

ANNUAL REPORT

Of

Company Name:

PO Box 68

Mailing Address: Morenci AZ
85540

Docket No.: W-01049A

For the Year Ended:

**RECEIVED
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4/15/2020, 12:00 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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:

Application Date:

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

For the Calendar Year Ended: 12/31/19

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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:

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

Ownership:

Counties Served:

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?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

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	151,784	0	0	151,784	0	151,784
304	Structures and Improvements	1,366,738	0	0	1,366,738	469,148	897,590
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	510,655	0	0	510,655	350,667	159,988
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	7,482,293	0	0	7,482,293	751,459	6,730,834
320.2	Solution Chemical Feeders	349,674	0	0	349,674	38,853	310,821
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	1,232,801	1,630,718
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	3,663,670	0	0	3,663,670	1,120,766	2,542,904
333	Services	354,619	0	0	354,619	75,478	279,141
334	Meters and Meter Installations	474,414	25,438	0	499,852	362,726	137,127
335	Hydrants	28,990	0	0	28,990	2,787	26,204
336	Backflow Prevention Devices	776	0	0	776	776	(0)
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	12,802	(0)
340	Office Furniture and Equipment	9,915	11,448	0	21,363	10,025	11,338
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	595,259	0	66	595,193	459,693	135,500
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	49,107	0	1,853	47,254	25,204	22,049
344	Laboratory Equipment	25,270	0	0	25,270	9,236	16,034
345	Power Operated Equipment	111,180	12,701	0	123,881	48,002	75,879
346	Communication Equipment	17,961	0	0	17,961	5,987	11,974
347	Miscellaneous Equipment	49,596	0	0	49,596	46,337	3,259
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0
	Totals	\$18,122,099	\$49,587	\$1,919	\$18,169,767	\$5,026,624	\$13,143,143

Morenci Water and Electric Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	151,784	0	0	151,784	0	151,784	0.00%	0
304	Structures and Improvements	1,366,738	0	0	1,366,738	434,615	932,123	3.70%	34,533
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	0	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	510,655	0	0	510,655	291,765	218,890	26.91%	58,901
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	7,482,293	0	0	7,482,293	498,183	6,984,110	3.63%	253,277
320.2	Solution Chemical Feeders	349,674	0	0	349,674	27,197	322,477	3.61%	11,656
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	2,863,519	0	0	2,863,519	1,143,063	1,720,456	5.22%	89,738
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	3,663,670	0	0	3,663,670	1,054,879	2,608,791	2.53%	65,887
333	Services	354,619	0	0	354,619	65,924	288,695	3.31%	9,554
334	Meters and Meter Installations	474,414	25,438	0	499,852	329,511	170,341	21.07%	33,215
335	Hydrants	28,990	0	0	28,990	2,212	26,778	2.15%	575
336	Backflow Prevention Devices	776	0	0	776	776	(0)	0.00%	0
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	8,962	3,840	100.01%	3,841
340	Office Furniture and Equipment	9,915	11,448	0	21,363	9,915	11,447	1.91%	109
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	595,259	0	66	595,193	419,839	175,354	22.72%	39,854
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	49,107	0	1,853	47,254	24,155	23,099	4.37%	1,050
344	Laboratory Equipment	25,270	0	0	25,270	6,801	18,469	13.19%	2,435
345	Power Operated Equipment	111,180	12,701	0	123,881	43,035	80,846	6.67%	4,967
346	Communication Equipment	17,961	0	0	17,961	4,191	13,770	13.04%	1,796
347	Miscellaneous Equipment	49,596	0	0	49,596	41,712	7,884	58.66%	4,625
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0	0.00%	0
	Subtotal	\$18,122,099	\$49,587	\$1,919	\$18,169,767	\$4,410,610	\$13,759,156		\$616,013

Contribution(s) in Aid of Construction (Gross)	\$23,020
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	7,451
Amortizable Contribution(s)	\$15,569
Times: Proposed Amortization Rate	4.48%
Amortization of CIAC	\$697

Less: Amortization of CIAC \$697

DEPRECIATION EXPENSE **\$615,316**

Morenci Water and Electric Company
 Annual Report
 Balance Sheet Assets
 12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$581,081	\$356,344
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		144,971	118,097
146	Notes Receivable from Associated Companies		28,281	0
151	Plant Material and Supplies		137,420	151,656
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$891,753	\$626,097
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$18,122,099	\$18,169,767
103	Property Held for Future Use		0	0
105	Construction Work in Progress		72,809	628,231
108	Accumulated Depreciation (enter as negative)*		(4,449,705)	(5,026,624)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$13,745,203	\$13,771,374
	Total Assets		\$14,636,956	\$14,397,471

*Note these items feed automatically from AR3 UPIS Page 4

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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$22,781	\$162,107
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		3,086,812	2,552,900
235	Customer Deposits		7,082	10,896
236	Accrued Taxes		8,841	142,663
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		12,868	24,458
	Total Current Liabilities		\$3,138,384	\$2,893,024
	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		(6,935)	(7,451)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$16,085	\$15,569
	Total Liabilites		\$3,154,469	\$2,908,592
	Capital Accounts			
201	Common Stock Issued		\$706,907	\$706,908
211	Other Paid-In Capital		6,555,778	6,555,778
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		4,219,802	4,226,193
	Total Capital		\$11,482,487	\$11,488,878
	Total Liabilities and Capital		\$14,636,956	\$14,397,471

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$1,064,016	\$1,111,578
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	72,318	79,290
	Total Revenues	\$1,136,334	\$1,190,868
	Operating Expenses		
601	Salaries and Wages	\$869,990	\$820,715
604	Employee Pensions and Benefits	269,451	327,781
610	Purchased Water	95,699	102,095
615	Purchased Power	12,785	38,891
618	Chemicals	102,146	101,299
620	Materials and Supplies	30,872	19,516
620.1	Repairs and Maintenance	83,052	81,149
620.2	Office Supplies and Expense	37,338	21,445
630	Contractual Services	0	0
631	Contractual Services - Engineering	93,116	113,222
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	16,901	42,150
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,168	14,868
636	Contractual Services - Other	316,149	321,118
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	130	0
650	Transportation Expenses	20,342	46,014
657	Insurance - General Liability	15,037	18,733
657.1	Insurance - Health and Life	135,038	117,872
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	(55,063)	5,487
675	Miscellaneous Expense	40,218	63,413
403	Depreciation Expense (From Schedule AR4)	615,316	626,856
408	Taxes Other Than Income	0	0
408.11	Property Taxes	489	481
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$2,700,175	\$2,883,105
	Operating Income / (Loss)	(\$1,563,841)	(\$1,692,237)
	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)	(\$1,563,841)	(\$1,692,237)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
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)	11.0	0.0	0.0	11.0
Meter reader	1.0	0.0	0.0	1.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	4.0	0.0	0.0	4.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	0.0	0.0	1.0
Other	3.0	0.0	0.0	3.0
Total	20.0	0.0	0.0	20.0

Morenci Water and Electric Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

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.

Well and Water Usage

Name of the System:		MORENCI WATER ELEC CO (CLIFTON)									
ADEQ Public Water System Number:		AZ0406002									
ADWR PCC Number:		91-000174.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
55-624247	60	500	148	12	Submersible	1972	NA	76	8	Metered	Yes
55-624246	60	500	148	12	Submersible	1972	NA	72	8	Metered	Yes
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0

Name of system water delivered to: MORENCI WATER ELEC CO (CLIFTON)

ADWR PCC Number: 91-000174.0000

Source of water delivered to another system: NA

Name of system water received from: NA

ADWR PCC Number: #N/A

Source of water received: NA

Well registry 55# (55-XXXXXX): NA

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 Expense ⁶	Purchased Power (kWh) ⁷
January	7,662,487	3,340,900	0	0	3,340,900	\$944	11,512
February	6,281,654	2,707,400	0	0	2,707,400	\$1,061	14,719
March	7,392,001	3,298,600	0	0	3,298,600	\$1,178	16,251
April	9,189,981	3,958,500	0	0	3,958,500	\$1,172	16,186
May	10,388,460	6,213,700	0	0	6,213,700	\$275	3,463
June	11,910,806	6,847,100	0	0	6,847,100	\$1,261	17,477
July	11,832,470	7,605,600	0	0	7,605,600	\$1,348	18,555
August	9,318,945	7,716,800	0	0	7,716,800	\$1,064	14,691
September	8,195,229	5,798,100	0	0	5,798,100	\$864	12,019
October	8,897,764	4,781,900	0	0	4,781,900	\$814	10,105
November	7,588,924	3,860,200	0	0	3,860,200	\$906	11,289
December	8,212,980	3,118,000	0	0	3,118,000	\$828	9,715
Totals	106,871,701.00	59,246,800.00	0.00	0.00	59,246,800.00	\$11,714	155,982

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.

Well and Water Usage

Name of the System: MORENCI WATER ELEC CO (CLIFTON)											
ADEQ Public Water System Number: AZ0406002			MORENCI								
ADWR PCC Number: 91-000174.0000											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
NA	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0

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

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 Expense ⁶	Purchased Power (kWh) ⁷
January	10,650,200.00	10,650,200.00	0.00	0.00	10,650,200.00	\$2,475	31,176
February	9,403,900.00	9,403,900.00	0.00	0.00	9,403,900.00	1,702	22,874
March	11,280,100.00	11,280,100.00	0.00	0.00	11,280,100.00	1,738	23,333
April	16,164,300.00	16,164,300.00	0.00	0.00	16,164,300.00	1,305	17,831
May	24,950,600.00	24,950,600.00	0.00	0.00	24,950,600.00	1,575	21,258
June	24,691,100.00	24,691,100.00	0.00	0.00	24,691,100.00	1,363	18,566
July	25,876,300.00	25,876,300.00	0.00	0.00	25,876,300.00	1,322	18,051
August	29,420,100.00	29,420,100.00	0.00	0.00	29,420,100.00	1,500	20,305
September	21,489,400.00	21,489,400.00	0.00	0.00	21,489,400.00	1,458	19,769
October	16,233,000.00	16,233,000.00	0.00	0.00	16,233,000.00	1,370	16,904
November	14,799,200.00	14,799,200.00	0.00	0.00	14,799,200.00	1,948	23,553
December	12,562,600.00	12,562,600.00	0.00	0.00	12,562,600.00	2,005	23,035
Totals	217,520,800.00	217,520,800.00	0.00	0.00	217,520,800.00	\$19,762	256,655

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

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 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.
 #VALUE!
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 (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
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8"	634	90%	90%
3/4"	4	90%	90%
1	19	90%	90%
1 1/2	3	90%	90%
2	11	90%	90%
3	3	90%	90%
4	1	90%	90%
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00

SERVICE LINES		
Material	Percent of system	Year installed
Polyethylene	100%	1968
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

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	Year installed
750,000	Steel	1	1995
10,000	Steel	1	1995
5,000	Steel	1	1995
None	None	None	None
None	None	None	None
None	None	None	None

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
None	None	None	None
None	None	None	None
None	None	None	None
None	None	None	None
None	None	None	None
None	None	None	None

* 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:	2- Submersible Wells, Calcium Hypochlorite Chlorinator, Chlorine/ ph Analyzer, SCADA System.
-----------------------------	--

STRUCTURES:	Chlorination Building and 2 Pump Houses.
--------------------	--

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 365
- (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	240
Method used:	(a)

Water Utility Plant Description

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

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	Steel, AC, PVC	3,720
3.00	Steel, AC, PVC	1,672
4.00	Steel, AC, PVC	21,363
6.00	Steel, AC, PVC	11,230
8.00	Steel, AC, PVC	48,752
10.00	Steel, AC, PVC	10,012
12.00	Steel, AC, PVC	27,790
14.00	Steel, AC, PVC	7,810
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	1,578	90%	90%
0.75	3	90%	90%
1	16	90%	90%
1.5	1	100%	100%
2	54	90%	60%
3	6	90%	50%
4	3	90%	90%
0	0	0%	0%
0	0	0%	0%
0	0	0%	0%
0	0	0%	0%
0	0	0%	0%
0	0	0%	0%
0	0	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	Year installed	
Polyethylene	100%	1968	
0	0%	0	
0	0%	0	
0	0%	0	
0	0%	0	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
20	90	2	
None	None	None	
None	None	None	
None	None	None	

FIRE HYDRANTS	
Type	Quantity
Standard *	240
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	Steel	1	1995
355,000	Steel	1	2008
228,000	Steel	1	1966
101,000	Steel	1	1966
500,000	Steel	1	2012
500,000	Steel	1	2014
500,000	Steel	1	1966

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	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)
--

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

TREATMENT EQUIPMENT:	Calcium hypochlorite chlorinator, Polymer blender, Polymer Scale, Alum Tank, Alum Pumps, Chlorine Analyzer's, Turbidity Analyzer's, Ph Analyzer's, SCADA
STRUCTURES:	Water Treatment Plant Building, Storage Building, 3 clarifier tanks, 6 sand filters
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 365 days.
- (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	357
Method used:	(a)

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				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	563	0	112	0	0
February	559	0	112	0	0
March	553	0	112	0	0
April	557	0	112	0	0
May	560	0	111	0	0
June	562	0	113	0	0
July	556	0	113	0	0
August	563	0	113	0	0
September	561	0	113	0	0
October	560	0	114	0	0
November	558	0	113	0	0
December	563	0	114	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.

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

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				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,548	0	121	0	0
February	1,549	0	122	0	0
March	1,542	0	122	0	0
April	1,539	0	121	0	0
May	1,548	0	120	0	0
June	1,549	0	120	0	0
July	1,551	0	121	0	0
August	1,551	0	120	0	0
September	1,545	0	120	0	0
October	1,542	0	120	0	0
November	1,524	0	120	0	0
December	1,545	0	122	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.

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

Morenci Water and Electric Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

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

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	5	0
March	0	2	0
April	0	2	0
May	0	3	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	10	0
December	0	4	0
Total	0	28	0

Other (description):

N/A

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 2019 was	
--	--

\$491

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)

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: 12/31/19

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.

RECEIVED
BY EMAIL
5/01/2020, 07:55 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

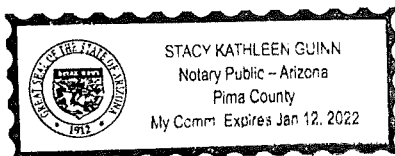
520-387-2010
telephone no.

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

THIS 29th DAY OF Pima
(county name)
April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(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): 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: 12/31/19

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 (\$)

\$1,138,133

(The amount in the box above includes

\$1,798 in sales taxes

billed or collected)

RECEIVED
BY EMAIL

5/01/2020, 07:55 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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

Pima

(county name)

THIS

29th

DAY OF

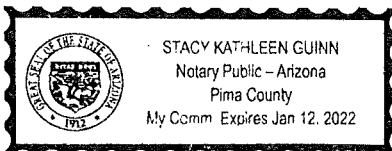
April 2020

(month) and (year)

MY COMMISSION EXPIRES

1-12-2022

(date)



Stacy Kathleen Guinn
(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

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$623,307

(The amount in the box above includes

\$985 in sales taxes
billed or collected)

**RECEIVED
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Roy Archer
signature of owner/official

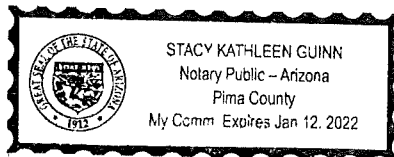
520-387-2010
telephone no.

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

(county name)

THIS 29th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 1-12-2022
(date)



Stacy Kathleen Guinn
(signature of notary public)

Morenci Water and Electric Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/19

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

FOR THE YEAR ENDING: 12/31/19

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.

**RECEIVED
BY EMAIL**

5/01/2020, 07:55 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Handwritten Signature]

signature of owner/official

520-387-2010

telephone no.

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

Pima
(county name)

THIS

29th

DAY OF

April 2020

(month) and (year)

MY COMMISSION EXPIRES

1-12-2022

(date)

[Handwritten Signature: Stacy Kathleen Guinn]

(signature of notary public)

