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Commissioner Bob Burns

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October 12, 2018

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

RE: AJO IMPROVEMENT COMPANY –  
WASTEWATER, ELECTRIC & WATER DIVISIONS  
DOCKET NOs. WS-01025A-17-0361; E-01025A-17-0362; WS-01025A-17-0363

Commissioners and Interested Parties:

In the above referenced dockets, Ajo Improvement Company (“AIC”) filed for rate increases for each of its three divisions. In Utilities Division Staff’s (“Staff”) testimony, Staff has recommended that AIC’s new rates be set on a 12-percent operating margin and that the new rates be phased in over five years for the water and electric divisions; the rates for wastewater would be phased in over seven years.

I would like to request that Staff calculate what the rates would be (assuming all of Staff’s adjustment) if a 10-percent operating margin was used and the rates for all three divisions were phased in over seven years and also over ten years. In addition, I request that Staff have this information prepared in time for the hearing so that each of the parties to this case can address these rates and give their opinion as to why these rates should or should not be adopted by the Commission.

Sincerely,

Robert L. Burns  
Commissioner

Arizona Corporation Commission

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On this 12th day of October, 2018, the foregoing document was filed with Docket Control as a Correspondence From Commissioner, and copies of the foregoing were mailed on behalf of Bob Burns, Commissioner - A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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WS-01025A-17-0361**

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