135	533	134,668	(1,138)
324.00 Accessory Electric Equipment	27,945,140	301,808	2,795	304,603	435,164	2,795	437,959	133,356
325.00 Miscellaneous Power Plant Equipment	142,364,272	2,761,867	85,419	2,847,286	3,509,776	14,236	3,524,012	676,726
Total Palo Verde Common	$ 395,498,169	$ 5,950,391	$ 286,197	$ 6,236,588	$ 7,851,873	$ 50,143	$ 7,902,016	$ 1,665,428
OTHER PRODUCTION								
Combined Cycle								
341.00 Structures and Improvements	$ 63,600,586	$ 2,107,372	$ 131,304	$ 2,238,676	$ 2,315,277	$ 98,001	$ 2,413,278	$ 174,602
342.00 Fuel Holders, Products and Accessories	41,829,313	1,652,145	84,706	1,736,851	1,691,825	77,722	1,769,547	32,696
343.00 Prime Movers	274,702,584	10,121,342	539,819	10,661,161	9,886,864	397,825	10,284,689	(376,472)
344.00 Generators and Devices	727,795,468	29,917,431	(368,782)	29,548,649	32,412,315	1,333,957	33,746,272	4,197,623
345.00 Accessory Electric Equipment	78,442,697	3,449,660	201,290	3,650,950	3,707,582	159,964	3,867,546	216,596
346.00 Miscellaneous Power Plant Equipment	20,741,997	934,600	45,066	979,666	997,569	42,690	1,040,259	60,593
Total Combined Cycle	$ 1,207,112,645	$ 48,182,550	$ 633,403	$ 48,815,953	$ 51,011,432	$ 2,110,159	$ 53,121,591	$ 4,305,638
Redhawk CC Units 1-2								
341.00 Structures and Improvements	$ 23,988,173	$ 959,527	$ 47,976	$ 1,007,503	$ 906,753	$ 35,982	$ 942,735	$ (64,768)
342.00 Fuel Holders, Products and Accessories	12,809,613	559,780	29,462	589,242	568,747	23,057	591,804	2,562
343.00 Prime Movers	132,414,998	5,256,875	344,279	5,601,154	4,992,045	198,622	5,190,667	(410,487)
344.00 Generators and Devices	391,212,295	16,939,492	(430,334)	16,509,158	17,604,553	704,182	18,308,735	1,799,577
345.00 Accessory Electric Equipment	29,897,838	1,186,944	56,806	1,243,750	1,207,873	47,837	1,255,710	11,960
346.00 Miscellaneous Power Plant Equipment	6,872,469	303,076	13,745	316,821	303,076	12,370	315,446	(1,375)
Total Redhawk CC Units 1-2	$ 597,195,386	$ 25,205,694	$ 61,934	$ 25,267,628	$ 25,583,047	$ 1,022,050	$ 26,605,097	$ 1,337,469

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
West Phoenix								
341.00 Structures and Improvements	$ 39,612,413	$ 1,147,845	$ 83,328	$ 1,231,173	$ 1,408,524	$ 62,019	$ 1,470,543	$ 239,370
342.00 Fuel Holders, Products and Accessories	29,019,700	1,092,365	55,244	1,147,609	1,123,078	54,665	1,177,743	30,134
343.00 Prime Movers	142,287,586	4,864,467	195,540	5,060,007	4,894,819	199,203	5,094,022	34,015
344.00 Generators and Devices	336,583,173	12,977,939	61,552	13,039,491	14,807,762	629,775	15,437,537	2,398,046
345.00 Accessory Electric Equipment	48,544,859	2,262,716	144,484	2,407,200	2,499,709	112,127	2,611,836	204,636
346.00 Miscellaneous Power Plant Equipment	13,869,528	631,524	31,321	662,845	694,493	30,320	724,813	61,968
Total West Phoenix	$ 609,917,259	$ 22,976,856	$ 571,469	$ 23,548,325	$ 25,428,385	$ 1,088,109	$ 26,516,494	$ 2,968,169
West Phoenix CC Units 1-3								
341.00 Structures and Improvements	$ 366,217	$ 14,759	$ 696	$ 15,455	$ 15,381	$ 732	$ 16,113	$ 658
342.00 Fuel Holders, Products and Accessories	22,031,967	868,059	44,064	912,123	823,996	41,861	865,857	(46,266)
343.00 Prime Movers								
344.00 Generators and Devices	130,345,213	5,213,809	182,483	5,396,292	6,465,123	299,794	6,764,917	1,368,625
345.00 Accessory Electric Equipment	32,620,455	1,699,526	114,172	1,813,698	1,891,986	88,075	1,980,061	166,363
346.00 Miscellaneous Power Plant Equipment	8,073,969	389,165	18,570	407,735	440,839	20,185	461,024	53,289
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 8,185,318	$ 359,985	$ 8,545,303	$ 9,637,325	$ 450,647	$ 10,087,972	$ 1,542,669
West Phoenix CC Unit 4								
341.00 Structures and Improvements	$ 7,035,987	$ 232,188	$ 11,961	$ 244,149	$ 284,254	$ 11,961	$ 296,215	$ 52,066
342.00 Fuel Holders, Products and Accessories	4,470,010	143,487	7,152	150,639	143,487	6,258	149,745	(894)
343.00 Prime Movers	49,464,010	1,587,795	9,893	1,597,688	1,553,170	69,250	1,622,420	24,732
344.00 Generators and Devices	23,956,815	910,359	43,122	953,481	905,568	38,331	943,899	(9,582)
345.00 Accessory Electric Equipment	552,377	22,095	1,105	23,200	23,586	994	24,580	1,380
346.00 Miscellaneous Power Plant Equipment	942,600	42,417	2,074	44,491	44,491	1,885	46,376	1,885
Total West Phoenix CC Unit 4	$ 86,421,799	$ 2,938,341	$ 75,307	$ 3,013,648	$ 2,954,556	$ 128,679	$ 3,083,235	$ 69,587
West Phoenix CC Unit 5								
341.00 Structures and Improvements	$ 11,054,705	$ 384,704	$ 19,898	$ 404,602	$ 400,180	$ 15,477	$ 415,657	$ 11,055
342.00 Fuel Holders, Products and Accessories	2,517,723	80,819	4,028	84,847	155,595	6,546	162,141	77,294
343.00 Prime Movers	92,823,576	3,276,672	185,647	3,462,319	3,341,649	129,953	3,471,602	9,283
344.00 Generators and Devices	182,281,145	6,853,771	(164,053)	6,689,718	7,437,071	291,650	7,728,721	1,039,003
345.00 Accessory Electric Equipment	15,372,027	541,095	29,207	570,302	584,137	23,058	607,195	36,893
346.00 Miscellaneous Power Plant Equipment	4,852,959	199,942	10,677	210,619	209,163	8,250	217,413	6,794
Total West Phoenix CC Unit 5	$ 308,902,135	$ 11,337,003	$ 85,404	$ 11,422,407	$ 12,127,795	$ 474,934	$ 12,602,729	$ 1,180,322

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
West Phoenix Common								
341.00 Structures and Improvements	$ 21,155,504	$ 516,194	$ 50,773	$ 566,967	$ 708,709	$ 33,849	$ 742,558	$ 175,591
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total West Phoenix Common	$ 21,155,504	$ 516,194	$ 50,773	$ 566,967	$ 708,709	$ 33,849	$ 742,558	$ 175,591
Combustion Turbine								
341.00 Structures and Improvements	$ 31,102,449	$ 1,238,442	$ 99,263	$ 1,337,705	$ 1,445,015	$ 66,256	$ 1,511,271	$ 173,566
342.00 Fuel Holders, Products and Accessories	14,957,632	394,988	20,271	415,259	521,587	22,655	544,242	128,983
343.00 Prime Movers	380,839,455	11,465,692	470,955	11,936,647	13,006,191	621,507	13,627,698	1,691,051
344.00 Generators and Devices	689,863,781	23,548,896	199,699	23,748,595	23,680,823	852,882	24,533,705	785,110
345.00 Accessory Electric Equipment	42,078,140	1,319,888	75,988	1,395,876	1,452,194	68,791	1,520,985	125,109
346.00 Miscellaneous Power Plant Equipment	12,525,501	380,177	20,381	400,558	550,801	23,160	573,961	173,403
Total Combustion Turbine	$ 1,171,366,958	$ 38,348,083	$ 886,557	$ 39,234,640	$ 40,656,611	$ 1,655,251	$ 42,311,862	$ 3,077,222
Douglas CT								
341.00 Structures and Improvements	$ 103,952	$ 16,767	$ 842	$ 17,609	$ 9,512	$ 229	$ 9,741	$ (7,868)
342.00 Fuel Holders, Products and Accessories	137,759	33,186	1,488	34,674	12,812	193	13,005	(21,669)
343.00 Prime Movers	3,721,569	423,142	(341,268)	81,874	336,802	10,048	346,850	264,976
344.00 Generators and Devices	971,924	184,374	9,233	193,607	89,320	1,749	91,069	(102,538)
345.00 Accessory Electric Equipment	582,402	137,097	6,348	143,445	53,348	1,107	54,455	(88,990)
346.00 Miscellaneous Power Plant Equipment	33,564	8,082	430	8,512	3,121	47	3,168	(5,344)
Total Douglas CT	$ 5,551,170	$ 802,648	$ (322,927)	$ 479,721	$ 504,915	$ 13,373	$ 518,288	$ 38,567
Ocotillo								
341.00 Structures and Improvements	$ 3,189,602	$ 175,428	$ 15,310	$ 190,738	$ 227,419	$ 9,250	$ 236,669	$ -
342.00 Fuel Holders, Products and Accessories	1,484,432	55,221	2,820	58,041	86,839	3,117	89,956	45,931
343.00 Prime Movers	24,161,626	1,307,144	169,131	1,476,275	1,570,506	60,404	1,630,910	31,915
344.00 Generators and Devices	612,033,648	20,597,536	38,717	20,636,253	19,988,478	691,822	20,680,300	154,635
345.00 Accessory Electric Equipment	4,017,658	194,455	10,848	205,303	238,649	8,437	247,086	44,047
346.00 Miscellaneous Power Plant Equipment	950,460	39,729	1,901	41,630	50,850	1,711	52,561	41,783
Total Ocotillo	$ 645,837,426	$ 22,369,513	$ 238,727	$ 22,608,240	$ 22,162,741	$ 774,741	$ 22,937,482	$ 318,311

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Ocotillo CT Units 1-2								
341.00 Structures and Improvements	$ 3,189,602	$ 175,428	$ 15,310	$ 190,738	$ 227,419	$ 9,250	$ 236,669	$ 45,931
342.00 Fuel Holders, Products and Accessories	1,484,432	55,221	2,820	58,041	86,839	3,117	89,956	31,915
343.00 Prime Movers	24,161,626	1,307,144	169,131	1,476,275	1,570,506	60,404	1,630,910	154,635
344.00 Generators and Devices	15,486,821	732,527	38,717	771,244	958,634	35,620	994,254	223,010
345.00 Accessory Electric Equipment	4,017,658	194,455	10,848	205,303	238,649	8,437	247,086	41,783
346.00 Miscellaneous Power Plant Equipment	950,460	39,729	1,901	41,630	50,850	1,711	52,561	10,931
Total Octillo CT Units 1-2	$ 49,290,599	$ 2,504,504	$ 238,727	$ 2,743,231	$ 3,132,897	$ 118,539	$ 3,251,436	$ 508,205
Ocotillo CT Units 3-7								
341.00 Structures and Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	596,546,827	19,865,009		19,865,009	19,029,844	656,202	19,686,046	(178,963)
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Octillo CT Units 3-7	$ 596,546,827	$ 19,865,009	$ -	$ 19,865,009	$ 19,029,844	$ 656,202	$ 19,686,046	$ (178,963)
Saguaro								
341.00 Structures and Improvements	$ 3,051,365	$ 128,157	$ 12,511	$ 140,668	$ 164,469	$ 6,713	$ 171,182	$ 30,514
342.00 Fuel Holders, Products and Accessories	1,642,488	35,478	2,135	37,613	61,758	2,464	64,222	26,609
343.00 Prime Movers	23,292,483	952,858	110,645	1,063,503	1,411,374	59,009	1,470,383	406,880
344.00 Generators and Devices	38,498,152	1,116,094	57,748	1,173,842	1,583,134	74,511	1,657,645	483,803
345.00 Accessory Electric Equipment	3,593,189	144,412	8,691	153,103	185,445	7,449	192,894	39,791
346.00 Miscellaneous Power Plant Equipment	916,172	20,614	1,008	21,622	36,189	1,466	37,655	16,033
Total Saguaro	$ 70,993,849	$ 2,397,613	$ 192,738	$ 2,590,351	$ 3,442,369	$ 151,612	$ 3,593,981	$ 1,003,630
Saguaro CT Units 1-2								
341.00 Structures and Improvements	$ 3,051,365	$ 128,157	$ 12,511	$ 140,668	$ 164,469	$ 6,713	$ 171,182	$ 30,514
342.00 Fuel Holders, Products and Accessories	1,642,488	35,478	2,135	37,613	61,758	2,464	64,222	26,609
343.00 Prime Movers	21,353,178	875,480	106,766	982,246	1,338,844	55,518	1,394,362	412,116
344.00 Generators and Devices	14,724,431	400,505	22,087	422,592	967,395	41,228	1,008,623	586,031
345.00 Accessory Electric Equipment	3,269,324	134,696	8,173	142,869	172,620	6,866	179,486	36,617
346.00 Miscellaneous Power Plant Equipment	916,172	20,614	1,008	21,622	36,189	1,466	37,655	16,033
Total Saguaro CT Units 1-2	$ 44,956,958	$ 1,594,930	$ 152,680	$ 1,747,610	$ 2,741,275	$ 114,255	$ 2,855,530	$ 1,107,920

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Saguaro CT Unit 3								
341.00 Structures and Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers	1,939,305	77,378	3,879	81,257	72,530	3,491	76,021	(5,236)
344.00 Generators and Devices	23,773,721	715,589	35,661	751,250	615,739	33,283	649,022	(102,228)
345.00 Accessory Electric Equipment	323,865	9,716	518	10,234	12,825	583	13,408	3,174
346.00 Miscellaneous Power Plant Equipment								
Total Saguaro CT Unit 3	$ 26,036,891	$ 802,683	$ 40,058	$ 842,741	$ 701,094	$ 37,357	$ 738,451	$ (104,290)
Sundance Units 1-10								
341.00 Structures and Improvements	$ 13,762,067	$ 342,675	$ 31,653	$ 374,328	$ 374,328	$ 22,019	$ 396,347	$ 22,019
342.00 Fuel Holders, Products and Accessories	4,418,231	108,247	5,302	113,549	113,990	6,627	120,617	7,068
343.00 Prime Movers	227,932,672	5,333,625	273,519	5,607,144	5,743,903	341,899	6,085,802	478,658
344.00 Generators and Devices	13,058,506	581,104	28,729	609,833	557,598	26,117	583,715	(26,118)
345.00 Accessory Electric Equipment	27,804,255	670,083	36,146	706,229	722,911	41,706	764,617	58,388
346.00 Miscellaneous Power Plant Equipment	6,970,933	198,672	10,456	209,128	306,721	13,942	320,663	111,535
Total Sun Dance Units 1-10	$ 293,946,664	$ 7,234,406	$ 385,805	$ 7,620,211	$ 7,819,451	$ 452,310	$ 8,271,761	$ 651,550
West Phoenix CT Units 1-2								
341.00 Structures and Improvements	$ 4,239,486	$ 256,489	$ 19,502	$ 275,991	$ 295,492	$ 11,871	$ 307,363	$ 31,372
342.00 Fuel Holders, Products and Accessories	1,843,219	61,932	3,133	65,065	91,977	2,949	94,926	29,861
343.00 Prime Movers	20,466,623	1,029,471	100,286	1,129,757	1,250,511	45,027	1,295,538	165,781
344.00 Generators and Devices	15,280,205	733,450	44,313	777,763	1,029,886	39,729	1,069,615	291,852
345.00 Accessory Electric Equipment	1,525,954	39,827	1,984	41,811	78,892	2,594	81,486	39,675
346.00 Miscellaneous Power Plant Equipment	1,026,473	36,132	2,669	38,801	52,042	1,745	53,787	14,986
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 2,157,301	$ 171,887	$ 2,329,188	$ 2,798,800	$ 103,915	$ 2,902,715	$ 573,527
Yucca								
341.00 Structures and Improvements	$ 6,755,977	$ 318,926	$ 19,445	$ 338,371	$ 373,795	$ 16,174	$ 389,969	$ 51,598
342.00 Fuel Holders, Products and Accessories	5,431,503	100,924	5,393	106,317	154,211	7,305	161,516	55,199
343.00 Prime Movers	81,264,482	2,419,452	158,642	2,578,094	2,693,095	105,120	2,798,215	220,121
344.00 Generators and Devices	10,021,346	336,338	20,959	357,297	432,407	18,954	451,361	94,064
345.00 Accessory Electric Equipment	4,554,682	134,014	11,971	145,985	172,949	7,498	180,447	34,462
346.00 Miscellaneous Power Plant Equipment	2,627,899	76,948	3,917	80,865	101,878	4,249	106,127	25,262
Total Yucca	$ 110,655,889	$ 3,386,602	$ 220,327	$ 3,606,929	$ 3,928,335	$ 159,300	$ 4,087,635	$ 480,706

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Yucca CT Units 1-4								
341.00 Structures and Improvements	$ 5,685,548	$ 283,709	$ 17,625	$ 301,334	$ 337,722	$ 14,782	$ 352,504	$ 51,170
342.00 Fuel Holders, Products and Accessories	3,934,860	55,875	3,148	59,023	107,815	5,509	113,324	54,301
343.00 Prime Movers	12,670,962	354,787	55,752	410,539	546,118	22,808	568,926	158,387
344.00 Generators and Devices	9,848,867	330,922	20,683	351,605	426,456	18,713	445,169	93,564
345.00 Accessory Electric Equipment	3,737,069	106,133	10,090	116,223	144,251	6,353	150,604	34,381
346.00 Miscellaneous Power Plant Equipment	1,536,718	36,574	1,844	38,418	60,086	2,612	62,698	24,280
Total Yucca CT Units 1-4	$ 37,414,024	$ 1,168,000	$ 109,142	$ 1,277,142	$ 1,622,448	$ 70,777	$ 1,693,225	$ 416,083
Yucca CT Units 5-6								
341.00 Structures and Improvements	$ 1,070,429	$ 35,217	$ 1,820	$ 37,037	$ 36,073	$ 1,392	$ 37,465	$ 428
342.00 Fuel Holders, Products and Accessories	1,496,643	45,049	2,245	47,294	46,396	1,796	48,192	898
343.00 Prime Movers	68,593,520	2,064,665	102,890	2,167,555	2,146,977	82,312	2,229,289	61,734
344.00 Generators and Devices	172,479	5,416	276	5,692	5,951	241	6,192	500
345.00 Accessory Electric Equipment	817,613	27,881	1,881	29,762	28,698	1,145	29,843	81
346.00 Miscellaneous Power Plant Equipment	1,091,181	40,374	2,073	42,447	41,792	1,637	43,429	982
Total Yucca CT Units 5-6	$ 73,241,865	$ 2,218,602	$ 111,185	$ 2,329,787	$ 2,305,887	$ 88,523	$ 2,394,410	$ 64,623
Solar Units								
341.00 Structures and Improvements	$ 36,871,992	$ 1,304,795	$ 93,506	$ 1,398,301	$ 1,268,856	$ 91,433	$ 1,360,289	$ (38,012)
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	687,278,590	24,501,934	1,714,806	26,216,740	24,034,478	1,797,825	25,832,303	(384,437)
345.00 Accessory Electric Equipment	127,033,147	4,498,008	295,494	4,793,502	4,471,249	331,237	4,802,486	8,984
346.00 Miscellaneous Power Plant Equipment	1,577,646	61,663	5,564	67,227	53,034	3,911	56,945	(10,282)
Total Solar Units	$ 852,761,375	$ 30,366,400	$ 2,109,370	$ 32,475,770	$ 29,827,617	$ 2,224,406	$ 32,052,023	$ (423,747)
Chino Valley								
341.05 Structures and Improvements	$ 527,890	$ 18,635	$ 1,373	$ 20,008	$ 18,582	$ 1,109	$ 19,691	$ (317)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	77,719,184	2,743,487	202,070	2,945,557	2,735,715	163,210	2,898,925	(46,632)
345.05 Accessory Electric Equipment	6,511,784	229,866	16,931	246,797	229,215	13,675	242,890	(3,907)
346.05 Miscellaneous Power Plant Equipment	216,504	7,643	563	8,206	7,621	455	8,076	(130)
Total Chino Valley	$ 84,975,362	$ 2,999,631	$ 220,937	$ 3,220,568	$ 2,991,133	$ 178,449	$ 3,169,582	$ (50,986)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Cotton Center								
341.05 Structures and Improvements	$ 1,813,499	$ 63,835	$ 4,352	$ 68,187	$ 62,928	$ 3,446	$ 66,374	$ (1,813)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	62,644,922	2,205,101	150,348	2,355,449	2,192,572	119,025	2,311,597	(43,852)
345.05 Accessory Electric Equipment	15,418,007	542,714	37,003	579,717	535,005	29,294	564,299	(15,418)
346.05 Miscellaneous Power Plant Equipment	262,640	9,245	630	9,875	9,114	499	9,613	(262)
Total Cotton Center	$ 80,139,068	$ 2,820,895	$ 192,333	$ 3,013,228	$ 2,799,619	$ 152,264	$ 2,951,883	$ (61,345)
Desert Star								
341.05 Structures and Improvements	$ 1,557,800	$ 70,257	$ 8,101	$ 78,358	$ 45,955	$ 4,518	$ 50,473	$ (27,885)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	29,042,805	1,309,831	151,023	1,460,854	900,327	84,224	984,551	(476,303)
345.05 Accessory Electric Equipment:	4,084,919	184,230	21,242	205,472	120,505	11,846	132,351	(73,121)
346.05 Miscellaneous Power Plant Equipment	291,809	13,161	1,517	14,678	8,608	846	9,454	(5,224)
Total Desert Star	$ 34,977,333	$ 1,577,479	$ 181,883	$ 1,759,362	$ 1,075,395	$ 101,434	$ 1,176,829	$ (582,533)
Foothills Units								
341.05 Structures and Improvements	$ 10,906,684	$ 379,553	$ 32,720	$ 412,273	$ 378,462	$ 25,085	$ 403,547	$ (8,726)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	105,443,248	3,669,425	316,330	3,985,755	3,658,881	242,519	3,901,400	(84,355)
345.05 Accessory Electric Equipment	20,815,540	724,381	62,447	786,828	722,299	47,876	770,175	(16,653)
346.05 Miscellaneous Power Plant Equipment	57,708	2,008	173	2,181	2,002	133	2,135	(46)
Total Foothills Units	$ 137,223,180	$ 4,775,367	$ 411,670	$ 5,187,037	$ 4,761,644	$ 315,613	$ 5,077,257	$ (109,780)
Gila Bend								
341.05 Structures and Improvements	$ 5,018,097	$ 173,626	$ 18,065	$ 191,691	$ 172,121	$ 13,549	$ 185,670	$ (6,021)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	89,246,612	3,087,933	321,288	3,409,221	3,061,159	240,966	3,302,125	(107,096)
345.05 Accessory Electric Equipment	11,096,944	383,954	39,949	423,903	380,625	29,962	410,587	(13,316)
346.05 Miscellaneous Power Plant Equipment	21,142	732	76	808	725	57	782	(26)
Total Gila Bend	$ 105,382,795	$ 3,646,245	$ 379,378	$ 4,025,623	$ 3,614,630	$ 284,534	$ 3,899,164	$ (126,459)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Hyder								
341.05 Structures and Improvements	$ 6,915,232	$ 242,725	$ 11,064	$ 253,789	$ 242,033	$ 8,298	$ 250,331	$ (3,458)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	93,250,197	3,263,757	149,200	3,412,957	3,254,432	111,900	3,366,332	(46,625)
345.05 Accessory Electric Equipment	22,556,482	784,966	36,090	821,056	782,710	27,068	809,778	(11,278)
346.05 Miscellaneous Power Plant Equipment	206,389	7,059	310	7,369	7,017	248	7,265	(104)
Total Hyder	$ 122,928,300	$ 4,298,507	$ 196,664	$ 4,495,171	$ 4,286,192	$ 147,514	$ 4,433,706	$ (61,465)
Legacy								
341.00 Structures and Improvements	$ 313,214	$ 4,103	$ 94	$ 4,197	$ (1,284)	$ 31	$ (1,253)	$ (5,450)
342.00 Fuel Holders, Products and Accessories								
343.00 Prime Movers								
344.00 Generators and Devices	10,452,105	359,552	8,362	367,914	267,574	1,045	268,619	(99,295)
345.00 Accessory Electric Equipment	1,972,486	83,436	4,339	87,775	63,514	394	63,908	(23,867)
346.00 Miscellaneous Power Plant Equipment								
Total Legacy	$ 12,737,805	$ 447,091	$ 12,795	$ 459,886	$ 329,804	$ 1,470	$ 331,274	$ (128,612)
Luke AFB								
341.05 Structures and Improvements	$ 1,488,329	$ 67,124	$ 8,037	$ 75,161	$ 50,603	$ 5,060	$ 55,663	$ (19,498)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	25,469,888	1,148,692	137,537	1,286,229	865,976	86,598	952,574	(333,655)
345.05 Accessory Electric Equipment	1,757,020	79,242	9,488	88,730	59,739	5,974	65,713	(23,017)
346.05 Miscellaneous Power Plant Equipment	357,678	16,131	1,931	18,062	12,161	1,216	13,377	(4,685)
Total Luke AFB	$ 29,072,915	$ 1,311,189	$ 156,993	$ 1,468,182	$ 988,479	$ 98,848	$ 1,087,327	$ (380,855)
Paloma								
341.05 Structures and Improvements	$ 2,281,950	$ 80,325	$ 6,846	$ 87,171	$ 80,096	$ 5,477	$ 85,573	$ (1,598)
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	49,207,939	1,732,119	147,624	1,879,743	1,732,119	118,099	1,850,218	(29,525)
345.05 Accessory Electric Equipment	12,514,947	440,526	37,545	478,071	439,275	30,036	469,311	(8,760)
346.05 Miscellaneous Power Plant Equipment	121,486	4,276	364	4,640	4,264	292	4,556	(84)
Total Paloma	$ 64,126,322	$ 2,257,246	$ 192,379	$ 2,449,625	$ 2,255,754	$ 153,904	$ 2,409,658	$ (39,967)

ARIZONA PUBLIC SERVICE COMPANY

Statement B

Depreciation Accruals - SFAS 143 Method
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique
Accretion Rate: 3.78 Percent

Account Description	12/31/18 Plant	Current Investment	Current Net Salvage	Current Total	SFAS 143 Method Investment	SFAS 143 Method Net Salvage	SFAS 143 Method Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Red Rock								
341.05 Structures and Improvements	$ 4,463,879	$ 148,647	$ -	$ 148,647	$ 160,700	$ 17,409	$ 178,109	$ 29,462
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	72,010,410	2,397,947		2,397,947	2,592,375	280,841	2,873,216	475,269
345.05 Accessory Electric Equipment	13,383,040	445,655		445,655	481,789	52,194	533,983	88,328
346.05 Miscellaneous Power Plant Equipment	42,290	1,408		1,408	1,522	165	1,687	279
Total Redrock	$ 89,899,619	$ 2,993,657	$ -	$ 2,993,657	$ 3,236,386	$ 350,609	$ 3,586,995	$ 593,338
Roof Tops								
341.05 Structures and Improvements	$ 1,585,418	$ 55,965	$ 2,854	$ 58,819	$ 58,660	$ 7,451	$ 66,111	$ 7,292
342.05 Fuel Holders, Products and Accessories								
343.05 Prime Movers								
344.05 Generators and Devices	72,791,280	2,584,090	131,024	2,715,114	2,773,348	349,398	3,122,746	407,632
345.05 Accessory Electric Equipment	16,921,978	599,038	30,460	629,498	656,573	82,918	739,491	109,993
346.05 Miscellaneous Power Plant Equipment								
Total Roof Tops	$ 91,298,676	$ 3,239,093	$ 164,338	$ 3,403,431	$ 3,488,581	$ 439,767	$ 3,928,348	$ 524,917

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
STEAM PRODUCTION										
311.00 Structures and Improvements	$ 141,937,433	$ 70,349,340	49.56%	$ 75,511,986	$ 5,207,210	$ 80,719,196	$ 66,023,737	$ 5,207,210	$ 71,230,947	50.18%
312.00 Boiler Plant Equipment	1,491,411,135	709,065,790	47.54%	573,910,442	45,230,201	619,140,643	647,152,687	45,230,201	692,382,888	46.42%
314.00 Turbogenerator Units	211,425,539	94,840,375	44.86%	96,136,127	7,197,637	103,333,764	97,355,727	7,197,637	104,553,364	49.45%
315.00 Accessory Electric Equipment	117,866,116	56,775,610	48.17%	59,755,058	4,185,503	63,940,560	55,384,095	4,185,503	59,569,598	50.54%
316.00 Miscellaneous Power Plant Equipment	84,425,866	37,830,698	44.81%	36,725,635	2,798,472	39,524,106	38,326,545	2,798,472	41,125,016	48.71%
Total Steam Production Plant	$ 2,047,066,089	$ 968,861,812	47.33%	$ 842,039,247	$ 64,619,022	$ 906,658,269	$ 904,242,790	$ 64,619,022	$ 968,861,812	47.33%
NUCLEAR PRODUCTION										
321.00 Structures and Improvements	$ 850,120,585	$ 432,691,790	50.90%	$ 348,613,063	$ 1,331,517	$ 349,944,580	$ 424,406,707	$ 1,331,517	$ 425,738,224	50.08%
322.00 Reactor Plant Equipment	1,187,263,758	677,764,052	57.09%	522,826,387	5,865,259	528,691,647	672,637,224	5,865,259	678,502,483	57.15%
323.00 Turbogenerator Units	405,048,258	198,640,744	49.04%	159,714,483	610,814	160,325,297	205,412,803	610,814	206,023,617	50.86%
324.00 Accessory Electric Equipment	294,782,526	185,001,401	62.76%	142,371,835	523,592	142,895,427	182,288,207	523,592	182,811,799	62.02%
325.00 Miscellaneous Power Plant Equipment	233,949,471	88,709,442	37.92%	71,956,397	289,733	72,246,129	89,441,572	289,733	89,731,305	38.35%
Total Nuclear Production Plant	$ 2,971,164,598	$ 1,582,807,428	53.27%	$ 1,245,482,165	$ 8,620,914	$ 1,254,103,079	$ 1,574,186,513	$ 8,620,914	$ 1,582,807,428	53.27%
OTHER PRODUCTION										
341.00 Structures and Improvements	$ 131,575,027	$ 35,451,261	26.94%	$ 39,367,098	$ 1,737,379	$ 41,104,477	$ 39,381,422	$ 1,737,379	$ 41,118,800	31.25%
342.00 Fuel Holders, Products and Accessories	56,786,945	26,898,551	47.37%	27,181,155	1,138,882	28,320,037	25,706,687	1,138,882	26,845,569	47.27%
343.00 Prime Movers	655,542,039	269,866,990	41.17%	257,978,040	10,531,433	268,509,473	261,862,014	10,531,433	272,393,447	41.55%
344.00 Generators and Devices	2,104,937,839	369,238,514	17.54%	374,227,730	18,646,287	392,874,016	335,617,302	18,646,287	354,263,589	16.83%
345.00 Accessory Electric Equipment	247,553,984	63,395,509	25.61%	67,825,501	3,338,359	71,163,860	66,536,905	3,338,359	69,875,264	28.23%
346.00 Miscellaneous Power Plant Equipment	34,845,144	9,634,963	27.65%	10,279,384	438,840	10,718,224	9,550,279	438,840	9,989,119	28.67%
Total Other Production Plant	$ 3,231,240,978	$ 774,485,788	23.97%	$ 776,858,908	$ 35,831,179	$ 812,690,087	$ 738,654,609	$ 35,831,179	$ 774,485,788	23.97%
TRANSMISSION PLANT										
352.02 Structures and Improvements	$ 151,995	$ 113,034	74.37%	$ 122,246	$ -	$ 122,246	$ 113,334	$ -	$ 113,334	74.56%
353.00 Station Equipment	132,434,328	30,719,777	23.20%	32,141,863	1,134,089	33,275,952	29,715,846	1,134,089	30,849,934	23.29%
354.00 Towers and Fixtures	1,329,316	623,782	46.93%	663,124		663,124	614,778		614,778	46.25%
355.00 Poles and Fixtures	1,370,085	393,906	28.75%	337,343	44,403	381,745	309,511	44,403	353,914	25.83%
356.00 Overhead Conductors and Devices	1,947,677	734,906	37.73%	631,511	73,321	704,832	580,124	73,321	653,445	33.55%
Total Transmission Plant	$ 137,233,401	$ 32,585,406	23.74%	$ 33,896,087	$ 1,251,813	$ 35,147,899	$ 31,333,593	$ 1,251,813	$ 32,585,406	23.74%
DISTRIBUTION PLANT										
361.00 Structures and Improvements	$ 93,053,192	$ 24,784,504	26.63%	$ 19,608,136	$ 1,085,351	$ 20,693,487	$ 22,904,130	$ 1,085,351	$ 23,989,481	25.78%
362.00 Station Equipment	631,870,595	152,459,460	24.13%	109,146,386	4,919,725	114,066,111	127,314,479	4,919,725	132,234,204	20.93%
363.00 Storage Battery Equipment	13,585,353	(242,468)	-1.78%	1,793,267		1,793,267	2,078,892		2,078,892	15.30%
364.01 Poles, Towers and Fixtures - Wood	357,345,350	94,269,551	26.38%	79,819,683	16,639,687	96,459,371	95,183,429	16,639,687	111,823,117	31.29%
364.02 Poles, Towers and Fixtures - Steel	323,911,866	54,022,644	16.68%	37,197,788	3,229,322	40,427,110	43,636,891	3,229,322	46,866,213	14.47%
365.00 Overhead Conductors and Devices	468,658,341	85,935,082	18.34%	65,047,112	12,349,363	77,396,475	77,374,580	12,349,363	89,723,943	19.14%
366.00 Underground Conduit	727,611,816	208,762,604	28.69%	159,967,954	17,675,017	177,642,972	188,262,370	17,675,017	205,937,387	28.30%
367.00 Underground Conductors and Devices	1,863,851,442	640,622,806	34.37%	454,051,028	60,283,466	514,334,494	535,972,613	60,283,466	596,256,079	31.99%
368.00 Line Transformers	921,018,156	274,977,840	29.86%	208,128,354	8,104,331	216,232,685	242,569,217	8,104,331	250,673,548	27.22%
369.00 Services	447,263,911	141,008,738	31.53%	103,326,433	15,850,965	119,177,397	122,308,635	15,850,965	138,159,599	30.89%
370.01 Meters - Electronic	17,843,353	4,356,437	24.41%	2,386,345		2,386,345	2,766,435		2,766,435	15.50%
370.03 Meters - AMI	302,666,385	47,048,548	15.54%	111,947,890		111,947,890	129,778,598		129,778,598	42.88%
371.00 Installations on Customers' Premises	46,529,246	13,161,123	28.29%	9,250,101	1,400,782	10,650,883	10,946,540	1,400,782	12,347,322	26.54%
373.00 Street Lighting and Signal Systems	80,127,587	25,060,492	31.28%	17,985,726	2,365,360	20,351,086	21,227,184	2,365,360	23,592,543	29.44%
Total Distribution Plant	$ 6,295,336,593	$ 1,766,227,362	28.06%	$ 1,379,656,203	$ 143,903,369	$ 1,523,559,572	$ 1,622,323,993	$ 143,903,369	$ 1,766,227,362	28.06%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
GENERAL PLANT										
Depreciable										
390.00 Structures and Improvements	$ 265,654,498	$ 33,232,710	12.51%	$ 40,054,780	$ 3,454,595	$ 43,509,375	$ 40,167,285	$ 3,454,595	$ 43,621,880	16.42%
391.CM Office Furn. and Equip. - Computer	243,545,219	113,384,516	46.56%	110,132,581		110,132,581	110,417,359		110,417,359	45.34%
397.00 Communication Equipment	295,372,374	108,507,607	36.74%	102,805,294		102,805,294	103,071,126		103,071,126	34.90%
Total Depreciable	$ 804,572,091	$ 255,124,832	31.71%	$ 252,992,655	$ 3,454,595	$ 256,447,250	$ 253,655,770	$ 3,454,595	$ 257,110,364	31.96%
Amortizable										
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ 34,632,270	54.28%	$ 34,164,558	$ -	$ 34,164,558	$ 34,164,558	$ -	$ 34,164,558	53.55%
393.00 Stores Equipment	594,181	159,335	26.82%	162,806		162,806	162,806		162,806	27.40%
394.00 Tools, Shop and Garage Equipment	43,094,855	21,913,348	50.85%	20,750,173		20,750,173	20,750,173		20,750,173	48.15%
395.00 Laboratory Equipment	767,547	489,181	63.73%	492,765		492,765	492,765		492,765	64.20%
398.00 Miscellaneous Equipment	23,861,303	6,665,059	27.93%	6,303,361		6,303,361	6,303,361		6,303,361	26.42%
Total Amortizable	$ 132,117,247	$ 63,859,194	48.34%	$ 61,873,662	$ -	$ 61,873,662	$ 61,873,662	$ -	$ 61,873,662	46.83%
Total General Plant	$ 936,689,338	$ 318,984,027	34.05%	$ 314,866,317	$ 3,454,595	$ 318,320,912	$ 315,529,432	$ 3,454,595	$ 318,984,027	34.05%
TOTAL UTILITY	$ 15,618,730,997	$ 5,443,951,822	34.86%	$ 4,592,798,927	$ 257,680,891	$ 4,850,479,818	$ 5,186,270,930	$ 257,680,891	$ 5,443,951,822	34.86%
STEAM PRODUCTION (by Unit)				$ 851,152,895						
Cholla										
311.00 Structures and Improvements	$ 78,078,473	$ 38,575,882	49.41%	$ 53,144,547	$ 3,530,265	$ 56,674,812	$ 36,195,621	$ 3,530,265	$ 39,725,885	50.88%
312.00 Boiler Plant Equipment	385,237,434	203,229,153	52.75%	252,309,438	17,570,151	269,879,589	183,016,428	17,570,151	200,586,579	52.07%
314.00 Turbogenerator Units	85,554,772	47,896,982	55.98%	59,037,826	4,087,244	63,125,069	43,901,429	4,087,244	47,988,673	56.09%
315.00 Accessory Electric Equipment	53,298,558	30,464,401	57.16%	39,820,531	2,608,641	42,429,172	28,703,574	2,608,641	31,312,216	58.75%
316.00 Miscellaneous Power Plant Equipment	24,674,267	11,356,450	46.03%	15,436,808	1,068,567	16,505,375	10,840,949	1,068,567	11,909,516	48.27%
Total Cholla	$ 626,843,504	$ 331,522,868	52.89%	$ 419,749,150	$ 28,864,868	$ 448,614,018	$ 302,658,000	$ 28,864,868	$ 331,522,868	52.89%
Cholla Unit 1										
311.00 Structures and Improvements	$ 4,743,207	$ 3,184,960	67.15%	$ 3,464,586	$ 257,841	$ 3,722,427	$ 2,921,750	$ 257,841	$ 3,179,591	67.03%
312.00 Boiler Plant Equipment	82,295,074	50,638,747	61.53%	54,620,245	4,280,645	58,900,889	46,030,818	4,280,645	50,311,463	61.14%
314.00 Turbogenerator Units	27,444,492	16,306,099	59.41%	17,834,450	1,388,248	19,222,698	15,031,233	1,388,248	16,419,481	59.83%
315.00 Accessory Electric Equipment	9,492,908	6,262,264	65.97%	6,839,994	515,585	7,355,579	5,767,341	515,585	6,282,927	66.19%
316.00 Miscellaneous Power Plant Equipment	3,742,187	2,070,672	55.33%	2,467,115	189,587	2,656,703	2,079,692	189,587	2,269,280	60.64%
Total Cholla Unit 1	$ 127,717,868	$ 78,462,742	61.43%	$ 85,226,390	$ 6,631,906	$ 91,858,296	$ 71,830,835	$ 6,631,906	$ 78,462,742	61.43%
Cholla Unit 3										
311.00 Structures and Improvements	$ 13,288,725	$ 6,623,928	49.85%	$ 9,066,445	$ 568,808	$ 9,635,253	$ 6,365,711	$ 568,808	$ 6,934,519	52.18%
312.00 Boiler Plant Equipment	243,068,426	121,796,129	50.11%	157,114,953	10,458,893	167,573,846	110,144,481	10,458,893	120,603,374	49.62%
314.00 Turbogenerator Units	57,062,305	31,015,320	54.35%	40,490,857	2,650,533	43,141,390	28,398,448	2,650,533	31,048,981	54.41%
315.00 Accessory Electric Equipment	34,899,789	20,381,771	58.40%	27,447,712	1,717,742	29,165,454	19,272,718	1,717,742	20,990,461	60.14%
316.00 Miscellaneous Power Plant Equipment	7,009,816	3,213,795	45.85%	4,506,310	292,347	4,798,658	3,161,260	292,347	3,453,608	49.27%
Total Cholla Unit 3	$ 355,329,061	$ 183,030,943	51.51%	$ 238,626,277	$ 15,688,324	$ 254,314,601	$ 167,342,619	$ 15,688,324	$ 183,030,943	51.51%
Cholla Common										
311.00 Structures and Improvements	$ 60,046,541	$ 28,766,995	47.91%	$ 40,613,516	$ 2,703,615	$ 43,317,131	$ 26,908,159	$ 2,703,615	$ 29,611,774	49.31%
312.00 Boiler Plant Equipment	59,873,934	30,794,277	51.43%	40,574,240	2,830,613	43,404,854	26,841,128	2,830,613	29,671,742	49.56%
314.00 Turbogenerator Units	1,047,975	575,563	54.92%	712,519	48,463	760,982	471,747	48,463	520,211	49.64%
315.00 Accessory Electric Equipment	8,905,861	3,820,365	42.90%	5,532,825	375,313	5,908,138	3,663,515	375,313	4,038,828	45.35%
316.00 Miscellaneous Power Plant Equipment	13,922,264	6,071,983	43.61%	8,463,382	586,632	9,050,015	5,599,996	586,632	6,186,628	44.44%
Total Cholla Common	$ 143,796,575	$ 70,029,184	48.70%	$ 95,896,482	$ 6,544,638	$ 102,441,120	$ 63,484,546	$ 6,544,638	$ 70,029,184	48.70%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	C÷B	E	F	G=E+F	H	I	J=H+I	K=J/B
Four Corners										
311.00 Structures and Improvements	$ 63,858,960	$ 31,773,458	49.76%	$ 22,367,438	$ 1,676,946	$ 24,044,384	$ 29,828,116	$ 1,676,946	$ 31,505,062	49.34%
312.00 Boiler Plant Equipment	1,106,173,701	505,836,637	45.73%	321,601,004	27,660,049	349,261,054	464,136,259	27,660,049	491,796,308	44.46%
314.00 Turbogenerator Units	125,870,767	46,943,393	37.29%	37,098,302	3,110,393	40,208,694	53,454,298	3,110,393	56,564,691	44.94%
315.00 Accessory Electric Equipment	64,567,558	26,311,209	40.75%	19,934,527	1,576,861	21,511,388	26,680,521	1,576,861	28,257,382	43.76%
316.00 Miscellaneous Power Plant Equipment	59,751,599	26,474,248	44.31%	21,288,827	1,729,905	23,018,731	27,485,596	1,729,905	29,215,501	48.89%
Total Four Corners	$ 1,420,222,585	$ 637,338,944	44.88%	$ 422,290,098	$ 35,754,154	$ 458,044,251	$ 601,584,790	$ 35,754,154	$ 637,338,944	44.88%
Four Corners Units 4-5										
311.00 Structures and Improvements	$ 39,839,762	$ 26,512,392	66.55%	$ 17,471,101	$ 1,365,229	$ 18,836,330	$ 25,585,372	$ 1,365,229	$ 26,950,601	67.65%
312.00 Boiler Plant Equipment	1,066,430,407	493,094,646	46.24%	308,283,734	26,742,229	335,025,962	452,605,444	26,742,229	479,347,672	44.95%
314.00 Turbogenerator Units	121,897,287	45,574,050	37.39%	35,464,336	3,009,581	38,473,917	52,038,041	3,009,581	55,047,622	45.16%
315.00 Accessory Electric Equipment	43,201,151	22,772,976	52.71%	15,679,238	1,300,874	16,980,112	22,993,892	1,300,874	24,294,766	56.24%
316.00 Miscellaneous Power Plant Equipment	39,853,780	21,055,267	52.83%	15,021,910	1,310,935	16,332,845	22,057,735	1,310,935	23,368,670	58.64%
Total Four Corners Units 4-5	$ 1,311,222,387	$ 609,009,331	46.45%	$ 391,920,319	$ 33,728,848	$ 425,649,167	$ 575,280,483	$ 33,728,848	$ 609,009,331	46.45%
Four Corners Common										
311.00 Structures and Improvements	$ 24,019,198	$ 5,261,065	21.90%	$ 4,896,337	$ 311,717	$ 5,208,054	$ 4,242,744	$ 311,717	$ 4,554,461	18.96%
312.00 Boiler Plant Equipment	39,743,294	12,741,991	32.06%	13,317,270	917,821	14,235,091	11,530,815	917,821	12,448,636	31.32%
314.00 Turbogenerator Units	3,973,480	1,369,343	34.46%	1,633,966	100,811	1,734,777	1,416,257	100,811	1,517,069	38.18%
315.00 Accessory Electric Equipment	21,366,407	3,538,233	16.56%	4,255,289	275,987	4,531,276	3,686,629	275,987	3,962,616	18.55%
316.00 Miscellaneous Power Plant Equipment	19,897,819	5,418,980	27.23%	6,266,917	418,970	6,685,886	5,427,861	418,970	5,846,831	29.38%
Total Four Corners Common	$ 109,000,198	$ 28,329,613	25.99%	$ 30,369,779	$ 2,025,306	$ 32,395,085	$ 26,304,307	$ 2,025,306	$ 28,329,613	25.99%
NUCLEAR PRODUCTION (by Unit)										
Palo Verde										
321.00 Structures and Improvements	$ 850,120,585	$ 432,691,790	50.90%	$ 348,613,063	$ 1,331,517	$ 349,944,580	$ 424,406,707	$ 1,331,517	$ 425,738,224	50.08%
322.00 Reactor Plant Equipment	1,187,263,758	677,764,052	57.09%	522,826,387	5,865,259	528,691,647	672,637,224	5,865,259	678,502,483	57.15%
323.00 Turbogenerator Units	405,048,258	198,640,744	49.04%	159,714,483	610,814	160,325,297	205,412,803	610,814	206,023,617	50.86%
324.00 Accessory Electric Equipment	294,782,526	185,001,401	62.76%	142,371,835	523,592	142,895,427	182,288,207	523,592	182,811,799	62.02%
325.00 Miscellaneous Power Plant Equipment	233,949,471	88,709,442	37.92%	71,956,397	289,733	72,246,129	89,441,572	289,733	89,731,305	38.35%
Total Palo Verde	$ 2,971,164,598	$ 1,582,807,428	53.27%	$ 1,245,482,165	$ 8,620,914	$ 1,254,103,079	$ 1,574,186,513	$ 8,620,914	$ 1,582,807,428	53.27%
Palo Verde Unit 1										
321.00 Structures and Improvements	$ 169,287,979	$ 113,114,947	66.82%	$ 85,996,670	$ 298,909	$ 86,295,579	$ 111,115,573	$ 298,909	$ 111,414,482	65.81%
322.00 Reactor Plant Equipment	465,986,593	287,237,408	61.64%	220,431,399	2,334,601	222,766,000	285,274,089	2,334,601	287,608,690	61.72%
323.00 Turbogenerator Units	144,321,116	74,895,472	51.90%	60,034,027	216,202	60,250,229	77,571,653	216,202	77,787,855	53.90%
324.00 Accessory Electric Equipment	121,319,415	82,787,025	68.24%	62,867,673	218,479	63,086,152	81,230,780	218,479	81,449,259	67.14%
325.00 Miscellaneous Power Plant Equipment	33,599,919	20,834,661	62.01%	15,905,542	57,240	15,962,782	20,551,986	57,240	20,609,226	61.34%
Total Palo Verde Unit 1	$ 934,515,022	$ 578,869,513	61.94%	$ 445,235,311	$ 3,125,432	$ 448,360,743	$ 575,744,081	$ 3,125,432	$ 578,869,513	61.94%
Palo Verde Unit 2										
321.00 Structures and Improvements	$ 94,477,904	$ 62,447,235	66.10%	$ 48,647,062	$ 175,393	$ 48,822,455	$ 61,333,594	$ 175,393	$ 61,508,987	65.10%
322.00 Reactor Plant Equipment	248,880,636	139,105,347	55.89%	108,335,630	1,210,629	109,546,259	136,801,263	1,210,629	138,011,892	55.45%
323.00 Turbogenerator Units	87,819,612	42,490,094	48.38%	35,500,239	133,633	35,633,872	44,759,713	133,633	44,893,346	51.12%
324.00 Accessory Electric Equipment	49,752,711	31,501,138	63.32%	24,739,350	89,885	24,829,234	31,191,235	89,885	31,281,119	62.87%
325.00 Miscellaneous Power Plant Equipment	27,865,592	16,921,154	60.72%	13,261,439	49,367	13,310,806	16,720,257	49,367	16,769,624	60.18%
Total Palo Verde Unit 2	$ 508,796,455	$ 292,464,968	57.48%	$ 230,483,720	$ 1,658,907	$ 232,142,627	$ 290,806,061	$ 1,658,907	$ 292,464,968	57.48%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Palo Verde Unit 3										
321.00 Structures and Improvements	$ 167,896,725	$ 107,517,902	64.04%	$ 81,359,507	$ 316,991	$ 81,676,498	$ 105,499,107	$ 316,991	$ 105,816,097	63.02%
322.00 Reactor Plant Equipment	436,634,437	236,799,254	54.23%	180,553,988	2,158,547	182,712,535	234,554,924	2,158,547	236,713,471	54.21%
323.00 Turbogenerator Units	167,364,071	80,085,013	47.85%	63,027,788	256,040	63,283,827	81,731,408	256,040	81,987,448	48.99%
324.00 Accessory Electric Equipment	95,765,260	57,980,208	60.54%	44,537,200	174,264	44,711,464	57,751,734	174,264	57,925,998	60.49%
325.00 Miscellaneous Power Plant Equipment	29,878,581	17,348,950	58.06%	13,290,796	53,570	13,344,367	17,234,742	53,570	17,288,312	57.86%
Total Palo Verde Unit 3	$ 897,539,074	$ 499,731,327	55.68%	$ 382,769,279	$ 2,959,412	$ 385,728,691	$ 496,771,915	$ 2,959,412	$ 499,731,327	55.68%
Palo Verde Water Reclamation										
321.00 Structures and Improvements	$ 233,902,104	$ 74,873,790	32.01%	$ 71,601,478	$ 294,404	$ 71,895,882	$ 74,194,658	$ 294,404	$ 74,489,063	31.85%
322.00 Reactor Plant Equipment	454,911	(315,403)	-69.33%	64,886	805	65,691	67,255	805	68,061	14.96%
323.00 Turbogenerator Units	217,756	104,964	48.20%	101,611	412	102,023	105,291	412	105,703	48.54%
324.00 Accessory Electric Equipment										
325.00 Miscellaneous Power Plant Equipment	241,107	56,987	23.64%	55,286	224	55,511	57,288	224	57,513	23.85%
Total Palo Verde Water Reclamation	$ 234,815,878	$ 74,720,339	31.82%	$ 71,823,261	$ 295,846	$ 72,119,108	$ 74,424,493	$ 295,846	$ 74,720,339	31.82%
Palo Verde Common										
321.00 Structures and Improvements	$ 184,555,873	$ 74,737,915	40.50%	$ 61,008,345	$ 245,820	$ 61,254,165	$ 72,263,776	$ 245,820	$ 72,509,596	39.29%
322.00 Reactor Plant Equipment	35,307,181	14,937,445	42.31%	13,440,485	160,676	13,601,161	15,939,693	160,676	16,100,370	45.60%
323.00 Turbogenerator Units	5,325,703	1,065,201	20.00%	1,050,818	4,527	1,055,345	1,244,738	4,527	1,249,265	23.46%
324.00 Accessory Electric Equipment	27,945,140	12,733,029	45.56%	10,227,611	40,964	10,268,575	12,114,458	40,964	12,155,422	43.50%
325.00 Miscellaneous Power Plant Equipment	142,364,272	33,547,691	23.56%	29,443,333	129,331	29,572,664	34,877,299	129,331	35,006,630	24.59%
Total Palo Verde Common	$ 395,498,169	$ 137,021,281	34.65%	$ 115,170,593	$ 581,318	$ 115,751,910	$ 136,439,964	$ 581,318	$ 137,021,281	34.65%
OTHER PRODUCTION										
Combined Cycle										
341.00 Structures and Improvements	$ 63,600,586	$ 18,701,434	29.40%	$ 21,856,967	$ 870,221	$ 22,727,188	$ 21,105,095	$ 870,221	$ 21,975,316	34.55%
342.00 Fuel Holders, Products and Accessories	41,829,313	18,054,578	43.16%	18,912,990	805,775	19,718,765	18,000,112	805,775	18,805,887	44.96%
343.00 Prime Movers	274,702,584	95,474,865	34.76%	112,822,488	4,723,791	117,546,279	94,375,767	4,723,791	99,099,559	36.08%
344.00 Generators and Devices	727,795,468	201,653,014	27.71%	207,883,687	8,948,393	216,832,080	179,785,129	8,948,393	188,733,522	25.93%
345.00 Accessory Electric Equipment	78,442,697	20,068,505	25.58%	26,612,739	1,118,213	27,730,952	23,630,217	1,118,213	24,748,430	31.55%
346.00 Miscellaneous Power Plant Equipment	20,741,997	5,209,055	25.11%	6,096,289	261,207	6,357,496	5,537,529	261,207	5,798,736	27.96%
Total Combined Cycle	$ 1,207,112,645	$ 359,161,451	29.75%	$ 394,185,160	$ 16,727,601	$ 410,912,761	$ 342,433,850	$ 16,727,601	$ 359,161,451	29.75%
Redhawk CC Units 1-2										
341.00 Structures and Improvements	$ 23,988,173	$ 6,434,553	26.82%	$ 9,474,726	$ 390,783	$ 9,865,509	$ 7,597,541	$ 390,783	$ 7,988,324	33.30%
342.00 Fuel Holders, Products and Accessories	12,809,613	1,858,155	14.51%	3,144,907	129,522	3,274,429	2,521,857	129,522	2,651,379	20.70%
343.00 Prime Movers	132,414,998	36,154,393	27.30%	52,665,558	2,270,891	54,936,449	42,212,385	2,270,891	44,483,277	33.59%
344.00 Generators and Devices	391,212,295	90,340,613	23.09%	91,581,504	4,076,771	95,658,275	73,379,882	4,076,771	77,456,653	19.80%
345.00 Accessory Electric Equipment	29,897,838	6,334,454	21.19%	10,046,553	412,689	10,459,242	8,056,394	412,689	8,469,083	28.33%
346.00 Miscellaneous Power Plant Equipment	6,872,469	1,400,145	20.37%	1,747,190	72,690	1,819,880	1,400,908	72,690	1,473,597	21.44%
Total Redhawk CC Units 1-2	$ 597,195,386	$ 142,522,314	23.87%	$ 168,660,438	$ 7,353,347	$ 176,013,784	$ 135,168,967	$ 7,353,347	$ 142,522,314	23.87%
West Phoenix										
341.00 Structures and Improvements	$ 39,612,413	$ 12,266,881	30.97%	$ 12,382,242	$ 479,437	$ 12,861,679	$ 13,507,554	$ 479,437	$ 13,986,992	35.31%
342.00 Fuel Holders, Products and Accessories	29,019,700	16,196,423	55.81%	15,768,083	676,253	16,444,336	15,478,255	676,253	16,154,508	55.67%
343.00 Prime Movers	142,287,586	59,320,471	41.69%	60,156,930	2,452,900	62,609,830	52,163,382	2,452,900	54,616,282	38.38%
344.00 Generators and Devices	336,583,173	111,312,401	33.07%	116,302,182	4,871,623	121,173,805	106,405,247	4,871,623	111,276,869	33.06%
345.00 Accessory Electric Equipment	48,544,859	13,734,051	28.29%	16,566,186	705,524	17,271,710	15,573,823	705,524	16,279,347	33.53%
346.00 Miscellaneous Power Plant Equipment	13,869,528	3,808,910	27.46%	4,349,099	188,517	4,537,617	4,136,622	188,517	4,325,139	31.18%
Total West Phoenix	$ 609,917,259	$ 216,639,138	35.52%	$ 225,524,722	$ 9,374,254	$ 234,898,977	$ 207,264,883	$ 9,374,254	$ 216,639,138	35.52%

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Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
West Phoenix CC Units 1-3										
341.00 Structures and Improvements	$ 366,217	$ (174,165)	-47.56%	$ 192,172	$ 8,455	$ 200,627	$ 192,093	$ 8,455	$ 200,548	54.76%
342.00 Fuel Holders, Products and Accessories	22,031,967	14,160,758	64.27%	12,714,230	550,970	13,265,200	12,709,024	550,970	13,259,994	60.19%
343.00 Prime Movers										
344.00 Generators and Devices	130,345,213	61,299,140	47.03%	57,090,686	2,498,798	59,589,484	57,067,303	2,498,798	59,566,101	45.70%
345.00 Accessory Electric Equipment	32,620,455	9,777,883	29.97%	11,170,092	495,387	11,665,479	11,165,514	495,387	11,660,902	35.75%
346.00 Miscellaneous Power Plant Equipment	8,073,969	2,842,783	35.21%	3,083,349	136,768	3,220,117	3,082,085	136,768	3,218,853	39.87%
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 87,906,399	45.44%	$ 84,250,528	$ 3,690,379	$ 87,940,907	$ 84,216,020	$ 3,690,379	$ 87,906,399	45.44%
West Phoenix CC Unit 4										
341.00 Structures and Improvements	$ 7,035,987	$ 2,018,949	28.69%	$ 2,288,915	$ 90,285	$ 2,379,201	$ 2,170,426	$ 90,285	$ 2,260,711	32.13%
342.00 Fuel Holders, Products and Accessories	4,470,010	2,035,665	45.54%	2,125,312	83,654	2,208,966	2,015,300	83,654	2,098,954	46.96%
343.00 Prime Movers	49,464,010	24,639,897	49.81%	24,200,134	957,357	25,157,491	22,947,234	957,357	23,904,591	48.33%
344.00 Generators and Devices	23,956,815	8,472,007	35.36%	8,936,621	361,129	9,297,750	8,473,572	361,129	8,834,701	36.88%
345.00 Accessory Electric Equipment	552,377	143,454	25.97%	156,599	6,414	163,013	148,481	6,414	154,895	28.04%
346.00 Miscellaneous Power Plant Equipment	942,600	132,993	14.11%	191,068	7,958	199,026	181,156	7,958	189,114	20.06%
Total West Phoenix CC Unit 4	$ 86,421,799	$ 37,442,966	43.33%	$ 37,898,648	$ 1,506,798	$ 39,405,446	$ 35,936,168	$ 1,506,798	$ 37,442,966	43.33%
West Phoenix CC Unit 5										
341.00 Structures and Improvements	$ 11,054,705	$ 2,517,789	22.78%	$ 4,251,534	$ 164,726	$ 4,416,260	$ 3,456,699	$ 164,726	$ 3,621,424	32.76%
342.00 Fuel Holders, Products and Accessories	2,517,723			928,542	41,629	970,171	753,931	41,629	795,560	31.60%
343.00 Prime Movers	92,823,576	34,680,574	37.36%	35,956,796	1,495,543	37,452,339	29,216,148	1,495,543	30,711,691	33.09%
344.00 Generators and Devices	182,281,145	41,541,253	22.79%	50,274,876	2,011,695	52,286,571	40,864,372	2,011,695	42,876,067	23.52%
345.00 Accessory Electric Equipment	15,372,027	3,812,715	24.80%	5,239,495	203,723	5,443,217	4,259,828	203,723	4,463,550	29.04%
346.00 Miscellaneous Power Plant Equipment	4,852,959	833,134	17.17%	1,074,683	43,791	1,118,474	873,381	43,791	917,172	18.90%
Total West Phoenix CC Unit 5	$ 308,902,135	$ 83,385,465	26.99%	$ 97,725,926	$ 3,961,107	$ 101,687,032	$ 79,424,358	$ 3,961,107	$ 83,385,465	26.99%
West Phoenix Common										
341.00 Structures and Improvements	$ 21,155,504	$ 7,904,308	37.36%	$ 5,649,620	$ 215,971	$ 5,865,591	$ 7,688,337	$ 215,971	$ 7,904,308	37.36%
342.00 Fuel Holders, Products and Accessories										
343.00 Prime Movers										
344.00 Generators and Devices										
345.00 Accessory Electric Equipment										
346.00 Miscellaneous Power Plant Equipment										
Total West Phoenix Common	$ 21,155,504	$ 7,904,308	37.36%	$ 5,649,620	$ 215,971	$ 5,865,591	$ 7,688,337	$ 215,971	$ 7,904,308	37.36%
Combustion Turbine										
341.00 Structures and Improvements	$ 31,102,449	$ 10,228,622	32.89%	$ 11,069,663	$ 464,931	$ 11,534,594	$ 11,760,381	$ 464,931	$ 12,225,313	39.31%
342.00 Fuel Holders, Products and Accessories	14,957,632	8,843,973	59.13%	8,268,165	333,106	8,601,272	7,706,575	333,106	8,039,681	53.75%
343.00 Prime Movers	380,839,455	174,392,126	45.79%	145,155,552	5,807,642	150,963,194	167,486,247	5,807,642	173,293,888	45.50%
344.00 Generators and Devices	689,863,781	37,302,414	5.41%	44,514,302	1,706,037	46,220,340	35,411,264	1,706,037	37,117,301	5.38%
345.00 Accessory Electric Equipment	42,078,140	20,677,181	49.14%	18,058,067	731,392	18,789,458	20,314,755	731,392	21,046,146	50.02%
346.00 Miscellaneous Power Plant Equipment	12,525,501	4,137,658	33.03%	3,905,013	160,616	4,065,629	3,699,028	160,616	3,859,644	30.81%
Total Combustion Turbine	$ 1,171,366,958	$ 255,581,974	21.82%	$ 230,970,762	$ 9,203,724	$ 240,174,486	$ 246,378,249	$ 9,203,724	$ 255,581,974	21.82%

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Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Douglas CT										
341.00 Structures and Improvements	$ 103,952	$ (109,082)	-104.94%	$ 50,635	$ 2,225	$ 52,860	$ (3,791)	$ 2,225	$ (1,566)	-1.51%
342.00 Fuel Holders, Products and Accessories	137,759	(301,173)	-218.62%	100,691	4,149	104,840	(7,255)	4,149	(3,106)	-2.25%
343.00 Prime Movers	3,721,569	2,728,550	73.32%	1,262,946	55,483	1,318,430	(94,548)	55,483	(39,065)	-1.05%
344.00 Generators and Devices	971,924	(1,480,347)	-152.31%	558,098	22,756	580,855	(39,967)	22,756	(17,210)	-1.77%
345.00 Accessory Electric Equipment	582,402	(834,397)	-143.27%	304,683	12,498	317,181	(21,896)	12,498	(9,398)	-1.61%
346.00 Miscellaneous Power Plant Equipment	33,564	(74,654)	-222.42%	24,537	1,007	25,544	(1,764)	1,007	(757)	-2.26%
Total Douglas CT	$ 5,551,170	$ (71,102)	-1.28%	$ 2,301,591	$ 98,119	$ 2,399,710	$ (169,221)	$ 98,119	$ (71,102)	-1.28%
Ocotillo										
341.00 Structures and Improvements	$ 3,189,602	$ 65,746	2.06%	$ 900,926	$ 40,163	$ 941,089	$ 614,725	$ 40,163	$ 654,888	20.53%
342.00 Fuel Holders, Products and Accessories	1,484,432	581,896	39.20%	732,258	31,089	763,347	500,111	31,089	531,200	35.78%
343.00 Prime Movers	24,161,626	6,082,793	25.18%	9,324,161	408,722	9,732,884	6,364,225	408,722	6,772,948	28.03%
344.00 Generators and Devices	612,033,648	8,902,408	1.45%	15,456,097	511,001	15,967,098	7,384,894	511,001	7,895,895	1.29%
345.00 Accessory Electric Equipment	4,017,658	1,504,914	37.46%	1,923,819	82,156	2,005,974	1,313,768	82,156	1,395,923	34.74%
346.00 Miscellaneous Power Plant Equipment	950,460	510,095	53.67%	547,590	22,905	570,495	374,093	22,905	396,998	41.77%
Total Ocotillo	$ 645,837,426	$ 17,647,852	2.73%	$ 28,884,852	$ 1,096,036	$ 29,980,887	$ 16,551,816	$ 1,096,036	$ 17,647,852	2.73%
Ocotillo CT Units 1-2										
341.00 Structures and Improvements	$ 3,189,602	$ 65,746	2.06%	$ 900,926	$ 40,163	$ 941,089	$ 614,725	$ 40,163	$ 654,888	20.53%
342.00 Fuel Holders, Products and Accessories	1,484,432	581,896	39.20%	732,258	31,089	763,347	500,111	31,089	531,200	35.78%
343.00 Prime Movers	24,161,626	6,082,793	25.18%	9,324,161	408,722	9,732,884	6,364,225	408,722	6,772,948	28.03%
344.00 Generators and Devices	15,486,821	5,931,627	38.30%	6,783,166	294,337	7,077,503	4,630,777	294,337	4,925,114	31.80%
345.00 Accessory Electric Equipment	4,017,658	1,504,914	37.46%	1,923,819	82,156	2,005,974	1,313,768	82,156	1,395,923	34.74%
346.00 Miscellaneous Power Plant Equipment	950,460	510,095	53.67%	547,590	22,905	570,495	374,093	22,905	396,998	41.77%
Total Ocotillo CT Units 1-2	$ 49,290,599	$ 14,677,070	29.78%	$ 20,211,920	$ 879,372	$ 21,091,292	$ 13,797,699	$ 879,372	$ 14,677,070	29.78%
Ocotillo CT Units 3-7										
341.00 Structures and Improvements	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	
342.00 Fuel Holders, Products and Accessories										
343.00 Prime Movers										
344.00 Generators and Devices	596,546,827	2,970,782	0.50%	8,672,931	216,664	8,889,595	2,754,118	216,664	2,970,782	0.50%
345.00 Accessory Electric Equipment										
346.00 Miscellaneous Power Plant Equipment										
Total Ocotillo CT Units 3-7	$ 596,546,827	$ 2,970,782	0.50%	$ 8,672,931	$ 216,664	$ 8,889,595	$ 2,754,118	$ 216,664	$ 2,970,782	0.50%
Saguaro										
341.00 Structures and Improvements	$ 3,051,365	$ 1,442,471	47.27%	$ 1,397,204	$ 61,023	$ 1,458,227	$ 1,186,250	$ 61,023	$ 1,247,273	40.88%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,271,253	77.40%	1,109,738	45,749	1,155,487	942,580	45,749	988,329	60.17%
343.00 Prime Movers	23,292,483	5,718,981	24.55%	7,819,384	332,299	8,151,683	6,802,554	332,299	7,134,854	30.63%
344.00 Generators and Devices	38,498,152	17,877,019	46.44%	15,490,760	622,599	16,113,359	16,429,755	622,599	17,052,355	44.29%
345.00 Accessory Electric Equipment	3,593,189	1,454,205	40.47%	1,625,188	68,431	1,693,619	1,403,964	68,431	1,472,394	40.98%
346.00 Miscellaneous Power Plant Equipment	916,172	662,539	72.32%	596,288	24,831	621,119	506,434	24,831	531,265	57.99%
Total Saguaro	$ 70,993,849	$ 28,426,468	40.04%	$ 28,038,563	$ 1,154,931	$ 29,193,494	$ 27,271,537	$ 1,154,931	$ 28,426,468	40.04%

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A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Saguaro CT Units 1-2										
341.00 Structures and Improvements	$ 3,051,365	$ 1,442,471	47.27%	$ 1,397,204	$ 61,023	$ 1,458,227	$ 1,186,250	$ 61,023	$ 1,247,273	40.88%
342.00 Fuel Holders, Products and Accessories	1,642,488	1,271,253	77.40%	1,109,738	45,749	1,155,487	942,580	45,749	988,329	60.17%
343.00 Prime Movers	21,353,178	5,183,748	24.28%	7,271,018	310,352	7,581,370	6,174,259	310,352	6,484,611	30.37%
344.00 Generators and Devices	14,724,431	4,647,555	31.56%	4,439,116	192,972	4,632,088	3,769,015	192,972	3,961,987	26.91%
345.00 Accessory Electric Equipment	3,269,324	1,383,086	42.30%	1,544,862	65,253	1,610,115	1,311,935	65,253	1,377,188	42.12%
346.00 Miscellaneous Power Plant Equipment	916,172	662,539	72.32%	596,288	24,831	621,119	506,434	24,831	531,265	57.99%
Total Saguaro CT Units 1-2	$ 44,956,958	$ 14,590,652	32.45%	$ 16,358,227	$ 700,179	$ 17,058,406	$ 13,890,473	$ 700,179	$ 14,590,652	32.45%
Saguaro CT Unit 3										
341.00 Structures and Improvements	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	
342.00 Fuel Holders, Products and Accessories										
343.00 Prime Movers	1,939,305	535,233	27.60%	548,366	21,948	570,313	628,295	21,948	650,243	33.53%
344.00 Generators and Devices	23,773,721	13,229,464	55.65%	11,051,644	429,627	11,481,271	12,660,740	429,627	13,090,367	55.06%
345.00 Accessory Electric Equipment	323,865	71,120	21.96%	80,326	3,177	83,503	92,029	3,177	95,206	29.40%
346.00 Miscellaneous Power Plant Equipment										
Total Saguaro CT Unit 3	$ 26,036,891	$ 13,835,816	53.14%	$ 11,680,336	$ 454,752	$ 12,135,088	$ 13,381,064	$ 454,752	$ 13,835,816	53.14%
Sundance Units 1-10										
341.00 Structures and Improvements	$ 13,762,067	$ 6,860,041	49.85%	$ 5,129,107	$ 205,190	$ 5,334,297	$ 6,993,976	$ 205,190	$ 7,199,166	52.31%
342.00 Fuel Holders, Products and Accessories	4,418,231	2,391,416	54.13%	1,730,685	68,792	1,799,477	2,359,781	68,792	2,428,574	54.97%
343.00 Prime Movers	227,932,672	129,018,866	56.60%	90,991,087	3,610,014	94,601,101	124,063,612	3,610,014	127,673,626	56.01%
344.00 Generators and Devices	13,058,506	1,972,219	15.10%	2,184,441	90,801	2,275,242	2,979,866	90,801	3,070,667	23.51%
345.00 Accessory Electric Equipment	27,804,255	15,482,562	55.68%	10,816,946	428,946	11,245,892	14,748,508	428,946	15,177,454	54.59%
346.00 Miscellaneous Power Plant Equipment	6,970,933	1,296,100	18.59%	1,048,753	41,731	1,090,485	1,429,987	41,731	1,471,718	21.11%
Total Sun Dance Units 1-10	$ 293,946,664	$ 157,021,204	53.42%	$ 111,901,019	$ 4,445,475	$ 116,346,494	$ 152,575,729	$ 4,445,475	$ 157,021,204	53.42%
West Phoenix CT Units 1-2										
341.00 Structures and Improvements	$ 4,239,486	$ 1,109,653	26.17%	$ 1,303,461	$ 57,769	$ 1,361,230	$ 892,554	$ 57,769	$ 950,323	22.42%
342.00 Fuel Holders, Products and Accessories	1,843,219	1,100,840	59.72%	1,168,900	47,819	1,216,718	801,616	47,819	849,435	46.08%
343.00 Prime Movers	20,466,623	5,881,051	28.73%	9,182,592	397,332	9,579,924	6,290,756	397,332	6,688,088	32.68%
344.00 Generators and Devices	15,280,205	4,269,530	27.94%	5,261,413	226,077	5,487,491	3,604,936	226,077	3,831,014	25.07%
345.00 Accessory Electric Equipment	1,525,954	463,354	30.36%	922,075	38,174	960,249	632,210	38,174	670,384	43.93%
346.00 Miscellaneous Power Plant Equipment	1,026,473	628,767	61.26%	637,512	27,044	664,556	436,906	27,044	463,950	45.20%
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 13,453,194	30.31%	$ 18,475,952	$ 794,216	$ 19,270,168	$ 12,658,978	$ 794,216	$ 13,453,194	30.31%
Yucca										
341.00 Structures and Improvements	$ 6,755,977	$ 859,793	12.73%	$ 2,288,330	$ 98,561	$ 2,386,891	$ 2,076,668	$ 98,561	$ 2,175,229	32.20%
342.00 Fuel Holders, Products and Accessories	5,431,503	3,799,741	69.96%	3,425,893	135,508	3,561,402	3,109,742	135,508	3,245,251	59.75%
343.00 Prime Movers	81,264,482	24,961,885	30.72%	26,575,382	1,003,791	27,579,172	24,059,647	1,003,791	25,063,438	30.84%
344.00 Generators and Devices	10,021,346	5,761,585	57.49%	5,563,492	232,803	5,796,295	5,051,779	232,803	5,284,582	52.73%
345.00 Accessory Electric Equipment	4,554,682	2,606,543	57.23%	2,465,356	101,187	2,566,543	2,238,201	101,187	2,339,388	51.36%
346.00 Miscellaneous Power Plant Equipment	2,627,899	1,114,812	42.42%	1,050,332	43,098	1,093,430	953,372	43,098	996,471	37.92%
Total Yucca	$ 110,655,889	$ 39,104,358	35.34%	$ 41,368,786	$ 1,614,948	$ 42,983,733	$ 37,489,411	$ 1,614,948	$ 39,104,358	35.34%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Yucca CT Units 1-4										
341.00 Structures and Improvements	$ 5,685,548	$ 616,237	10.84%	$ 2,050,263	$ 89,739	$ 2,140,002	$ 1,861,391	$ 89,739	$ 1,951,130	34.32%
342.00 Fuel Holders, Products and Accessories	3,934,860	3,357,198	85.32%	2,990,360	119,538	3,109,898	2,715,888	119,538	2,835,426	72.06%
343.00 Prime Movers	12,670,962	6,731,737	53.13%	7,142,968	291,861	7,434,829	6,486,788	291,861	6,778,649	53.50%
344.00 Generators and Devices	9,848,867	5,727,556	58.15%	5,528,787	231,515	5,760,302	5,020,397	231,515	5,251,912	53.33%
345.00 Accessory Electric Equipment	3,737,069	2,473,783	66.20%	2,313,842	95,318	2,409,160	2,101,216	95,318	2,196,534	58.78%
346.00 Miscellaneous Power Plant Equipment	1,536,718	1,001,468	65.17%	941,876	39,022	980,898	855,305	39,022	894,327	58.20%
Total Yucca CT Units 1-4	$ 37,414,024	$ 19,907,978	53.21%	$ 20,968,097	$ 866,993	$ 21,835,090	$ 19,040,985	$ 866,993	$ 19,907,978	53.21%
Yucca CT Units 5-6										
341.00 Structures and Improvements	$ 1,070,429	$ 243,556	22.75%	$ 238,068	$ 8,821	$ 246,889	$ 215,277	$ 8,821	$ 224,099	20.94%
342.00 Fuel Holders, Products and Accessories	1,496,643	442,543	29.57%	435,533	15,970	451,503	393,854	15,970	409,824	27.38%
343.00 Prime Movers	68,593,520	18,230,148	26.58%	19,432,414	711,930	20,144,343	17,572,859	711,930	18,284,789	26.66%
344.00 Generators and Devices	172,479	34,030	19.73%	34,705	1,288	35,993	31,382	1,288	32,670	18.94%
345.00 Accessory Electric Equipment	817,613	132,760	16.24%	151,514	5,869	157,383	136,985	5,869	142,855	17.47%
346.00 Miscellaneous Power Plant Equipment	1,091,181	113,344	10.39%	108,456	4,076	112,532	98,068	4,076	102,144	9.36%
Total Yucca CT Units 5-6	$ 73,241,865	$ 19,196,381	26.21%	$ 20,400,689	$ 747,955	$ 21,148,644	$ 18,448,426	$ 747,955	$ 19,196,381	26.21%
Solar Units										
341.00 Structures and Improvements	$ 36,871,992	$ 6,521,205	17.69%	$ 6,440,469	$ 402,227	$ 6,842,695	$ 6,515,945	$ 402,227	$ 6,918,171	18.76%
342.00 Fuel Holders, Products and Accessories										
343.00 Prime Movers										
344.00 Generators and Devices	687,278,590	130,283,085	18.96%	121,829,741	7,991,856	129,821,597	120,420,910	7,991,856	128,412,765	18.68%
345.00 Accessory Electric Equipment	127,033,147	22,649,823	17.83%	23,154,695	1,488,754	24,643,449	22,591,934	1,488,754	24,080,688	18.96%
346.00 Miscellaneous Power Plant Equipment	1,577,646	288,249	18.27%	278,082	17,016	295,098	313,722	17,016	330,738	20.96%
Total Solar Units	$ 852,761,375	$ 159,742,363	18.73%	$ 151,702,986	$ 9,899,853	$ 161,602,840	$ 149,842,510	$ 9,899,853	$ 159,742,363	18.73%
Chino Valley										
341.05 Structures and Improvements	$ 527,890	$ 110,183	20.87%	$ 111,855	$ 6,200	$ 118,055	$ 103,982	$ 6,200	$ 110,182	20.87%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	77,719,184	16,221,704	20.87%	16,467,978	912,870	17,380,848	15,308,834	912,870	16,221,704	20.87%
345.05 Accessory Electric Equipment	6,511,784	1,359,153	20.87%	1,379,787	76,486	1,456,273	1,282,667	76,486	1,359,153	20.87%
346.05 Miscellaneous Power Plant Equipment	216,504	45,189	20.87%	45,875	2,543	48,418	42,646	2,543	45,189	20.87%
Total Chino Valley	$ 84,975,362	$ 17,736,228	20.87%	$ 18,005,495	$ 998,100	$ 19,003,595	$ 16,738,129	$ 998,100	$ 17,736,228	20.87%
Cotton Center										
341.05 Structures and Improvements	$ 1,813,499	$ 442,322	24.39%	$ 444,135	$ 23,216	$ 467,351	$ 437,052	$ 23,216	$ 460,268	25.38%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	62,644,922	15,731,380	25.11%	15,012,992	784,700	15,797,691	14,773,567	784,700	15,558,266	24.84%
345.05 Accessory Electric Equipment	15,418,007	3,760,538	24.39%	3,775,947	197,378	3,973,326	3,715,729	197,378	3,913,107	25.38%
346.05 Miscellaneous Power Plant Equipment	262,640	64,060	24.39%	64,322	3,362	67,684	63,296	3,362	66,658	25.38%
Total Cotton Center	$ 80,139,068	$ 19,998,300	24.95%	$ 19,297,396	$ 1,008,656	$ 20,306,052	$ 18,989,643	$ 1,008,656	$ 19,998,300	24.95%

ARIZONA PUBLIC SERVICE COMPANY
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Vintage Group Procedure
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December 31, 2018

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Investment	Computed Reserve Net Salvage	Computed Reserve Total	Redistributed Reserve Investment	Redistributed Reserve Net Salvage	Redistributed Reserve Total	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Desert Star										
341.05 Structures and Improvements	$ 1,557,800	$ 202,535	13.00%	$ 176,863	$ 13,750	$ 190,613	$ 382,035	$ 13,750	$ 395,785	25.41%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	29,042,805	6,928,587	23.86%	2,759,631	214,786	2,974,416	5,961,230	214,786	6,176,016	21.27%
345.05 Accessory Electric Equipment	4,084,919	514,847	12.60%	463,778	36,055	499,832	1,001,787	36,055	1,037,841	25.41%
346.05 Miscellaneous Power Plant Equipment	291,809	37,812	12.96%	33,130	2,576	35,706	71,563	2,576	74,139	25.41%
Total Desert Star	$ 34,977,333	$ 7,683,781	21.97%	$ 3,433,402	$ 267,166	$ 3,700,568	$ 7,416,615	$ 267,166	$ 7,683,781	21.97%
Foothills Units										
341.05 Structures and Improvements	$ 10,906,684	$ 2,002,258	18.36%	$ 1,950,452	$ 123,465	$ 2,073,917	$ 1,917,165	$ 123,465	$ 2,040,630	18.71%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	105,443,248	19,840,062	18.82%	18,856,506	1,193,615	20,050,121	18,534,697	1,193,615	19,728,312	18.71%
345.05 Accessory Electric Equipment	20,815,540	3,821,391	18.36%	3,722,461	235,634	3,958,095	3,658,932	235,634	3,894,567	18.71%
346.05 Miscellaneous Power Plant Equipment	57,708	10,594	18.36%	10,320	653	10,973	10,144	653	10,797	18.71%
Total Foothills Units	$ 137,223,180	$ 25,674,305	18.71%	$ 24,539,739	$ 1,553,368	$ 26,093,106	$ 24,120,938	$ 1,553,368	$ 25,674,305	18.71%
Gila Bend										
341.05 Structures and Improvements	$ 5,018,097	$ 796,443	15.87%	$ 732,746	$ 55,046	$ 787,793	$ 772,335	$ 55,046	$ 827,381	16.49%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	89,246,612	14,814,413	16.60%	13,031,858	978,996	14,010,854	13,735,932	978,996	14,714,928	16.49%
345.05 Accessory Electric Equipment	11,096,944	1,761,241	15.87%	1,620,384	121,729	1,742,113	1,707,929	121,729	1,829,657	16.49%
346.05 Miscellaneous Power Plant Equipment	21,142	3,356	15.87%	3,087	232	3,319	3,254	232	3,486	16.49%
Total Gila Bend	$ 105,382,795	$ 17,375,452	16.49%	$ 15,388,076	$ 1,156,003	$ 16,544,079	$ 16,219,449	$ 1,156,003	$ 17,375,452	16.49%
Hyder										
341.05 Structures and Improvements	$ 6,915,232	$ 1,439,968	20.82%	$ 1,436,869	$ 48,447	$ 1,485,316	$ 1,394,291	$ 48,447	$ 1,442,738	20.86%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	93,250,197	19,712,675	21.14%	19,631,620	661,890	20,293,510	19,049,892	661,890	19,711,782	21.14%
345.05 Accessory Electric Equipment	22,556,482	4,868,348	21.58%	4,846,847	163,262	5,010,110	4,703,229	163,262	4,866,491	21.57%
346.05 Miscellaneous Power Plant Equipment	206,389	47,783	23.15%	47,575	1,597	49,172	46,165	1,597	47,763	23.14%
Total Hyder	$ 122,928,300	$ 26,068,774	21.21%	$ 25,962,911	$ 875,196	$ 26,838,108	$ 25,193,577	$ 875,196	$ 26,068,774	21.21%
Legacy										
341.00 Structures and Improvements	$ 313,214	$ 210,689	67.27%	$ 172,334	$ 441	$ 172,775	$ 336,218	$ 441	$ 336,659	107.49%
342.00 Fuel Holders, Products and Accessories										
343.00 Prime Movers										
344.00 Generators and Devices	10,452,105	6,148,103	58.82%	2,883,339	8,042	2,891,382	5,625,931	8,042	5,633,973	53.90%
345.00 Accessory Electric Equipment	1,972,486	436,675	22.14%	422,124	1,185	423,309	823,649	1,185	824,834	41.82%
346.00 Miscellaneous Power Plant Equipment										
Total Legacy	$ 12,737,805	$ 6,795,467	53.35%	$ 3,477,797	$ 9,668	$ 3,487,466	$ 6,785,798	$ 9,668	$ 6,795,467	53.35%

ARIZONA PUBLIC SERVICE COMPANY
Depreciation Reserve Summary - SFAS 143 Method
Vintage Group Procedure
Accretion Rate: 3.78 Percent
December 31, 2018

Statement C

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A	B	C	D=C/B	E	F	G=E+F	H	I	J=H+I	K=J/B
Luke AFB										
341.05 Structures and Improvements	$ 1,488,329	$ 195,442	13.13%	$ 168,976	$ 15,667	$ 184,643	$ 193,853	$ 15,667	$ 209,520	14.08%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	25,469,888	3,634,445	14.27%	2,891,701	268,114	3,159,814	3,317,426	268,114	3,585,540	14.08%
345.05 Accessory Electric Equipment	1,757,020	215,719	12.28%	199,482	18,496	217,977	228,850	18,496	247,346	14.08%
346.05 Miscellaneous Power Plant Equipment	357,678	47,152	13.18%	40,609	3,765	44,374	46,587	3,765	50,352	14.08%
Total Luke AFB	$ 29,072,915	$ 4,092,758	14.08%	$ 3,300,767	$ 306,042	$ 3,606,809	$ 3,786,716	$ 306,042	$ 4,092,758	14.08%
Paloma										
341.05 Structures and Improvements	$ 2,281,950	$ 564,894	24.75%	$ 558,861	$ 36,044	$ 594,905	$ 529,094	$ 36,044	$ 565,139	24.77%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	49,207,939	12,136,521	24.66%	11,999,861	774,223	12,774,083	11,360,700	774,223	12,134,922	24.66%
345.05 Accessory Electric Equipment	12,514,947	3,098,061	24.75%	3,064,973	197,679	3,262,652	2,901,724	197,679	3,099,403	24.77%
346.05 Miscellaneous Power Plant Equipment	121,486	30,074	24.76%	29,753	1,919	31,671	28,168	1,919	30,087	24.77%
Total Paloma	$ 64,126,322	$ 15,829,551	24.68%	$ 15,653,447	$ 1,009,865	$ 16,663,312	$ 14,819,686	$ 1,009,865	$ 15,829,551	24.68%
Red Rock										
341.05 Structures and Improvements	$ 4,463,879	$ 235,358	5.27%	$ 360,140	$ 38,914	$ 399,054	$ 200,370	$ 38,914	$ 239,284	5.36%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	72,010,410	3,796,746	5.27%	5,809,704	627,751	6,437,455	3,232,331	627,751	3,860,082	5.36%
345.05 Accessory Electric Equipment	13,383,040	784,690	5.86%	1,079,726	116,667	1,196,393	600,724	116,667	717,391	5.36%
346.05 Miscellaneous Power Plant Equipment	42,290	2,230	5.27%	3,412	369	3,781	1,898	369	2,267	5.36%
Total Redrock	$ 89,899,619	$ 4,819,024	5.36%	$ 7,252,982	$ 783,700	$ 8,036,682	$ 4,035,324	$ 783,700	$ 4,819,024	5.36%
Roof Tops										
341.05 Structures and Improvements	$ 1,585,418	$ 321,114	20.25%	$ 327,237	$ 41,036	$ 368,273	$ 249,549	$ 41,036	$ 290,585	18.33%
342.05 Fuel Holders, Products and Accessories										
343.05 Prime Movers										
344.05 Generators and Devices	72,791,280	11,318,449	15.55%	12,484,551	1,566,870	14,051,421	9,520,371	1,566,870	11,087,241	15.23%
345.05 Accessory Electric Equipment	16,921,978	2,029,160	11.99%	2,579,186	324,184	2,903,370	1,966,713	324,184	2,290,898	13.54%
346.05 Miscellaneous Power Plant Equipment										
Total Roof Tops	$ 91,298,676	$ 13,668,723	14.97%	$ 15,390,975	$ 1,932,089	$ 17,323,064	$ 11,736,634	$ 1,932,089	$ 13,668,723	14.97%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
STEAM PRODUCTION							
311.00 Structures and Improvements	$ 141,937,433	$ 4,196,141	$ 7,553,262	23.47	0.12%	0.20%	0.32%
312.00 Boiler Plant Equipment	1,491,411,135	57,886,323	87,670,832	24.10	0.16%	0.22%	0.38%
314.00 Turbogenerator Units	211,425,539	7,664,890	12,217,255	24.08	0.15%	0.22%	0.37%
315.00 Accessory Electric Equipment	117,866,116	3,477,632	6,349,965	26.55	0.11%	0.20%	0.32%
316.00 Miscellaneous Power Plant Equipment	84,425,866	2,847,582	4,609,176	24.43	0.14%	0.21%	0.35%
Total Steam Production Plant	$ 2,047,066,089	$ 76,072,568	$ 118,400,490	24.20	0.15%	0.22%	0.37%
NUCLEAR PRODUCTION							
321.00 Structures and Improvements	$ 850,120,585	$ 888,957	$ 1,925,130	45.35		0.01%	0.01%
322.00 Reactor Plant Equipment	1,187,263,758	3,397,008	7,961,310	46.35	0.01%	0.03%	0.04%
323.00 Turbogenerator Units	405,048,258	427,615	902,047	42.95		0.01%	0.01%
324.00 Accessory Electric Equipment	294,782,526	247,889	664,866	50.24		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	233,949,471	302,919	523,373	38.90		0.01%	0.01%
Total Nuclear Production Plant	$ 2,971,164,598	$ 5,264,389	$ 11,976,726	45.24	0.00%	0.02%	0.02%
OTHER PRODUCTION							
341.00 Structures and Improvements	$ 131,575,027	$ 2,857,312	$ 3,883,653	26.37	0.08%	0.11%	0.19%
342.00 Fuel Holders, Products and Accessories	56,786,945	977,355	1,689,360	27.20	0.07%	0.11%	0.18%
343.00 Prime Movers	655,542,039	10,316,822	16,973,552	28.66	0.06%	0.10%	0.16%
344.00 Generators and Devices	2,104,937,839	47,839,063	58,566,546	26.98	0.08%	0.10%	0.19%
345.00 Accessory Electric Equipment	247,553,984	6,416,991	8,336,766	26.00	0.10%	0.13%	0.23%
346.00 Miscellaneous Power Plant Equipment	34,845,144	738,273	989,142	22.60	0.09%	0.11%	0.20%
Total Other Production Plant	$ 3,231,240,978	$ 69,145,817	$ 90,439,019	27.15	0.08%	0.11%	0.19%
TRANSMISSION PLANT							
352.02 Structures and Improvements	$ 151,995	$ -	$ -	52.37			
353.00 Station Equipment	132,434,328	1,052,985	1,969,935	53.77	0.01%	0.06%	0.07%
354.00 Towers and Fixtures	1,329,316	-	-	60.66			
355.00 Poles and Fixtures	1,370,085	40,990	75,345	55.56	0.05%	0.21%	0.26%
356.00 Overhead Conductors and Devices	1,947,677	47,471	105,726	59.37	0.04%	0.21%	0.25%
Total Transmission Plant	$ 137,233,401	$ 1,141,445	$ 2,151,006	53.92	0.01%	0.06%	0.07%

ARIZONA PUBLIC SERVICE COMPANY

Statement D

Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
DISTRIBUTION PLANT							
361.00 Structures and Improvements	$ 93,053,192	$ 1,178,838	$ 2,028,517	59.89	0.02%	0.08%	0.10%
362.00 Station Equipment	631,870,595	7,220,227	11,066,957	45.04	0.03%	0.07%	0.10%
363.00 Storage Battery Equipment	13,585,353	-	-	10.00			
364.01 Poles, Towers and Fixtures - Wood	357,345,350	13,404,937	27,552,144	44.59	0.08%	0.29%	0.37%
364.02 Poles, Towers and Fixtures - Steel	323,911,866	6,471,280	9,017,332	50.07	0.04%	0.11%	0.15%
365.00 Overhead Conductors and Devices	468,658,341	17,842,919	28,422,062	49.93	0.08%	0.23%	0.31%
366.00 Underground Conduit	727,611,816	16,663,040	30,882,504	60.04	0.04%	0.16%	0.20%
367.00 Underground Conductors and Devices	1,863,851,442	68,988,910	114,003,836	39.90	0.09%	0.23%	0.32%
368.00 Line Transformers	921,018,156	7,668,837	14,260,142	55.05	0.02%	0.06%	0.08%
369.00 Services	447,263,911	14,910,594	27,712,829	55.45	0.06%	0.23%	0.29%
370.01 Meters - Electronic	17,843,353	-	-	16.45			
370.03 Meters - AMI	302,666,385	-	-	14.87			
371.00 Installations on Customers' Premises	46,529,246	1,442,607	2,591,254	45.07	0.07%	0.21%	0.28%
373.00 Street Lighting and Signal Systems	80,127,587	1,901,926	3,886,115	54.53	0.04%	0.18%	0.22%
Total Distribution Plant	$ 6,295,336,593	$ 157,694,115	$ 271,423,692	42.43	0.06%	0.16%	0.22%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 265,654,498	$ 7,116,952	$ 9,646,908	39.86	0.07%	0.14%	0.21%
391.CM Office Furn. and Equip. - Computer	243,545,219	-	-	8.16			
397.00 Communication Equipment	295,372,374	-	-	21.06			
Total Depreciable	$ 804,572,091	$ 7,116,952	$ 9,646,908	15.92	0.02%	0.05%	0.07%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

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A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Amortizable							
391.FE Office Furn. and Equip. - Furniture	$ 63,799,361	$ -	$ -	20.00			
393.00 Stores Equipment	594,181	-	-	20.00			
394.00 Tools, Shop and Garage Equipment	43,094,855	-	-	20.00			
395.00 Laboratory Equipment	767,547	-	-	20.00			
398.00 Miscellaneous Equipment	23,861,303	-	-	24.00			
Total Amortizable	$ 132,117,247	$ -	$ -	20.62			
Total General Plant	$ 936,689,338	$ 7,116,952	$ 9,646,908	16.45	0.02%	0.04%	0.06%
TOTAL UTILITY	$ 15,618,730,997	$ 316,435,286	$ 504,037,842	32.73	0.06%	0.12%	0.18%
STEAM PRODUCTION (by Unit)							
Cholla							
311.00 Structures and Improvements	$ 78,078,473	$ 2,304,920	$ 4,436,491	20.20	0.14%	0.21%	0.35%
312.00 Boiler Plant Equipment	385,237,434	13,128,990	22,665,878	18.69	0.18%	0.22%	0.40%
314.00 Turbogenerator Units	85,554,772	2,720,232	5,034,520	20.81	0.16%	0.22%	0.38%
315.00 Accessory Electric Equipment	53,298,558	1,247,782	3,044,205	25.48	0.10%	0.22%	0.31%
316.00 Miscellaneous Power Plant Equipment	24,674,267	852,434	1,445,964	17.23	0.20%	0.22%	0.42%
Total Cholla	$ 626,843,504	$ 20,254,357	$ 36,627,058	19.52	0.17%	0.22%	0.39%
Cholla Unit 1							
311.00 Structures and Improvements	$ 4,743,207	$ 140,734	$ 305,078	23.89	0.12%	0.24%	0.36%
312.00 Boiler Plant Equipment	82,295,074	3,135,055	5,467,554	19.18	0.20%	0.25%	0.45%
314.00 Turbogenerator Units	27,444,492	1,076,513	1,803,956	18.42	0.21%	0.25%	0.46%
315.00 Accessory Electric Equipment	9,492,908	291,946	617,403	23.08	0.13%	0.25%	0.38%
316.00 Miscellaneous Power Plant Equipment	3,742,187	133,896	246,005	18.93	0.19%	0.25%	0.44%
Total Cholla Unit 1	$ 127,717,868	$ 4,778,143	$ 8,439,996	19.39	0.19%	0.25%	0.44%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Cholla Unit 3							
311.00 Structures and Improvements	$ 13,288,725	$ 353,293	$ 719,288	20.30	0.13%	0.20%	0.33%
312.00 Boiler Plant Equipment	243,068,426	8,029,319	13,669,446	18.24	0.18%	0.21%	0.39%
314.00 Turbogenerator Units	57,062,305	1,613,053	3,169,520	22.21	0.13%	0.21%	0.34%
315.00 Accessory Electric Equipment	34,899,789	658,874	1,914,442	30.16	0.06%	0.21%	0.27%
316.00 Miscellaneous Power Plant Equipment	7,009,816	212,527	389,362	18.06	0.17%	0.21%	0.38%
Total Cholla Unit 3	$ 355,329,061	$ 10,867,066	$ 19,862,058	19.64	0.16%	0.21%	0.37%
Cholla Common							
311.00 Structures and Improvements	$ 60,046,541	$ 1,810,893	$ 3,412,126	19.93	0.15%	0.21%	0.36%
312.00 Boiler Plant Equipment	59,873,934	1,964,616	3,528,878	20.01	0.16%	0.22%	0.38%
314.00 Turbogenerator Units	1,047,975	30,666	61,044	20.15	0.15%	0.22%	0.37%
315.00 Accessory Electric Equipment	8,905,861	296,961	512,360	17.03	0.20%	0.22%	0.42%
316.00 Miscellaneous Power Plant Equipment	13,922,264	506,011	810,597	16.45	0.22%	0.22%	0.44%
Total Cholla Common	$ 143,796,575	$ 4,609,148	$ 8,325,004	19.36	0.16%	0.22%	0.38%
Four Corners							
311.00 Structures and Improvements	$ 63,858,960	$ 1,891,221	$ 3,116,770	29.26	0.10%	0.18%	0.28%
312.00 Boiler Plant Equipment	1,106,173,701	44,757,333	65,004,955	26.80	0.15%	0.22%	0.37%
314.00 Turbogenerator Units	125,870,767	4,944,659	7,182,735	26.95	0.15%	0.22%	0.37%
315.00 Accessory Electric Equipment	64,567,558	2,229,850	3,305,760	27.51	0.13%	0.19%	0.32%
316.00 Miscellaneous Power Plant Equipment	59,751,599	1,995,148	3,163,212	29.53	0.12%	0.20%	0.32%
Total Four Corners	$ 1,420,222,585	$ 55,818,211	$ 81,773,432	27.05	0.14%	0.21%	0.36%
Four Corners Units 4-5							
311.00 Structures and Improvements	$ 39,839,762	$ 1,120,521	$ 2,148,968	33.84	0.08%	0.20%	0.28%
312.00 Boiler Plant Equipment	1,066,430,407	43,579,974	63,192,532	26.74	0.15%	0.22%	0.37%
314.00 Turbogenerator Units	121,897,287	4,853,608	7,008,068	26.81	0.15%	0.22%	0.37%
315.00 Accessory Electric Equipment	43,201,151	1,499,635	2,407,686	29.84	0.12%	0.21%	0.33%
316.00 Miscellaneous Power Plant Equipment	39,853,780	1,405,666	2,291,519	30.51	0.12%	0.22%	0.34%
Total Four Corners Units 4-5	$ 1,311,222,387	$ 52,459,405	$ 77,048,773	27.11	0.15%	0.22%	0.37%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Four Corners Common							
311.00 Structures and Improvements	$ 24,019,198	$ 770,700	$ 967,803	23.89	0.13%	0.15%	0.28%
312.00 Boiler Plant Equipment	39,743,294	1,177,359	1,812,422	28.59	0.10%	0.17%	0.27%
314.00 Turbogenerator Units	3,973,480	91,050	174,667	32.27	0.07%	0.17%	0.24%
315.00 Accessory Electric Equipment	21,366,407	730,216	898,074	23.75	0.14%	0.16%	0.30%
316.00 Miscellaneous Power Plant Equipment	19,897,819	589,481	871,693	27.75	0.11%	0.17%	0.28%
Total Four Corners Common	$ 109,000,198	$ 3,358,806	$ 4,724,659	26.36	0.12%	0.16%	0.28%
NUCLEAR PRODUCTION (by Unit)							
Palo Verde							
321.00 Structures and Improvements	$ 850,120,585	$ 888,957	$ 1,925,130	45.35		0.01%	0.01%
322.00 Reactor Plant Equipment	1,187,263,758	3,397,008	7,961,310	46.35	0.01%	0.03%	0.04%
323.00 Turbogenerator Units	405,048,258	427,615	902,047	42.95		0.01%	0.01%
324.00 Accessory Electric Equipment	294,782,526	247,889	664,866	50.24		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	233,949,471	302,919	523,373	38.90		0.01%	0.01%
Total Palo Verde	$ 2,971,164,598	$ 5,264,389	$ 11,976,726	45.24	0.00%	0.02%	0.02%
Palo Verde Unit 1							
321.00 Structures and Improvements	$ 169,287,979	$ 131,843	$ 371,003	50.06		0.01%	0.01%
322.00 Reactor Plant Equipment	465,986,593	1,219,609	3,039,081	46.74	0.01%	0.02%	0.03%
323.00 Turbogenerator Units	144,321,116	143,865	311,362	42.19		0.01%	0.01%
324.00 Accessory Electric Equipment	121,319,415	91,271	266,311	51.10		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	33,599,919	27,627	73,371	46.77		0.01%	0.01%
Total Palo Verde Unit 1	$ 934,515,022	$ 1,614,216	$ 4,061,128	47.04	0.00%	0.01%	0.02%

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Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Palo Verde Unit 2							
321.00 Structures and Improvements	$ 94,477,904	$ 71,418	$ 212,470	52.67		0.01%	0.01%
322.00 Reactor Plant Equipment	248,880,636	711,614	1,654,745	45.28	0.01%	0.03%	0.04%
323.00 Turbogenerator Units	87,819,612	89,829	193,897	42.92		0.01%	0.01%
324.00 Accessory Electric Equipment	49,752,711	39,761	111,470	50.84		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	27,865,592	23,438	62,103	48.77		0.01%	0.01%
Total Palo Verde Unit 2	$ 508,796,455	$ 936,059	$ 2,234,685	46.74	0.00%	0.02%	0.02%
Palo Verde Unit 3							
321.00 Structures and Improvements	$ 167,896,725	$ 138,955	$ 392,415	53.18		0.01%	0.01%
322.00 Reactor Plant Equipment	436,634,437	1,346,614	3,020,830	46.77	0.01%	0.03%	0.04%
323.00 Turbogenerator Units	167,364,071	184,913	384,474	44.00		0.01%	0.01%
324.00 Accessory Electric Equipment	95,765,260	84,279	223,115	51.24		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	29,878,581	26,912	69,461	49.39		0.01%	0.01%
Total Palo Verde Unit 3	$ 897,539,074	$ 1,781,673	$ 4,090,294	47.82	0.00%	0.02%	0.02%
Palo Verde Water Reclamation							
321.00 Structures and Improvements	$ 233,902,104	$ 312,378	$ 529,445	39.56		0.01%	0.01%
322.00 Reactor Plant Equipment	454,911	2,473	3,006	32.04	0.02%	0.02%	0.04%
323.00 Turbogenerator Units	217,756	179	508	51.39		0.01%	0.01%
324.00 Accessory Electric Equipment	-	-	-				
325.00 Miscellaneous Power Plant Equipment	241,107	376	539	35.63		0.01%	0.01%
Total Palo Verde Water Reclamation	$ 234,815,878	$ 315,406	$ 533,498	39.55	0.00%	0.01%	0.01%
Palo Verde Common							
321.00 Structures and Improvements	$ 184,555,873	$ 234,363	$ 419,797	40.99		0.01%	0.01%
322.00 Reactor Plant Equipment	35,307,181	116,699	243,647	44.29	0.01%	0.03%	0.04%
323.00 Turbogenerator Units	5,325,703	8,829	11,805	34.21		0.01%	0.01%
324.00 Accessory Electric Equipment	27,945,140	32,579	63,971	43.28		0.01%	0.01%
325.00 Miscellaneous Power Plant Equipment	142,364,272	224,567	317,899	34.62		0.01%	0.01%
Total Palo Verde Common	$ 395,498,169	$ 617,036	$ 1,057,120	38.72	0.00%	0.01%	0.01%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
OTHER PRODUCTION							
Combined Cycle							
341.00 Structures and Improvements	$ 63,600,586	$ 1,052,766	$ 1,605,086	28.02	0.06%	0.10%	0.15%
342.00 Fuel Holders, Products and Accessories	41,829,313	779,583	1,249,198	25.59	0.07%	0.11%	0.19%
343.00 Prime Movers	274,702,584	3,829,150	6,980,448	30.91	0.05%	0.10%	0.14%
344.00 Generators and Devices	727,795,468	13,992,081	19,385,049	23.57	0.08%	0.10%	0.18%
345.00 Accessory Electric Equipment	78,442,697	1,578,344	2,225,300	22.11	0.10%	0.11%	0.20%
346.00 Miscellaneous Power Plant Equipment	20,741,997	447,056	584,386	21.46	0.10%	0.11%	0.21%
Total Combined Cycle	$ 1,207,112,645	$ 21,678,981	$ 32,029,467	25.05	0.07%	0.10%	0.17%
Redhawk CC Units 1-2							
341.00 Structures and Improvements	$ 23,988,173	$ 360,778	$ 612,663	29.85	0.05%	0.10%	0.15%
342.00 Fuel Holders, Products and Accessories	12,809,613	258,726	327,020	23.95	0.08%	0.10%	0.18%
343.00 Prime Movers	132,414,998	1,844,965	3,382,231	29.97	0.05%	0.10%	0.15%
344.00 Generators and Devices	391,212,295	7,467,008	9,988,492	23.58	0.08%	0.10%	0.18%
345.00 Accessory Electric Equipment	29,897,838	497,247	763,512	27.20	0.06%	0.10%	0.16%
346.00 Miscellaneous Power Plant Equipment	6,872,469	136,627	175,453	24.23	0.08%	0.10%	0.18%
Total Redhawk CC Units 1-2	$ 597,195,386	$ 10,565,350	$ 15,249,373	25.17	0.07%	0.10%	0.17%
West Phoenix							
341.00 Structures and Improvements	$ 39,612,413	$ 691,988	$ 992,422	27.02	0.06%	0.09%	0.16%
342.00 Fuel Holders, Products and Accessories	29,019,700	520,857	922,178	26.39	0.07%	0.12%	0.19%
343.00 Prime Movers	142,287,586	1,984,185	3,598,217	31.84	0.05%	0.09%	0.14%
344.00 Generators and Devices	336,583,173	6,525,073	9,396,557	23.56	0.08%	0.10%	0.19%
345.00 Accessory Electric Equipment	48,544,859	1,081,097	1,461,787	19.82	0.12%	0.11%	0.23%
346.00 Miscellaneous Power Plant Equipment	13,869,528	310,429	408,933	20.31	0.11%	0.11%	0.22%
Total West Phoenix	$ 609,917,259	$ 11,113,630	$ 16,780,094	24.94	0.08%	0.10%	0.18%

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Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
West Phoenix CC Units 1-3							
341.00 Structures and Improvements	$ 366,217	$ 7,403	$ 11,992	23.84	0.08%	0.12%	0.20%
342.00 Fuel Holders, Products and Accessories	22,031,967	392,512	721,500	26.79	0.07%	0.12%	0.19%
343.00 Prime Movers	-	-	-				
344.00 Generators and Devices	130,345,213	2,842,313	4,268,149	20.16	0.11%	0.12%	0.23%
345.00 Accessory Electric Equipment	32,620,455	817,335	1,068,075	17.23	0.15%	0.12%	0.27%
346.00 Miscellaneous Power Plant Equipment	8,073,969	192,437	264,371	18.33	0.13%	0.12%	0.25%
Total West Phoenix CC Units 1-3	$ 193,437,821	$ 4,252,001	$ 6,334,088	20.07	0.11%	0.12%	0.23%
West Phoenix CC Unit 4							
341.00 Structures and Improvements	$ 7,035,987	$ 129,422	$ 186,071	25.36	0.07%	0.10%	0.17%
342.00 Fuel Holders, Products and Accessories	4,470,010	64,740	118,242	32.60	0.04%	0.10%	0.14%
343.00 Prime Movers	49,464,010	687,553	1,308,493	33.48	0.04%	0.10%	0.14%
344.00 Generators and Devices	23,956,815	413,431	633,588	27.29	0.06%	0.10%	0.16%
345.00 Accessory Electric Equipment	552,377	11,134	14,606	23.88	0.08%	0.10%	0.18%
346.00 Miscellaneous Power Plant Equipment	942,600	21,061	24,920	21.46	0.10%	0.10%	0.20%
Total West Phoenix CC Unit 4	$ 86,421,799	$ 1,327,342	$ 2,285,919	30.46	0.05%	0.10%	0.15%
West Phoenix CC Unit 5							
341.00 Structures and Improvements	$ 11,054,705	$ 168,986	$ 272,660	30.89	0.05%	0.09%	0.14%
342.00 Fuel Holders, Products and Accessories	2,517,723	63,605	82,435	17.95	0.14%	0.12%	0.26%
343.00 Prime Movers	92,823,576	1,296,633	2,289,724	31.03	0.05%	0.09%	0.14%
344.00 Generators and Devices	182,281,145	3,269,329	4,494,819	26.25	0.07%	0.09%	0.16%
345.00 Accessory Electric Equipment	15,372,027	252,628	379,106	28.84	0.06%	0.09%	0.15%
346.00 Miscellaneous Power Plant Equipment	4,852,959	96,931	119,642	24.43	0.08%	0.09%	0.17%
Total West Phoenix CC Unit 5	$ 308,902,135	$ 5,148,112	$ 7,638,387	27.67	0.06%	0.09%	0.15%

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Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
West Phoenix Common							
341.00 Structures and Improvements	$ 21,155,504	$ 386,176	$ 521,700	25.95	0.07%	0.09%	0.16%
342.00 Fuel Holders, Products and Accessories	-	-	-				
343.00 Prime Movers	-	-	-				
344.00 Generators and Devices	-	-	-				
345.00 Accessory Electric Equipment	-	-	-				
346.00 Miscellaneous Power Plant Equipment	-	-	-				
Total West Phoenix Common	$ 21,155,504	$ 386,176	$ 521,700	25.95	0.07%	0.09%	0.16%
Combustion Turbine							
341.00 Structures and Improvements	$ 31,102,449	$ 651,846	$ 906,401	21.51	0.10%	0.11%	0.21%
342.00 Fuel Holders, Products and Accessories	14,957,632	197,772	440,162	33.00	0.04%	0.11%	0.15%
343.00 Prime Movers	380,839,455	6,487,672	9,993,104	27.23	0.06%	0.10%	0.16%
344.00 Generators and Devices	689,863,781	11,329,513	12,304,957	29.81	0.06%	0.07%	0.12%
345.00 Accessory Electric Equipment	42,078,140	703,317	1,165,408	27.64	0.06%	0.11%	0.16%
346.00 Miscellaneous Power Plant Equipment	12,525,501	242,561	346,791	24.06	0.08%	0.11%	0.18%
Total Combustion Turbine	$ 1,171,366,958	$ 19,612,681	$ 25,156,822	28.52	0.06%	0.08%	0.14%
Douglas CT							
341.00 Structures and Improvements	$ 103,952	$ 2,231	$ 3,404	22.09	0.10%	0.12%	0.22%
342.00 Fuel Holders, Products and Accessories	137,759	1,294	4,513	42.07	0.02%	0.12%	0.14%
343.00 Prime Movers	3,721,569	93,907	121,857	17.15	0.15%	0.12%	0.27%
344.00 Generators and Devices	971,924	14,919	31,836	26.61	0.06%	0.12%	0.18%
345.00 Accessory Electric Equipment	582,402	9,829	19,076	23.76	0.07%	0.12%	0.19%
346.00 Miscellaneous Power Plant Equipment	33,564	334	1,099	42.09	0.02%	0.12%	0.14%
Total Douglas CT	$ 5,551,170	$ 122,515	$ 181,786	19.35	0.12%	0.12%	0.24%

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Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Ocotillo							
341.00 Structures and Improvements	$ 3,189,602	$ 86,082	$ 104,432	15.79	0.17%	0.12%	0.29%
342.00 Fuel Holders, Products and Accessories	1,484,432	29,004	48,613	22.36	0.09%	0.12%	0.21%
343.00 Prime Movers	24,161,626	577,250	791,159	18.45	0.13%	0.12%	0.25%
344.00 Generators and Devices	612,033,648	9,778,016	10,023,925	31.19	0.05%	0.06%	0.11%
345.00 Accessory Electric Equipment	4,017,658	81,176	131,573	21.74	0.09%	0.12%	0.21%
346.00 Miscellaneous Power Plant Equipment	950,460	15,348	31,130	26.73	0.06%	0.12%	0.18%
Total Ocotillo	$ 645,837,426	$ 10,566,877	$ 11,130,832	30.15	0.06%	0.06%	0.12%
Ocotillo CT Units 1-2							
341.00 Structures and Improvements	$ 3,189,602	$ 86,082	$ 104,432	15.79	0.17%	0.12%	0.29%
342.00 Fuel Holders, Products and Accessories	1,484,432	29,004	48,613	22.36	0.09%	0.12%	0.21%
343.00 Prime Movers	24,161,626	577,250	791,159	18.45	0.13%	0.12%	0.25%
344.00 Generators and Devices	15,486,821	340,359	507,122	20.16	0.11%	0.12%	0.23%
345.00 Accessory Electric Equipment	4,017,658	81,176	131,573	21.74	0.09%	0.12%	0.21%
346.00 Miscellaneous Power Plant Equipment	950,460	15,348	31,130	26.73	0.06%	0.12%	0.18%
Total Octillo CT Units 1-2	$ 49,290,599	$ 1,129,220	$ 1,614,030	19.21	0.12%	0.12%	0.24%
Ocotillo CT Units 3-7							
341.00 Structures and Improvements	$ -	$ -	$ -				
342.00 Fuel Holders, Products and Accessories	-	-	-				
343.00 Prime Movers	-	-	-				
344.00 Generators and Devices	596,546,827	9,437,657	9,516,802	31.64	0.05%	0.06%	0.11%
345.00 Accessory Electric Equipment	-	-	-				
346.00 Miscellaneous Power Plant Equipment	-	-	-				
Total Octillo CT Units 3-7	$ 596,546,827	$ 9,437,657	$ 9,516,802	31.64	0.05%	0.06%	0.11%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Saguaro							
341.00 Structures and Improvements	$ 3,051,365	$ 66,535	$ 99,918	20.90	0.10%	0.12%	0.22%
342.00 Fuel Holders, Products and Accessories	1,642,488	19,288	53,805	34.90	0.03%	0.12%	0.15%
343.00 Prime Movers	23,292,483	551,111	748,730	17.65	0.14%	0.12%	0.25%
344.00 Generators and Devices	38,498,152	707,728	1,089,368	23.87	0.09%	0.11%	0.19%
345.00 Accessory Electric Equipment	3,593,189	71,044	115,338	21.69	0.09%	0.12%	0.21%
346.00 Miscellaneous Power Plant Equipment	916,172	12,545	30,009	32.45	0.04%	0.12%	0.16%
Total Saguaro	$ 70,993,849	$ 1,428,251	$ 2,137,169	21.39	0.10%	0.11%	0.21%
Saguaro CT Units 1-2							
341.00 Structures and Improvements	$ 3,051,365	$ 66,535	$ 99,918	20.90	0.10%	0.12%	0.22%
342.00 Fuel Holders, Products and Accessories	1,642,488	19,288	53,805	34.90	0.03%	0.12%	0.15%
343.00 Prime Movers	21,353,178	513,961	699,216	17.18	0.14%	0.12%	0.26%
344.00 Generators and Devices	14,724,431	376,141	482,125	16.22	0.16%	0.12%	0.28%
345.00 Accessory Electric Equipment	3,269,324	64,637	107,070	21.48	0.09%	0.12%	0.21%
346.00 Miscellaneous Power Plant Equipment	916,172	12,545	30,009	32.45	0.04%	0.12%	0.16%
Total Saguaro CT Units 1-2	$ 44,956,958	$ 1,053,108	$ 1,472,143	17.81	0.13%	0.12%	0.25%
Saguaro CT Unit 3							
341.00 Structures and Improvements	$ -	$ -	$ -				
342.00 Fuel Holders, Products and Accessories	-	-	-				
343.00 Prime Movers	1,939,305	37,149	49,514	25.18	0.08%	0.10%	0.18%
344.00 Generators and Devices	23,773,721	331,587	607,243	33.73	0.04%	0.10%	0.14%
345.00 Accessory Electric Equipment	323,865	6,407	8,269	24.03	0.08%	0.10%	0.18%
346.00 Miscellaneous Power Plant Equipment	-	-	-				
Total Saguaro CT Unit 3	$ 26,036,891	$ 375,143	$ 665,026	32.74	0.04%	0.10%	0.14%

ARIZONA PUBLIC SERVICE COMPANY

Statement D

Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Sundance Units 1-10							
341.00 Structures and Improvements	$ 13,762,067	$ 228,879	$ 351,434	28.79	0.06%	0.10%	0.16%
342.00 Fuel Holders, Products and Accessories	4,418,231	71,438	112,830	29.69	0.05%	0.10%	0.15%
343.00 Prime Movers	227,932,672	3,636,454	5,820,901	30.06	0.05%	0.10%	0.15%
344.00 Generators and Devices	13,058,506	290,562	333,328	21.70	0.10%	0.10%	0.20%
345.00 Accessory Electric Equipment	27,804,255	451,976	710,043	29.56	0.05%	0.10%	0.15%
346.00 Miscellaneous Power Plant Equipment	6,970,933	155,056	177,943	21.27	0.10%	0.10%	0.20%
Total Sun Dance Units 1-10	$ 293,946,664	$ 4,834,365	$ 7,506,479	29.16	0.05%	0.10%	0.15%
West Phoenix CT Units 1-2							
341.00 Structures and Improvements	$ 4,239,486	$ 111,306	$ 138,810	16.36	0.16%	0.12%	0.28%
342.00 Fuel Holders, Products and Accessories	1,843,219	24,511	60,378	30.97	0.04%	0.12%	0.16%
343.00 Prime Movers	20,466,623	440,687	670,218	20.55	0.10%	0.12%	0.22%
344.00 Generators and Devices	15,280,205	369,675	500,343	17.28	0.14%	0.12%	0.26%
345.00 Accessory Electric Equipment	1,525,954	22,220	49,983	28.63	0.05%	0.12%	0.17%
346.00 Miscellaneous Power Plant Equipment	1,026,473	15,918	33,619	29.90	0.05%	0.12%	0.17%
Total West Phoenix CT Units 1-2	$ 44,381,960	$ 984,318	$ 1,453,349	19.41	0.11%	0.12%	0.23%
Yucca							
341.00 Structures and Improvements	$ 6,755,977	$ 156,813	$ 208,402	18.98	0.13%	0.11%	0.24%
342.00 Fuel Holders, Products and Accessories	5,431,503	52,236	160,023	42.38	0.03%	0.11%	0.13%
343.00 Prime Movers	81,264,482	1,188,262	1,840,239	31.75	0.04%	0.09%	0.13%
344.00 Generators and Devices	10,021,346	168,612	326,158	25.89	0.07%	0.12%	0.19%
345.00 Accessory Electric Equipment	4,554,682	67,072	139,394	29.64	0.05%	0.11%	0.16%
346.00 Miscellaneous Power Plant Equipment	2,627,899	43,360	72,991	27.99	0.06%	0.10%	0.16%
Total Yucca	$ 110,655,889	$ 1,676,355	$ 2,747,207	30.08	0.05%	0.09%	0.14%

ARIZONA PUBLIC SERVICE COMPANY

Statement D

Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Yucca CT Units 1-4							
341.00 Structures and Improvements	$ 5,685,548	$ 139,735	$ 186,167	17.72	0.14%	0.12%	0.26%
342.00 Fuel Holders, Products and Accessories	3,934,860	30,921	128,926	47.16	0.02%	0.12%	0.14%
343.00 Prime Movers	12,670,962	198,541	415,044	25.97	0.06%	0.12%	0.18%
344.00 Generators and Devices	9,848,867	165,776	322,575	25.83	0.07%	0.12%	0.19%
345.00 Accessory Electric Equipment	3,737,069	53,511	122,412	29.75	0.05%	0.12%	0.17%
346.00 Miscellaneous Power Plant Equipment	1,536,718	22,778	50,335	29.27	0.05%	0.12%	0.17%
Total Yucca CT Units 1-4	$ 37,414,024	$ 611,262	$ 1,225,460	25.77	0.07%	0.12%	0.19%
Yucca CT Units 5-6							
341.00 Structures and Improvements	$ 1,070,429	$ 17,078	$ 22,235	30.53	0.05%	0.08%	0.13%
342.00 Fuel Holders, Products and Accessories	1,496,643	21,316	31,097	33.47	0.04%	0.08%	0.12%
343.00 Prime Movers	68,593,520	989,721	1,425,195	33.11	0.04%	0.08%	0.12%
344.00 Generators and Devices	172,479	2,836	3,582	29.72	0.06%	0.08%	0.14%
345.00 Accessory Electric Equipment	817,613	13,561	16,982	29.14	0.06%	0.08%	0.14%
346.00 Miscellaneous Power Plant Equipment	1,091,181	20,582	22,656	26.36	0.07%	0.08%	0.15%
Total Yucca CT Units 5-6	$ 73,241,865	$ 1,065,094	$ 1,521,747	32.89	0.04%	0.08%	0.12%
Solar Units							
341.00 Structures and Improvements	$ 36,871,992	$ 1,152,700	$ 1,372,167	28.94	0.11%	0.14%	0.25%
342.00 Fuel Holders, Products and Accessories							
343.00 Prime Movers							
344.00 Generators and Devices	687,278,590	22,517,469	26,876,540	28.64	0.11%	0.15%	0.26%
345.00 Accessory Electric Equipment	127,033,147	4,135,330	4,946,058	28.54	0.11%	0.15%	0.26%
346.00 Miscellaneous Power Plant Equipment	1,577,646	48,656	57,965	29.01	0.11%	0.14%	0.25%
Total Solar Units	$ 852,761,375	$ 27,854,155	$ 33,252,730	28.64	0.11%	0.15%	0.26%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Chino Valley							
341.05 Structures and Improvements	$ 527,890	$ 13,061	$ 16,494	28.93	0.09%	0.12%	0.21%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	77,719,184	1,922,867	2,428,305	28.93	0.09%	0.12%	0.21%
345.05 Accessory Electric Equipment	6,511,784	161,109	203,458	28.93	0.09%	0.12%	0.21%
346.05 Miscellaneous Power Plant Equipment	216,504	5,357	6,765	28.93	0.09%	0.12%	0.21%
Total Chino Valley	$ 84,975,362	$ 2,102,394	$ 2,655,022	28.93	0.09%	0.12%	0.21%
Cotton Center							
341.05 Structures and Improvements	$ 1,813,499	$ 41,757	$ 54,745	28.95	0.08%	0.11%	0.19%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	62,644,922	1,452,335	1,891,083	28.75	0.08%	0.11%	0.19%
345.05 Accessory Electric Equipment	15,418,007	355,011	465,430	28.95	0.08%	0.11%	0.19%
346.05 Miscellaneous Power Plant Equipment	262,640	6,047	7,928	28.95	0.08%	0.11%	0.19%
Total Cotton Center	$ 80,139,068	$ 1,855,151	$ 2,419,186	28.79	0.08%	0.11%	0.19%
Desert Star							
341.05 Structures and Improvements	$ 1,557,800	$ 56,810	$ 64,118	28.89	0.13%	0.16%	0.29%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	29,042,805	1,081,918	1,195,408	28.31	0.13%	0.16%	0.29%
345.05 Accessory Electric Equipment	4,084,919	148,969	168,132	28.89	0.13%	0.16%	0.29%
346.05 Miscellaneous Power Plant Equipment	291,809	10,642	12,011	28.89	0.13%	0.16%	0.29%
Total Desert Star	$ 34,977,333	$ 1,298,339	$ 1,439,669	28.41	0.13%	0.16%	0.29%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Foothills Units							
341.05 Structures and Improvements	$ 10,906,684	$ 312,283	$ 379,870	28.91	0.10%	0.13%	0.23%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	105,443,248	3,019,090	3,672,490	28.91	0.10%	0.13%	0.23%
345.05 Accessory Electric Equipment	20,815,540	595,996	724,986	28.91	0.10%	0.13%	0.23%
346.05 Miscellaneous Power Plant Equipment	57,708	1,652	2,010	28.91	0.10%	0.13%	0.23%
Total Foothills Units	$ 137,223,180	$ 3,929,021	$ 4,779,355	28.91	0.10%	0.13%	0.23%
Gila Bend							
341.05 Structures and Improvements	$ 5,018,097	$ 173,216	$ 202,955	28.90	0.12%	0.15%	0.27%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	89,246,612	3,080,632	3,609,549	28.90	0.12%	0.15%	0.27%
345.05 Accessory Electric Equipment	11,096,944	383,047	448,812	28.90	0.12%	0.15%	0.27%
346.05 Miscellaneous Power Plant Equipment	21,142	730	855	28.90	0.12%	0.15%	0.27%
Total Gila Bend	$ 105,382,795	$ 3,637,624	$ 4,262,172	28.90	0.12%	0.15%	0.27%
Hyder							
341.05 Structures and Improvements	$ 6,915,232	$ 104,623	$ 131,433	28.78	0.05%	0.07%	0.12%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	93,250,197	1,405,267	1,772,362	28.88	0.05%	0.07%	0.12%
345.05 Accessory Electric Equipment	22,556,482	337,811	428,729	29.04	0.05%	0.07%	0.12%
346.05 Miscellaneous Power Plant Equipment	206,389	3,021	3,923	29.63	0.05%	0.07%	0.12%
Total Hyder	$ 122,928,300	$ 1,850,723	$ 2,336,446	28.90	0.05%	0.07%	0.12%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Legacy							
341.00 Structures and Improvements	$ 313,214	$ 224	$ 546	40.13		0.01%	0.01%
342.00 Fuel Holders, Products and Accessories	-	-	-				
343.00 Prime Movers	-	-	-				
344.00 Generators and Devices	10,452,105	12,663	17,526	24.94		0.01%	0.01%
345.00 Accessory Electric Equipment	1,972,486	2,642	3,278	22.99	0.01%	0.01%	0.02%
346.00 Miscellaneous Power Plant Equipment	-	-	-				
Total Legacy	$ 12,737,805	$ 15,529	$ 21,350	24.84	0.00%	0.01%	0.01%
Luke AFB							
341.05 Structures and Improvements	$ 1,488,329	$ 64,746	$ 73,072	28.89	0.15%	0.19%	0.34%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	25,469,888	1,108,005	1,250,484	28.89	0.15%	0.19%	0.34%
345.05 Accessory Electric Equipment	1,757,020	76,435	86,264	28.89	0.15%	0.19%	0.34%
346.05 Miscellaneous Power Plant Equipment	357,678	15,560	17,561	28.89	0.15%	0.19%	0.34%
Total Luke AFB	$ 29,072,915	$ 1,264,746	$ 1,427,380	28.89	0.15%	0.19%	0.34%
Paloma							
341.05 Structures and Improvements	$ 2,281,950	$ 64,839	$ 85,001	28.95	0.10%	0.14%	0.24%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	49,207,939	1,399,934	1,832,958	28.91	0.10%	0.14%	0.24%
345.05 Accessory Electric Equipment	12,514,947	355,596	466,172	28.95	0.10%	0.14%	0.24%
346.05 Miscellaneous Power Plant Equipment	121,486	3,452	4,525	28.95	0.10%	0.14%	0.24%
Total Paloma	$ 64,126,322	$ 1,823,821	$ 2,388,656	28.92	0.10%	0.14%	0.24%

ARIZONA PUBLIC SERVICE COMPANY
Net Salvage Accrual Rates - SFAS 143 Method
Accretion Rate (r): 3.78 Percent

Statement D

Account Description	12/31/18 Plant	ARC	ARO	ASL	Net Salvage Accrual Rate ARC	Accretion	Total
A	B	C	D	E	F=C/E/B	G=D*r/B	H=F+G
Red Rock							
341.05 Structures and Improvements	$ 4,463,879	$ 231,767	$ 251,951	28.88	0.18%	0.21%	0.39%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	72,010,410	3,738,814	4,064,428	28.88	0.18%	0.21%	0.39%
345.05 Accessory Electric Equipment	13,383,040	694,854	755,369	28.88	0.18%	0.21%	0.39%
346.05 Miscellaneous Power Plant Equipment	42,290	2,196	2,387	28.88	0.18%	0.21%	0.39%
Total Redrock	$ 89,899,619	$ 4,667,630	$ 5,074,135	28.88	0.18%	0.21%	0.39%
Roof Tops							
341.05 Structures and Improvements	$ 1,585,418	$ 89,374	$ 111,982	28.73	0.20%	0.27%	0.47%
342.05 Fuel Holders, Products and Accessories	-	-	-				
343.05 Prime Movers	-	-	-				
344.05 Generators and Devices	72,791,280	4,295,944	5,141,948	27.52	0.21%	0.27%	0.48%
345.05 Accessory Electric Equipment	16,921,978	1,023,859	1,195,428	26.90	0.22%	0.27%	0.49%
346.05 Miscellaneous Power Plant Equipment	-	-	-				
Total Roof Tops	$ 91,298,676	$ 5,409,178	$ 6,449,359	27.42	0.21%	0.27%	0.48%

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
	nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
	A	B	C	D	E	F	G	H	I	J	K	L	M
	STEAM PRODUCTION												
311.00	Structures and Improvements									23.47	10.98	-8.5	
312.00	Boiler Plant Equipment									24.10	14.83	-10.6	
314.00	Turbogenerator Units									24.08	13.13	-9.9	
315.00	Accessory Electric Equipment									26.55	13.09	-9.0	
316.00	Miscellaneous Power Plant Equipment									24.43	13.80	-9.7	
	Total Steam Production Plant									24.20	14.24	-10.2	
	NUCLEAR PRODUCTION												
321.00	Structures and Improvements									45.35	26.75	-0.4	
322.00	Reactor Plant Equipment									46.35	25.94	-1.0	
323.00	Turbogenerator Units									42.95	26.01	-0.3	
324.00	Accessory Electric Equipment									50.24	25.98	-0.4	
325.00	Miscellaneous Power Plant Equipment									38.90	26.94	-0.4	
	Total Nuclear Production Plant									45.24	26.28	-0.6	
	OTHER PRODUCTION												
341.00	Structures and Improvements									26.37	18.48	-6.2	
342.00	Fuel Holders, Products and Accessories									27.20	14.18	-5.0	
343.00	Prime Movers									28.66	17.38	-5.0	
344.00	Generators and Devices									26.98	22.18	-6.5	
345.00	Accessory Electric Equipment									26.00	18.87	-7.3	
346.00	Miscellaneous Power Plant Equipment									22.60	15.93	-5.2	
	Total Other Production Plant									27.15	20.62	-6.2	
	TRANSMISSION PLANT												
352.02	Structures and Improvements	50.00	R4	51.64	12.17			50.00	R4	52.37	10.25		0.0
353.00	Station Equipment	53.00	R1.5	53.86	41.27	-4.5	-5.0	53.00	R1.5	53.77	40.72	-5.0	-3.5
354.00	Towers and Fixtures	60.00	R3	60.47	32.86			60.00	R3	60.66	30.40		-0.1
355.00	Poles and Fixtures	55.00	R1.5	55.37	44.16	-20.0	-20.0	55.00	R1.5	55.56	41.88	-20.0	-14.2
356.00	Overhead Conductors and Devices	60.00	R3	59.50	42.77	-18.7	-20.0	60.00	R3	59.37	40.12	-20.0	-13.8
	Total Transmission Plant									53.92	40.60	-5.3	

ARIZONA PUBLIC SERVICE COMPANY

Statement E

Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
Int	Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A		B	C	D	E	F	G	H	I	J	K	L	M
DISTRIBUTION PLANT													
361.00	Structures and Improvements	60.00	R3	59.90	48.10	-5.1	-5.0	60.00	R3	59.89	47.27	-10.0	-5.7
362.00	Station Equipment	43.00	L0.5	43.08	35.03	-3.8	-5.0	45.00	L0.5	45.04	37.26	-5.0	-4.4
363.00	Storage Battery Equipment	10.00	S3	10.00	6.51			10.00	S3	10.00	8.68		0.0
364.01	Poles, Towers and Fixtures - Wood	45.00	L0	44.55	34.73	-9.3	-10.0	45.00	L0	44.59	34.63	-20.0	-17.5
364.02	Poles, Towers and Fixtures - Steel	50.00	R0.5	50.04	44.99	-10.0	-10.0	50.00	R0.5	50.07	44.32	-10.0	-7.5
365.00	Overhead Conductors and Devices	50.00	SC	49.88	42.18	-10.1	-10.0	50.00	SC	49.93	43.00	-20.0	-15.9
366.00	Underground Conduit	60.00	L1	59.99	47.99	-10.4	-10.0	60.00	L1	60.04	46.84	-15.0	-11.7
367.00	Underground Conductors and Devices	40.00	L1	39.80	30.52	-9.0	-10.0	40.00	L1	39.90	30.18	-15.0	-12.9
368.00	Line Transformers	55.00	L1	55.07	43.00	-3.7	-5.0	55.00	L1	55.05	42.61	-5.0	-4.3
369.00	Services	55.00	L1	55.36	42.33	-19.8	-20.0	55.00	L1	55.45	42.64	-20.0	-15.7
370.01	Meters - Electronic	20.00	SC	17.52	15.30	0.5		20.00	SC	16.45	14.25		0.0
370.03	Meters - AMI	20.00	SC	20.20	17.79	0.4		15.00	R3	14.87	9.37		0.0
371.00	Installations on Customers' Premises	45.00	L0	44.99	36.69	-14.8	-15.0	45.00	L0	45.07	36.11	-15.0	-13.2
373.00	Street Lighting and Signal Systems	55.00	L0.5	54.49	42.84	-10.5	-12.0	55.00	L0.5	54.53	42.29	-15.0	-12.3
	Total Distribution Plant									42.43	33.13	-12.4	-9.1
GENERAL PLANT													
	Depreciable												
390.00	Structures and Improvements	40.00	L1	39.90	32.65	-6.6	-5.0	40.00	L1	39.86	33.85	-10.0	-8.5
391.CM	Office Furn. and Equip. - Computer	8.00	L3	7.95	4.77	-0.2		8.00	L3	8.16	4.47		0.0
397.00	Communication Equipment	21.00	L2	21.02	14.54	-0.1		21.00	L2	21.06	13.73		0.0
	Total Depreciable									15.92	10.91	-3.3	-1.1
	Amortizable												
391.FE	Office Furn. and Equip. - Furniture	20.00	SQ	20.00	10.99			20.00	SQ	20.00	9.29		
393.00	Stores Equipment	20.00	SQ	20.00	14.20			20.00	SQ	20.00	14.52		
394.00	Tools, Shop and Garage Equipment	20.00	SQ	20.00	11.54			20.00	SQ	20.00	10.37		
395.00	Laboratory Equipment	20.00	SQ	20.00	9.74			20.00	SQ	20.00	7.16		
398.00	Miscellaneous Equipment	24.00	SQ	24.00	18.64			24.00	SQ	24.00	17.66		
	Total Amortizable									20.62	10.96		
	Total General Plant									16.45	10.92	-2.8	-1.0
	TOTAL UTILITY									32.73	23.11	-8.0	-8.3

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION (by Unit)												
Cholla												
311.00 Structures and Improvements									20.20	6.45	-7.2	
312.00 Boiler Plant Equipment									18.69	6.45	-7.4	
314.00 Turbogenerator Units									20.81	6.45	-7.5	
315.00 Accessory Electric Equipment									25.48	6.44	-7.3	
316.00 Miscellaneous Power Plant Equipment									17.23	6.45	-7.5	
Total Cholla									19.52	6.45	-7.4	
Cholla Unit 1												
311.00 Structures and Improvements	2025	200-SC	23.80	9.38	-8.3	-8.4	2025	200-SC	23.89	6.44	-8.2	-7.7
312.00 Boiler Plant Equipment	2025	200-SC	19.88	9.38	-11.7	-8.7	2025	200-SC	19.18	6.45	-8.4	-8.1
314.00 Turbogenerator Units	2025	200-SC	18.39	9.38	-9.3	-8.6	2025	200-SC	18.42	6.45	-8.4	-8.0
315.00 Accessory Electric Equipment	2025	200-SC	22.99	9.38	-9.0	-8.5	2025	200-SC	23.08	6.45	-8.3	-7.9
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	25.29	9.38	-8.6	-8.6	2025	200-SC	18.93	6.45	-8.4	-7.9
Total Cholla Unit 1									19.39	6.45	-8.4	-8.0
Cholla Unit 3												
311.00 Structures and Improvements	2025	200-SC	20.30	9.38	-6.2	-7.0	2025	200-SC	20.30	6.45	-6.9	-6.4
312.00 Boiler Plant Equipment	2025	200-SC	18.70	9.38	-7.6	-7.4	2025	200-SC	18.24	6.45	-7.1	-6.8
314.00 Turbogenerator Units	2025	200-SC	22.42	9.38	-3.9	-7.2	2025	200-SC	22.21	6.45	-7.1	-6.9
315.00 Accessory Electric Equipment	2025	200-SC	30.24	9.38	-7.1	-7.1	2025	200-SC	30.16	6.44	-7.0	-6.6
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	18.97	9.38	-7.2	-7.2	2025	200-SC	18.06	6.45	-7.1	-6.6
Total Cholla Unit 3									19.64	6.45	-7.1	-6.8
Cholla Common												
311.00 Structures and Improvements	2025	200-SC	20.45	9.38	-6.8	-7.4	2025	200-SC	19.93	6.45	-7.2	-6.8
312.00 Boiler Plant Equipment	2025	200-SC	19.92	9.38	-8.9	-7.7	2025	200-SC	20.01	6.45	-7.5	-7.2
314.00 Turbogenerator Units	2025	200-SC	14.13	9.39	-7.1	-7.6	2025	200-SC	20.15	6.45	-7.4	-7.0
315.00 Accessory Electric Equipment	2025	200-SC	19.82	9.38	-5.2	-7.5	2025	200-SC	17.03	6.45	-7.3	-6.9
316.00 Miscellaneous Power Plant Equipment	2025	200-SC	16.49	9.39	-7.3	-7.6	2025	200-SC	16.45	6.45	-7.4	-7.1
Total Cholla Common									19.36	6.45	-7.4	-7.0

ARIZONA PUBLIC SERVICE COMPANY Statement E

Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
Four Corners												
311.00 Structures and Improvements									29.26	19.01	-10.0	
312.00 Boiler Plant Equipment									26.80	19.01	-11.7	
314.00 Turbogenerator Units									26.95	19.01	-11.5	
315.00 Accessory Electric Equipment									27.51	19.01	-10.4	
316.00 Miscellaneous Power Plant Equipment									29.53	19.01	-10.6	
Total Four Corners									27.05	19.01	-11.5	
Four Corners Units 4-5												
311.00 Structures and Improvements	2038	200-SC	38.42	21.84	-18.6	-19.7	2038	200-SC	33.84	19.00	-11.1	-8.7
312.00 Boiler Plant Equipment	2038	200-SC	42.42	21.83	-19.1	-20.6	2038	200-SC	26.74	19.01	-11.8	-9.6
314.00 Turbogenerator Units	2038	200-SC	40.60	21.83	-19.7	-20.3	2038	200-SC	26.81	19.01	-11.6	-9.4
315.00 Accessory Electric Equipment	2038	200-SC	34.93	21.84	-19.6	-20.0	2038	200-SC	29.84	19.01	-11.3	-9.3
316.00 Miscellaneous Power Plant Equipment	2038	200-SC	35.89	21.84	-20.3	-20.3	2038	200-SC	30.51	19.01	-11.6	-9.8
Total Four Corners Units 4-5									27.11	19.01	-11.7	-9.5
Four Corners Common												
311.00 Structures and Improvements	2038	200-SC	26.79	21.86	-3.1	-11.2	2038	200-SC	23.89	19.02	-8.2	-6.6
312.00 Boiler Plant Equipment	2038	200-SC	30.09	21.85	-12.8	-12.1	2038	200-SC	28.59	19.01	-9.0	-7.4
314.00 Turbogenerator Units	2038	200-SC	37.20	21.84	-8.9	-11.8	2038	200-SC	32.27	19.00	-8.7	-7.1
315.00 Accessory Electric Equipment	2038	200-SC	25.92	21.86	-8.9	-11.5	2038	200-SC	23.75	19.02	-8.5	-7.0
316.00 Miscellaneous Power Plant Equipment	2038	200-SC	34.86	21.84	-11.0	-11.8	2038	200-SC	27.75	19.01	-8.7	-7.5
Total Four Corners Common									26.36	19.01	-8.7	-7.1
NUCLEAR PRODUCTION (by Unit)												
Palo Verde												
321.00 Structures and Improvements									45.35	26.75	-0.4	
322.00 Reactor Plant Equipment									46.35	25.94	-1.0	
323.00 Turbogenerator Units									42.95	26.01	-0.3	
324.00 Accessory Electric Equipment									50.24	25.98	-0.4	
325.00 Miscellaneous Power Plant Equipment									38.90	26.94	-0.4	
Total Palo Verde									45.24	26.28	-0.6	

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
Palo Verde Unit 1												
321.00 Structures and Improvements	2044	200-SC	52.70	27.41	-0.5	-0.4	2044	200-SC	50.06	24.63	-0.3	-0.5
322.00 Reactor Plant Equipment	2044	200-SC	47.42	27.43	-1.3	-1.1	2044	200-SC	46.74	24.63	-1.0	-1.1
323.00 Turbogenerator Units	2044	200-SC	45.43	27.43	-1.4	-0.4	2044	200-SC	42.19	24.64	-0.3	-0.5
324.00 Accessory Electric Equipment	2044	200-SC	52.59	27.41	-0.5	-0.4	2044	200-SC	51.10	24.62	-0.3	-0.4
325.00 Miscellaneous Power Plant Equipment	2044	200-SC	49.87	27.41	-1.3	-0.4	2044	200-SC	46.77	24.63	-0.3	-0.5
Total Palo Verde Unit 1									47.04	24.63	-0.6	-0.8
Palo Verde Unit 2												
321.00 Structures and Improvements	2045	200-SC	54.04	28.33	-0.4	-0.4	2045	200-SC	52.67	25.55	-0.4	-0.4
322.00 Reactor Plant Equipment	2045	200-SC	46.16	28.35	-2.3	-1.2	2045	200-SC	45.28	25.57	-1.0	-1.5
323.00 Turbogenerator Units	2045	200-SC	44.59	28.36	-1.1	-0.4	2045	200-SC	42.92	25.57	-0.3	-0.5
324.00 Accessory Electric Equipment	2045	200-SC	52.50	28.34	-0.6	-0.4	2045	200-SC	50.84	25.56	-0.4	-0.4
325.00 Miscellaneous Power Plant Equipment	2045	200-SC	49.51	28.34	-1.1	-0.4	2045	200-SC	48.77	25.56	-0.3	-0.3
Total Palo Verde Unit 2									46.74	25.57	-0.7	-0.9
Palo Verde Unit 3												
321.00 Structures and Improvements	2047	200-SC	53.93	30.17	-0.4	-0.4	2047	200-SC	53.18	27.41	-0.4	-0.6
322.00 Reactor Plant Equipment	2047	200-SC	47.58	30.20	-3.1	-1.2	2047	200-SC	46.77	27.43	-1.1	-1.7
323.00 Turbogenerator Units	2047	200-SC	47.49	30.19	-0.6	-0.4	2047	200-SC	44.00	27.43	-0.4	-0.6
324.00 Accessory Electric Equipment	2047	200-SC	52.54	30.18	-0.7	-0.4	2047	200-SC	51.24	27.41	-0.4	-0.5
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	50.59	30.18	-1.4	-0.4	2047	200-SC	49.39	27.42	-0.4	-0.4
Total Palo Verde Unit 3									47.82	27.42	-0.7	-1.1
Palo Verde Water Reclamation												
321.00 Structures and Improvements	2047	200-SC	41.80	30.22	-1.1	-0.4	2047	200-SC	39.56	27.45	-0.4	-0.5
322.00 Reactor Plant Equipment	2047	200-SC	33.03	30.25	-1.2	-1.2	2047	200-SC	32.04	27.47	-1.1	-1.2
323.00 Turbogenerator Units	2047	200-SC	51.49	30.18	-6.4	-0.4	2047	200-SC	51.39	27.41	-0.4	-0.3
324.00 Accessory Electric Equipment												
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	40.07	30.22	-0.3	-0.4	2047	200-SC	35.63	27.46	-0.4	-0.5
Total Palo Verde Water Reclamation									39.55	27.45	-0.4	-0.5

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
Int Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf
A	B	C	D	E	F	G	H	I	J	K	L	M
Palo Verde Common												
321.00 Structures and Improvements	2047	200-SC	42.59	30.21	-0.8	-0.4	2047	200-SC	40.99	27.44	-0.4	-0.5
322.00 Reactor Plant Equipment	2047	200-SC	45.74	30.20	-10.2	-1.2	2047	200-SC	44.29	27.43	-1.1	-1.6
323.00 Turbogenerator Units	2047	200-SC	35.40	30.24	-4.3	-0.4	2047	200-SC	34.21	27.46	-0.4	-0.3
324.00 Accessory Electric Equipment	2047	200-SC	44.78	30.21	-0.6	-0.4	2047	200-SC	43.28	27.44	-0.4	-0.3
325.00 Miscellaneous Power Plant Equipment	2047	200-SC	37.74	30.23	-1.4	-0.4	2047	200-SC	34.62	27.46	-0.4	-0.4
Total Palo Verde Common									38.72	27.45	-0.5	-0.5
OTHER PRODUCTION												
Combined Cycle												
341.00 Structures and Improvements									28.02	18.39	-5.0	-4.4
342.00 Fuel Holders, Products and Accessories									25.59	14.02	-5.0	-4.2
343.00 Prime Movers									30.91	18.22	-5.0	-4.4
344.00 Generators and Devices									23.57	16.84	-5.0	-4.0
345.00 Accessory Electric Equipment									22.11	14.61	-5.0	-3.6
346.00 Miscellaneous Power Plant Equipment									21.46	15.15	-5.0	-4.0
Total Combined Cycle									25.05	16.87	-5.0	-4.0
Redhawk CC Units 1-2												
341.00 Structures and Improvements	2037	200-SC	30.53	20.91	-4.8	-5.0	2037	200-SC	29.85	18.06	-5.0	-4.3
342.00 Fuel Holders, Products and Accessories	2037	200-SC	25.05	20.92	-5.4	-5.0	2037	200-SC	23.95	18.07	-5.0	-4.2
343.00 Prime Movers	2037	200-SC	31.04	20.90	-8.4	-5.0	2037	200-SC	29.97	18.05	-5.0	-4.3
344.00 Generators and Devices	2037	200-SC	25.53	20.91	11.3	-5.0	2037	200-SC	23.58	18.06	-5.0	-4.3
345.00 Accessory Electric Equipment	2037	200-SC	31.05	20.90	-4.2	-5.0	2037	200-SC	27.20	18.06	-5.0	-4.2
346.00 Miscellaneous Power Plant Equipment	2037	200-SC	24.57	20.92	-3.8	-5.0	2037	200-SC	24.23	18.07	-5.0	-4.4
Total Redhawk CC Units 1-2									25.17	18.06	-5.0	-4.3
West Phoenix												
341.00 Structures and Improvements									27.02	18.58	-5.0	
342.00 Fuel Holders, Products and Accessories									26.39	12.05	-5.0	
343.00 Prime Movers									31.84	18.38	-5.0	
344.00 Generators and Devices									23.56	15.42	-5.0	
345.00 Accessory Electric Equipment									19.82	13.06	-5.0	
346.00 Miscellaneous Power Plant Equipment									20.31	13.94	-5.0	
Total West Phoenix									24.94	15.72	-5.0	

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
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Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
Int	Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A		B	C	D	E	F	G	H	I	J	K	L	M
West Phoenix CC Units 1-3													
341.00	Structures and Improvements	2030	200-SC	25.02	14.23	-4.9	-5.0	2030	200-SC	23.84	11.33	-5.0	-4.6
342.00	Fuel Holders, Products and Accessories	2030	200-SC	25.61	14.23	-5.2	-5.0	2030	200-SC	26.79	11.33	-5.0	-4.7
343.00	Prime Movers												
344.00	Generators and Devices	2030	200-SC	25.17	14.23	-3.4	-5.0	2030	200-SC	20.16	11.33	-5.0	-4.5
345.00	Accessory Electric Equipment	2030	200-SC	19.28	14.23	-6.9	-5.0	2030	200-SC	17.23	11.33	-5.0	-4.5
346.00	Miscellaneous Power Plant Equipment	2030	200-SC	20.85	14.23	-4.8	-5.0	2030	200-SC	18.33	11.33	-5.0	-4.6
	Total West Phoenix CC Units 1-3									20.07	11.33	-5.0	-4.5
West Phoenix CC Unit 4													
341.00	Structures and Improvements	2036	200-SC	32.59	19.96	-5.1	-5.0	2036	200-SC	25.36	17.11	-5.0	-4.2
342.00	Fuel Holders, Products and Accessories	2036	200-SC	33.73	19.96	-5.0	-5.0	2036	200-SC	32.60	17.10	-5.0	-4.2
343.00	Prime Movers	2036	200-SC	33.65	19.96	0.6	-5.0	2036	200-SC	33.48	17.10	-5.0	-4.4
344.00	Generators and Devices	2036	200-SC	27.51	19.96	-4.8	-5.0	2036	200-SC	27.29	17.11	-5.0	-4.3
345.00	Accessory Electric Equipment	2036	200-SC	25.84	19.97	-5.0	-5.0	2036	200-SC	23.88	17.11	-5.0	-4.2
346.00	Miscellaneous Power Plant Equipment	2036	200-SC	22.59	19.97	-4.9	-5.0	2036	200-SC	21.46	17.11	-5.0	-4.2
	Total West Phoenix CC Unit 4									30.46	17.10	-5.0	-4.3
West Phoenix CC Unit 5													
341.00	Structures and Improvements	2038	200-SC	32.33	21.85	-5.3	-5.0	2038	200-SC	30.89	19.01	-5.0	-4.2
342.00	Fuel Holders, Products and Accessories							2030	200-SC	17.95	11.33	-5.0	-4.6
343.00	Prime Movers	2038	200-SC	31.65	21.85	-6.1	-5.0	2038	200-SC	31.03	19.01	-5.0	-4.2
344.00	Generators and Devices	2038	200-SC	28.72	21.86	5.9	-5.0	2038	200-SC	26.25	19.01	-5.0	-4.1
345.00	Accessory Electric Equipment	2038	200-SC	31.69	21.85	-5.3	-5.0	2038	200-SC	28.84	19.01	-5.0	-4.1
346.00	Miscellaneous Power Plant Equipment	2038	200-SC	25.22	21.86	-5.4	-5.0	2038	200-SC	24.43	19.02	-5.0	-4.1
	Total West Phoenix CC Unit 5									27.67	18.91	-5.0	-4.1

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf
A	B	C	D	E	F	G	H	I	J	K	L	M
West Phoenix Common												
341.00 Structures and Improvements	2038	200-SC	32.02	21.85	-7.5	-5.0	2038	200-SC	25.95	19.02	-5.0	-4.1
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers												
344.00 Generators and Devices												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total West Phoenix Common									25.95	19.02	-5.0	-4.1
Combustion Turbine												
341.00 Structures and Improvements									21.51	13.86	-5.0	-4.4
342.00 Fuel Holders, Products and Accessories									33.00	14.76	-5.0	-4.4
343.00 Prime Movers									27.23	16.85	-5.0	-4.1
344.00 Generators and Devices									29.81	27.88	-5.0	-3.8
345.00 Accessory Electric Equipment									27.64	15.78	-5.0	-4.3
346.00 Miscellaneous Power Plant Equipment									24.06	16.56	-5.0	-4.3
Total Combustion Turbine									28.52	22.90	-5.0	-4.5
Douglas CT												
341.00 Structures and Improvements	2030	200-SC	22.02	14.23	-5.0	-5.0	2030	200-SC	22.09	11.33	-5.0	-4.7
342.00 Fuel Holders, Products and Accessories	2030	200-SC	42.08	14.22	-6.4	-5.0	2030	200-SC	42.07	11.32	-5.0	-4.6
343.00 Prime Movers	2030	200-SC	17.14	14.24	-50.6	-5.0	2030	200-SC	17.15	11.33	-5.0	-4.5
344.00 Generators and Devices	2030	200-SC	26.54	14.23	-5.0	-5.0	2030	200-SC	26.61	11.33	-5.0	-4.4
345.00 Accessory Electric Equipment	2030	200-SC	39.59	14.22	-5.9	-5.0	2030	200-SC	23.76	11.33	-5.0	-4.3
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	42.04	14.22	-4.1	-5.0	2030	200-SC	42.09	11.32	-5.0	-4.6
Total Douglas CT									19.35	11.33	-5.0	-4.5
Ocotillo												
341.00 Structures and Improvements									15.79	11.33	-5.0	
342.00 Fuel Holders, Products and Accessories									22.36	11.33	-5.0	
343.00 Prime Movers									18.45	11.33	-5.0	
344.00 Generators and Devices									31.19	30.40	-5.0	
345.00 Accessory Electric Equipment									21.74	11.33	-5.0	
346.00 Miscellaneous Power Plant Equipment									26.73	11.33	-5.0	
Total Ocotillo									30.15	28.80	-5.0	

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
	nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
	A	B	C	D	E	F	G	H	I	J	K	L	M
Ocotillo CT Units 1-2													
341.00	Structures and Improvements	2030	200-SC	18.74	14.23	-9.3	-5.0	2030	200-SC	15.79	11.33	-5.0	-4.6
342.00	Fuel Holders, Products and Accessories	2030	200-SC	29.67	14.23	-5.0	-5.0	2030	200-SC	22.36	11.33	-5.0	-4.4
343.00	Prime Movers	2030	200-SC	19.09	14.23	-14.0	-5.0	2030	200-SC	18.45	11.33	-5.0	-4.5
344.00	Generators and Devices	2030	200-SC	22.32	14.23	-5.5	-5.0	2030	200-SC	20.16	11.33	-5.0	-4.5
345.00	Accessory Electric Equipment	2030	200-SC	21.72	14.23	-5.6	-5.0	2030	200-SC	21.74	11.33	-5.0	-4.4
346.00	Miscellaneous Power Plant Equipment	2030	200-SC	25.83	14.23	-4.8	-5.0	2030	200-SC	26.73	11.33	-5.0	-4.4
	Total Octillo CT Units 1-2									19.21	11.33	-5.0	-4.5
Ocotillo CT Units 3-7													
341.00	Structures and Improvements												100.0
342.00	Fuel Holders, Products and Accessories												100.0
343.00	Prime Movers												100.0
344.00	Generators and Devices							2051.00	200-SC	31.64	31.18	-5.0	-3.4
345.00	Accessory Electric Equipment												100.0
346.00	Miscellaneous Power Plant Equipment												100.0
	Total Octillo CT Units 3-7									31.64	31.18	-5.0	-3.4
Saguaro													
341.00	Structures and Improvements									20.90	11.33	-5.0	
342.00	Fuel Holders, Products and Accessories									34.90	11.32	-5.0	
343.00	Prime Movers									17.65	11.72	-5.0	
344.00	Generators and Devices									23.87	14.27	-5.0	
345.00	Accessory Electric Equipment									21.69	11.88	-5.0	
346.00	Miscellaneous Power Plant Equipment									32.45	11.33	-5.0	
	Total Saguaro									21.39	12.94	-5.0	

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
Int Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
Saguaro CT Units 1-2												
341.00 Structures and Improvements	2030	200-SC	21.68	14.23	-8.8	-5.0	2030	200-SC	20.90	11.33	-5.0	-4.4
342.00 Fuel Holders, Products and Accessories	2030	200-SC	34.85	14.22	-5.7	-5.0	2030	200-SC	34.90	11.32	-5.0	-4.4
343.00 Prime Movers	2030	200-SC	22.10	14.23	-10.7	-5.0	2030	200-SC	17.18	11.33	-5.0	-4.4
344.00 Generators and Devices	2030	200-SC	29.85	14.23	-5.3	-5.0	2030	200-SC	16.22	11.33	-5.0	-4.5
345.00 Accessory Electric Equipment	2030	200-SC	22.02	14.23	-5.9	-5.0	2030	200-SC	21.48	11.33	-5.0	-4.3
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	33.93	14.22	-4.9	-5.0	2030	200-SC	32.45	11.33	-5.0	-4.6
Total Saguaro CT Units 1-2									17.81	11.33	-5.0	-4.4
Saguaro CT Unit 3												
341.00 Structures and Improvements												
342.00 Fuel Holders, Products and Accessories												
343.00 Prime Movers	2037	200-SC	25.14	20.92	-5.0	-5.0	2037	200-SC	25.18	18.06	-5.0	-4.3
344.00 Generators and Devices	2037	200-SC	33.69	20.90	-5.1	-5.0	2037	200-SC	33.73	18.05	-5.0	-4.3
345.00 Accessory Electric Equipment	2037	200-SC	33.70	20.90	-5.0	-5.0	2037	200-SC	24.03	18.07	-5.0	-4.2
346.00 Miscellaneous Power Plant Equipment												
Total Saguaro CT Unit 3									32.74	18.05	-5.0	-4.3
Sundance Units 1-10												
341.00 Structures and Improvements	2037	200-SC	29.70	20.91	-6.8	-5.0	2037	200-SC	28.79	18.06	-5.0	-4.3
342.00 Fuel Holders, Products and Accessories	2037	200-SC	29.93	20.91	-5.0	-5.0	2037	200-SC	29.69	18.06	-5.0	-4.3
343.00 Prime Movers	2037	200-SC	30.53	20.91	-5.0	-5.0	2037	200-SC	30.06	18.06	-5.0	-4.2
344.00 Generators and Devices	2037	200-SC	21.85	20.92	-5.0	-5.0	2037	200-SC	21.70	18.07	-5.0	-4.3
345.00 Accessory Electric Equipment	2037	200-SC	30.16	20.91	-5.2	-5.0	2037	200-SC	29.56	18.06	-5.0	-4.3
346.00 Miscellaneous Power Plant Equipment	2037	200-SC	27.86	20.91	-5.0	-5.0	2037	200-SC	21.27	18.07	-5.0	-4.2
Total Sun Dance Units 1-10									29.16	18.06	-5.0	-4.2
West Phoenix CT Units 1-2												
341.00 Structures and Improvements	2030	200-SC	16.66	14.24	-7.7	-5.0	2030	200-SC	16.36	11.33	-5.0	-4.6
342.00 Fuel Holders, Products and Accessories	2030	200-SC	31.39	14.22	-5.0	-5.0	2030	200-SC	30.97	11.33	-5.0	-4.4
343.00 Prime Movers	2030	200-SC	20.27	14.23	-10.0	-5.0	2030	200-SC	20.55	11.33	-5.0	-4.4
344.00 Generators and Devices	2030	200-SC	21.33	14.23	-6.3	-5.0	2030	200-SC	17.28	11.33	-5.0	-4.4
345.00 Accessory Electric Equipment	2030	200-SC	41.82	14.22	-5.1	-5.0	2030	200-SC	28.63	11.33	-5.0	-4.4
346.00 Miscellaneous Power Plant Equipment	2030	200-SC	29.86	14.23	-7.8	-5.0	2030	200-SC	29.90	11.33	-5.0	-4.6
Total West Phoenix CT Units 1-2									19.41	11.33	-5.0	-4.4

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
	nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
	A	B	C	D	E	F	G	H	I	J	K	L	M
Yucca													
341.00	Structures and Improvements									18.98	12.55	-5.0	
342.00	Fuel Holders, Products and Accessories									42.38	15.65	-5.0	
343.00	Prime Movers									31.75	21.37	-5.0	
344.00	Generators and Devices									25.89	11.52	-5.0	
345.00	Accessory Electric Equipment									29.64	13.60	-5.0	
346.00	Miscellaneous Power Plant Equipment									27.99	16.80	-5.0	
	Total Yucca									30.08	18.84	-5.0	
Yucca CT Units 1-4													
341.00	Structures and Improvements	2030	200-SC	19.06	14.23	-6.1	-5.0	2030	200-SC	17.72	11.33	-5.0	-4.6
342.00	Fuel Holders, Products and Accessories	2030	200-SC	46.94	14.21	-5.1	-5.0	2030	200-SC	47.16	11.32	-5.0	-4.7
343.00	Prime Movers	2030	200-SC	30.01	14.23	-12.9	-5.0	2030	200-SC	25.97	11.33	-5.0	-4.4
344.00	Generators and Devices	2030	200-SC	26.18	14.23	-6.0	-5.0	2030	200-SC	25.83	11.33	-5.0	-4.5
345.00	Accessory Electric Equipment	2030	200-SC	29.68	14.23	-8.2	-5.0	2030	200-SC	29.75	11.33	-5.0	-4.4
346.00	Miscellaneous Power Plant Equipment	2030	200-SC	33.71	14.22	-5.0	-5.0	2030	200-SC	29.27	11.33	-5.0	-4.4
	Total Yucca CT Units 1-4									25.77	11.33	-5.0	-4.5
Yucca CT Units 5-6													
341.00	Structures and Improvements	2043	200-SC	30.49	26.54	-5.0	-5.0	2043	200-SC	30.53	23.74	-5.0	-4.0
342.00	Fuel Holders, Products and Accessories	2043	200-SC	33.48	26.54	-5.0	-5.0	2043	200-SC	33.47	23.73	-5.0	-3.8
343.00	Prime Movers	2043	200-SC	33.54	26.54	-5.0	-5.0	2043	200-SC	33.11	23.73	-5.0	-3.8
344.00	Generators and Devices	2043	200-SC	32.00	26.54	-5.0	-5.0	2043	200-SC	29.72	23.74	-5.0	-4.2
345.00	Accessory Electric Equipment	2043	200-SC	29.39	26.55	-6.6	-5.0	2043	200-SC	29.14	23.74	-5.0	-4.1
346.00	Miscellaneous Power Plant Equipment	2043	200-SC	27.02	26.55	-5.0	-5.0	2043	200-SC	26.36	23.74	-5.0	-3.8
	Total Yucca CT Units 5-6									32.89	23.73	-5.0	-3.8

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
	nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
	A	B	C	D	E	F	G	H	I	J	K	L	M
	Solar Units												
341.00	Structures and Improvements									28.94	23.89	-9.3	
342.00	Fuel Holders, Products and Accessories												
343.00	Prime Movers												
344.00	Generators and Devices									28.64	23.56	-9.7	
345.00	Accessory Electric Equipment									28.54	23.34	-9.5	
346.00	Miscellaneous Power Plant Equipment									29.01	23.89	-9.2	
	Total Solar Units									28.64	23.54	-9.6	
	Chino Valley												
341.05	Structures and Improvements	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-5.9
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-5.9
345.05	Accessory Electric Equipment	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-5.9
346.05	Miscellaneous Power Plant Equipment	2042	200-SC	28.89	25.61	-7.4	-7.4	2042	200-SC	28.93	22.80	-7.4	-5.9
	Total Chino Valley									28.93	22.80	-7.4	-5.9
	Cotton Center												
341.05	Structures and Improvements	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-5.4
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.75	21.86	-6.8	-5.5
345.05	Accessory Electric Equipment	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-5.4
346.05	Miscellaneous Power Plant Equipment	2041	200-SC	28.90	24.68	-6.6	-6.6	2041	200-SC	28.95	21.86	-6.8	-5.4
	Total Cotton Center									28.79	21.86	-6.8	-5.5
	Desert Star												
341.05	Structures and Improvements	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-8.4
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.31	25.62	-10.9	-8.1
345.05	Accessory Electric Equipment	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-8.4
346.05	Miscellaneous Power Plant Equipment	2038	200-SC	22.34	21.87	-11.5	-11.5	2045	200-SC	28.89	25.61	-10.9	-8.4
	Total Desert Star									28.41	25.62	-10.9	-8.2

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
ınt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
Foothills Units												
341.05 Structures and Improvements	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-6.5
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-6.5
345.05 Accessory Electric Equipment	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-6.5
346.05 Miscellaneous Power Plant Equipment	2043	200-SC	28.88	26.55	-8.6	-8.6	2043	200-SC	28.91	23.74	-8.5	-6.5
Total Foothills Units									28.91	23.74	-8.5	-6.5
Gila Bend												
341.05 Structures and Improvements	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-7.8
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-7.8
345.05 Accessory Electric Equipment	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-7.8
346.05 Miscellaneous Power Plant Equipment	2044	200-SC	28.88	27.48	-10.3	-10.3	2044	200-SC	28.90	24.68	-10.3	-7.8
Total Gila Bend									28.90	24.68	-10.3	-7.8
Hyder												
341.05 Structures and Improvements	2042	200-SC	28.74	25.62	-4.4	-4.4	2042	200-SC	28.78	22.80	-4.4	-3.4
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2042	200-SC	28.84	25.61	-4.4	-4.4	2042	200-SC	28.88	22.80	-4.4	-3.4
345.05 Accessory Electric Equipment	2042	200-SC	29.00	25.61	-4.4	-4.4	2042	200-SC	29.04	22.80	-4.4	-3.4
346.05 Miscellaneous Power Plant Equipment	2042	200-SC	29.58	25.61	-4.4	-4.4	2042	200-SC	29.63	22.80	-4.4	-3.4
Total Hyder									28.90	22.80	-4.4	-3.4

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

		Current Parameters						SFAS 143 Method					
		P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
	nt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
	A	B	C	D	E	F	G	H	I	J	K	L	M
	Legacy												
341.00	Structures and Improvements	2037	200-SC	41.95	20.89	-3.9	-5.0	2037	200-SC	40.13	18.05	-0.2	-0.3
342.00	Fuel Holders, Products and Accessories												
343.00	Prime Movers												
344.00	Generators and Devices	2037	200-SC	25.92	20.91	-3.3	-5.0	2037	200-SC	24.94	18.06	-0.2	-0.3
345.00	Accessory Electric Equipment	2037	200-SC	22.73	20.92	-5.2	-5.0	2037	200-SC	22.99	18.07	-0.2	-0.4
346.00	Miscellaneous Power Plant Equipment												
	Total Legacy									24.84	18.06	-0.2	-0.3
	Luke AFB												
341.05	Structures and Improvements	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-9.9
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-9.9
345.05	Accessory Electric Equipment	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-9.9
346.05	Miscellaneous Power Plant Equipment	2038	200-SC	22.34	21.87	-11.8	-11.8	2045	200-SC	28.89	25.61	-13.0	-9.9
	Total Luke AFB									28.89	25.61	-13.0	-9.9
	Paloma												
341.05	Structures and Improvements	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-6.7
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.91	21.86	-8.5	-6.9
345.05	Accessory Electric Equipment	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-6.7
346.05	Miscellaneous Power Plant Equipment	2041	200-SC	28.90	24.68	-8.5	-8.5	2041	200-SC	28.95	21.86	-8.5	-6.7
	Total Paloma									28.92	21.86	-8.5	-6.8
	Red Rock												
341.05	Structures and Improvements	30.00	SQ					2046	200-SC	28.88	26.55	-15.5	-11.3
342.05	Fuel Holders, Products and Accessories												
343.05	Prime Movers												
344.05	Generators and Devices	30.00	SQ					2046	200-SC	28.88	26.55	-15.5	-11.3
345.05	Accessory Electric Equipment	30.00	SQ					2046	200-SC	28.88	26.55	-15.5	-11.3
346.05	Miscellaneous Power Plant Equipment							2046	200-SC	28.88	26.55	-15.5	-11.3
	Total Redrock									28.88	26.55	-15.5	-11.3

ARIZONA PUBLIC SERVICE COMPANY
Parameter Summary - SFAS 143 Method
With Redistribution
Accretion Rate: 3.78 Percent

Statement E

	Current Parameters						SFAS 143 Method					
	P-Life/	Curve	VG	Rem.	Avg.	Fut.	P-Life/	Curve	VG	Rem.	Fut. Net Sal.	
ınt Description	AYFR	Shape	ASL	Life	Sal.	Sal.	AYFR	Shape	ASL	Life	Sf	Sf'
A	B	C	D	E	F	G	H	I	J	K	L	M
Roof Tops												
341.05 Structures and Improvements	2042	200-SC	28.71	25.62	-5.0	-5.0	2042	200-SC	28.73	22.80	-16.8	-13.4
342.05 Fuel Holders, Products and Accessories												
343.05 Prime Movers												
344.05 Generators and Devices	2042	200-SC	28.58	25.62	-5.0	-5.0	2042	200-SC	27.52	22.80	-16.9	-13.0
345.05 Accessory Electric Equipment	2042	200-SC	28.62	25.62	-5.0	-5.0	2042	200-SC	26.90	22.80	-16.9	-13.2
346.05 Miscellaneous Power Plant Equipment												
Total Roof Tops									27.42	22.80	-16.9	-13.1

ANALYSIS

INTRODUCTION

This section provides an explanation of the supporting schedules developed in the APS depreciation study to estimate appropriate projection curves, projection lives and net salvage statistics for each rate category. The form and content of the schedules developed for an account depend upon the method of analysis adopted for the category.

This section also includes an example of the supporting schedules developed for Account 367.00 – UG Conductors and Devices. Documentation for all other plant accounts is contained in the study work papers. Supporting schedules developed in the APS study include:

Schedule A – Generation Arrangement;

Schedule B – Age Distribution;

Schedule C – Plant History;

Schedule D – Actuarial Life Analysis;

Schedule E – Graphics Analysis; and

Schedule F – Historical Net Salvage Analysis.

The format and content of these schedules are briefly described below.

SCHEDULE A – GENERATION ARRANGEMENT

The purpose of this schedule is to obtain appropriate weighted–average life statistics for a rate category. A weighted–average remaining–life is the sum of Column H divided by the sum of Column I. A weighted average life is the sum of Column C divided by the sum of Column I.

It should be noted that the generation arrangement does not include parameters for net salvage. Computed Net Plant (Column C) and Accruals (Column I) must be adjusted for net salvage to obtain a correct measurement of theoretical reserves and annualized depreciation accruals.

The following table provides a description of each column in the generation arrangement.

Column	Title	Description
A	Vintage	Vintage or placement year of surviving plant.
B	Age	Age of surviving plant at beginning of study year.
C	Surviving Plant	Actual dollar amount of surviving plant.
D	Average Life	Estimated average life of each vintage. This statistic is the sum of the realized life and the unrealized life, which is the product of the remaining life (Column E) and the theoretical proportion surviving.
E	Remaining Life	Estimated remaining life of each vintage.
F	Net Plant Ratio	Theoretical net plant ratio of each vintage.
G	Allocation Factor	A pivotal ratio which determines the amortization period of the difference between the recorded and computed reserve.
H	Computed Net Plant	Plant in service less theoretical reserve for each vintage.
I	Accrual	Ratio of computed net plant (Column H) and remaining life (Column E).

Table 3. Generation Arrangement

SCHEDULE B – AGE DISTRIBUTION

This schedule provides the age distribution and realized life of surviving plant shown in Column C of the Generation Arrangement (Schedule A). The format of the schedule depends upon the availability of either aged or unaged data. Derived additions for vintage years older than the earliest activity year in an account for unaged data are obtained from the age distribution of surviving plant at the beginning of the earliest activity year. The amount surviving from these vintages is shown in Column D. The realized life (Column G) is derived from the dollar years of service provided by a vintage over the period of years the vintage has been in service. Plant additions for vintages older than the earliest activity year in an account are represented by the opening balances shown in Column D.

The computed proportion surviving (Column D) for unaged data is derived from a computed mortality analysis. The average service life displayed in the title block is the life statistic derived for the most recent activity year, given the derived age distribution at the start of the year and the specified retirement dispersion. The realized life (Column F) is obtained by finding the slope of an SC retirement dispersion, which connects the computed survivors of a vintage (Column E) to the recorded vintage addition (Column B). The realized life is the area bounded by the SC dispersion, the computed proportion surviving and the age of the vintage.

SCHEDULE C – PLANT HISTORY

An Unadjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the database in which all plant accounting transactions are identified by vintage and activity year. Activity year totals for unaged data are obtained from a transaction file without vintage identification. Information displayed in the unadjusted plant history is consistent with regulated investments reported internally by the Company.

An Adjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company with sales, transfers, and adjustments appropriately aged for depreciation study purposes. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the data base in which all plant accounting transactions are identified by vintage and activity year. Ageing of adjusting transactions is achieved using transaction codes that identify an adjusting year associated with the dollar amount of a transaction. Adjusting transactions processed in the adjusted plant history are not aged in the Company's records or in the unadjusted plant history.

SCHEDULE D – ACTUARIAL LIFE ANALYSIS

These schedules provide a summary of the dispersion and life indications obtained from an actuarial life analysis for a specified placement band. The observation band (Column A) is specified to produce a rolling–band, shrinking–band, or progressive–band analysis depending upon the movement of the end points of the band. The degree of censoring (or point of truncation) of the observed life table is shown in Column B for each observation band. The estimated average service life, best fitting Iowa dispersion, and a statistical measure of the goodness of fit are shown for each degree polynomial (First, Second, and Third) fitted to the estimated hazard rates. Options available in the analysis include the width and location of both the placement and observation bands; the interval of years included in a selected rolling, shrinking, or progressive band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated.

Estimated projection lives (Columns C, F, and I) are flagged with an asterisk if negative hazard rates are indicated by the fitted polynomial. All negative hazard rates are set equal to zero in the calculation of the graduated survivor curve. The Conformance Index (Columns E, H, and K) is the square root of the mean sum–

of–squared differences between the observed proportions surviving and the best fitting Iowa curve. A Conformance Index of zero would indicate a perfect fit.

SCHEDULE E – GRAPHICS ANALYSIS

This schedule provides a graphics plot of a) the observed proportion surviving for a selected placement and observation band; b) the statistically best fitting Iowa dispersion and derived average service life; and c) the projection curve and projection life selected to describe future forces of mortality.

The graphics analysis also provides a plot of the observed hazard rates and graduated hazard function for a selected placement and observation band. The estimator of the hazard rates and weighting used in fitting orthogonal polynomials to the observed data are displayed in the title block of the displayed graph.

SCHEDULE F – HISTORICAL NET SALVAGE ANALYSIS

This schedule provides a moving average analysis of the ratio of realized net salvage (Column I) to the associated retirements (Column B). The schedule also provides a moving average analysis of the components of net salvage related to retirements. The ratio of gross salvage to retirements is shown in Column D and the ratio of cost of removal to retirements is shown in Column G.

Schedule A
Page 1 of 2

ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant
Account: 367.00 UG Conductors and Devices

Dispersion: 40 - L1
Procedure: Vintage Group

Generation Arrangement

	December 31, 2018				Net			
Vintage	Age	Surviving Plant	Avg. Life	Rem. Life	Plant Ratio	Alloc. Factor	Computed Net Plant	Accrual
A	B	C	D	E	F	G	H=C*F*G	I=H/E
2018	0.5	115,928,337	40.00	39.53	0.9882	1.0000	114,564,350	2,898,188
2017	1.5	89,776,561	40.00	38.60	0.9650	1.0000	86,631,029	2,244,305
2016	2.5	79,541,558	40.00	37.69	0.9421	1.0000	74,937,775	1,988,319
2015	3.5	88,101,080	40.01	36.80	0.9197	1.0000	81,027,196	2,201,947
2014	4.5	55,991,952	40.01	35.93	0.8980	1.0000	50,283,133	1,399,512
2013	5.5	44,319,538	40.01	35.08	0.8768	1.0000	38,858,885	1,107,584
2012	6.5	49,182,474	40.01	34.27	0.8565	1.0000	42,122,902	1,229,311
2011	7.5	45,668,031	40.03	33.47	0.8362	1.0000	38,187,572	1,140,829
2010	8.5	52,382,948	40.01	32.71	0.8175	1.0000	42,820,712	1,309,104
2009	9.5	50,285,111	40.08	31.98	0.7978	1.0000	40,117,866	1,254,656
2008	10.5	84,664,653	40.01	31.27	0.7816	1.0000	66,171,930	2,116,133
2007	11.5	113,250,438	40.04	30.60	0.7641	1.0000	86,531,847	2,828,277
2006	12.5	108,013,234	39.97	29.95	0.7493	1.0000	80,932,115	2,702,230
2005	13.5	82,306,918	40.09	29.33	0.7317	1.0000	60,220,361	2,052,883
2004	14.5	62,864,800	40.07	28.75	0.7175	1.0000	45,106,897	1,569,038
2003	15.5	55,742,585	40.18	28.19	0.7016	1.0000	39,109,869	1,387,372
2002	16.5	56,841,901	40.13	27.66	0.6892	1.0000	39,174,414	1,416,352
2001	17.5	68,784,915	40.30	27.15	0.6738	1.0000	46,349,284	1,706,950
2000	18.5	59,004,425	40.11	26.67	0.6649	1.0000	39,234,648	1,471,031
1999	19.5	51,754,779	40.22	26.21	0.6517	1.0000	33,731,160	1,286,856
1998	20.5	63,670,783	40.70	25.77	0.6332	1.0000	40,315,717	1,564,325
1997	21.5	41,153,737	40.62	25.35	0.6240	1.0000	25,681,363	1,013,113
1996	22.5	40,825,581	40.52	24.94	0.6156	1.0000	25,130,869	1,007,642
1995	23.5	30,174,430	38.37	24.54	0.6397	1.0000	19,301,714	786,465
1994	24.5	25,515,224	40.45	24.15	0.5970	1.0000	15,233,436	630,735
1993	25.5	28,577,078	40.76	23.77	0.5831	1.0000	16,662,094	701,066
1992	26.5	35,849,128	40.61	23.39	0.5759	1.0000	20,645,990	882,790
1991	27.5	21,039,244	40.28	23.01	0.5713	1.0000	12,019,812	522,309
1990	28.5	35,962,062	39.57	22.64	0.5723	1.0000	20,580,285	908,884
1989	29.5	24,805,058	38.56	22.28	0.5778	1.0000	14,333,592	643,368
1988	30.5	15,398,447	35.72	21.92	0.6136	1.0000	9,448,933	431,070
1987	31.5	10,478,520	34.81	21.57	0.6195	1.0000	6,491,362	301,011
1986	32.5	7,046,335	34.09	21.22	0.6224	1.0000	4,385,657	206,721
1985	33.5	11,774,383	36.39	20.87	0.5736	1.0000	6,753,259	323,581
1984	34.5	7,578,560	36.17	20.53	0.5676	1.0000	4,301,347	209,518
1983	35.5	4,016,585	37.10	20.19	0.5442	1.0000	2,185,925	108,249
1982	36.5	4,237,459	36.83	19.86	0.5393	1.0000	2,285,468	115,068

Schedule A
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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant
Account: 367.00 UG Conductors and Devices

Dispersion: 40 - L1
Procedure: Vintage Group

Generation Arrangement

	December 31, 2018				Net			
Vintage	Age	Surviving Plant	Avg. Life	Rem. Life	Plant Ratio	Alloc. Factor	Computed Net Plant	Accrual
A	B	C	D	E	F	G	H=C*F*G	I=H/E
1981	37.5	6,576,836	37.07	19.53	0.5269	1.0000	3,465,236	177,393
1980	38.5	4,168,091	36.14	19.21	0.5315	1.0000	2,215,515	115,326
1979	39.5	2,085,631	34.24	18.89	0.5517	1.0000	1,150,649	60,907
1978	40.5	2,710,323	35.86	18.58	0.5180	1.0000	1,404,069	75,583
1977	41.5	1,739,149	35.63	18.27	0.5126	1.0000	891,444	48,805
1976	42.5	1,408,861	37.12	17.96	0.4837	1.0000	681,512	37,950
1975	43.5	1,913,122	36.32	17.65	0.4861	1.0000	930,019	52,679
1974	44.5	1,075,103	35.43	17.35	0.4898	1.0000	526,560	30,341
1973	45.5	1,118,027	37.21	17.06	0.4585	1.0000	512,599	30,049
1972	46.5	1,138,244	34.69	16.77	0.4833	1.0000	550,097	32,811
1971	47.5	604,374	31.54	16.48	0.5225	1.0000	315,758	19,164
1970	48.5	3,495,929	43.46	16.19	0.3726	1.0000	1,302,509	80,448
1969	49.5	921,931	40.01	15.91	0.3976	1.0000	366,544	23,041
1968	50.5	1,913,256	45.51	15.63	0.3434	1.0000	657,055	42,040
1967	51.5	2,773,570	49.75	15.35	0.3086	1.0000	855,966	55,750
1966	52.5	770,834	46.30	15.08	0.3257	1.0000	251,085	16,649
1965	53.5	1,254,580	47.85	14.81	0.3095	1.0000	388,345	26,220
1964	54.5	1,281,470	44.39	14.54	0.3277	1.0000	419,899	28,870
1963	55.5	299,302	43.05	14.28	0.3317	1.0000	99,277	6,952
1962	56.5	1,121	29.51	14.02	0.4751	1.0000	533	38
1961	57.5	2,460,867	47.33	13.76	0.2908	1.0000	715,566	51,997
1960	58.5	47,899	39.68	13.51	0.3404	1.0000	16,305	1,207
1958	60.5	38,448	43.44	13.00	0.2993	1.0000	11,509	885
1956	62.5	1,545,619	51.69	12.51	0.2421	1.0000	374,133	29,900
Total	13.8	$1,863,851,442	39.90	30.18	0.7565	1.0000	$1,409,972,953	$46,711,795

Schedule B
Page 1 of 2

ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Age Distribution

Vintage	Age as of 12/31/2018	Derived Additions	1971 Opening Balance	Experience to 12/31/2018		
				Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
2018	0.5	115,931,352		115,928,337	1.0000	0.5000
2017	1.5	89,777,723		89,776,561	1.0000	1.5000
2016	2.5	79,737,395		79,541,558	0.9975	2.4988
2015	3.5	88,219,506		88,101,080	0.9987	3.4986
2014	4.5	56,476,841		55,991,952	0.9914	4.4867
2013	5.5	44,678,425		44,319,538	0.9920	5.4796
2012	6.5	50,073,020		49,182,474	0.9822	6.4549
2011	7.5	46,225,296		45,668,031	0.9879	7.4535
2010	8.5	53,372,687		52,382,948	0.9815	8.4071
2009	9.5	50,856,520		50,285,111	0.9888	9.4339
2008	10.5	86,995,509		84,664,653	0.9732	10.3181
2007	11.5	116,384,192		113,250,438	0.9731	11.2957
2006	12.5	112,275,537		108,013,234	0.9620	12.1595
2005	13.5	85,058,914		82,306,918	0.9676	13.2036
2004	14.5	65,733,719		62,864,800	0.9564	14.0863
2003	15.5	58,498,509		55,742,585	0.9529	15.0957
2002	16.5	60,090,306		56,841,901	0.9459	15.9322
2001	17.5	72,629,306		68,784,915	0.9471	16.9637
2000	18.5	63,846,698		59,004,425	0.9242	17.6288
1999	19.5	57,254,837		51,754,779	0.9039	18.5702
1998	20.5	67,935,430		63,670,783	0.9372	19.8711
1997	21.5	45,945,520		41,153,737	0.8957	20.5896
1996	22.5	46,132,607		40,825,581	0.8850	21.2656
1995	23.5	39,198,296		30,174,430	0.7698	19.8793
1994	24.5	30,532,870		25,515,224	0.8357	22.7093
1993	25.5	32,818,292		28,577,078	0.8708	23.7439
1992	26.5	44,521,099		35,849,128	0.8052	24.2972
1991	27.5	28,788,635		21,039,244	0.7308	24.6577
1990	28.5	52,677,451		35,962,062	0.6827	24.6134
1989	29.5	44,455,312		24,805,058	0.5580	24.2523
1988	30.5	40,865,800		15,398,447	0.3768	22.0516
1987	31.5	30,924,071		10,478,520	0.3388	21.7557
1986	32.5	21,795,900		7,046,335	0.3233	21.6272
1985	33.5	24,808,329		11,774,383	0.4746	24.5069
1984	34.5	17,735,429		7,578,560	0.4273	24.8511
1983	35.5	8,745,998		4,016,585	0.4592	26.3271
1982	36.5	9,391,181		4,237,459	0.4512	26.5727
1981	37.5	13,919,669		6,576,836	0.4725	27.3296

Schedule B
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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Age Distribution

Vintage	Age as of 12/31/2018	Derived Additions	1971 Opening Balance	Experience to 12/31/2018 Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
1980	38.5	10,300,233		4,168,091	0.4047	26.8867
1979	39.5	6,639,570		2,085,631	0.3141	25.4610
1978	40.5	6,975,826		2,710,323	0.3885	27.5339
1977	41.5	4,440,551		1,739,149	0.3917	27.7494
1976	42.5	3,277,478		1,408,861	0.4299	29.6623
1975	43.5	5,492,574		1,913,122	0.3483	29.2627
1974	44.5	2,968,554		1,075,103	0.3622	28.7712
1973	45.5	2,820,657		1,118,027	0.3964	30.9201
1972	46.5	3,877,951		1,138,244	0.2935	28.7656
1971	47.5	2,578,631		604,374	0.2344	25.9575
1970	48.5		7,023,065	3,495,929	0.4978	38.2079
1969	49.5		1,968,869	921,931	0.4683	35.0817
1968	50.5		3,241,505	1,913,256	0.5902	40.8829
1967	51.5		3,838,902	2,773,570	0.7225	45.4114
1966	52.5		1,378,728	770,834	0.5591	42.2354
1965	53.5		2,643,892	1,254,580	0.4745	44.0488
1964	54.5		3,507,482	1,281,470	0.3654	40.8377
1963	55.5		1,017,190	299,302	0.2942	39.7422
1962	56.5		128,232	1,121	0.0087	26.4262
1961	57.5		6,995,617	2,460,867	0.3518	44.4563
1960	58.5		264,023	47,899	0.1814	37.0096
1959	59.5		93,968		0.0000	30.4671
1958	60.5		190,948	38,448	0.2014	41.1503
1957	61.5		67,204		0.0000	28.9379
1956	62.5		4,023,015	1,545,619	0.3842	49.7315
1955	63.5		122,718		0.0000	33.2093
1954	64.5		19,062		0.0000	31.2236
1953	65.5		15,400		0.0000	34.1003
1952	66.5		14,699		0.0000	33.4659
1951	67.5		4,289		0.0000	35.6181
1950	68.5		10,233		0.0000	44.0000
1946	72.5		8,447		0.0000	48.0000
1940	78.5		4,926		0.0000	42.7389
Total	13.8	$2,104,680,207	$36,582,414	$1,863,851,442	0.8704	

Schedule C
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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Unadjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1971	11,234,859	5,227,485			16,462,344
1972	16,462,344	5,626,788	167,216		21,921,916
1973	21,921,916	5,899,426	110,107		27,711,235
1974	27,711,235	6,605,495	72,619		34,244,111
1975	34,244,111	4,188,877	143,093		38,289,895
1976	38,289,895	4,904,543	119,194	196	43,075,440
1977	43,075,440	7,682,950	62,687	135	50,695,839
1978	50,695,839	6,255,514	144,347	223	56,807,229
1979	56,807,229	12,165,882	180,100	338	68,793,348
1980	68,793,348	11,925,816	261,221	6,573	80,464,517
1981	80,464,517	13,706,676	311,535	(182)	93,859,475
1982	93,859,475	12,677,752	280,423		106,256,805
1983	106,256,805	12,220,047	167,539	27	118,309,340
1984	118,309,340	24,564,892	620,234	(711,901)	141,542,097
1985	141,542,097	28,119,927	588,413	100,773	169,174,384
1986	169,174,384	33,086,796	776,947	(819,083)	200,665,150
1987	200,665,150	40,442,295	1,411,693	11,977	239,707,730
1988	239,707,730	44,562,290	1,298,863	(102,165)	282,868,992
1989	282,868,992	39,930,190	1,822,189	1,230,377	322,207,369
1990	322,207,369	48,232,643	2,081,398	(242,515)	368,116,099
1991	368,116,099	26,258,331	6,505,011	(35,194)	387,834,225
1992	387,834,225	43,961,641	7,676,820	(25,026,623)	399,092,424
1993	399,092,424	32,825,279	12,346,537	(323,901)	419,247,265
1994	419,247,265	30,533,944	6,133,313	385,837	444,033,733
1995	444,033,733	39,423,523	5,497,824		477,959,432
1996	477,959,432	46,015,566	2,560,192		521,414,806
1997	521,414,806	45,962,909	8,905,235	(37,625)	558,434,855
1998	558,434,855	67,536,428	21,756,216		604,215,067
1999	604,215,067	57,369,075	9,569,466		652,014,675
2000	652,014,675	63,360,845	10,611,085		704,764,435
2001	704,764,435	51,081,906	10,079,147		745,767,195
2002	745,767,195	69,400,154	13,144,993		802,022,355
2003	802,022,355	60,001,037	12,088,891		849,934,501
2004	849,934,501	74,271,162	15,315,290		908,890,373
2005	908,890,373	91,985,491	7,426,563	379,484	993,828,785
2006	993,828,785	123,918,259	8,664,638	429	1,109,082,836
2007	1,109,082,836	134,150,439	10,281,509	1,872,293	1,234,824,060
2008	1,234,824,060	94,814,104	9,083,916	(95,633)	1,320,458,614
2009	1,320,458,614	62,492,252	11,733,105	202,017	1,371,419,778
2010	1,371,419,778	58,927,725	7,660,141	21,140	1,422,708,502

Schedule C
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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Unadjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
2011	1,422,708,502	43,524,346	9,210,495	(44,497)	1,456,977,856
2012	1,456,977,856	47,222,515	9,583,537	36,067	1,494,652,901
2013	1,494,652,901	53,730,829	6,521,014	115,062	1,541,977,778
2014	1,541,977,778	54,477,481	8,392,283	(984,094)	1,587,078,882
2015	1,587,078,882	69,029,324	9,727,135		1,646,381,070
2016	1,646,381,070	37,260,209	9,013,566		1,674,627,713
2017	1,674,627,713	82,202,162	8,170,347	(315,216)	1,748,344,312
2018	1,748,344,312	124,631,106	9,133,092	9,116	1,863,851,442

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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Adjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1971	11,081,927	5,227,485			16,309,412
1972	16,309,412	6,221,813	167,216		22,364,009
1973	22,364,009	6,947,551	109,802		29,201,758
1974	29,201,758	5,440,303	71,744		34,570,317
1975	34,570,317	3,856,115	143,398		38,283,034
1976	38,283,034	4,856,897	108,092	196	43,032,035
1977	43,032,035	5,547,742	73,789	135	48,506,123
1978	48,506,123	9,535,737	144,905	223	57,897,178
1979	57,897,178	11,431,460	180,100	338	69,148,876
1980	69,148,876	12,365,001	261,538	6,573	81,258,911
1981	81,258,911	13,176,167	311,535	(182)	94,123,362
1982	94,123,362	12,706,417	280,423		106,549,356
1983	106,549,356	13,043,237	165,751	27	119,426,869
1984	119,426,869	21,961,759	617,304	(711,901)	140,059,423
1985	140,059,423	24,635,568	591,343	100,773	164,204,421
1986	164,204,421	33,744,143	773,965	(819,083)	196,355,516
1987	196,355,516	32,889,905	1,408,643	11,977	227,848,755
1988	227,848,755	43,251,756	1,217,615	(102,165)	269,780,732
1989	269,780,732	49,842,853	1,833,911	1,230,377	319,020,051
1990	319,020,051	46,937,808	2,081,042	(242,515)	363,634,302
1991	363,634,302	36,843,350	6,580,659	(35,194)	393,861,799
1992	393,861,799	38,584,248	7,675,544	(25,026,623)	399,743,881
1993	399,743,881	32,821,128	12,345,547	(323,901)	419,895,561
1994	419,895,561	30,543,844	6,132,492	385,837	444,692,750
1995	444,692,750	39,205,414	5,497,343		478,400,821
1996	478,400,821	46,131,701	2,559,267		521,973,255
1997	521,973,255	45,947,957	8,902,760	(37,625)	558,980,827
1998	558,980,827	67,627,089	21,754,729		604,853,187
1999	604,853,187	57,258,250	9,560,988		652,550,449
2000	652,550,449	64,090,317	10,610,781		706,029,985
2001	706,029,985	72,357,910	10,078,436		768,309,459
2002	768,309,459	59,838,811	13,144,764		815,003,506
2003	815,003,506	57,985,224	12,111,789		860,876,940
2004	860,876,940	65,576,468	15,353,546		911,099,862
2005	911,099,862	84,783,460	7,750,593	379,484	988,512,213
2006	988,512,213	111,975,768	8,299,685	429	1,092,188,725
2007	1,092,188,725	116,329,725	10,281,509	1,871,806	1,200,108,747
2008	1,200,108,747	86,977,752	9,083,916	(95,633)	1,277,906,950
2009	1,277,906,950	50,856,520	11,733,105	202,017	1,317,232,382
2010	1,317,232,382	53,243,383	7,660,141	21,140	1,362,836,764

ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Adjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
2011	1,362,836,764	46,234,494	9,210,495	(44,497)	1,399,816,265
2012	1,399,816,265	50,893,443	9,583,537	36,067	1,441,162,238
2013	1,441,162,238	44,678,425	6,521,014	115,062	1,479,434,711
2014	1,479,434,711	56,476,841	8,392,283	(984,094)	1,526,535,176
2015	1,526,535,176	88,219,506	9,727,135		1,605,027,547
2016	1,605,027,547	79,737,926	9,013,566		1,675,751,907
2017	1,675,751,907	89,777,723	8,170,347	(315,216)	1,757,044,066
2018	1,757,044,066	115,931,352	9,133,092	9,116	1,863,851,442

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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018
Hazard Function: Proportion Retired
Weighting: Exposures

Rolling Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1971-1975	66.0	51.3	L0.5	2.57	47.6	L1	2.83	36.7	R2	4.43
1972-1976	67.4	55.1	L0.5	2.60	52.3	L1	2.68	41.0	R1.5	3.26
1973-1977	82.2	75.6	L0.5	2.10	145.1	SC *	1.42	49.5	R2	2.42
1974-1978	81.4	73.2	L0.5	1.94	141.4	SC *	1.13	51.5	R2	2.10
1975-1979	71.5	59.3	L1	1.61	53.4	L1.5	2.30	113.1	O3 *	1.83
1976-1980	66.2	55.5	L1	1.97	45.3	S0.5	4.31	138.6	SC *	2.03
1977-1981	50.2	48.2	L1 *	2.58	37.8	S1	5.90	104.9	O4 *	2.95
1978-1982	44.7	46.3	L1.5 *	2.81	36.1	S1	7.05	103.7	O4 *	3.16
1979-1983	48.1	49.3	L1.5 *	2.62	38.1	S1	7.43	118.0	SC *	3.47
1980-1984	27.2	45.7	L1.5 *	7.23	33.8	S1.5	6.44	63.2	O4 *	3.14
1981-1985	23.0	45.6	L1.5 *	8.16	33.5	S1.5	6.97	44.6	L1.5 *	4.28
1982-1986	21.1	46.2	L1.5 *	8.71	34.0	S1.5	6.53	34.7	S1.5	5.46
1983-1987	13.3	45.1	L1 *	11.96	32.6	S1.5	5.11	32.5	S1.5	5.19
1984-1988	13.1	44.7	L1	10.48	33.2	S1.5	5.16	32.8	S1.5	5.75
1985-1989	16.8	44.1	L1	7.51	34.9	S1	4.21	34.0	R2	5.53
1986-1990	5.1	41.4	L1	9.31	33.4	S1	2.78	32.5	R2	4.23
1987-1991	4.6	43.8	L0	10.67	34.8	R1	3.32	31.1	R2	7.23
1988-1992	0.4	34.7	L0.5	13.06	92.3	O4 *	20.15	103.2	O4 *	22.85
1989-1993	0.8	27.3	L0.5	6.54	79.8	O4 *	16.22	78.3	O4 *	15.75
1990-1994	0.0	27.3	L0.5	8.31	76.0	O4 *	16.34	72.8	O4 *	15.27
1991-1995	0.0	27.8	L0.5	9.71	74.0	O4 *	15.84	69.5	O4 *	14.26
1992-1996	0.0	30.3	L0.5	12.57	79.4	O4 *	16.72	73.8	O4 *	14.84
1993-1997	0.0	29.6	L1	8.88	54.7	O4 *	10.33	64.8	O4 *	12.11
1994-1998	0.0	25.7	L1.5 *	4.11	26.0	S0.5	3.25	26.7	R1.5	3.40
1995-1999	0.0	26.0	L1.5 *	4.65	26.0	S0.5	3.37	26.6	R1.5	2.57
1996-2000	5.5	26.2	L1.5 *	5.40	26.0	S0.5	4.32	26.4	R1	3.03
1997-2001	5.8	25.9	L1.5 *	5.13	25.6	S0.5	4.59	25.8	S0	3.66
1998-2002	10.9	26.5	L1 *	4.22	26.4	L1	4.29	26.4	L1	4.26
1999-2003	46.1	33.3	L0.5	10.40	95.4	O4 *	3.85	90.8	O4 *	5.34
2000-2004	34.3	32.2	L0.5	9.15	86.6	O4 *	3.36	81.1	O4 *	4.93
2001-2005	25.2	34.2	L0.5	8.17	89.1	O4 *	3.80	85.5	O4 *	5.08
2002-2006	42.4	36.6	L1	8.26	94.0	O4 *	3.14	91.4	O4 *	4.72
2003-2007	44.1	39.6	L1	7.07	94.2	O4 *	3.08	95.4	O4 *	4.64
2004-2008	46.3	41.8	L1	6.83	93.9	O4 *	3.14	99.4	O4 *	4.43
2005-2009	5.1	45.1	L1	7.37	94.9	O4 *	6.16	105.1	O4 *	7.27
2006-2010	20.1	46.5	L1	6.24	85.0	O4 *	4.61	105.5	O4 *	5.82
2007-2011	48.1	46.7	L1	6.91	85.4	O4 *	4.17	104.6	O4 *	5.16
2008-2012	0.0	47.9	L1 *	7.55	86.4	O4 *	6.54	106.1	O4 *	7.50

ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

T-Cut: None

Placement Band: 1940-2018

Hazard Function: Proportion Retired

Weighting: Exposures

Rolling Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
2009-2013	53.9	50.1	L1.5 *	6.09	89.1	O4 *	3.71	109.7	O4 *	4.14
2010-2014	55.2	53.0	L1.5 *	5.49	81.4	O3 *	3.84	113.4	O3 *	3.53
2011-2015	57.0	52.3	L1.5 *	7.34	85.9	O4 *	5.07	111.4	O3 *	5.36
2012-2016	55.7	53.0	L1.5 *	7.03	72.2	O3 *	5.32	110.5	O3 *	5.25
2013-2017	56.4	54.8	L1.5 *	6.65	67.8	O2 *	5.24	113.4	O3 *	4.67
2014-2018	54.0	55.3	L1.5 *	5.84	62.6	L0.5 *	4.74	113.0	O3 *	3.69

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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018
Hazard Function: Proportion Retired
Weighting: Exposures

Shrinking Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1971-2018	39.8	44.0	L1	6.04	66.1	O4 *	3.54	93.7	O4 *	1.12
1973-2018	39.8	44.0	L1	6.04	66.2	O4 *	3.54	93.7	O4 *	1.12
1975-2018	39.8	44.0	L1	6.04	66.2	O4 *	3.54	93.7	O4 *	1.12
1977-2018	39.8	44.0	L1	6.04	66.2	O4 *	3.54	93.7	O4 *	1.12
1979-2018	39.8	43.9	L1	6.04	66.3	O4 *	3.53	93.7	O4 *	1.12
1981-2018	39.8	43.9	L1	6.03	66.3	O4 *	3.53	93.7	O4 *	1.13
1983-2018	39.8	43.9	L1	6.02	66.4	O4 *	3.52	93.7	O4 *	1.12
1985-2018	39.8	43.9	L1	6.02	66.6	O4 *	3.51	93.7	O4 *	1.12
1987-2018	39.8	43.9	L1	6.01	66.9	O4 *	3.49	93.6	O4 *	1.12
1989-2018	39.8	43.9	L1	6.01	67.5	O4 *	3.46	93.7	O4 *	1.11
1991-2018	39.8	44.0	L1	6.00	67.8	O4 *	3.44	93.7	O4 *	1.12
1993-2018	40.0	44.2	L1	6.07	68.3	O4 *	3.48	94.2	O4 *	1.13
1995-2018	40.3	45.0	L1	5.78	61.1	O3 *	3.84	94.6	O4 *	1.18
1997-2018	40.0	45.1	L1	5.63	58.0	O3 *	3.94	93.9	O4 *	1.19
1999-2018	50.6	48.6	L1	7.99	99.3	O4 *	3.28	109.0	O4 *	2.72
2001-2018	50.9	49.3	L1	7.75	94.9	O4 *	3.72	108.9	O4 *	3.00
2003-2018	51.4	50.5	L1 *	7.25	86.5	O4 *	4.20	109.4	O4 *	3.19
2005-2018	52.6	52.4	L1 *	6.72	76.3	O3 *	4.56	111.4	O3 *	3.28
2007-2018	53.2	52.7	L1.5 *	6.85	74.9	O3 *	4.79	111.3	O3 *	3.59
2009-2018	53.5	53.4	L1.5 *	6.62	72.7	O3 *	4.77	111.9	O3 *	3.56
2011-2018	55.9	54.6	L1.5 *	6.99	74.4	O3 *	5.14	113.8	O3 *	4.38
2013-2018	55.7	55.7	L1.5 *	6.29	65.5	L0.5 *	5.02	114.6	O3 *	4.02
2015-2018	53.2	55.4	L1.5 *	5.55	60.5	L1 *	4.62	112.4	O3 *	3.54
2017-2018	54.0	59.3	L1.5 *	4.14	63.7	L1 *	3.68	119.6	SC *	1.61

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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018
Hazard Function: Proportion Retired
Weighting: Exposures

Progressing Band Life Analysis

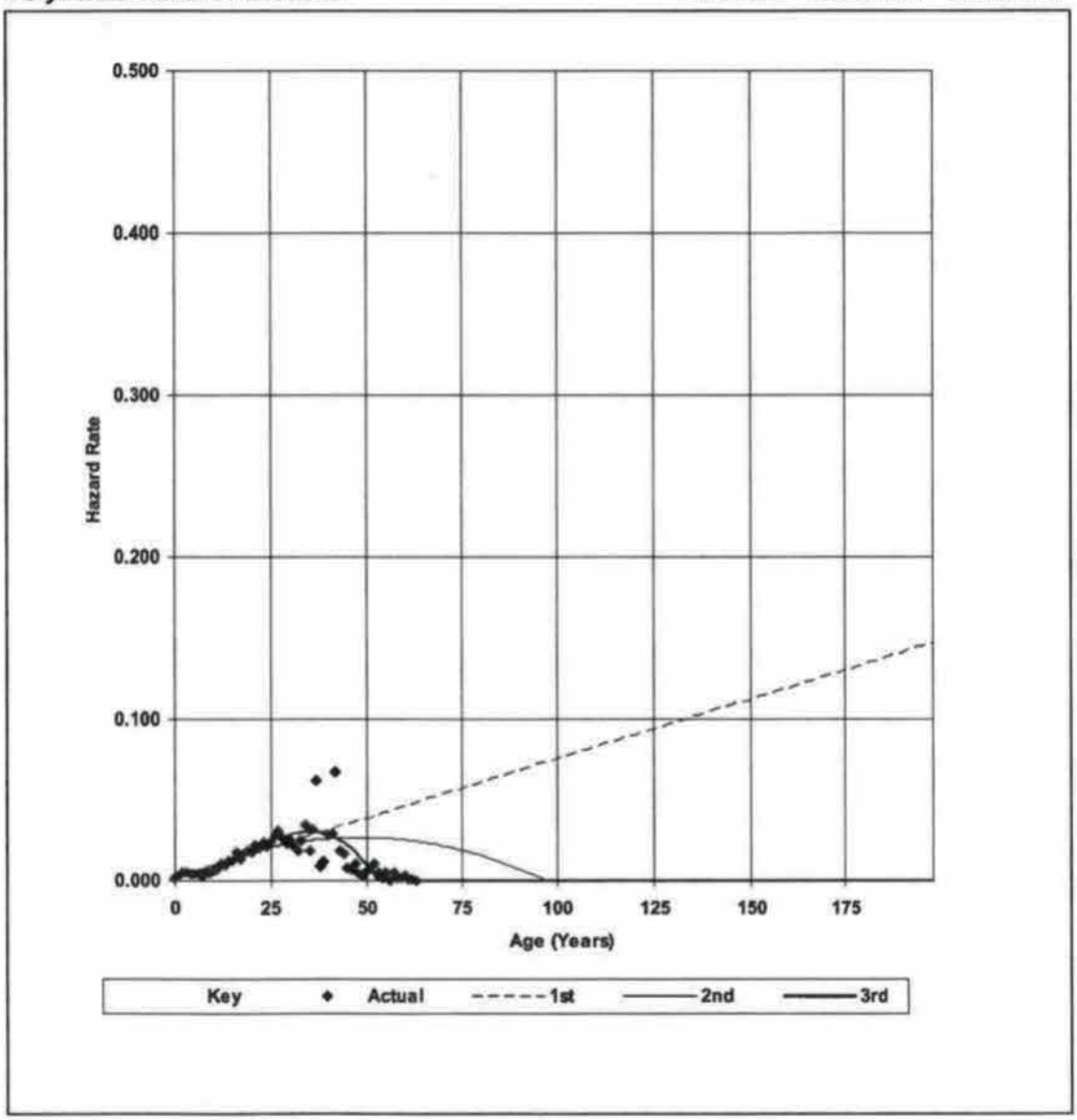
Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1971-1972	66.4	44.2	L0.5	3.54	32.0	S1	8.19	29.7	R2	9.75
1971-1974	71.2	55.2	L0.5	3.05	43.0	S0.5	4.53	36.8	R2	5.74
1971-1976	68.2	57.6	L0.5	2.48	55.7	L1	2.49	40.6	R2	3.15
1971-1978	67.7	69.5	L0.5	3.33	54.7	S0.5	2.45	73.1	O3 *	2.59
1971-1980	53.1	56.3	L1	4.85	44.0	S0.5	1.75	115.6	O3 *	3.18
1971-1982	37.5	50.3	L1	7.51	37.7	S1	1.69	79.8	O4 *	2.61
1971-1984	25.5	48.8	L1 *	9.21	35.4	S1.5	3.22	42.1	L2 *	1.88
1971-1986	16.7	47.7	L1 *	11.03	34.9	S1.5	2.86	35.2	S1.5	2.56
1971-1988	10.0	46.9	L1	13.11	34.5	S1.5	2.08	34.3	S1.5	2.19
1971-1990	2.5	43.4	L1 *	13.58	33.8	S1	1.90	33.5	S1.5	1.51
1971-1992	0.9	38.1	L0.5	13.77	39.1	L0.5	14.40	107.6	O4 *	21.74
1971-1994	0.0	31.5	L1	8.23	87.7	O4 *	17.74	92.4	O4 *	19.17
1971-1996	0.0	33.7	L1	10.00	96.0	O4 *	18.98	94.3	O4 *	18.51
1971-1998	0.0	27.4	L1.5 *	4.19	26.9	S0.5	3.50	27.2	S0.5	3.11
1971-2000	0.0	28.3	L1 *	3.79	27.9	L1.5	3.40	27.8	S0	2.91
1971-2002	0.0	29.0	L1	4.15	29.2	L1	4.30	31.1	L1 *	4.54
1971-2004	0.0	29.5	L1	3.47	31.6	L0.5 *	3.50	53.8	O4 *	5.19
1971-2006	0.0	31.6	L1	4.19	36.9	L0.5 *	3.15	62.1	O4 *	3.82
1971-2008	0.0	33.4	L1	4.49	43.8	O3 *	3.35	69.7	O4 *	4.16
1971-2010	7.8	35.2	L1	4.31	48.4	O3 *	2.89	74.8	O4 *	3.47
1971-2012	0.0	37.2	L1	5.43	56.2	O4 *	4.04	80.6	O4 *	4.52
1971-2014	36.1	39.7	L1	5.43	62.7	O4 *	2.87	86.7	O4 *	1.36
1971-2016	37.4	41.6	L1	5.70	62.4	O4 *	3.30	89.4	O4 *	1.13
1971-2018	39.8	44.0	L1	6.04	66.1	O4 *	3.54	93.7	O4 *	1.12

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ARIZONA PUBLIC SERVICE COMPANY
Distribution Plant
Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018 Observation Band: 1971-2018
Hazard Function: Proportion Retired
Weighting: Exposures

Polynomial Hazard Functions 1st: 44.0-L1 2nd: 66.1-O4 3rd: 93.7-O4

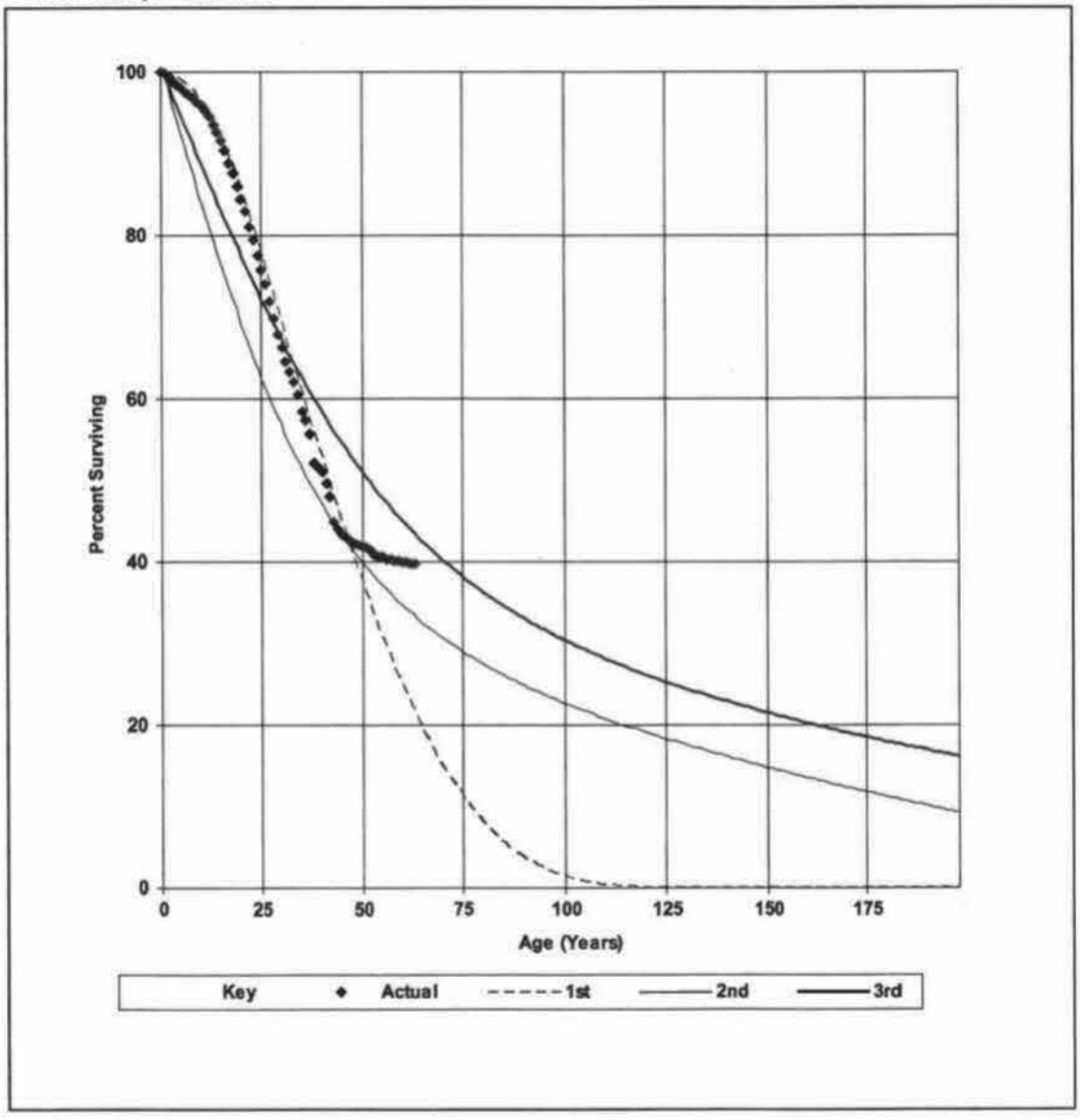


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ARIZONA PUBLIC SERVICE COMPANY
Distribution Plant
Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018 Observation Band: 1971-2018
Hazard Function: Proportion Retired
Weighting: Exposures

Survivorship Functions 1st: 44.0-L1 2nd: 66.1-O4 3rd: 93.7-O4

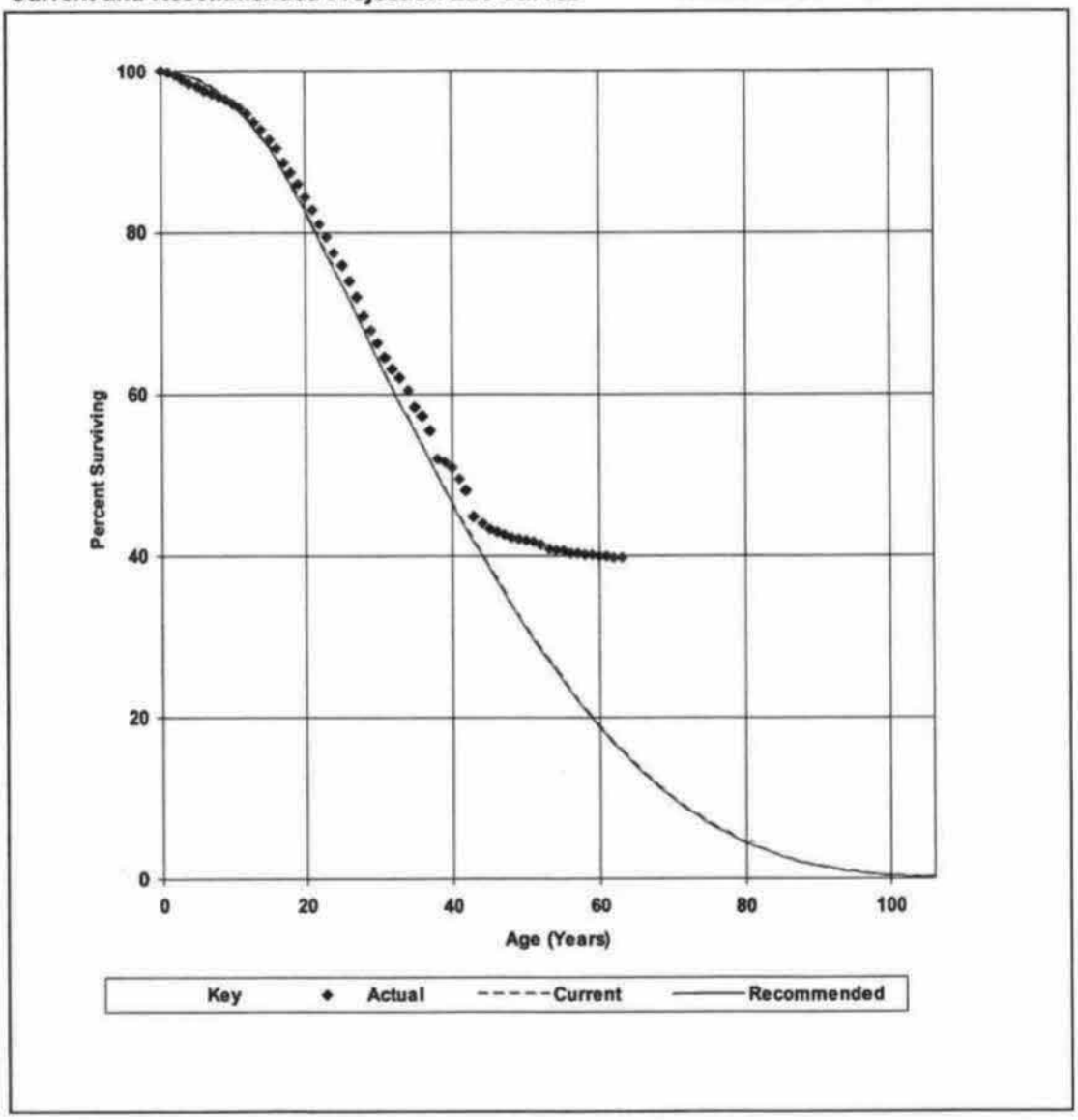


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ARIZONA PUBLIC SERVICE COMPANY
Distribution Plant
Account: 367.00 UG Conductors and Devices

T-Cut: None
Placement Band: 1940-2018
Observation Band: 1971-2018

Current and Recommended Projection Life Curves Current: 40.0-L1 Recommended: 40.0-L1



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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Unadjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1993	12,346,537	2,524,434	20.4		1,610,244	13.0		914,190	7.4	
1994	6,133,313	1,148,835	18.7		909,409	14.8		239,426	3.9	
1995	5,497,824	1,113,693	20.3		616,784	11.2		496,909	9.0	
1996	2,560,192	265,961	10.4		270,617	10.6		(4,655)	-0.2	
1997	8,905,235	1,174,025	13.2	17.6	597,293	6.7	11.3	576,731	6.5	6.3
1998	21,756,216		0.0	8.3	4,596	0.0	5.3	(4,596)	0.0	2.9
1999	9,569,466		0.0	5.3	13,462	0.1	3.1	(13,462)	-0.1	2.2
2000	10,611,085	2,917,118	27.5	8.2	851,477	8.0	3.3	2,065,640	19.5	4.9
2001	10,079,147	1,973,691	19.6	10.0	1,993,829	19.8	5.7	(20,138)	-0.2	4.3
2002	13,144,993	1,533,592	11.7	9.9	2,379,742	18.1	8.0	(846,150)	-6.4	1.8
2003	12,088,891	1,208,607	10.0	13.8	2,121,011	17.5	13.3	(912,404)	-7.5	0.5
2004	15,315,290	1,306,856	8.5	14.6	1,971,252	12.9	15.2	(664,396)	-4.3	-0.6
2005	7,426,563	1,536,983	20.7	13.0	3,342,225	45.0	20.3	(1,805,242)	-24.3	-7.3
2006	8,664,638	4,972,381	57.4	18.6	2,695,724	31.1	22.1	2,276,657	26.3	-3.4
2007	10,281,509	3,672,708	35.7	23.6	3,782,266	36.8	25.9	(109,557)	-1.1	-2.3
2008	9,083,916	3,764,197	41.4	30.0	4,689,426	51.6	32.5	(925,229)	-10.2	-2.4
2009	11,733,105	2,169,201	18.5	34.2	3,391,321	28.9	37.9	(1,222,120)	-10.4	-3.8
2010	7,660,141	12,570,515	164.1	57.2	4,986,596	65.1	41.2	7,583,919	99.0	16.0
2011	9,210,495	1,131,945	12.3	48.6	2,767,426	30.0	40.9	(1,635,481)	-17.8	7.7
2012	9,583,537	1,495,667	15.6	44.7	3,097,894	32.3	40.1	(1,602,227)	-16.7	4.7
2013	6,521,014	296,727	4.6	39.5	2,926,160	44.9	38.4	(2,629,433)	-40.3	1.1
2014	8,392,283	1,491,999	17.8	41.1	4,304,042	51.3	43.7	(2,812,043)	-33.5	-2.6
2015	9,727,135	1,295,380	13.3	13.2	4,942,304	50.8	41.5	(3,646,925)	-37.5	-28.4
2016	9,013,566	1,868,875	20.7	14.9	3,698,656	41.0	43.9	(1,829,781)	-20.3	-29.0
2017	8,170,347	842,738	10.3	13.9	4,101,514	50.2	47.8	(3,258,776)	-39.9	-33.9
2018	9,133,092	(133,705)	-1.5	12.1	4,047,542	44.3	47.5	(4,181,247)	-45.8	-35.4
Total	252,609,530	52,142,422	20.6		66,112,812	26.2		(13,970,390)	-5.5	

Schedule F
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ARIZONA PUBLIC SERVICE COMPANY

Distribution Plant

Account: 367.00 UG Conductors and Devices

Adjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1993	12,345,547	2,524,434	20.4		1,610,244	13.0		914,190	7.4	
1994	6,132,492	1,148,835	18.7		909,409	14.8		239,426	3.9	
1995	5,497,343	1,113,693	20.3		616,784	11.2		496,909	9.0	
1996	2,559,267	265,961	10.4		270,617	10.6		(4,655)	-0.2	
1997	8,902,760	1,174,025	13.2	17.6	597,293	6.7	11.3	576,731	6.5	6.3
1998	21,754,729		0.0	8.3	4,596	0.0	5.3	(4,596)	0.0	2.9
1999	9,560,988		0.0	5.3	13,462	0.1	3.1	(13,462)	-0.1	2.2
2000	10,610,781	2,917,118	27.5	8.2	851,477	8.0	3.3	2,065,640	19.5	4.9
2001	10,078,436	1,973,691	19.6	10.0	1,993,829	19.8	5.7	(20,138)	-0.2	4.3
2002	13,144,764	1,533,592	11.7	9.9	2,379,742	18.1	8.0	(846,150)	-6.4	1.8
2003	12,111,789	1,208,607	10.0	13.8	2,121,011	17.5	13.3	(912,404)	-7.5	0.5
2004	15,353,546	1,306,856	8.5	14.6	1,971,252	12.8	15.2	(664,396)	-4.3	-0.6
2005	7,750,593	1,536,983	19.8	12.9	3,342,225	43.1	20.2	(1,805,242)	-23.3	-7.3
2006	8,299,685	4,972,381	59.9	18.6	2,695,724	32.5	22.1	2,276,657	27.4	-3.4
2007	10,281,509	3,672,708	35.7	23.6	3,782,266	36.8	25.9	(109,557)	-1.1	-2.3
2008	9,083,916	3,764,197	41.4	30.0	4,689,426	51.6	32.5	(925,229)	-10.2	-2.4
2009	11,733,105	2,169,201	18.5	34.2	3,391,321	28.9	38.0	(1,222,120)	-10.4	-3.8
2010	7,660,141	12,570,515	164.1	57.7	4,986,596	65.1	41.5	7,583,919	99.0	16.2
2011	9,210,495	1,131,945	12.3	48.6	2,767,426	30.0	40.9	(1,635,481)	-17.8	7.7
2012	9,583,537	1,495,667	15.6	44.7	3,097,894	32.3	40.1	(1,602,227)	-16.7	4.7
2013	6,521,014	296,727	4.6	39.5	2,926,160	44.9	38.4	(2,629,433)	-40.3	1.1
2014	8,392,283	1,491,999	17.8	41.1	4,304,042	51.3	43.7	(2,812,043)	-33.5	-2.6
2015	9,727,135	1,295,380	13.3	13.2	4,942,304	50.8	41.5	(3,646,925)	-37.5	-28.4
2016	9,013,566	1,868,875	20.7	14.9	3,698,656	41.0	43.9	(1,829,781)	-20.3	-29.0
2017	8,170,347	842,738	10.3	13.9	4,101,514	50.2	47.8	(3,258,776)	-39.9	-33.9
2018	9,133,092	(133,705)	-1.5	12.1	4,047,542	44.3	47.5	(4,181,247)	-45.8	-35.4
Total	252,612,861	52,142,422	20.6		66,112,812	26.2		(13,970,390)	-5.5	

ARIZONA PUBLIC SERVICE COMPANY
PALO VERDE DECOMMISSIONING TRUST
PROPOSED NUCLEAR DECOMMISSIONING TRUST FUNDING SCHEDULES
(Dollars in Thousands)

	Currently Expected Unit Closure Date				
	6/1/2045	4/24/2046	11/25/2047		
YEAR	UNIT 1	UNIT 2	UNIT 3	TOTAL[1]	ACC JURISDICTIONAL AMOUNT[2]
2022	$377	$868	$1,036	$2,281	$2,276
2023	$377	$868	$1,036	$2,281	$2,276
2024	-	$2,281	-	$2,281	$2,276
2025	-	$2,281	-	$2,281	$2,276
2026	-	$2,281	-	$2,281	$2,276
2027	-	$2,281	-	$2,281	$2,276
2028	-	$2,281	-	$2,281	$2,276
2029	-	$2,281	-	$2,281	$2,276
2030	-	$2,281	-	$2,281	$2,276
2031	-	$2,281	-	$2,281	$2,276
2032	-	$2,281	-	$2,281	$2,276
2033	-	$2,281	-	$2,281	$2,276
2034	-	$2,281	-	$2,281	$2,276
2035	-	$2,281	-	$2,281	$2,276
2036	-	$2,281	-	$2,281	$2,276
2037	-	$2,281	-	$2,281	$2,276
2038	-	$2,281	-	$2,281	$2,276
2039	-	$2,281	-	$2,281	$2,276
2040	-	$2,281	-	$2,281	$2,276
2041	-	$2,281	-	$2,281	$2,276
2042	-	$2,281	-	$2,281	$2,276
2043	-	$2,281	-	$2,281	$2,276
2044	-	$2,281	-	$2,281	$2,276
2045	-	$2,281	-	$2,281	$2,276
2046	-	$570	-	$570	$569
2047	-	-	-	-	-
	$ 754	$ 52,488	$ 2,072	$ 55,314	$ 55,193

1. Arizona Public Service Company (APS) is proposing to keep the level of Decommissioning Trust funding constant. Therefore, APS is not proposing any additional funding even though APS anticipates higher amounts than what are reflected in this Schedule. See EAB_WP78DR for the full Decommissioning Trust funding amount.
2. ACC Jurisdictional share is approximately 99.80%.