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BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

JUN 28 2001

DOCKETED BY *ad*

IN THE MATTER OF THE APPLICATION) DOCKET NO. E-01025A-01-0341
OF AJO IMPROVEMENT COMPANY)
FOR AN INCREASE IN ITS PURCHASED) DECISION NO. 63828
POWER AND FUEL ADJUSTMENT)
CLAUSE ("PPFAC") RATE) ORDER

Open Meeting
June 26, 2001
Phoenix, Arizona

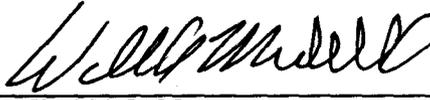
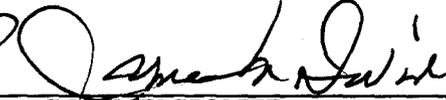
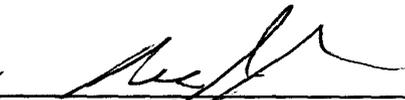
BY THE COMMISSION:

FINDINGS OF FACT

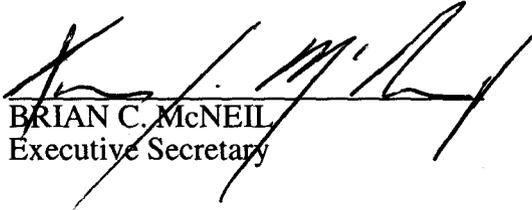
1. Ajo Improvement Company - Electric Division ("Ajo" or "Company") is certified to provide electric service as a public service corporation in the State of Arizona.
2. On April 20, 2001, Ajo filed an application to change its Purchased Power and Fuel Adjustment Clause ("PPFAC") rate from \$0.005332 to \$0.05 per kilo-Watt hour ("kWh") The current PPFAC was last established in Decision No. 62764, dated August 2, 2000.
3. On April 20, 2001, the Company also notified its customers by mail of its request to increase the PPFAC rate. The Company's notification illustrated the effect of the increase on the average customer's bill. Only four (4) complaints had been received as of May 25, 2001.
4. The Company seeks Commission approval of its proposed PPFAC rate that is intended to stop continuing increases in the under-collected PPFAC bank balance. The proposed adjustor is not intended to significantly reduce the large under-collected balance.
5. Under the current circumstances, the Company's under-collected bank balance is projected to be approximately \$1,571,844 by June 30, 2002, without any adjustment in the current PPFAC rate. The bank balance as of June 30, 2002, is estimated to be approximately \$1,073,732 with the approval of the requested adjustor for a difference of approximately \$498,112 or about \$41,500 per month.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 28th day of June, 2001.



BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

DRS:REL: