

ORIGINAL
AJO IMPROVEMENT COMPAN]
P. O. DRAWER 9
AJO, ARIZONA 85321



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Telephone: 520-387-7151 Fax: 520-387-7627

April 25, 2007

Arizona Corporation Commission
DOCKETED

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AZ CORP COMMISSION
DOCUMENT CONTROL

2007 APR 26 P 1:41

RECEIVED

VIA REGULAR U.S. MAIL

Ernest G. Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Notice of Compliance with ADEQ – Second Phase-In of Wastewater Rates
Decision No. 67092 – Docket No. WS-01025A-03-0350.

Dear Ernest:

The purpose of this letter is to notify the Arizona Corporation Commission and its Staff that the Ajo Improvement Company's Wastewater Division (AIC) has resolved all outstanding issues with ADEQ and thus meets the standards required under the Arizona Administrative Code. Most recently, ADEQ provided AIC with a Notice of Closure of its March 8, 2006 Notice of Violation. I have attached a copy of that closure notice. With that NOV addressed, and ADEQ's favorable inspection of the WWTP on April 18, 2007, AIC's Wastewater Division is compliant with ADEQ.

As you know, Decision No. 67092 (June 29, 2004) approved wastewater rates in phases. The first phase-in took effect July 1, 2004; that phase-in increased rates to \$9.42 per month from \$6.08 per month. Specifically, the second phase-in of rates was not to take effect until ADEQ made the determination referenced above.

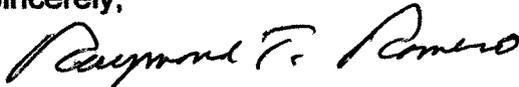
With this notification, we understand that the second phase-in would not take effect until the first day following the third month AIC provides notice to you. Given that, we believe that the second phase-in would take effect on August 1, 2007. On that date wastewater rates would increase from \$9.42 to \$12.76 per month. Also, we understand Decision No. 67092 to allow AIC to increase wastewater rates to implement the third phase-in six months after the second phase-in takes effect. In other words, AIC would increase wastewater rates from \$12.76 to \$16.10 per

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month on February 1, 2008. AIC will also provide notification directly to its customers of these rate increases.

Please contact me if you have any questions or concerns.

Sincerely,



Raymond T. Romero
Manager

cc: Kim Battista, Section Chief, Compliance
Brian Bozzo, Manager, Compliance
Christopher Kempley, Chief Counsel
Michael Patten, Roshka, DeWulf & Patten PLC
Docket Control (13 copies)



Janet Napolitano
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens
Director

April 9, 2007

Case ID #: 38707

Ajo Improvement Company
Attention: Bryce Romig, Environmental Manager
Post Office Box 9
Ajo, AZ 85321-0009

Subject: Closure of the March 8, 2006 Notice of Violation

Dear Mr. Romig:

The Arizona Department of Environmental Quality (ADEQ), has closed the Notice of Violation (NOV) issued to Ajo Improvement Company on March 8, 2006. ADEQ has closed the NOV based upon its determination that Ajo Improvement Company has met the *Documenting Compliance* provisions of the NOV.

ADEQ will not proceed with further action at this time. However, if additional information regarding the alleged violations is discovered, or if further violations occur, ADEQ may reconsider its position and take additional action as appropriate and as allowed by law.

Thank you for your efforts to comply with the Arizona's environmental requirements. Should you have any comments or questions regarding this matter, please do not hesitate to contact me at 602-771-4614, or Case Manager, Nirupma Bhatia, at 602-771-4479.

Sincerely,


Robert Casey, Manager

cc: Ursula Kramer, Director
Pima County Department of Environmental Quality
150 W. Congress, 3rd Floor
Tucson, AZ 85701

04-13-07P01:48 RCVD

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

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Frank Nides, Maintenance Supervisor
Ajo Improvement Company
PO Box 9
Ajo, AZ 85321

Martin McCarthy, Regional Director of Operations, SRO, ADEQ
Michele Robertson, Manager, GWS, ADEQ

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