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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Lord Arizona Water Systems, Inc.
PO Box 3048

Mailing Address: Show Low AZ
85902

Docket No.: W-02479A
For the Year Ended: 12/31/22

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 5/15/2023

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lord Arizona Water Systems, Inc.
A Class ☒ Utility

For the Calendar Year Ended: 12/31/22

Primary Address:

PO BOX 85160
City: TUCSON State: ARIZONA Zip Code: 85754

Telephone Number:

520-623-5172

Date of Original Organization of Utility:

4/1/2003

Person to whom correspondence should be addressed concerning this report:

Name:

DORINDA CHACON

Telephone No. :

520-623-5172

Address:

PO BOX 85160
City: TUCSON State: ARIZONA Zip Code: 85754

Email:

INFO@SOUTHWESTERNUTILITY.COM

Name:			
Telephone No. :			
Address:			
City:	State:	Zip Code:	
Email:			

Name:			
Telephone No. :			
Address:			
City:	State:	Zip Code:	
Email:			

Name:			
Telephone No. :			
Address:			
City:	State:	Zip Code:	
Email:			

Name:			
Telephone No. :			
Address:			
City:	State:	Zip Code:	
Email:			

Ownership:

"S" Corporation

Counties Served:

Apache

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lord Arizona Water Systems, Inc.

Important changes during the year
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NO	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
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	If yes, please provide specific details in the box below.
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	NA
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NO	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	NA
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Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$10,500	\$0	\$0	\$10,500	\$0	\$10,500
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	24,300	0	0	24,300	0	24,300
304	Structures and Improvements	374,432	0	0	374,432	33,123	341,309
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	346,860	0	0	346,860	21,552	325,308
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	0	25,650	0	25,650	1,603	24,047
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	225,000	0	0	225,000	15,465	209,535
330.2	Pressure Tanks	10,353	0	0	10,353	1,576	8,777
331	Transmission and Distribution Mains	455,227	13,870	0	469,097	25,998	443,099
333	Services	85,300	1,100	0	86,400	8,721	77,679
334	Meters and Meter Installations	97,133	8,781	0	105,914	24,624	81,290
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	130	0	0	130	10	120
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,629,235	\$49,401	\$0	\$1,678,636	\$132,672	\$1,545,964

Lord Arizona Water Systems, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$10,500	\$0	\$0	\$10,500	\$10,500	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	24,300	0	0	24,300	24,300	0	0.00%	0
304	Structures and Improvements	374,432	0	0	374,432	0	374,432	3.33%	12,469
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	0	0	0	0	0	0	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	346,860	0	0	346,860	0	346,860	2.00%	6,937
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	0	25,650	0	25,650	0	25,650	12.50%	1,603
320	Water Treatment Equipment	0	0	0	0	0	0	3.33%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	2.22%	0
330.1	Storage Tanks	225,000	0	0	225,000	0	225,000	2.22%	4,995
330.2	Pressure Tanks	10,353	0	0	10,353	0	10,353	5.00%	518
331	Transmission and Distribution Mains	455,227	13,870	0	469,097	0	469,097	2.00%	9,243
333	Services	85,300	1,100	0	86,400	0	86,400	3.33%	2,859
334	Meters and Meter Installations	97,133	8,781	0	105,914	0	105,914	8.33%	8,457
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	130	0	0	130	0	130	5.00%	7
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	20.00%	0
	Subtotal	\$1,629,235	\$49,401	\$0	\$1,678,636	\$34,800	\$1,643,836		\$47,087

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	2.86%
Amortization of CIAC	\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE **\$47,087**

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$749	\$1,701
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		8,731	21,304
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$9,480	\$23,005
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,629,235	\$1,678,636
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(85,584)	(132,672)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,543,651	\$1,545,964
	Total Assets		\$1,553,131	\$1,568,969

*Note these items feed automatically from AR3 UPIS Page 4

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$65,739	\$137,359
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		565	2,667
236	Accrued Taxes		100	126
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$66,404	\$140,152
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$66,404	\$140,152
	Capital Accounts			
201	Common Stock Issued		\$431,399	\$431,399
211	Other Paid-In Capital		1,969,346	1,123,909
215	Retained Earnings		(914,018)	(126,491)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$1,486,727	\$1,428,817
	Total Liabilities and Capital		\$1,553,131	\$1,568,969

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Lord Arizona Water Systems, Inc.
Annual Report
Water Comparative Income Statement
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$185,131	\$158,184
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	21
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	1,131	1,742
	Total Revenues	\$186,262	\$159,947
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	18,266
615	Purchased Power	23,303	0
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	3,206	32,718
620.2	Office Supplies and Expense	1,335	1,282
630	Contractual Services	3,424	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	25,432	28,972
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	59,728	63,157
635	Contractual Services - Water Testing	1,744	2,375
636	Contractual Services - Other	77,160	5,687
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	5,686	5,159
657	Insurance - General Liability	1,533	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	220	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	4,048
403	Depreciation Expense (From Schedule AR4)	47,087	44,885
408	Taxes Other Than Income	0	0
408.11	Property Taxes	0	2,625
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$249,908	\$209,224
	Operating Income / (Loss)	(\$63,646)	(\$49,277)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(382)	(10)
427	Interest (Expense)	0	(1)
	Total Other Income / (Expense)	(\$382)	(\$11)
	Net Income / (Loss)	(\$64,028)	(\$49,288)

Lord Arizona Water Systems, Inc.
Annual Report
Full time equivalent employees
12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.5	0.5
Customer Service	0.0	0.0	0.3	0.3
Accounting	0.0	0.0	0.2	0.2
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	1.0	0.0	1.5	2.5

Lord Arizona Water Systems, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	NA	NA	NA	NA
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$2,667
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Meter Deposits Refunded During the Test Year:	\$723
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

[illegible]

Name of system water delivered to:		
ADWR PCC Number:		NA
Source of water delivered to another system	NA	

Name of system water received from:	CEDAR GROVE WATER CO
ADWR PCC Number:	91-000018 0000
Source of water received	GROUND WATER
Well registry 55# (55-XXXXXX):	0

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (kWh)7
January	1,268,406.00	2,036,902.00	0.00	0.00	0.00	\$1,706	14,421
February	1,905,984.00	1,590,039.00	0.00	0.00	0.00	1,929	15,742
March	1,123,315.00	1,144,879.00	0.00	0.00	0.00	2,048	16,101
April	2,010,473.00	1,325,340.00	0.00	0.00	0.00	1,719	14,501
May	3,011,760.00	221,675.00	0.00	0.00	0.00	2,108	16,855
June	2,759,289.00	2,611,256.00	0.00	0.00	0.00	2,591	17,010
July	3,710,722.00	2,151,919.00	0.00	0.00	0.00	2,514	16,855
August	2,551,092.00	1,475,750.00	0.00	0.00	0.00	2,307	16,522
September	1,927,477.00	1,144,844.00	0.00	0.00	0.00	1,576	13,753
October	2,478,569.00	1,952,141.00	0.00	0.00	0.00	1,986	15,980
November	2,411,431.00	1,234,891.00	0.00	0.00	0.00	1,437	13,010
December	1,004,208.00	1,277,401.00	0.00	714,416.00	0.00	1,382	12,855
Totals	26,162,726.00	18,167,037.00	0.00	714,416.00	0.00	\$23,303	183,605

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

NA

- 1 Water withdrawn - Total gallons of water withdrawn from pumped sources.
- 2 Water sold - Total gallons from customer meters, and other sales such as construction water.
- 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
- 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
- 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
- 6 Enter the total purchased power costs for the power meters associated with this system.
- 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description

Name of the System:	LORD AZ WATER
---------------------	---------------

Name of the System:		
ADEQ Public Water System Number:		AZ0401373

ADWR PCC Number:	91-000023.0000
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MAINS

[illegible]

CUSTOMER METERS

[illegible]

SERVICE LINES

Material	Percent of system	Year installed
PVC	95%	0
BLUE POLY	5%	0

BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	70	3
2	50	1

FIRE HYDRANTS

Type	Quantity
Standard *	0
Other	0

STORAGE TANKS

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
15,000	METAL	2	0	
20,000	METAL	1	0	
10,000	METAL	1	0	

PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
80	METAL	1	0

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	NONE
STRUCTURES:	8X8 PUMP HOUSE, 15X25 BUILDING
OTHER:	NONE

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC

115

Method used:

(a)

Customer and Other Information	
Name of the System:	LORD AZ WATER
ADEQ Public Water System Number:	AZ0401373
ADWR PCC Number:	91-000023.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	434	0	0	0	0
February	434	0	0	0	0
March	434	0	0	0	0
April	436	0	0	0	0
May	436	0	0	0	0
June	435	0	0	0	0
July	433	0	0	0	0
August	434	0	0	0	0
September	434	0	0	0	0
October	434	0	0	0	0
November	433	0	0	0	0
December	434	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

na

* an ERC is based on the calculation on the bottom of AR9 page 12.

Lord Arizona Water Systems, Inc.
Annual Report
Utility Shutoffs / Disconnects
12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LORD AZ WATER
ADEQ Public Water System Number:	AZ0401373
ADWR PCC Number:	91-000023.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	2	0
February	0	1	0
March	0	3	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	1	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	1	0
Total	0	8	0

Other (description):

na

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2022 was	\$0

<p>If no property taxes paid, explain why.</p> <p>NA</p>
--

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Lord Arizona Water Systems, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/22

Verification and Sworn Statement (Taxes)

Verification: State of ARIZONA I, the undersigned of the
(state name)

County of (county name):

COCHISE

Name (owner or official) title:

DUSTIN DESPAIN, ACCOUNTANT

Company name:

Lord Arizona Water Systems, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING:

12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]
signature of owner/official

520-265-5350

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

15

DAY OF

Cochise

(county name)

May 2023

(month) and (year)

MY COMMISSION EXPIRES



TRESSA MERRILL
Notary Public, State of Arizona
Cochise County
Commission # 572184
My Commission Expires
October 17, 2023

Oct 17 2023

(date)

[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)

County of (county name):

COCHISE

Name (owner or official) title:

DUSTIN DESPAIN, ACCOUNTANT

Company name:

Lord Arizona Water Systems, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$186,262

(The amount in the box above includes

\$11,504 in sales taxes

billed or collected)



signature of owner/official

520-265-5350

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

15

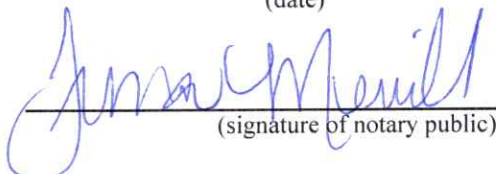
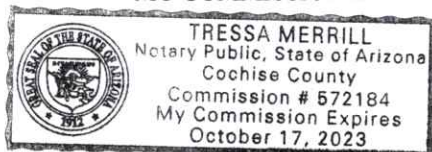
DAY OF

Cochise
(county name)

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17, 2023
(date)


(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Lord Arizona Water Systems, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$186,262
(The amount in the box above includes
\$11,504 in sales taxes
billed or collected)

[Signature]
signature of owner/official

520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise

(county name)

THIS 15

DAY OF May 2023

(month) and (year)

MY COMMISSION EXPIRES Oct 17, 2023

(date)



[Signature]
(signature of notary public)

Lord Arizona Water Systems, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/22

RECEIVED BY EMAIL
5/15/2023, 3:08 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Full Gross-up Method for Income Tax Statement of Certification

Verification:

State of ARIZONA I, the undersigned of the
(state name)

County of (county name):

COCHISE

Name (owner or official) title:

DUSTIN DESPAIN, ACCOUNTANT

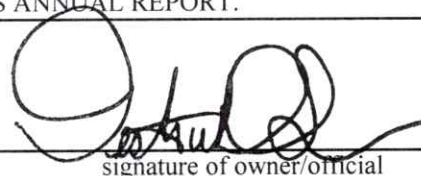
Company name:

Lord Arizona Water Systems, Inc.

FOR THE YEAR ENDING: 12/31/22

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.


signature of owner/official

520-265-5350

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Cochise
(county name)

THIS

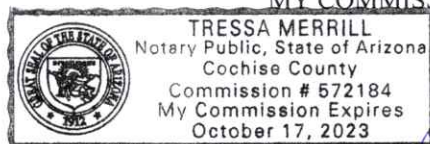
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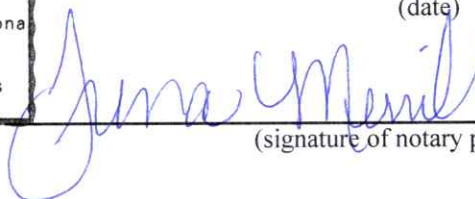
DAY OF

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023
(date)




(signature of notary public)