

**COMMISSIONERS**  
TOM FORESE – Chairman  
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**ORIGINAL**



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**ARIZONA CORPORATION COMMISSION**

April 19, 2018

To: Docket Control

RE: – Ajo Improvement Company - Customer Comments

Docket No. WS-01025A-17-0361 WS-01025A-17-0363 E-01025A-17-0362

Please docket the attached   2   customer comments to the above filed case.

Customer comments can be reviewed in E-docket under the above docket number.

Filed by: Utilities Division – Consumer Services

Arizona Corporation Commission

**DOCKETED**

**APR 20 2018**

DOCKETED BY

A handwritten signature in black ink.

RECEIVED  
AZ CORPORATION COMMISSION  
APR 19 2018 10 20 19

**Arizona Corporation Commission  
Utilities Complaint Form**

**Investigator:** Jenny Gomez      **Phone:** <<< REDACTED >>>      **Opinion Date:** 4/19/2018  
**Opinion Number:** 2018 - 149437      **Priority:** Respond within 5 business days  
**Opinion Codes:** Rate Case Items - Opposed      **Closed Date:** 4/19/2018 11:31 AM

**First Name:** Roger      **Last Name:** Dexter      **Account Name:** Roger Dexter  
**Address:** <<< REDACTED >>>  
**City:** Ajo      **State:** AZ      **Zip Code:** 85321  
**Home:** <<< REDACTED >>>      **Home:** <<< REDACTED >>>

**Company:** Ajo Improvement Company      **Division:** Electric

**Nature Of Opinion**

**Docket Number:** WS-01025A-17-0361      **Docket Position:** Against

17 April 2018

ACC

Utilities Division

1200 W. Washington Street

Phoenix, AZ 85007

Re: WS-01025A-17-0361

WS-01025A-17-0363

E-01025A-170362

Ajo Improvement Company

Dear ACC:

I am writing in reference to the three above issues. My background is that of being the Finance Director for three cities, encompassing approximately 24 years. As such, part of my responsibilities were the meter reading, billing, and collecting for water and waste water services. Also included was utility rate determination.

Therefore, I have experienced rate changes, mostly upward, and some that were the result of governmental dictate causing rates to increase. A couple of the increases were of a large percentage change, but small in comparison to the increases that are recommended in the three referenced above issues.

If the rate changes as proposed were enacted they would have a drastic impact on your rate payers in Ajo. We are not an affluent community. In my opinion, the majority of your rate payers do not have the ability to pay the result of the proposed increases. Many would just leave.

Also, I can clearly see the following:

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1. The accounts receivable would greatly increase.
2. The administrative expense would do so also. My experience showed that 90% of the collection effort was caused by 10% of the customers. What would it be like if the 10% were 80%?
3. The bad debt expense would increase considerably.
4. As proposed, I can see the rate increase causing Ajo to no longer exist as a community.  
Therefore, the value to the investment in infrastructure would collapse in value.
5. As proposed, real estate values in Ajo would substantially decrease.
6. The phase in of rate increase would not alter the end result to Ajo rate payers.

To help mitigate the effect of governmental dictate to cities that I worked for, I investigated getting financial help from county, state, and federal resources. I was successful to the extent that rate, although not popular, were affordable.

Roger Dexter  
Ajo, AZ 85321

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<b>Date:</b>	<b>Analyst:</b>	<b>Investigation</b>	<b>Type:</b>
4/19/2018	Jenny Gomez	<b>Submitted By:</b> Telephone	Investigation
Noted and filed for the record in Docket.			

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**Arizona Corporation Commission  
Utilities Complaint Form**

**Investigator:** Jenny Gomez      **Phone:** <<< REDACTED >>>      **Opinion Date:** 4/19/2018  
**Opinion Number:** 2018 - 149438      **Priority:** Respond within 5 business days  
**Opinion Codes:** Rate Case Items - Opposed      **Closed Date:** 4/19/2018 11:55 AM

**First Name:** Bruce H. & Nancy      **Last Name:** Secker      **Account Name:** Bruce H. & Nancy  
S.      S. Secker  
**Address:** <<< REDACTED >>>  
**City:** Ajo      **State:** AZ      **Zip Code:** 85321  
**Home:** <<< REDACTED >>>

**Company:** Ajo Improvement Company      **Division:** Electric

**Nature Of Opinion**

**Docket Number:** WS-01025A-17-0361      **Docket Position:** Against

March 30,  
Arizona Corporation Commission  
Consumer Services Section  
1200 West Washington  
Phoenix, AZ 85007

RE: Ajo Improvement Company Application for Rate Increases, Docket Nos. WS-01025A-17-0361, E-01025A-17-0362, WS-01025A-17-0363

Dear Chairman and Commissioners:

On February 16th, 2018, Ajo Improvement Company submitted a request for rate increases in electric, water and waste water service to the commission. These requested rate increases ranged from 119% (electric) up to 450%

(wastewater)—astonishing figures for any rate increase application, but even more so for a utility serving such a low wealth community. I would like to voice my strong opposition to these rate increase applications.

In a place where one third of the households make less than \$25,000 per year and approximately 20% of families live below the poverty level, it would be unconscionable to subject this population to such extreme rate hikes. At a time when less than half of the local citizens are even in the workforce and public assistance is either flat or in danger of being cut, it is unreasonable to think that this community could possibly pay double, triple and quadruple what they currently pay for basic services.

What's more, the requested rate increases are not in sync with rates in the rest of the state. By full rate implementation, residential customers in the Ajo Improvement Company service area would be paying more than twice the 2017 Arizona median customer payment for water and nearly 3 times the median customer payment in wastewater.

Since the cessation of mining operations in the mid-1980s, Ajo has suffered from decades of economic hardship and systemic disinvestment. In recent years, increased activity around eco-tourism, arts and culture have begun to offer a glimmer of economic hope. These rate increases would stop all new business

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investment dead in its tracks and make all but the strongest local businesses unprofitable.

Mining interests extracted tremendous value from this community (6.304 billion pounds of copper)3 during the last century, and I strongly believe such an extraction of wealth came with certain responsibilities. Ajo Improvement Company cannot in good conscience point to recent investments in infrastructure as a free ticket. to gouge customers. Decades of neglected preventative maintenance did not happen in a vacuum. For a generation, Ajo was a mining cash cow, but it was abandoned when extraction of value became tougher to sustain. Now, Ajo Improvement Company proposes to squeeze this community at the expense of its most vulnerable customers.

A vote to support these rate increase applications is a vote to kill Ajo. Please vote NO.

Respectfully,

Bruce H. Secker

Ajo, AZ 85321

For some people, like myself. Ajo is a pleasant place to spend the winter. For others, it is the end of the line. Increases of this magnitude you are seeking cannot be paid by this group. I worked in a soup kitchen for 10 years and that was a place where nobody wins. BHS

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		<b>Investigation</b>	
<b>Date:</b>	<b>Analyst:</b>	<b>Submitted By:</b>	<b>Type:</b>
4/19/2018	Jenny Gomez	Telephone	Investigation

Noted and filed for the record in Docket.

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