

ANNUAL REPORT

Of

Company Name: Ajo Improvement Company - Electric

PO Drawer 9

Mailing Address:

0

Ajo

AZ

85321

Docket No.: E-01025A

For the Year Ended: 12/31/24

**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: Original Filing

Application Date: 4/14/2025

ARIZONA CORPORATION COMMISSION  
ELECTRIC UTILITY ANNUAL REPORT  
COMPANY INFORMATION

For the Calendar Year Ended: 12/31/24

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:	Francis R. McAllister, Jr.				
Title:	President				
Telephone No. :	602-618-3974				
Address:	333 N. Central Ave				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	fmcallis@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:	Michael Patten				
Title:	Attorney				
Telephone No. :	(602)920-4131				
Address:	One East Washington Street Suite 2700				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	mpatten@swlaw.com				

Attorney					
Name:					
Title:					
Telephone No. :					
Address:					
City:		State:		Zip Code:	
Email:					

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

Counties Served: Pima

<b>Important changes during the year</b>
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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 Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
AUTHORIZED SERVICES AND STATISTICAL INFORMATION  
12/31/24

**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	5,396,035
Commercial	222	3,706,097
Industrial	1	1,347,795
Public Street and Highway Lighting	0	0
Irrigation	0	0
<b>Total Retail</b>	<b>1,037</b>	<b>10,449,927</b>

**Wholesale Information**

	Number of Customers	Number of kWh Sold
Resale	1	7,577
Short-term Sales (duration of less than one-year)	0	0
<b>Total Wholesale</b>	<b>1</b>	<b>7,577</b>

Total Sold	10,457,504
Maximum Peak Load	3,426
Distribution System Losses	1,275,496
Distribution Losses	10.87%
Transmission Losses	0.00%
System Average Interruption Duration Index (SAIDI)	2,250
Customer Average Interruption Duration Index (CAIDI)	287
System Average Interruption Frequency Index (SAIFI)	8

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 plan	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 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 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 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
<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	9,594	10,256
362	Station equipment	667,302	0	0	667,302	600,572	66,730
363	Storage battery equipment	0	0	0	0	0	0
364	Poles, towers and fixtures	134,540	0	0	134,540	93,215	41,325
365	Overhead conductors and devices	36,448	0	0	36,448	36,407	41
366	Underground conduit	0	0	0	0	0	0
367	Underground conductors and device	0	0	0	0	0	0
368	Line transformers	5,133,857	196,883	0	5,330,740	2,733,150	2,597,590
369	Services	1,309,493	0	0	1,309,493	666,630	642,863
370	Meters	338,556	16,559	0	355,115	137,873	217,241
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
<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 plan	0	0	0	0	0	0
386	Asset retirement costs for regional transmission and market operation plan	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	470,945	0	0	470,945	320,210	150,735
393	Stores equipment	0	0	0	0	0	0
394	Tools, shop and garage equipment	4,603	20,977	0	25,580	1,905	23,676
395	Laboratory equipment	0	0	0	0	0	0
396	Power operated equipment	0	0	0	0	0	0
397	Communications equipment	5,075	0	0	5,075	3,943	1,132
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 plan	0	0	0	0	0	0
	<b>Totals</b>	<b>\$8,147,744</b>	<b>\$234,419</b>	<b>\$0</b>	<b>\$8,382,163</b>	<b>\$4,630,574</b>	<b>\$3,751,590</b>

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 plan	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 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
<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 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
<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 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
<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 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
<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	8,933	6.06%	662
362	Station equipment	667,302	0	0	667,302	578,328	25.00%	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	88,730	9.79%	4,485
365	Overhead conductors and devices	36,448	0	0	36,448	36,402	9.52%	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	5,133,857	196,883	0	5,330,740	2,558,368	6.54%	174,782
369	Services	1,309,493	0	0	1,309,493	627,953	5.68%	38,677
370	Meters	338,556	16,559	0	355,115	126,628	5.11%	11,246
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 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
<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 equipmen	0	0	0	0	0	0.00%	0
392	Transportation equipment	470,945	0	0	470,945	254,951	30.21%	65,258
393	Stores equipment	0	0	0	0	0	0.00%	0
394	Tools, shop and garage equipment	4,603	20,977	0	25,580	1,581	2.40%	324
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	5,075	0	0	5,075	3,474	0.00%	0
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
<b>Depreciation expense</b>		<b>\$8,147,744</b>	<b>\$234,419</b>	<b>\$0</b>	<b>\$8,382,163</b>	<b>\$4,312,423</b>		<b>\$317,682</b>

Ajo Improvement Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET ASSETS  
12/31/24

BALANCE SHEET ASSETS			
Assets and Other Debits		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
<b>Utility Plant</b>			
Plant in service		\$8,147,744	\$8,382,163
Accumulated depreciation and amortization		(4,312,423)	(4,630,574)
Construction work in progress		0	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>\$3,835,321</b>	<b>\$3,751,590</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		\$263,784	\$171,968
Customer and other receivables		148,278	153,650
Accounts receivable		0	0
Allowance for doubtful accounts		0	0
Materials and supplies (at average cost)		54	0
Notes receivable (related party due within one year)		0	0
Fossil fuel (at average cost)		0	0
Regulatory assets		0	363,818
Deferred debits		0	0
Other current assets		0	0
<b>Total Fixed Assets</b>		<b>\$412,116</b>	<b>\$689,435</b>
<b>Total Assets and Other Debits</b>		<b>\$4,247,437</b>	<b>\$4,441,025</b>

Ajo Improvement Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET LIABILITIES AND OWNERS EQUITY  
12/31/24

BALANCE SHEET LIABILITIES AND OWNERS EQUITY			
Liabilities and Other Credits		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
<b>Current Liabilities</b>			
Accounts payable		\$60,699	\$12,065
Customer/Member deposits		5,822	7,455
Current maturities of Long-Term Debt		0	0
Accrued expenses		0	0
Accrued taxes		23,049	24,492
Accrued interest		0	0
Notes payable to associated companies		238,576	13,459
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>\$328,145</b>	<b>\$57,471</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 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	1,138,910
Deferred investment tax credit		(291,580)	(329,676)
Unrecognized tax benefits		0	0
Other deferred credits		0	0
<b>Total Deferred Credits</b>		<b>\$650,447</b>	<b>\$809,234</b>
<b>Total Liabilites</b>		<b>\$978,593</b>	<b>\$866,705</b>
<b>Capital Accounts</b>			
Common stock		\$130,667	\$130,667
Additional paid-in capital		10,373,187	10,663,355
Retained earnings		(7,235,009)	(7,219,702)
Memberships		0	0
Patronage capital		0	0
Accumulated other comprehensive		0	0
<b>Total Capital</b>		<b>\$3,268,845</b>	<b>\$3,574,320</b>
<b>Total Liabilities and Capital</b>		<b>\$4,247,437</b>	<b>\$4,441,025</b>

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



Ajo Improvement Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
ELECTRIC COMPARATIVE INCOME STATEMENT  
12/31/24

ELECTRIC COMPARATIVE INCOME STATEMENT			
Account No.	Calendar Year	Last Year 01/01/2023 - 12/31/2023	Current Year 01/01/2024 - 12/31/2024
	<b>Operating Revenue</b>		
440	Residential sales	\$624,414	\$677,953
442	Commercial and industrial sales	518,784	580,268
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	Other sales	0	0
449.1	Provision for rate refunds	0	0
	<b>Total Revenues</b>	<b>\$1,143,199</b>	<b>\$1,258,221</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>Other Power Supply Expense</b>			
555	Purchased Power	426,304	771,590
<b>Customer Accounts Expense</b>			
904	Bad Debt Expense	17,886	17,139
<b>Operation Administrative and General Expenses</b>			
920	Administrative and general salaries	0	779,208
921	Office supplies and expenses	0	49,179
923	Outside services employed	367,466	335,564
926	Employee pensions and benefits	0	124,761
930.2	Miscellaneous general expenses	(39,283)	(152,175)
931	Rents	2,439	3,168
933	Transportation Expenses	718	15,692
935	Maintenance of general plant	0	37,265
403	Depreciation Expense	284,428	317,682
408	Taxes Other Than Income	0	0
408.11	Property Taxes	56,409	56,729
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$1,116,367</b>	<b>\$2,355,803</b>
	<b>Operating Income / (Loss)</b>	<b>\$26,831</b>	<b>(\$1,097,582)</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>\$26,831</b>	<b>(\$1,097,582)</b>

Total number of employees	3	3
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**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 Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
UTILITY SHUTOFFS / DISCONNECTS  
12/31/24

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2- 211.C	Other
January	0	5	0
February	0	2	0
March	0	0	0
April	0	6	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	14	0
November	0	6	0
December	0	7	0
<b>Total</b>	<b>0</b>	<b>40</b>	<b>0</b>

**Other (description):**

NA
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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.