

ANNUAL REPORT

Of

Company Name: Morenci Water and Electric Company
PO Box 68

Mailing Address: Morenci AZ
85540

Docket No.: W-01049A
For the Year Ended: 12/31/18

RECEIVED
APR 05 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 4/1/2019

4-10-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Morenci Water and Electric Company
A Class ☒ Utility

1. For the Calendar Year Ended: 12/31/18

2. Address:

PO Box 68					
City:	Morenci	State:	Arizona	Zip Code:	85540

3. Telephone Number:

928-865-2229

4. Date of Original Organization of Utility:

10/17/1898

5. Person to whom correspondence should be addressed concerning this report:

Name:

Heather Taylor

Telephone No. :

928-865-7383

Address:

PO Box 68					
City:	Morenci	State:	Arizona	Zip Code:	85540

Email:

htaylor@fni.com

6. On-Site Manager:

Name:

Roy Archer

Telephone No. :

520-387-2010

Address:

PO Box 68					
City:	Morenci	State:	Arizona	Zip Code:	85540

Email:

rarcher@fni.com

7. Ownership:

"C" Corporation

8. Counties Served:

Greenlee

Morenci Water and Electric Company
Annual Report
Utility Plant in Service (Water)
12/31/18

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	0	0	0	\$0	0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	151,165	619	0	151,784	0	151,784
304	Structures and Improvements	1,366,738	0	0	1,366,738	434,615	932,123
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	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	448,161	62,494	0	510,655	291,765	218,889
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	7,473,019	9,274	0	7,482,293	498,183	6,984,110
320.2	Solution Chemical Feeders	349,674	0	0	349,674	27,197	322,477
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	2,863,519	0	0	2,863,519	1,143,063	1,720,456
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	3,663,670	0	0	3,663,670	1,054,879	2,608,791
333	Services	354,619	0	0	354,619	65,924	288,695
334	Meters and Meter Installations	474,414	0	0	474,414	329,511	144,903
335	Hydrants	28,990	0	0	28,990	2,212	26,778
336	Backflow Prevention Devices	776	0	0	776	776	(0)
339	Other Plant and Misc. Equipment	0	12,802	0	12,802	8,962	3,841
340	Office Furniture and Equipment	9,915	0	0	9,915	9,915	(0)
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	477,388	117,871	0	595,259	455,238	140,020
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	49,107	0	0	49,107	24,618	24,489
344	Laboratory Equipment	25,270	0	0	25,270	6,801	18,469
345	Power Operated Equipment	111,180	0	0	111,180	46,266	64,914
346	Communication Equipment	17,961	0	0	17,961	4,191	13,770
347	Miscellaneous Equipment	47,362	2,234	0	49,596	41,712	7,884
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0
	Totals	\$17,916,805	\$205,294	\$0	\$18,122,099	\$4,449,705	\$13,672,394

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.

Morenci Water and Electric Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	151,165	619	0	151,784	0	0.00%	0
304	Structures and Improvements	1,366,738	0	0	1,366,738	400,081	3.57%	34,533
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	448,161	62,494	0	510,655	220,365	27.56%	71,400
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	7,473,019	9,274	0	7,482,293	244,906	3.50%	253,277
320.2	Solution Chemical Feeders	349,674	0	0	349,674	15,541	3.49%	11,656
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	2,863,519	0	0	2,863,519	1,053,325	4.96%	89,738
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	3,663,670	0	0	3,663,670	988,579	2.48%	66,300
333	Services	354,619	0	0	354,619	56,370	3.20%	9,554
334	Meters and Meter Installations	474,414	0	0	474,414	297,741	17.98%	31,770
335	Hydrants	28,990	0	0	28,990	1,637	2.10%	575
336	Backflow Prevention Devices	776	0	0	776	776	0.00%	0
339	Other Plant and Misc. Equipment	0	12,802	0	12,802	0	140.00%	8,962
340	Office Furniture and Equipment	9,915	0	0	9,915	9,915	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	477,388	117,871	0	595,259	422,474	28.78%	32,765
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	49,107	0	0	49,107	23,494	4.39%	1,124
344	Laboratory Equipment	25,270	0	0	25,270	4,366	11.65%	2,435
345	Power Operated Equipment	111,180	0	0	111,180	41,447	6.91%	4,819
346	Communication Equipment	17,961	0	0	17,961	2,395	11.54%	1,796
347	Miscellaneous Equipment	47,362	2,234	0	49,596	34,853	50.34%	6,859
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0.00%	0
	Subtotal	\$17,916,805	\$205,294	\$0	\$18,122,099	\$3,822,143		\$627,562

Contribution(s) in Aid of Construction (Gross)	\$23,020
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	6,935
Amortizable Contribution(s)	\$16,085
Times: Proposed Amortization Rate	4.39%
Amortization of CIAC	\$706

Less: Amortization of CIAC \$706

DEPRECIATION EXPENSE \$626,856

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.

Morenci Water and Electric Company
Annual Report
Balance Sheet Assets
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$45,202	\$581,081
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		82,861	144,971
146	Notes Receivable from Associated Companies		34,268	28,281
151	Plant Material and Supplies		82,929	137,420
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$245,260	\$891,753
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$17,916,805	\$18,122,099
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	72,809
108	Accumulated Depreciation (enter as negative)*		(3,822,143)	(4,449,705)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$14,094,662	\$13,745,203
	Total Assets		\$14,339,922	\$14,636,956

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.

*Note these items feed automatically from AR3 UPIS Page 3

Morenci Water and Electric Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$16,480	\$22,781
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		2,838,868	3,086,812
235	Customer Deposits		10,277	7,082
236	Accrued Taxes		10,691	8,841
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		9,145	12,868
	Total Current Liabilities		\$2,885,461	\$3,138,384
	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		23,020	23,020
272	Less: Amortization of Contributions		(6,419)	(6,935)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$16,601	\$16,085
	Total Liabilities		\$2,902,062	\$3,154,469
	Capital Accounts			
201	Common Stock Issued		\$706,907	\$706,907
211	Other Paid-In Capital		6,555,778	6,555,778
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		4,175,174	4,219,802
	Total Capital		\$11,437,859	\$11,482,487
	Total Liabilities and Capital		\$14,339,921	\$14,636,956

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.

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

Morenci Water and Electric Company
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$1,111,578	\$1,095,052
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	79,290	83,363
	Total Revenues	\$1,190,868	\$1,178,415
	Operating Expenses		
601	Salaries and Wages	\$820,715	\$845,834
604	Employee Pensions and Benefits	327,781	383,116
610	Purchased Water	102,095	85,456
615	Purchased Power	38,891	28,702
618	Chemicals	101,299	111,411
620	Materials and Supplies	19,516	28,084
620.1	Repairs and Maintenance	81,149	65,154
620.2	Office Supplies and Expense	21,445	40,275
630	Contractual Services	0	0
631	Contractual Services -Engineering	113,222	45,855
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	42,150	20,603
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	14,868	4,058
636	Contractual Services - Other	321,118	393,493
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	28,276
650	Transportation Expenses	46,014	26,957
657	Insurance - General Liability	18,733	15,039
657.1	Insurance - Health and Life	117,872	184,327
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	5,487	1,555
675	Miscellaneous Expense	63,412	67,399
403	Depreciation Expense (From Schedule AR4)	626,856	514,694
408	Taxes Other Than Income	0	0
408.11	Property Taxes	481	490
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$2,883,105	\$2,890,778
	Operating Income / (Loss)	(\$1,692,237)	(\$1,712,363)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$1,692,237)	(\$1,712,363)

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.

Morenci Water and Electric Company
Annual Report
Full time equivalent employees
12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	11.0	0.0	11.0
Meter reader	1.0	0.0	1.0
Customer Service	0.0	0.0	0.0
Accounting	4.0	0.0	4.0
Business Office	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0
Administrative Staff	1.0	0.0	1.0
Other	3.0	0.0	3.0
Total	20.0	0.0	20.0

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Morenci Water and Electric Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	0	0	0	0
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	0	0	0	0
Interest Rate	0	0	0	0
Current Year Interest	0	0	0	0
Current Year Principal	0	0	0	0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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.

**Morenci Water and Electric Company
Annual Report
Well and Water Usage
12/31/18**

[illegible]

Name of system water delivered to:	MORENCI WATER ELEC CO (CLIFTON)		
ADWR PCC Number:	91-000174.0000		
Source of water delivered to another system	None		
Name of system water received from:	None		
ADWR PCC Number:	#N/A		
Source of water received	None		
Well registry 55# (55-XXXXXX):	None		

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kW/h) ⁷
January	21	12	0	0	12	1,250	15,954
February	19	9	0	0	9	1,140	14,513
March	22	12	0	0	12	1,311	16,760
April	29	14	0	0	14	1,289	16,467
May	36	18	0	0	18	1,625	20,872
June	40	25	0	0	25	2,291	29,603
July	38	23	0	0	23	2,051	26,457
August	38	19	0	0	19	1,562	20,046
September	31	20	0	0	20	1,315	16,810
October	28	14	0	0	14	1,439	18,428
November	24	9	0	0	9	745	9,340
December	23	9	0	0	9	808	10,165
Totals	348	184	0	0	184	\$16,828	215,415

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

N/A

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.

- 1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
- 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
- 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
- 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
- 5 Estimated authorized use - Total estimated acre feet 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.

Morenci Water and Electric Company
Annual Report
Water Utility Plant Description
12/31/18

Water Utility Plant Description

Name of the System:	MORENCI WATER ELEC CO (CLIFTON)	
ADEQ Public Water System Number:	AZ0406002	
ADWR PCC Number:	91-000174.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	Steel, PVC	3,981
3.00	Steel, PVC	9,671
4.00	Steel, PVC	7,026
6.00	Steel, PVC	17,066
8.00	Steel, PVC	12,891
10.00	Steel, PVC	11,476
12.00	Steel, PVC	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

SERVICE LINES	
Material	Percent of system
Polyethylene	100%
0	0
0	0
0	0
0	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	632
3/4"	3
1	21
1 1/2	1
2	11
3	3
4	1
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2	0	2
25	0	1
3	0	2
None	None	None

FIRE HYDRANTS	
Type	Quantity
Standard *	60
Other	None

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
750,000	Steel	1
10,000	Steel	1
5,000	Steel	1
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

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. Copy and paste this sheet as many times as is necessary.

* 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.

Annual Report
Water Utility Plant Description (Continued)
12/31/18

Water Utility Plant Description (Continued)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Calcium Hypochlorinator, Chlorine Analyzer, SCADA
STRUCTURES:	Pumping Station, Chlorination Building and 2 Pump Houses.
OTHER:	None

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. Copy and paste this sheet as many times as is necessary.

Morenci Water and Electric Company
Annual Report
Well and Water Usage
12/31/18

[illegible]

Name of system water delivered to:	MORENCI WATER ELEC CO (Morenci)		
ADWR PCC Number:	#N/A		
Source of water delivered to another system	None		
Name of system water received from:	None		
ADWR PCC Number:	#N/A		
Source of water received	None		
Well registry 55# (55-XXXXXX):	None		

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh)
January	40	40	0	0	40	2,465	32,097
February	32	32	0	0	32	1,724	22,379
March	29	29	0	0	29	2,306	30,015
April	54	54	0	0	54	1,737	22,559
May	72	72	0	0	72	1,817	23,605
June	100	100	0	0	100	2,424	31,561
July	84	84	0	0	84	1,998	25,973
August	77	77	0	0	77	2,093	27,219
September	73	73	0	0	73	2,332	30,356
October	51	51	0	0	51	1,366	17,687
November	35	35	0	0	35	1,472	19,079
December	43	43	0	0	43	1,952	25,373
Totals	689	689	0	0	689	\$23,685	307,903

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

N/A

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.

- 1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
5 Estimated authorized use - Total estimated acre feet 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:	MORENCI WATER ELEC CO (Morenci)
ADEQ Public Water System Number:	AZ0406003
ADWR PCC Number:	#N/A

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC/AC/Steel	3,720
3.00	PVC/AC/Steel	1,672
4.00	PVC/AC/Steel	21,363
6.00	PVC/AC/Steel	11,230
8.00	PVC/AC/Steel	48,752
10.00	PVC/AC/Steel	10,012
12.00	PVC/AC/Steel	27,790
14.00	PVC/AC/Steel	7,810
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

SERVICE LINES	
Material	Percent of system
Polyethylene	100%
0	0
0	0
0	0
0	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	1,529
3/4"	4
1	16
1 1/2	1
2	55
3	7
4	3
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
1	0	1
20	0	2
None	None	None
None	None	None

FIRE HYDRANTS	
Type	Quantity
Standard *	240
Other	None

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
500,000	Steel	4
355,000	Steel	1
228,000	Steel	1
101,000	Steel	1
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

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. Copy and paste this sheet as many times as is necessary.

* 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)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Calcium Hypochlorinator, Turbidity Analyzer, Alum Polymer Metering Pumps, Chlorine Analyzer, Froe Mixer
-------------------------	---

STRUCTURES:	Water Treatment Plant Control Building
-------------	--

OTHER:	None
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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. Copy and paste this sheet as many times as is necessary.

Morenci Water and Electric Company
Annual Report
Customer and Other Information
12/31/18

Customer and Other Information	
Name of the System:	MORENCI WATER ELEC CO (CLIFTON)
ADEQ Public Water System Number:	AZ0406002
ADWR PCC Number:	91-000174.0000

Month	Number of Customers					Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation		
January	556	0	110	0		0
February	563	0	112	0		0
March	562	0	111	0		0
April	563	0	112	0		0
May	563	0	112	0		0
June	563	0	112	0		0
July	562	0	110	0		0
August	560	0	111	0		0
September	562	0	112	0		0
October	564	0	112	0		0
November	560	0	111	0		0
December	561	0	111	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 (GCPCPD) requirement?

If yes, provide the GCPCPD amount:

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

If yes, which AMA?

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. Copy and paste this sheet as many times as is necessary.

Morenci Water and Electric Company
Annual Report
Customer and Other Information
12/31/18

Customer and Other Information	
Name of the System:	MORENCI WATER ELEC CO (Morenci)
ADEQ Public Water System Number:	AZ0406003
ADWR PCC Number:	#N/A

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,537	0	119	0	2
February	1,553	0	120	0	2
March	1,555	0	120	0	2
April	1,554	0	121	0	2
May	1,552	0	122	0	2
June	1,546	0	122	0	2
July	1,552	0	121	0	2
August	1,540	0	123	0	2
September	1,520	0	124	0	2
October	1,549	0	124	0	2
November	1,549	0	123	0	2
December	1,538	0	123	0	2

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?

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. Copy and paste this sheet as many times as is necessary.

Morenci Water and Electric Company
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$484

If no property taxes paid, explain why.

N/A

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.

Verification and Sworn Statement (Taxes)

RECEIVED
APR 05 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Greenlee
Name (owner or official) title: Roy Archer, President
Company name: Morenci Water and Electric Company

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

FOR THE YEAR ENDING: 12/31/18

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.

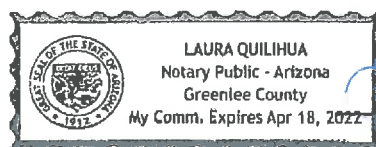
Roy Archer
signature of owner/official
520-387-2010
telephone no.

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

THIS 4TH DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES

April 18, 2022
(date)



Laura Quilhua
(signature of notary public)

Verification and Sworn Statement

RECEIVED

APR 05 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Greenlee
Name (owner or official) title: Roy Archer, President
Company name: Morenci Water and Electric Company

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$1,192,810

(The amount in the box above includes

\$1,942

in sales taxes
billed or collected)

signature of owner/official

520-387-2010

telephone no.

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

State of Arizona

Greenlee

(county name)

THIS

4TH

DAY OF

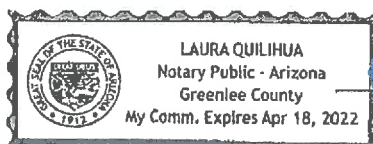
April 2019

(month) and (year)

MY COMMISSION EXPIRES

April 18, 2022

(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): Greenlee
Name (owner or official) title: Roy Archer, President
Company name: Morenci Water and Electric Company

RECEIVED

APR 05 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$652,079

(The amount in the box above includes

\$1,062 in sales taxes
billed or collected)

Roy Archer
signature of owner/official

520-387-2010

telephone no.

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

state of Arizona

Greenlee
(county name)

THIS

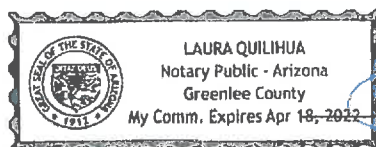
4TH

DAY OF

April 2019
(month) and (year)

MY COMMISSION EXPIRES

April 18, 2022
(date)



Laura Quilhua
(signature of notary public)

Company	Morenci Water and Electric Company		
Docket No.:	W-01049A		
Name of the System:	MORENCI WATER ELEC CO (CLIF)		
ADEQ Public Water System Number:	AZ0406002		
ADWR PCC Number:	91-000174.0000		

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	4	0
February	0	1	0
March	0	10	0
April	0	4	0
May	0	4	0
June	0	4	0
July	0	2	0
August	0	2	0
September	0	3	0
October	0	2	0
November	0	2	0
December	0	1	0
Total	0	39	0

Other (description):

N/A

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.

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JUN 12 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE