AJO IMPROVEMENT COMPANY

PURCHASED POWER AND FUEL ADJUSTMENT RATE

Original Sheet E3.0

ELECTRIC RATE SCHEDULE PPA – PURCHASED POWER AND FUEL ADJUSTOR

I. Applicability

Applicable to all kWh sales of electric provided to customers under Rate Schedule GS-1 and FMI-1.

II. Purchased Power and Fuel Adjustor Procedure

Ajo Improvement may increase or decrease customer's bills due to variances in the cost of purchased power from the base cost of purchased power included in Rate Schedule GS-1 and Rate Schedule FMI-1. Purchased power adjustments will be made semi-annually on June 1st and December 1st consistent with the provisions of the Purchased Power and Fuel Adjustor Clause (PPFAC) Plan of Administration. All such increases or decreases are subject to the review and approval by the Staff of the Arizona Corporation Commission. The base cost of purchased power in current rates is $0.05000 per kWh, as authorized by Decision No. 77287, dated July 19, 2019.

III. Purchased Power Adjustor Rate

The current PPFA rate as of December 1, 2025 is $0.04243 per kWh and may be adjusted semi-annually pursuant to the PPFAC Plan of Administration.

IV. Effective Date

This rate schedule is effective for all services on or after August 1, 2019, as authorized by the ACC in Decision No. 77287, dated July 19, 2019.