

ORIGINAL

Thomas J. Bourassa
CERTIFIED PUBLIC ACCOUNTANT
139 W. Wood Drive
Phoenix, Arizona 85029



July 9, 2018

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007

Re: Ajo Improvement Company Docket No. WS-01025A-17-0363

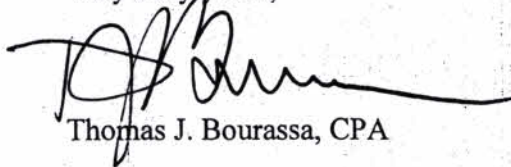
WS-01025A-17-0361
E-01025A-17-0362

To Whom it May Concern,

Attached are two amended schedules for the Ajo Improvement Company – Water division and includes Schedule H-3, page 2 and Schedule H-3, page 4.2.

Also attached is one schedule for Ajo Improvement Company – Sewer division, Schedule F-1, which was missing from the Company’s revised filing of February 16, 2018.

Very truly yours,


Thomas J. Bourassa, CPA

Arizona Corporation Commission

DOCKETED

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AZ CORP COM
DOCKET CONTROL

Ajo Improvement Company - Water Division
 Test Year Ended December 31, 2016
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 2
 Witness: Bourassa
REVISED

Line No.	Commodity Rates (All Classes - Treated Water)	Block	(Per 1,000 gallons)	
			Present Rate	Full Phase-In Proposed Rate
1				
2	1.5 Inch Meter	0 gallons to 42,000 gallons	\$ 2.900	
3		over 42,000 gallons	\$ 3.300	
4				
5	1.5 Inch Meter	0 gallons to 45,000 gallons		\$ 10.038
6		over 45,000 gallons		\$ 14.538
7				
8	2 Inch Meter	0 gallons to 63,000 gallons	\$ 2.900	
9		over 63,000 gallons	\$ 3.300	
10				
11	2 Inch Meter	0 gallons to 72,000 gallons		\$ 10.038
12		over 72,000 gallons		\$ 14.538
13				
14	3 Inch Meter	0 gallons to 120,000 gallons	\$ 2.900	
15		over 120,000 gallons	\$ 3.300	
16				
17	3 Inch Meter	0 gallons to 144,000 gallons		\$ 10.038
18		over 144,000 gallons		\$ 14.538
19				
20	4 Inch Meter	0 gallons to 180,000 gallons	\$ 2.900	
21		over 180,000 gallons	\$ 3.300	
22				
23	4 Inch Meter	0 gallons to 225,000 gallons		\$ 10.038
24		over 225,000 gallons		\$ 14.538
25				
26	6 Inch Meter	0 gallons to 290,000 gallons	\$ 2.900	
27		over 290,000 gallons	\$ 3.300	
28				
29	6 Inch Meter	0 gallons to 450,000 gallons		\$ 10.038
30		over 450,000 gallons		\$ 14.538
31				
32	Commodity Rate for Public Water Systems		\$ 2.800	\$ 6.203
33	(During Off-peak Hours) -Treated Water (1)			
34	Per 1,000 Gallons (In Excess of Minimum)			
35				
36				
37				
38	Construction- Hydrants	All gallons	NT	\$ 14.538
39				
40	Bulk	All gallons	NT	\$ 14.538
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52	NT = No Tariff			

AMENDED

Ajo Improvement Company - Water Division
 Test Year Ended December 31, 2016
 Present and Proposed Rates
 Phase-in Rates

Exhibit
 Schedule H-3
 Page 4.2
 Witness: Bourassa
 REVISED

Line No.	Commodity Rates (All Classes - Treated Water)	Bulk	Present Rate	(Per 1,000 gallons)				
				Year 1 Proposed Rate	Year 2 Proposed Rate	Year 3 Proposed Rate	Year 4 Proposed Rate	Year 5 Proposed Rate
1								
2	1.5 Inch Meter	0 gallons to 42,000 gallons	\$ 2,900					
3		over 42,000 gallons	\$ 3,300					
4								
5	1.5 Inch Meter	0 gallons to 45,000 gallons	\$ 4,328	\$ 4,328	\$ 5,755	\$ 7,183	\$ 8,610	\$ 10,038
6		over 45,000 gallons	\$ 5,548	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
7								
8	2 Inch Meter	0 gallons to 63,000 gallons	\$ 2,900					
9		over 63,000 gallons	\$ 3,300					
10								
11	2 Inch Meter	0 gallons to 72,000 gallons	\$ 4,328	\$ 4,328	\$ 5,755	\$ 7,183	\$ 8,610	\$ 10,038
12		over 72,000 gallons	\$ 5,548	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
13								
14	3 Inch Meter	0 gallons to 120,000 gallons	\$ 2,900					
15		over 120,000 gallons	\$ 3,300					
16								
17	3 Inch Meter	0 gallons to 144,000 gallons	\$ 4,328	\$ 4,328	\$ 5,755	\$ 7,183	\$ 8,610	\$ 10,038
18		over 144,000 gallons	\$ 5,548	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
19								
20	4 Inch Meter	0 gallons to 180,000 gallons	\$ 2,900					
21		over 180,000 gallons	\$ 3,300					
22								
23	4 Inch Meter	0 gallons to 225,000 gallons	\$ 4,328	\$ 4,328	\$ 5,755	\$ 7,183	\$ 8,610	\$ 10,038
24		over 225,000 gallons	\$ 5,548	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
25								
26	6 Inch Meter	0 gallons to 290,000 gallons	\$ 2,900					
27		over 290,000 gallons	\$ 3,300					
28								
29	6 Inch Meter	0 gallons to 450,000 gallons	\$ 4,328	\$ 4,328	\$ 5,755	\$ 7,183	\$ 8,610	\$ 10,038
30		over 450,000 gallons	\$ 5,548	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
31								
32								
33	Commodity Rate for Public Water Systems		\$ 2,800	\$ 3,481	\$ 4,161	\$ 4,842	\$ 5,522	\$ 6,203
34	(During Off-peak Hours) -Treated Water (1)							
35	Per 1,000 Gallons (In Excess of Minimum)							
36								
37	Construction- Hydrants	All gallons	NT	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
38								
39								
40	Bulk	All gallons	NT	\$ 5,548	\$ 7,795	\$ 10,043	\$ 12,290	\$ 14,538
41								
42								
43								
44								
45								
46								
47								

NT = No Tariff

Ajo Improvement Company - Wastewater Division
 Test Year Ended December 31, 2016
 Projected Income Statements - Present & Proposed Rates

Exhibit
 Schedule F-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 12/31/2017	At Proposed Rates Year Ended 12/31/2017
1	Revenues			
2	Flat Rate Revenue	\$ 222,773	\$ 224,100	\$ 1,267,333
3	Measured Revenues	-	-	-
4	Misc Revenues	7,824	7,824	7,824
5		<u>\$ 230,597</u>	<u>\$ 231,924</u>	<u>\$ 1,275,157</u>
6	Operating Expenses			
7	Salaries and Wages	\$ 49,649	\$ 167,896	\$ 167,896
8	Pensions and Benefits	-	84,327	84,327
9	Purchased Wastewater Treatment	-	-	-
10	Sludge Removal	-	-	-
11	Purchased Power	35,867	35,881	35,881
12	Fuel for Power Production	-	-	-
13	Chemicals	3,213	3,214	3,214
14	Materials and Supplies	-	21	21
15	Contractual Services - Engineering	-	-	-
16	Contractual Services - Accounting	26,064	26,064	26,064
17	Contractual Services - Legal	-	3,335	3,335
18	Contractual Services - Management Fees	-	-	-
19	Contractual Services - Testing	3,430	3,430	3,430
20	Contractual Services - Other	36,753	50,940	50,940
21	Office Supplies and Expense	7,072	7,072	7,072
22	Rents	15,000	15,000	15,000
23	Transportation	14,244	14,244	14,244
24	Insurance - General Liability	3,356	3,356	3,356
25	Insurance - Health and Life	-	14,939	14,939
26	Regulatory Commission Expense	-	27,778	27,778
27	Miscellaneous	19,748	5,561	5,561
28	Depreciation	588,485	450,271	450,271
29	Taxes Other Than Income	-	10,307	10,307
30	Property Taxes	12,061	12,061	12,061
31	Income Tax	-	(175,036)	84,427
32				
33	Total Operating Expenses	<u>\$ 814,942</u>	<u>\$ 760,663</u>	<u>\$ 1,020,126</u>
34	Operating Income	<u>\$ (584,345)</u>	<u>\$ (528,739)</u>	<u>\$ 255,031</u>
35	Other Income (Expense)			
36	Interest and Dividend Income	-	-	-
37	AFUDC Income	-	-	-
38	Miscellaneous Non-Utility Expenses	-	-	-
39	Gains (Losses) from Disposition of Utility Property	-	-	-
40	Interest Expense	-	-	-
41	Total Other Income (Expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
42	Net Profit (Loss)	<u><u>\$ (584,345)</u></u>	<u><u>\$ (528,739)</u></u>	<u><u>\$ 255,031</u></u>

SUPPORTING SCHEDULES:

C-1

43
 44
 45
 46
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