

**ANNUAL REPORT**

Of

Company Name:   
PO Drawer 9  
Mailing Address: 0  
Ajo AZ  
85321  
Docket No.: E-01025A  
For the Year Ended:

**RECEIVED  
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ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION**

**ELECTRIC**

To

Arizona Corporation Commission

**Due on April 15th**

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:  
Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Application Type:   
Application Date:

ARIZONA CORPORATION COMMISSION  
 ELECTRIC UTILITY ANNUAL REPORT  
 COMPANY INFORMATION

For the Calendar Year Ended: 12/31/20

Company/Business Name:	Ajo Improvement - Electric				
Mailing Address:	PO Drawer 9				
City:	Ajo Improvement - Electric	State:	Arizona	Zip Code:	85321
Telephone Number:	928)865-7383	Fax Number:	NA		
Email:	htaylor@fmi.com				

Regulatory and Management Contact					
Name:	John M. Key				
Title:	President				
Telephone No. :	602)366-7176				
Address:	333 N. Central Ave. Ste. 20.030				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	jkey@fmi.com				

Statutory Agent					
Name:	Registered Agent Solutions, Inc.				
Title:	Corporation				
Telephone No. :					
Address:	300 W. Clarendon Ave. Ste. 240				
City:	Phoenix	State:	Arizona	Zip Code:	85013
Email:	N/A				

Attorney					
Name:	Douglas N. Currault II				
Title:	Senior Vice President				
Telephone No. :	602)366-8093				
Address:	333 N. Central Ave. Ste. 25.009				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	dcurreault@fmi.com				

Attorney					
Name:	Michael Patten				
Title:	Attorney				
Telephone No. :	602)920-4131				
Address:	One Arizona Center 400 East Van Buren Street Suite 1900				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	mpatten@swlaw.com				

Ownership: C Corporation ( C ) (Other than Association/Co-op)

Counties Served: Pima

<b>Important changes during the year</b>
--

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Ajo Improvement - Electric  
 ELECTRIC UTILITY ANNUAL REPORT  
 AUTHORIZED SERVICES AND STATISTICAL INFORMATION  
 12/31/20

**SERVICES AUTHORIZED TO PROVIDE**

Yes	Electric
Yes	Investor Owned Electric
No	Rural Electric Cooperative
No	Utility Distributed Company
No	Electric Service Provider
N/A	Transmission Service Provider
N/A	Meter Service Provider
N/A	Meter Reading Service Provider
N/A	Billing and Collection
N/A	Ancillary Services
N/A	Generation Provider
N/A	Aggregator/Broker

N/A Other (Specify)

**STATISTICAL INFORMATION**

Retail Information		
	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	809	5,743,178
Commercial	299	4,450,793
Industrial	0	0
Public Street and Highway Lighting	0	0
Irrigation	0	0
<b>Total Retail</b>	<b>1,108</b>	<b>10,193,971</b>

Wholesale Information		
	Number of Customers	Number of kWh Sold
Resale	1	15,664
Short-term Sales (duration of less than one-year)	0	0
<b>Total Wholesale</b>	<b>1</b>	<b>15,664</b>

Total Sold	10,209,635	KW
Maximum Peak Load	2,987	
Distribution System Losses	1,326,643	
Distribution Losses	10.99%	
Transmission Losses	0.00%	
System Average Interruption Duration Index (SAIDI)	1,302	
Distribution System Losses	1,326,643	
Customer Average Interruption Duration Index (CAIDI)	202	
System Average Interruption Frequency Index (SAIFI)	6	

**VERIFICATION AND SWORN STATEMENT (INTRASTATE REVENUE ONLY)**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)

County of (county name): Maricopa  
Name (owner or official) title: John M. Key, President  
Company name: Ajo Improvement - Electric

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,040,146

(The amount in the box above includes

\$59,218 in sales taxes

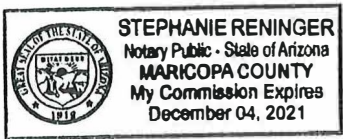
billed or collected)

[Signature]  
signature of owner/official  
602)366-7176  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

THIS 15 DAY OF April 2021  
(month) and (year)

MY COMMISSION EXPIRES 12-31-2021  
(date)



[Signature]  
(signature of notary public)

**VERIFICATION AND SWORN STATEMENT (RESIDENTIAL REVENUE)**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Maricopa  
Name (owner or official) title: John M. Key  
Company name: Ajo Improvement - Electric

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  
\$571,973  
(The amount in the box above includes  
\$32,884 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official  
602)366-7176  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
(county name)

THIS 15 DAY OF April 2021  
(month) and (year)

MY COMMISSION EXPIRES 12-4-2021  
(date)



[Signature]  
(signature of notary public)

UTILITY PLANT IN SERVICE (ELECTRIC)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
<b>Intangible Plant</b>							
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0
<b>Steam Production</b>							
310	Land and land rights	0	0	0	0	0	0
311	Structures and improvements	0	0	0	0	0	0
312	Boiler plant equipment	0	0	0	0	0	0
313	Engines and engine-driven generators	0	0	0	0	0	0
314	Turbogenerator units	0	0	0	0	0	0
315	Accessory electric equipment	0	0	0	0	0	0
316	Miscellaneous power plant equipment	0	0	0	0	0	0
317	Asset retirement costs	0	0	0	0	0	0
<b>Nuclear Production</b>							
320	Land and land rights	0	0	0	0	0	0
321	Structures and improvements	0	0	0	0	0	0
322	Reactor plant equipment	0	0	0	0	0	0
323	Turbogenerator units	0	0	0	0	0	0
324	Accessory electric equipment	0	0	0	0	0	0
325	Miscellaneous power plant equipment	0	0	0	0	0	0
326	Asset retirement costs	0	0	0	0	0	0
<b>Hydraulic Production</b>							
330	Land and land rights	0	0	0	0	0	0
331	Structures and improvements	0	0	0	0	0	0
332	Reservoirs, dams and waterways	0	0	0	0	0	0
333	Water wheels, turbines and generators	0	0	0	0	0	0
334	Accessory electric equipment	0	0	0	0	0	0
335	Miscellaneous power plant equipment	0	0	0	0	0	0
336	Roads, railroads and bridges	0	0	0	0	0	0
337	Asset retirement costs	0	0	0	0	0	0
<b>Other Production</b>							
340	Land and land rights	0	0	0	0	0	0
341	Structures and improvements	0	0	0	0	0	0
342	Fuel holders, producers, and accessories	0	0	0	0	0	0
343	Prime movers	0	0	0	0	0	0
344	Generators	0	0	0	0	0	0
345	Accessory electric equipment	0	0	0	0	0	0
346	Miscellaneous power plant equipment	0	0	0	0	0	0
347	Asset retirement costs	0	0	0	0	0	0
348	Energy Storage Equipment-Production	0	0	0	0	0	0
<b>Transmission Plant</b>							
350	Land and land rights	0	0	0	0	0	0
352	Structures and improvements	0	0	0	0	0	0
353	Station equipment	0	0	0	0	0	0
354	Towers and fixtures	0	0	0	0	0	0
355	Poles and fixtures	0	0	0	0	0	0
356	Overhead conductors and devices	0	0	0	0	0	0
357	Underground conduit	0	0	0	0	0	0
358	Underground conductors and devices	0	0	0	0	0	0
359	Road and trails	0	0	0	0	0	0
359.1	Asset retirement costs for transmission plant	0	0	0	0	0	0
<b>Distribution Plant</b>							
360	Land and land rights	0	0	0	0	0	0
361	Structures and improvements	19,850	0	0	19,850	6,948	12,902
362	Station equipment	667,302	0	0	667,302	511,598	155,704
363	Storage battery equipment	0	0	0	0	0	0
364	Poles, towers and fixtures	134,540	0	0	134,540	75,276	59,264
365	Overhead conductors and devices	36,448	0	0	36,448	36,389	58
366	Underground conduit	0	0	0	0	0	0
367	Underground conductors and devices	0	0	0	0	0	0
368	Line transformers	4,823,581	0	0	4,823,581	2,060,807	2,762,774
369	Services	1,309,493	0	0	1,309,493	510,688	798,805
370	Meters	194,781	109,843	0	304,624	96,923	207,701
371	Installations on customers' premises	0	0	0	0	0	0
372	Leased property on customers' premises	0	0	0	0	0	0
373	Street lighting and signal systems	0	0	0	0	0	0
374	Asset retirement costs for distribution plant	0	0	0	0	0	0
<b>Regional Transmission and Market Operation Plant</b>							
380	Land and land rights	0	0	0	0	0	0
381	Structures and improvements	0	0	0	0	0	0
382	Computer hardware	0	0	0	0	0	0
383	Computer software	27,075	0	0	27,075	27,075	0
384	Communications equipment	0	0	0	0	0	0
385	Miscellaneous regional transmission and market operation plant	0	0	0	0	0	0
386	Asset retirement costs for regional transmission and market operation plant	0	0	0	0	0	0
<b>General Plant</b>							
389	Land and land rights	0	0	0	0	0	0
390	Structures and improvements	0	0	0	0	0	0
391	Office furniture and equipment	0	0	0	0	0	0
392	Transportation equipment	56,684	241,621	0	298,305	169,792	128,513
393	Stores equipment	0	0	0	0	0	0
394	Tools, shop and garage equipment	4,603	0	0	4,603	1,028	3,575
395	Laboratory equipment	0	0	0	0	0	0
396	Power operated equipment	0	0	0	0	0	0
397	Communications equipment	9,762	0	0	9,762	3,980	5,782
398	Miscellaneous equipment	0	0	0	0	0	0
399	Other tangible property	0	0	0	0	0	0
399.1	Asset retirement costs for general plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$7,284,121</b>	<b>\$351,464</b>	<b>\$0</b>	<b>\$7,635,584</b>	<b>\$3,500,505</b>	<b>\$4,135,079</b>

Ajo Improvement - Electric  
 ELECTRIC UTILITY ANNUAL REPORT  
 DEPRECIATION EXPENSE FOR THE CURRENT YEAR (ELECTRIC)  
 12/31/20

DEPRECIATION EXPENSE FOR THE CURRENT YEAR (ELECTRIC)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense	
<b>Intangible Plant</b>									
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0	
302	Franchises and consents	0	0	0	0	0	0.00%	0	
303	Miscellaneous intangible plant	0	0	0	0	0	0.00%	0	
<b>Steam Production</b>									
310	Land and land rights	0	0	0	0	0	0.00%	0	
311	Structures and improvements	0	0	0	0	0	0.00%	0	
312	Boiler plant equipment	0	0	0	0	0	0.00%	0	
313	Engines and engine-driven generators	0	0	0	0	0	0.00%	0	
314	Turbogenerator units	0	0	0	0	0	0.00%	0	
315	Accessory electric equipment	0	0	0	0	0	0.00%	0	
316	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0	
317	Asset retirement costs	0	0	0	0	0	0.00%	0	
<b>Nuclear Production</b>									
320	Land and land rights	0	0	0	0	0	0.00%	0	
321	Structures and improvements	0	0	0	0	0	0.00%	0	
322	Reactor plant equipment	0	0	0	0	0	0.00%	0	
323	Turbogenerator units	0	0	0	0	0	0.00%	0	
324	Accessory electric equipment	0	0	0	0	0	0.00%	0	
325	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0	
326	Asset retirement costs	0	0	0	0	0	0.00%	0	
<b>Hydraulic Production</b>									
330	Land and land rights	0	0	0	0	0	0.00%	0	
331	Structures and improvements	0	0	0	0	0	0.00%	0	
332	Reservoirs, dams and waterways	0	0	0	0	0	0.00%	0	
333	Water wheels, turbines and generators	0	0	0	0	0	0.00%	0	
334	Accessory electric equipment	0	0	0	0	0	0.00%	0	
335	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0	
336	Roads, railroads and bridges	0	0	0	0	0	0.00%	0	
337	Asset retirement costs	0	0	0	0	0	0.00%	0	
<b>Other Production</b>									
340	Land and land rights	0	0	0	0	0	0.00%	0	
341	Structures and improvements	0	0	0	0	0	0.00%	0	
342	Fuel holders, producers, and accessories	0	0	0	0	0	0.00%	0	
343	Prime movers	0	0	0	0	0	0.00%	0	
344	Generators	0	0	0	0	0	0.00%	0	
345	Accessory electric equipment	0	0	0	0	0	0.00%	0	
346	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0	
347	Asset retirement costs	0	0	0	0	0	0.00%	0	
348	Energy Storage Equipment-Production	0	0	0	0	0	0.00%	0	
<b>Transmission Plant</b>									
350	Land and land rights	0	0	0	0	0	0.00%	0	
352	Structures and improvements	0	0	0	0	0	0.00%	0	
353	Station equipment	0	0	0	0	0	0.00%	0	
354	Towers and fixtures	0	0	0	0	0	0.00%	0	
355	Poles and fixtures	0	0	0	0	0	0.00%	0	
356	Overhead conductors and devices	0	0	0	0	0	0.00%	0	
357	Underground conduit	0	0	0	0	0	0.00%	0	
358	Underground conductors and devices	0	0	0	0	0	0.00%	0	
359	Road and trails	0	0	0	0	0	0.00%	0	
359.1	Asset retirement costs for transmission plant	0	0	0	0	0	0.00%	0	
<b>Distribution Plant</b>									
360	Land and land rights	0	0	0	0	0	0.00%	0	
361	Structures and improvements	19,850	0	0	19,850	6,948	5.13%	662	
362	Station equipment	667,302	0	0	667,302	511,598	14.29%	22,243	
363	Storage battery equipment	0	0	0	0	0	0.00%	0	
364	Poles, towers and fixtures	134,540	0	0	134,540	75,276	7.57%	4,485	
365	Overhead conductors and devices	36,448	0	0	36,448	36,389	7.40%	4	
366	Underground conduit	0	0	0	0	0	0.00%	0	
367	Underground conductors and devices	0	0	0	0	0	0.00%	0	
368	Line transformers	4,823,581	0	0	4,823,581	2,060,807	5.76%	159,248	
369	Services	1,309,493	0	0	1,309,493	510,688	4.89%	39,088	
370	Meters	194,781	109,843	0	304,624	96,923	6.14%	9,376	
371	Installations on customers' premises	0	0	0	0	0	0.00%	0	
372	Leased property on customers' premises	0	0	0	0	0	0.00%	0	
373	Street lighting and signal systems	0	0	0	0	0	0.00%	0	
374	Asset retirement costs for distribution plant	0	0	0	0	0	0.00%	0	
<b>Regional Transmission and Market Operation Plant</b>									
380	Land and land rights	0	0	0	0	0	0.00%	0	
381	Structures and improvements	0	0	0	0	0	0.00%	0	
382	Computer hardware	0	0	0	0	0	0.00%	0	
383	Computer software	27,075	0	0	27,075	27,075	0.00%	0	
384	Communications equipment	0	0	0	0	0	0.00%	0	
385	Miscellaneous regional transmission and market operation plant	0	0	0	0	0	0.00%	0	
386	Asset retirement costs for regional transmission and market operation plant	0	0	0	0	0	0.00%	0	
<b>General Plant</b>									
389	Land and land rights	0	0	0	0	0	0.00%	0	
390	Structures and improvements	0	0	0	0	0	0.00%	0	
391	Office furniture and equipment	0	0	0	0	0	0.00%	0	
392	Transportation equipment	56,684	241,621	0	298,305	169,792	829.11%	63,860	
393	Stores equipment	0	0	0	0	0	0.00%	0	
394	Tools, shop and garage equipment	4,603	0	0	4,603	1,028	5.15%	184	
395	Laboratory equipment	0	0	0	0	0	0.00%	0	
396	Power operated equipment	0	0	0	0	0	0.00%	0	
397	Communications equipment	9,762	0	0	9,762	3,980	15.58%	901	
398	Miscellaneous equipment	0	0	0	0	0	0.00%	0	
399	Other tangible property	0	0	0	0	0	0.00%	0	
399.1	Asset retirement costs for general plant	0	0	0	0	0	0.00%	0	
	Depreciation expense	\$7,284,121	\$351,464	\$0	\$7,635,584	\$3,500,505		\$300,051	



Ajo Improvement - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET ASSETS  
12/31/20

<b>BALANCE SHEET ASSETS</b>			
<b>Assets and Other Debits</b>		<b>Balance at Beginning of Year (2020)</b>	<b>Balance at End of Year (2020)</b>
<b>Utility Plant</b>			
Plant in service		\$7,284,121	\$7,635,584
Accumulated depreciation and amortization		(3,131,873)	(3,500,505)
Construction work in progress		109,792	0
Palo Verde sale leaseback (net of accumulated amortization)		0	0
Nuclear fuel (net of accumulate amortization)		0	0
<b>Total Utility Plant</b>		<b>\$4,262,040</b>	<b>\$4,135,079</b>
<b>Other Property and Investments</b>			
Non-utility property (net)		0	0
Investments in associated companies/organizations		0	0
Investments in subsidiary companies/organizations		0	0
Nuclear decommissioning trust		0	0
Other investments		0	0
<b>Total Other Property and Investments</b>		<b>\$0</b>	<b>\$0</b>
<b>Current and Accrued Assets</b>			
Cash and cash equivalents		\$201,901	\$94,038
Customer and other receivables		80,708	192,131
Accounts receivable		0	0
Allowance for doubtful accounts		0	0
Materials and supplies (at average cost)		59	54
Notes receivable (related party due within one year)		0	0
Fossil fuel (at average cost)		0	0
Regulatory assets		0	0
Deferred debits		0	0
Other current assets		0	0
<b>Total Fixed Assets</b>		<b>\$282,668</b>	<b>\$286,223</b>
<b>Total Assets and Other Debits</b>		<b>\$4,544,708</b>	<b>\$4,421,302</b>

Ajo Improvement - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET LIABILITIES AND OWNERS EQUITY  
12/31/20

<b>BALANCE SHEET LIABILITIES AND OWNERS EQUITY</b>			
<b>Liabilities and Other Credits</b>		<b>Balance at Beginning of Year (2020)</b>	<b>Balance at End of Year (2020)</b>
<b>Current Liabilities</b>			
Accounts payable		\$1,370	\$846
Customer/Member deposits		1,587	3,850
Current maturities of Long-Term Debt		0	0
Accrued expenses		0	0
Accrued taxes		56,985	32,983
Accrued interest		0	0
Notes payable to associated companies		2,256,553	0
Short-term borrowing		0	0
Common dividends payable		0	0
Other regulatory liabilities		0	0
Liabilities for asset retirement		0	0
Other current liabilities		0	0
<b>Total Current Liabilities</b>		<b>\$2,316,495</b>	<b>\$37,679</b>
<b>Long Term Debt</b>			
Long-Term Debt		\$0	\$0
<b>Deferred Credits</b>			
Deferred income tax		\$0	\$0
Regulatory liabilities		0	0
Accumulated deferred investment tax credits		0	0
Liabilities for asset retirements		0	0
Liabilities for pension benefits		0	0
Customer advances		0	0
Coal mine reclamation		0	0
Deferred revenues		0	0
Construction advances		942,027	942,027
Deferred investment tax credit		(159,808)	(190,648)
Unrecognized tax benefits		0	0
Other deferred credits		0	0
<b>Total Deferred Credits</b>		<b>\$782,219</b>	<b>\$751,379</b>
<b>Total Liabilities</b>		<b>\$3,098,714</b>	<b>\$789,057</b>
<b>Capital Accounts</b>			
Common stock		\$392,000	\$392,000
Additional paid-in capital		24,275,043	31,119,561
Retained earnings		(23,221,049)	(27,879,316)
Memberships		0	0
Patronage capital		0	0
Accumulated other comprehensive		0	0
<b>Total Capital</b>		<b>\$1,445,994</b>	<b>\$3,632,245</b>
<b>Total Liabilities and Capital</b>		<b>\$4,544,708</b>	<b>\$4,421,302</b>

**Note: Total liabilities and Capital must match total assets for the beginning and end of the year!**

Ajo Improvement - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
ELECTRIC COMPARATIVE INCOME STATEMENT  
12/31/20

ELECTRIC COMPARATIVE INCOME STATEMENT			
Account No.	Calendar Year	Last Year 01/01/2019 - 12/31/2019	Current Year 01/01/2020 - 12/31/2020
	<b>Operating Revenue</b>		
440	Residential sales	\$502,670	\$539,089
442	Commercial and industrial sales	290,375	272,950
444	Public street and highway lighting	0	0
445	Other sales to public authorities	0	0
446	Sales to railroads and railways	0	0
447	Sales for resale	0	0
448	Interdepartmental sales	0	0
449	Othe sales	0	0
449.1	Provision for rate refunds	0	0
	<b>Total Revenues</b>	<b>\$793,045</b>	<b>\$812,039</b>
	<b>Operating Expenses</b>		
	<b>Steam Power Generation</b>		
500	Operation supervision and engineering	\$0	\$0
501	Fuel	0	0
502	Steam expenses	0	0
503	Steam from other sources	0	0
504	Steam transferred-Credit	0	0
505	Electric expenses	0	0
506	Miscellaneous steam power expense	0	0
507	Rents	0	0
508	Operation supplies and expenses	0	0
509	Allowances	0	0
510	Maintenance supervision and engineering	0	0
511	Maintenance of structures	0	0
512	Maintenance of boiler plant	0	0
513	Maintenance of electric plant	0	0
514	Maintenance of miscellaneous steam plant	0	0
515	Maintenance of steam production plant	0	0
	<b>Nuclear Power Generation</b>		
517	Operation supervision and engineering	0	0
518	Nuclear fuel expense	0	0
519	Coolants and water	0	0
520	Steam expenses	0	0
521	Steam from other sources	0	0
522	Steam transferred-Credit	0	0
523	Electric expenses	0	0
524	Miscellaneous nuclear power expense	0	0
525	Rents	0	0
528	Maintenance supervision and engineering	0	0
529	Maintenance of structures	0	0
530	Maintenance of reactor plant equipment	0	0
531	Maintenance of electric plant	0	0
532	Maintenance of miscellaneous nuclear plant	0	0
	<b>Other</b>		
632	Contractual Services - Accounting	26,064	26,064
633	Contractual Services - Legal	187,398	24,315
634	Contractual Services - Management Fees	7,646	16,614
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	176,059	50,308
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	10,022	5,813
657	Insurance - General Liability	2,541	2,563
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	(12,507)	60
675	Miscellaneous Expense	73,586	236,940
403	Depreciation Expense	233,196	300,051
408	Taxes Other Than Income	0	0
408.11	Property Taxes	80,065	73,978
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$784,070</b>	<b>\$736,705</b>
	<b>Operating Income / (Loss)</b>	<b>\$8,975</b>	<b>\$75,334</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$8,975</b>	<b>\$75,334</b>
	<b>Total number of employees</b>	<b>12</b>	<b>3</b>

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement - Electric  
 ELECTRIC UTILITIY ANNUAL REPORT  
 UTILITY SHUTOFFS / DISCONNECTS  
 12/31/20

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211.C	Other
January	0	3	0
February	0	2	0
March	0	1	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>6</b>	<b>0</b>

Other (description):

N/A
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**Instructions:** Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company (AIC)

Information regarding Bank Balance Refund and Related Interest  
in Compliance with Decision No. 77287

In Decision No. 77287, AIC was allowed to refund its then-existing PPFAC bank balance and 90% of its then-existing REST bank balance and was required to “provide two percent interest annually on the PPFAC and REST bank balances until they are fully refunded, and shall track and report the annual accrued interest as part of Ajo Improvement Company's Annual Report to the Commission's Utilities Division.”

Based on the timing of the rate case decision, the initial amount of the bank balances to be refunded was \$198,912.00 for the PPFAC and \$59,710.61 for the REST. In order to minimize administrative effort and costs, AIC accrued two years of annual interest at the outset of the refunding process rather than waiting to accrue interest on smaller balances later in the process, which benefitted the customers by providing a larger amount of interest. The details of the accrued interest are set forth below:

July 2019 AIC frozen PPFAC bank balance	\$ 198,912.00
Year 1 2% interest	\$ 3,978.24
	\$ 202,890.24
Year 2 2% interest	\$ 4,057.80
	<u>\$ 206,948.04</u>
Total interest on frozen PPFAC bank balance	\$ 8,036.04
July 2019 AIC REST balance	\$ 59,710.61
Year 1 2% interest	\$ 1,194.21
	\$ 60,904.82
Year 2 2% interest	\$ 1,218.10
	<u>\$ 62,122.92</u>
Total interest on REST balance	\$ 2,412.31

The total amount to be refunded is 269,360.69, of which \$10,448.35 was accrued interest.

The refunding process commenced on September 30, 2019 and in anticipated to conclude by July 31, 2021.