

|                      |
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| <b>ANNUAL REPORT</b> |
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Of

Company Name: 

|                                    |
|------------------------------------|
| Ajo Improvement Company - Electric |
|------------------------------------|

PO Drawer 9

Mailing Address:

0

Ajo

AZ

85321

Docket No.: E-01025A

For the Year Ended: 

|          |
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| 12/31/25 |
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**RECEIVED BY EMAIL**

**4/9/2026, 10:34 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: 

|                 |
|-----------------|
| Original Filing |
|-----------------|

Application Date: 

|          |
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| 4/8/2026 |
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ARIZONA CORPORATION COMMISSION  
ELECTRIC UTILITY ANNUAL REPORT  
COMPANY INFORMATION

For the Calendar Year Ended: 12/31/25

|                        |                            |             |         |           |       |
|------------------------|----------------------------|-------------|---------|-----------|-------|
| Company/Business Name: | Ajo Improvement - Electric |             |         |           |       |
| Mailing Address:       | PO Drawer 9                |             |         |           |       |
| City:                  | Ajo                        | State:      | Arizona | Zip Code: | 85321 |
| Telephone Number:      | (520)387-2010              | Fax Number: | NA      |           |       |
| Email:                 | epaul@fmi.com              |             |         |           |       |

|                                   |                             |        |         |           |       |
|-----------------------------------|-----------------------------|--------|---------|-----------|-------|
| Regulatory and Management Contact |                             |        |         |           |       |
| Name:                             | Francis R McAllister Jr.    |        |         |           |       |
| Title:                            | President                   |        |         |           |       |
| Telephone No. :                   | (602) 366-8014              |        |         |           |       |
| Address:                          | 4340 E. Cotton Center Blvd. |        |         |           |       |
| City:                             | Phoenix                     | State: | Arizona | Zip Code: | 85040 |
| 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                      |        |         |           |       |

|                 |  |        |         |           |  |
|-----------------|--|--------|---------|-----------|--|
| NA              |  |        |         |           |  |
| Name:           |  |        |         |           |  |
| Title:          |  |        |         |           |  |
| Telephone No. : |  |        |         |           |  |
| Address:        |  |        |         |           |  |
| City:           |  | State: | Arizona | Zip Code: |  |
| Email:          |  |        |         |           |  |

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

Counties Served: Pima

ARIZONA CORPORATION COMMISSION  
ELECTRIC UTILITY ANNUAL REPORT  
Ajo Improvement Company - Electric

|                                          |
|------------------------------------------|
| <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 Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
AUTHORIZED SERVICES AND STATISTICAL INFORMATION  
12/31/25

**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                        | 800                         | 4,920,625                     |
| Commercial                         | 207                         | 3,504,654                     |
| Industrial                         | 1                           | 1,452,797                     |
| Public Street and Highway Lighting | 0                           | 0                             |
| Irrigation                         | 0                           | 0                             |
| <b>Total Retail</b>                | 1,008                       | 9,878,076                     |

**Wholesale Information**

|                                                   | Number of Customers | Number of kWh Sold |
|---------------------------------------------------|---------------------|--------------------|
| Resale                                            | 1                   | 6,102              |
| Short-term Sales (duration of less than one-year) | 0                   | 0                  |
| <b>Total Wholesale</b>                            | 1                   | 6,102              |

|                                                      |           |
|------------------------------------------------------|-----------|
| Total Sold                                           | 9,884,178 |
| Maximum Peak Load                                    | 3,279     |
| Distribution System Losses                           | 1,493,107 |
| Distribution Losses                                  | 13.13%    |
| Transmission Losses                                  | 0.00%     |
| System Average Interruption Duration Index (SAIDI)   | 639       |
| Customer Average Interruption Duration Index (CAIDI) | 119       |
| System Average Interruption Frequency Index (SAIFI)  | 5         |

| UTILITY PLANT IN SERVICE (ELECTRIC)                     |                                                                            |                                 |                           |                             |                           |                             |                    |
|---------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|--------------------|
| Account No.                                             | Description                                                                | Beginning Year<br>Original Cost | Current Year<br>Additions | Current Year<br>Retirements | Adjusted Original<br>Cost | Accumulated<br>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                    | 10,256                      | 9,594              |
| 362                                                     | Station equipment                                                          | 667,302                         | 54,471                    | 0                           | 721,773                   | 624,112                     | 97,661             |
| 363                                                     | Storage battery equipment                                                  | 0                               | 0                         | 0                           | 0                         | 0                           | 0                  |
| 364                                                     | Poles, towers and fixtures                                                 | 134,540                         | 130,000                   | 0                           | 264,540                   | 101,310                     | 163,230            |
| 365                                                     | Overhead conductors and devices                                            | 36,448                          | 0                         | 0                           | 36,448                    | 36,411                      | 37                 |
| 366                                                     | Underground conduit                                                        | 0                               | 0                         | 0                           | 0                         | 0                           | 0                  |
| 367                                                     | Underground conductors and device                                          | 0                               | 0                         | 0                           | 0                         | 0                           | 0                  |
| 368                                                     | Line transformers                                                          | 5,330,740                       | 41,985                    | 0                           | 5,372,725                 | 2,911,073                   | 2,461,652          |
| 369                                                     | Services                                                                   | 1,309,493                       | 0                         | 0                           | 1,309,493                 | 705,270                     | 604,223            |
| 370                                                     | Meters                                                                     | 281,268                         | 42,050                    | 0                           | 323,318                   | 121,496                     | 201,822            |
| 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                                          | 73,847                          | 23,743                    | 0                           | 97,590                    | 29,660                      | 67,930             |
| 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                   | 364,993                     | 105,952            |
| 393                                                     | Stores equipment                                                           | 0                               | 0                         | 0                           | 0                         | 0                           | 0                  |
| 394                                                     | Tools, shop and garage equipment                                           | 25,580                          | 0                         | 0                           | 25,580                    | 2,928                       | 22,653             |
| 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                     | 4,411                       | 664                |
| 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>\$8,382,163</b>              | <b>\$292,249</b>          | <b>\$0</b>                  | <b>\$8,674,412</b>        | <b>\$4,938,996</b>          | <b>\$3,735,416</b> |

| DEPRECIATION EXPENSE FOR THE CURRENT YEAR (ELECTRIC)    |                                                                            |                                 |                           |                             |                           |                                                |                             |                         |
|---------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------|---------------------------|-----------------------------|---------------------------|------------------------------------------------|-----------------------------|-------------------------|
| Account No.                                             | Description                                                                | Beginning Year<br>Original Cost | Current Year<br>Additions | Current Year<br>Retirements | Adjusted<br>Original Cost | Fully<br>Depreciated/Non-<br>depreciable Plant | Depreciation<br>Percentages | Depreciation<br>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                    | 9,594                                          | 6.45%                       | 662                     |
| 362                                                     | Station equipment                                                          | 667,302                         | 54,471                    | 0                           | 721,773                   | 600,572                                        | 25.05%                      | 23,540                  |
| 363                                                     | Storage battery equipment                                                  | 0                               | 0                         | 0                           | 0                         | 0                                              | 0.00%                       | 0                       |
| 364                                                     | Poles, towers and fixtures                                                 | 134,540                         | 130,000                   | 0                           | 264,540                   | 93,215                                         | 7.61%                       | 8,096                   |
| 365                                                     | Overhead conductors and devices                                            | 36,448                          | 0                         | 0                           | 36,448                    | 36,407                                         | 10.52%                      | 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                                                          | 5,330,740                       | 41,985                    | 0                           | 5,372,725                 | 2,733,150                                      | 6.79%                       | 177,922                 |
| 369                                                     | Services                                                                   | 1,309,493                       | 0                         | 0                           | 1,309,493                 | 666,630                                        | 6.01%                       | 38,640                  |
| 370                                                     | Meters                                                                     | 281,268                         | 42,050                    | 0                           | 323,318                   | 111,070                                        | 5.45%                       | 10,427                  |
| 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                                         | 73,847                          | 23,743                    | 0                           | 97,590                    | 26,804                                         | 4.85%                       | 2,856                   |
| 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                   | 320,210                                        | 29.71%                      | 44,783                  |
| 393                                                     | Stores equipment                                                           | 0                               | 0                         | 0                           | 0                         | 0                                              | 0.00%                       | 0                       |
| 394                                                     | Tools, shop and garage equipment                                           | 25,580                          | 0                         | 0                           | 25,580                    | 1,905                                          | 4.32%                       | 1,023                   |
| 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                     | 3,943                                          | 41.38%                      | 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                       |
| <b>Depreciation expense</b>                             |                                                                            | <b>\$8,382,163</b>              | <b>\$292,249</b>          | <b>\$0</b>                  | <b>\$8,674,412</b>        | <b>\$4,630,574</b>                             |                             | <b>\$308,423</b>        |

Ajo Improvement Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET ASSETS  
12/31/25

| BALANCE SHEET ASSETS                                        |  |                                           |                                  |
|-------------------------------------------------------------|--|-------------------------------------------|----------------------------------|
| Assets and Other Debits                                     |  | Balance at<br>Beginning of Year<br>(2025) | Balance at End of<br>Year (2025) |
| <b>Utility Plant</b>                                        |  |                                           |                                  |
| Plant in service                                            |  | \$8,382,163                               | \$8,674,412                      |
| Accumulated depreciation and amortization                   |  | (4,630,574)                               | (4,938,996)                      |
| 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>\$3,751,590</b>                        | <b>\$3,735,416</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                                   |  | \$171,968                                 | 137636.57                        |
| Customer and other receivables                              |  | 153,650                                   | 159,929                          |
| Accounts receivable                                         |  | 0                                         | 0                                |
| Allowance for doubtful accounts                             |  | 0                                         | 0                                |
| Materials and supplies (at average cost)                    |  | 0                                         | 0                                |
| Notes receivable (related party due within one year)        |  | 0                                         | 0                                |
| Fossil fuel (at average cost)                               |  | 0                                         | 0                                |
| Regulatory assets                                           |  | 363,818                                   | 74,668                           |
| Deferred debits                                             |  | 0                                         | 0                                |
| Other current assets                                        |  | 0                                         | 0                                |
| <b>Total Fixed Assets</b>                                   |  | <b>\$689,435</b>                          | <b>\$372,234</b>                 |
| <b>Total Assets and Other Debits</b>                        |  | <b>\$4,441,025</b>                        | <b>\$4,107,650</b>               |

Ajo Improvement Company - Electric  
ELECTRIC UTILITY ANNUAL REPORT  
BALANCE SHEET LIABILITIES AND OWNERS EQUITY  
12/31/25

| BALANCE SHEET LIABILITIES AND OWNERS EQUITY |  |                                           |                                  |
|---------------------------------------------|--|-------------------------------------------|----------------------------------|
| Liabilities and Other Credits               |  | Balance at<br>Beginning of Year<br>(2025) | Balance at End of<br>Year (2025) |
| <b>Current Liabilities</b>                  |  |                                           |                                  |
| Accounts payable                            |  | \$12,065                                  | \$31,421                         |
| Customer/Member deposits                    |  | 7,455                                     | 8,635                            |
| Current maturities of Long-Term Debt        |  | 0                                         | 0                                |
| Accrued expenses                            |  | 0                                         | 0                                |
| Accrued taxes                               |  | 24,492                                    | 25,147                           |
| Accrued interest                            |  | 0                                         | 0                                |
| Notes payable to associated companies       |  | 13,459                                    | 10,015                           |
| 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>\$57,471</b>                           | <b>\$75,217</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                       |  | 1,138,910                                 | 1,145,638                        |
| Deferred investment tax credit              |  | (329,676)                                 | (370,599)                        |
| Unrecognized tax benefits                   |  | 0                                         | 0                                |
| Other deferred credits                      |  | 0                                         | 0                                |
| <b>Total Deferred Credits</b>               |  | <b>\$809,234</b>                          | <b>\$775,039</b>                 |
| <b>Total Liabilites</b>                     |  | <b>\$866,705</b>                          | <b>\$850,256</b>                 |
|                                             |  |                                           |                                  |
| <b>Capital Accounts</b>                     |  |                                           |                                  |
| Common stock                                |  | \$130,667                                 | \$130,667                        |
| Additional paid-in capital                  |  | 10,663,355                                | 10,771,321                       |
| Retained earnings                           |  | (7,219,702)                               | (7,644,594)                      |
| Memberships                                 |  | 0                                         | 0                                |
| Patronage capital                           |  | 0                                         | 0                                |
| Accumulated other comprehensive             |  | 0                                         | 0                                |
| <b>Total Capital</b>                        |  | <b>\$3,574,320</b>                        | <b>\$3,257,394</b>               |
| <b>Total Liabilities and Capital</b>        |  | <b>\$4,441,025</b>                        | <b>\$4,107,650</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  
12/31/25

| ELECTRIC COMPARATIVE INCOME STATEMENT                |                                          |                                         |                                            |
|------------------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------|
| Account No.                                          | Calendar Year                            | Last Year<br>01/01/2024 -<br>12/31/2024 | Current Year<br>01/01/2025 -<br>12/31/2025 |
|                                                      | <b>Operating Revenue</b>                 |                                         |                                            |
| 440                                                  | Residential sales                        | \$677,953                               | \$665,702                                  |
| 442                                                  | Commercial and industrial sales          | 580,268                                 | 608,992                                    |
| 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>\$1,258,221</b>                      | <b>\$1,274,695</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                          | 771,590                                 | 423,088                                    |
| <b>Customer Accounts Expense</b>                     |                                          |                                         |                                            |
| 904                                                  | Uncollectible Accounts                   | 17,139                                  | 17,973                                     |
| <b>Operation Administrative and General Expenses</b> |                                          |                                         |                                            |
| 920                                                  | Administrative and General Salaries      | 779,208                                 | 845,394                                    |
| 921                                                  | Office Supplies and Expenses             | 49,179                                  | 36,067                                     |
| 923                                                  | Outside Services Employed                | 335,564                                 | 291,066                                    |
| 926                                                  | Employee Pensions and Benefits           | 124,761                                 | 160,786                                    |
| 930.2                                                | Miscellaneous General Expenses           | (152,175)                               | (299,420)                                  |
| 931                                                  | Rents                                    | 3,168                                   | 2,742                                      |
| 933                                                  | Transportation Expenses                  | 15,692                                  | 3,300                                      |
| 935                                                  | Maintenance of General Plant             | 37,265                                  | 75,021                                     |
| 403                                                  | Depreciation Expense                     | 317,682                                 | 308,423                                    |
| 408                                                  | Taxes Other Than Income                  | 0                                       | 0                                          |
| 408.11                                               | Property Taxes                           | 56,729                                  | 52,260                                     |
| 409                                                  | Income Taxes                             | 0                                       | 0                                          |
| 427.1                                                | Customer Security Deposit Interest       | 0                                       | 0                                          |
|                                                      | <b>Total Operating Expenses</b>          | <b>\$2,355,802</b>                      | <b>\$1,916,699</b>                         |
|                                                      | <b>Operating Income / (Loss)</b>         | <b>(\$1,097,581)</b>                    | <b>(\$642,004)</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>(\$1,097,581)</b>                    | <b>(\$642,004)</b>                         |
| <b>Total number of employees</b>                     |                                          | 8                                       | 8                                          |

**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  
12/31/25

| UTILITY SHUTOFFS / DISCONNECTS |                                           |                                            |          |
|--------------------------------|-------------------------------------------|--------------------------------------------|----------|
| Month                          | Termination without<br>Notice R14-2-211.B | Termination with<br>Notice R14-2-<br>211.C | Other    |
| January                        | 0                                         | 4                                          | 0        |
| February                       | 0                                         | 0                                          | 0        |
| March                          | 0                                         | 2                                          | 0        |
| April                          | 0                                         | 4                                          | 0        |
| May                            | 0                                         | 3                                          | 0        |
| June                           | 0                                         | 0                                          | 0        |
| July                           | 0                                         | 0                                          | 0        |
| August                         | 0                                         | 0                                          | 0        |
| September                      | 0                                         | 0                                          | 0        |
| October                        | 0                                         | 13                                         | 0        |
| November                       | 0                                         | 0                                          | 0        |
| December                       | 0                                         | 3                                          | 0        |
| <b>Total</b>                   | <b>0</b>                                  | <b>29</b>                                  | <b>0</b> |

**Other (description):**

|  |
|--|
|  |
|--|

**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.