

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATIC

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
OF AJO IMPROVEMENT COMPANY
COMPANY - ELECTRIC DIVISION - FOR A
REDUCTION IN THE RENEWABLE ENERGY
STANDARD AND TARIFF SURCHARGE.

DOCKET NO. E-01025A-16-0073
APPLICATION

Decision No. 75454 (February 11, 2016) granted a waiver of the Annual Renewable Energy Requirement for Ajo Improvement Company ("AIC" or the "Company") for the Renewable Energy Standard and Tariff ("REST") Plan years 2015 and 2016. Because of the waiver, the decision also reflects the budget reduction for AIC in both 2015 and 2016. In accordance with the requirement in the order that AIC seek to reduce the existing \$0.004 per kilowatt hour ("kWh") REST surcharge, the Company submits this Application to reduce the surcharge to \$0.000 per kWh, pending approval of either its proposed REST Plan for the years 2017 and 2018, or continued approval of a waiver of the Annual Renewable Energy Requirement going forward. A copy of the proposed revised tariff is attached to this Application.

RESPECTFULLY SUBMITTED this 1st day of March, 2016.

AJO IMPROVEMENT COMPANY

By [Signature]

Jason D. Gellman
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Attorney for Ajo Improvement Company

Arizona Corporation Commission
DOCKETED
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DOCKETED BY [Signature]

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*Original and thirteen copies of the foregoing*  
filed this 1<sup>st</sup> day of March, 2016, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered  
this 1<sup>st</sup> day of March, 2016, to:

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Hearing Division  
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By *Jaclyn Howard*

RENEWABLE ENERGY STANDARD AND TARIFF SURCHARGE

Applies to: Ajo Improvement Company Service Area  
Pima County, Arizona

Arizona Corporation Commission ("Commission") Decision No. 75454 (February 11, 2016) granted a waiver to AIC from the Annual Renewable Energy Requirement for Renewable Energy Standard and Tariff ("REST") Plan years 2015 and 2016. In accordance with that waiver, AIC sought and received approval from the Commission to reduce the REST surcharge to \$0.000 per-kilowatt hour ("kWh") from its previous rate of \$0.004 per kWh. This reduction will apply to all retail electric service. AIC will evaluate – from time to time – its program funding requirements. This rate will remain in effect pending future action by AIC and the Commission. If necessary, AIC may seek to increase the REST surcharge if it becomes apparent that more funding is needed for AIC to meet the standards contained within the REST Rules in future years. The Commission must approve any increases to the REST surcharge. Any change to the REST surcharge amounts will be applied in billing cycle beginning in the month following Commission approval and will not be prorated.

The REST surcharge will be shown as a separate item on customer bills. The REST surcharge was established in accordance with the REST Rules, A.A.C. R14-2-1801 through R14-2-1816, which was approved by the Commission in Decision No. 69127 (November 14, 2006).

Effective: [DATE]

ISSUED BY:  
Roy Archer  
Ajo Improvement Company  
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Ajo, Arizona 85321