

ANNUAL REPORT

Of

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

**RECEIVED
BY EMAIL
4/12/2024, 11:24 AM
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 UTILITIY ANNUAL REPORT
 COMPANY INFORMATION

For the Calendar Year Ended: 12/31/23

Company/Business Name:	Ajo Improvement - Electric			
Mailing Address:	PO Drawer 9			
City:	Ajo Improvement - Electric	State:	Arizona	Zip Code: 85321
Telephone Number:	(928)865-6264	Fax Number:	NA	
Email:	dmedina@fmi.com			

Regulatory and Management Contact				
Name:	John M. Key			
Title:	President			
Telephone No. :	(602)332-2334			
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:				

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:	dcurraul@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

Important changes during the year	
------------------------------------------	--

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

SERVICES AUTHORIZED TO PROVIDE

Yes	Electric
Yes	Investor Owned Electric
No	Rural Electric Cooperative
Yes	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	814	5,333,268
Commercial	213	3,762,068
Industrial	1	1,406,277
Public Street and Highway Lighting	0	0
Irrigation	0	0
Total Retail	1,028	10,501,613

Wholesale Information		
	Number of Customers	Number of kWh Sold
Resale	1	13,906
Short-term Sales (duration of less than one-year)	0	0
Total Wholesale	1	13,906

Total Sold	10,515,519	KW
Maximum Peak Load	3,263	KW
Distribution System Losses	1,088,401	KW
Distribution Losses	9.38%	
Transmission Losses	0.00%	
System Average Interruption Duration Index (SAIDI)	137	
Distribution System Losses Customer Average Interruption Duration Index (CAIDI)	1,088,401	
Customer Average Interruption Duration Index (CAIDI)	23	
System Average Interruption Frequency Index (SAIFI)	6	

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)
Intangible Plant							
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	0	0	0	0
303	Miscellaneous intangible plan	0	0	0	0	0	0
Steam Production							
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 generator	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 equipmen	0	0	0	0	0	0
317	Asset retirement costs	0	0	0	0	0	0
Nuclear Production							
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 equipmen	0	0	0	0	0	0
326	Asset retirement costs	0	0	0	0	0	0
Hydraulic Production							
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 equipmen	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
Other Production							
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 equipmen	0	0	0	0	0	0
347	Asset retirement costs	0	0	0	0	0	0
348	Energy Storage Equipment-Productio	0	0	0	0	0	0
Transmission Plant							
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 device	0	0	0	0	0	0
359	Road and trails	0	0	0	0	0	0
359.1	Asset retirement costs for transmission plan	0	0	0	0	0	0
Distribution Plant							
360	Land and land rights	0	0	0	0	0	0
361	Structures and improvements	19,850	0	0	19,850	8,933	10,917
362	Station equipment	667,302	0	0	667,302	578,328	88,974
363	Storage battery equipment	0	0	0	0	0	0
364	Poles, towers and fixtures	134,540	0	0	134,540	88,730	45,810
365	Overhead conductors and devices	36,448	0	0	36,448	36,402	45
366	Underground conduit	0	0	0	0	0	0
367	Underground conductors and device	0	0	0	0	0	0
368	Line transformers	5,133,382	474	0	5,133,857	2,558,368	2,575,489
369	Services	1,309,493	0	0	1,309,493	627,953	681,540
370	Meters	315,324	23,232	0	338,556	126,628	211,928
371	Installations on customers' premise	0	0	0	0	0	0
372	Leased property on customers' premises	0	0	0	0	0	0
373	Street lighting and signal system	0	0	0	0	0	0
374	Asset retirement costs for distribution plan	0	0	0	0	0	0
Regional Transmission and Market Operation Plant							
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 equipmen	0	0	0	0	0	0
385	Miscellaneous regional transmission and market operation pla	0	0	0	0	0	0
386	Asset retirement costs for regional transmission and market operation pla	0	0	0	0	0	0
General Plant							
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 equipmen	0	0	0	0	0	0
392	Transportation equipmen	278,305	192,640	0	470,945	254,951	215,994
393	Stores equipment	0	0	0	0	0	0
394	Tools, shop and garage equipmen	4,603	0	0	4,603	1,581	3,023
395	Laboratory equipment	0	0	0	0	0	0
396	Power operated equipment	0	0	0	0	0	0
397	Communications equipmen	9,762	0	4,687	5,075	3,474	1,601
398	Miscellaneous equipmen	0	0	0	0	0	0
399	Other tangible property	0	0	0	0	0	0
399.1	Asset retirement costs for general plan	0	0	0	0	0	0
	Totals	\$7,936,085	\$216,347	\$4,687	\$8,147,744	\$4,312,423	\$3,835,321

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	
Intangible Plant									
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 plan	0	0	0	0	0	0.00%	0	
Steam Production									
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 generator	0	0	0	0	0	0.00%	0	
314	Turbogenerator units	0	0	0	0	0	0.00%	0	
315	Accessory electric equipmen	0	0	0	0	0	0.00%	0	
316	Miscellaneous power plant equipmen	0	0	0	0	0	0.00%	0	
317	Asset retirement costs	0	0	0	0	0	0.00%	0	
Nuclear Production									
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 equipmen	0	0	0	0	0	0.00%	0	
325	Miscellaneous power plant equipmen	0	0	0	0	0	0.00%	0	
326	Asset retirement costs	0	0	0	0	0	0.00%	0	
Hydraulic Production									
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 equipmen	0	0	0	0	0	0.00%	0	
335	Miscellaneous power plant equipmen	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	
Other Production									
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 equipmen	0	0	0	0	0	0.00%	0	
346	Miscellaneous power plant equipmen	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	
Transmission Plant									
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	
Distribution Plant									
360	Land and land rights	0	0	0	0	0	0.00%	0	
361	Structures and improvements	19,850	0	0	19,850	8,271	5.71%	662	
362	Station equipment	667,302	0	0	667,302	556,085	20.00%	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	84,245	8.92%	4,485	
365	Overhead conductors and devices	36,448	0	0	36,448	36,398	8.69%	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	5,133,382	474	0	5,133,857	2,388,046	6.20%	170,322	
369	Services	1,309,493	0	0	1,309,493	588,865	5.42%	39,088	
370	Meters	315,324	23,232	0	338,556	116,020	5.03%	10,608	
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	
Regional Transmission and Market Operation Plant									
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 equipmen	0	0	0	0	0	0.00%	0	
385	Miscellaneous regional transmission and market operation plan	0	0	0	0	0	0.00%	0	
386	Asset retirement costs for regional transmission and market operation plan	0	0	0	0	0	0.00%	0	
General Plant									
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 equipmen	0	0	0	0	0	0.00%	0	
392	Transportation equipment	278,305	192,640	0	470,945	218,588	23.30%	36,363	
393	Stores equipment	0	0	0	0	0	0.00%	0	
394	Tools, shop and garage equipment	4,603	0	0	4,603	1,396	5.74%	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 equipmen	9,762	0	4,687	5,075	5,782	28.63%	468	
398	Miscellaneous equipmen	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	\$7,936,085	\$216,347	\$4,687	\$8,147,744	\$4,030,772		\$284,428	

Ajo Improvement - Electric
ELECTRIC UTILITY ANNUAL REPORT
BALANCE SHEET ASSETS
12/31/23

BALANCE SHEET ASSETS			
Assets and Other Debits		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Utility Plant			
Plant in service		\$7,936,085	\$8,147,744
Accumulated depreciation and amortization		(4,030,772)	(4,312,423)
Construction work in progress		0	0
Palo Verde sale leaseback (net of accumulated amortization)		0	0
Nuclear fuel (net of accumulate amortization)		0	0
Total Utility Plant		\$3,905,314	\$3,835,321
Other Property and Investments			
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
Total Other Property and Investments		\$0	\$0
Current and Accrued Assets			
Cash and cash equivalents		\$208,040	263784.48
Customer and other receivables		110,418	148,278
Accounts receivable		0	0
Allowance for doubtful accounts		0	0
Materials and supplies (at average cost)		54	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
Total Fixed Assets		\$318,512	\$412,116
Total Assets and Other Debits		\$4,223,826	\$4,247,437

Ajo Improvement - Electric
ELECTRIC UTILITY ANNUAL REPORT
BALANCE SHEET LIABILITIES AND OWNERS EQUITY
12/31/23

BALANCE SHEET LIABILITIES AND OWNERS EQUITY			
Liabilities and Other Credits		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Current Liabilities			
Accounts payable		\$33,687	\$60,699
Customer/Member deposits		4,667	5,822
Current maturities of Long-Term Debt		0	0
Accrued expenses		0	0
Accrued taxes		21,603	23,049
Accrued interest		0	0
Notes payable to associated companies		189,532	238,576
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
Total Current Liabilities		\$249,489	\$328,145
Long Term Debt			
Long-Term Debt		\$0	\$0
Deferred Credits			
Deferred income tax		\$0	\$0
Regulatory liabilities		0	0
Accumulated deferred investment tax credits		0	0
Liabilities for assest 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		(257,936)	(291,580)
Unrecognized tax benefits		0	0
Other deferred credits		0	0
Total Deferred Credits		\$684,091	\$650,447
Total Liabilites		\$933,580	\$978,593
Capital Accounts			
Common stock		\$130,667	\$130,667
Additional paid-in capital		10,373,187	10,373,187
Retained earnings		(7,213,607)	(7,235,009)
Memberships		0	0
Patronage capital		0	0
Accumulated other comprehensive		0	0
Total Capital		\$3,290,246	\$3,268,845
Total Liabilities and Capital		\$4,223,826	\$4,247,437

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
12/31/23

ELECTRIC COMPARATIVE INCOME STATEMENT			
Account No.	Calendar Year	Last Year 01/01/2022 - 12/31/2022	Current Year 01/01/2023 - 12/31/2023
	Operating Revenue		
440	Residential sales	\$584,365	\$624,414
442	Commercial and industrial sales	477,971	518,784
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
	Total Revenues	\$1,062,336	\$1,143,199
	Operating Expenses		
	Steam Power Generation		
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
	Nuclear Power Generation		
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
545	Purchased Power	496,791	426,304
	Nuclear Power Generation		
632	Contractual Services - Accounting	26,064	26,064
633	Contractual Services - Legal	5,952	7,014
634	Contractual Services - Management Fees	43,227	54,027
635	Contractual Services - Water Testing	0	684
636	Contractual Services - Other	231,616	279,677
640	Rents	0	0
641	Rental of Building/Real Property	600	600
642	Rental of Equipment	1,473	1,839
650	Transportation Expenses	2,568	718
657	Insurance - General Liability	2,524	2,106
657.1	Insurance - Health and Life	75,143	67,892
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	3,760	17,886
675	Miscellaneous Expense	23,357	(109,282)
403	Depreciation Expense	269,613	284,428
408	Taxes Other Than Income	0	0
408.11	Property Taxes	61,919	56,409
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$1,244,607	\$1,116,367
	Operating Income / (Loss)	(\$182,271)	\$26,831
	Other Income / (Expense)		
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
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$182,271)	\$26,831

Total number of employees	3	3
----------------------------------	---	---

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
 12/31/23

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2- 211.C	Other
January	0	9	0
February	0	7	0
March	0	1	0
April	0	1	0
May	0	2	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	8	0
December	0	4	0
Total	0	32	0

Other (description):

NA

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.