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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

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AZ CORP COMMISSION
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Ajo Improvement Company
E-01025A-01-0341
Decision No. 63828
June 28, 2001

Arizona Corporation Commission

DOCKETED

SEP 11 2001

Arizona Corporation Commission
Hearing Division
1200 West Washington
Phoenix, AZ 85007

DOCKETED BY *mal*

Dear Chairman:

I respectfully request a re-hearing concerning the recent Purchased Power and Fuel Adjustment Clause ("PPFAC") rate increase granted Ajo Improvement Company as established in Decision No. 63828. I am joined in this request by customers of AIC, and residents of Ajo who have circulated and signed petitions.

The decision by the Commission was with the knowledge that there was virtually no opposition to a request to almost double the electric rates for commercial, residential and municipal customers. The decision by the Commission is explicable, but there are reasons why residents of Ajo remained silent.

Customers didn't let the Commission know of their objections to the size of the proposed increase because of the confusing letter AIC sent to customers. AIC provided a single example, and it was based on the usage of 427 kWh of electricity, which would certainly be far below the average monthly usage of most fulltime Ajo residents. Giving AIC due credit, the letter does not say that 427 kWh is the average monthly use by Ajo residential customers. But, it left most people with that understanding. It actually said, "The average Ajo residential customer using 427 kWh of electricity per month". The letter simply did not provide a realistic example. It didn't make sense, so people just assumed they would be getting a slightly larger bill and thus had no reason to react.

People were stunned and outraged when they received such high bills. Many are on extremely tight budgets and cannot pay for electric service at such high rates. Many on fixed budgets came to Ajo because it was advertised as a place to retire on a small budget. Some will probably be forced to sell their homes and leave. A very high percentage of retirees and low-income people live in the service area.

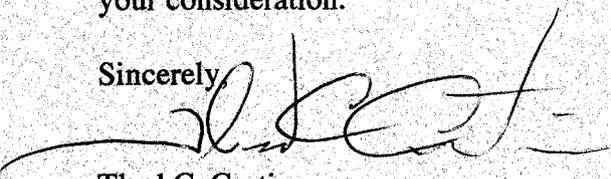
We are fearful, too, that such high commercial rates will cause the closing of some businesses. We are especially worried about the possibility of losing 1 of our two grocery stores. Prices for groceries are already higher than they are in larger towns. We have suffered through having only a single grocery store in times past. With no competition prices were even higher. The loss of a grocery store and the resulting higher prices would cut right into the very diet of many elderly and underprivileged who are existing on diets consisting of mostly of lower cost foods. So, special rates for businesses in the area should be included in the agenda for discussion.

Further decimation of already economically challenged western Pima County, by virtually doubling electric rates, is not reasonable, prudent nor acceptable. We know some increase is probably necessary, but we feel other options exist. We want the Commission to hear all sides of this important issue.

Our rural community needs your help, and it is the members of the Arizona Corporation commission who hold the keys to a fair and equitable outcome for AIC, the residents and the businesses.

It is in the public interest to re-hear the matter, and to hold the hearings here in Ajo. The silence the Commission heard is now understandable, and the flawed notification letter justifies new action. We appreciate your consideration.

Sincerely,



Thad C. Curtis