

140 FERC ¶ 61,138
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 22, 2012

In Reply Refer To:
Docket Nos. ER11-4352-000 and
ER11-4352-001
Arizona Public Service Company,
a Pinnacle West Capital Corporation

Thomas A. Loquvam
Senior Attorney
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P.O. Box 53999
Phoenix, AZ 85072-3999

Dear Mr. Loquvam:

1. On June 14, 2012 you filed, on behalf of Arizona Public Service Company (APS) and the settling parties,¹ a proposed Offer of Settlement and Settlement Agreement (Settlement) in the above-referenced proceeding. On July 5, 2012, Trial Staff filed comments in support of the Settlement. On July 19, 2012, the settlement judge certified the Settlement to the Commission as uncontested.²
2. The Settlement appears to be fair and reasonable and in the public interest, and it is hereby approved. Refunds and adjustments shall be made pursuant to the Settlement.
3. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Pursuant to the Settlement, the standard of review for any proposed change by a settling party, to which all other parties do not agree, shall be subject to the "public interest" standard, as set forth in

¹ The parties to the settlement with APS are the Department of Water and Power of the City of Los Angeles, Nevada Power Company d/b/a NV Energy, the Salt River Project Agricultural Improvement and Power District, Tucson Electric Power Company, and Perrin Ranch Wind, LLC.

² *Arizona Public Service Co.*, 140 FERC ¶ 63,004 (2012)

United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). The standard of review for any changes proposed by a non-settling third party or the Commission acting *sua sponte* shall be the ordinary just and reasonable (not the public interest) standard.

4. Within 30 days of the date of this order, APS is directed to make a compliance filing in eTariff format – Filing Code 80 - to reflect the Commission’s actions in this order.³

5. This letter order terminates Docket Nos. ER11-4352-000 and ER11-4352-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties

³ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).