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ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission

October 29, 2018

DOCKETED

Tom Forese, Chairman
Arizona Corporation Commission Commissioners Wing
1200 West Washington 2nd Floor
Phoenix, AZ 85007

NOV 02 2018

DOCKETED BY

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

Dear Chairman:

As you are well aware, Ajo Improvement Company has submitted a request for rate increases in electric, water and wastewater service to the Commission. These requested rate increases range from 132% for electricity, 357% for water and 507% for wastewater service, and they are to be phased in over a 5-year period. The average yearly increase would be 26.4% for electricity, 71.4% for water and a whopping 101.4% for wastewater.

We live in Ajo year round. Under these proposed increases, in 5 years, our monthly electricity bill would increase from an average of \$113.00 to \$262.00; our average water bill from \$55.00 to \$251.00; and our wastewater bill from \$16.00 to \$97.00. As we are both retired and live on a fixed income (which does not vary much from year to year), we feel these proposed rate increases are exorbitant.

Although we are fairly well positioned financially, the proposed rate increases will take a much larger chunk from our budget, which may cause us to abandon our desire to stay in the town we have come to love. However, there are many many people in Ajo who live well below the poverty level. They can barely pay their utilities now and still provide adequately for their families. How can they be expected to pay such increases and still survive?

We believe our schools, both elementary and high school, as well as the few businesses we have here in Ajo, will be adversely affected. We may lose teachers because their salaries may have to be cut to pay the higher utilities. As businesses will no doubt pass on their utility increases to consumers, our expenses in areas like groceries and other commodities will likely increase also.

We have heard Freeport-McMoran, owner of Ajo Improvement Company, made some poor investments in oil a few years ago and lost a significant amount of money. Are they now trying to recoup their losses by increasing our utility rates? If so, that is morally wrong. Are they more concerned with building value for their shareholders than providing affordable utilities for Ajo? Sounds like it to us. Is it their intent to force us out of Ajo so that, if and/or the mine reopens, they will have enough housing for their employees? We wonder.

Ajo is a small community trying to reinvent itself since the mine closure in 1985. We now have many people who call Ajo their home during the fall, winter, and spring months, bringing with them added volunteerism and revenues to our town. We believe the proposed rate increases will force these people to go elsewhere during these months.

We have also heard from a reliable source that Ajo Improvement Company was mandated by the Arizona Corporation Commission to file for the utility rate increases. The Arizona Corporation Commission Mission Statement is "to power Arizona's future by ensuring safe, reliable, and affordable utility services; growing Arizona's economy as we help local entrepreneurs achieve their dream of starting a business; modernizing an efficient, effective, and responsive government agency; and protecting Arizona's citizens by enforcing an ethical securities marketplace." With such a Mission Statement, how can you, as Chairman of the Commission, justify, for any reason, these exorbitant utility rate increases?

We here in Ajo are a captive audience, with no alternatives for our utility provider. We are basically at the mercy of Ajo Improvement Company and their proposed utility rate increases.

A vote to support these rate increase applications is a vote to kill Ajo.

Please vote NO.

Respectfully,

A handwritten signature in black ink, appearing to read 'MJ MacFarlane', written in a cursive style.

Michael J MacFarlane

A handwritten signature in black ink, appearing to read 'Kathleen A. MacFarlane', written in a cursive style.

Kathleen A. MacFarlane