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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: 12/31/21

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: 5/19/2022

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

For the Calendar Year Ended: 12/31/21

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

Telephone Number: 928-865-2229

Date of Original Organization of Utility: 10/17/1898

Person to whom correspondence should be addressed concerning this report:

Name: John M. Key
Telephone No.: 602-366-7176
Address: 333 N Central Ave Ste. 20.030
City: Phoenix State: Arizona Zip Code: 85004
Email: jkey@fmi.com

Regulatory and On-Site Manager Contact

Name: John M. Key
Telephone No.: 602-366-7176
Address: 333 N Central Ave Ste. 20.030
City: Phoenix State: Arizona Zip Code: 85004
Email: jkey@fmi.com

Statutory Agent

Name: Registered Agent Solutions, Inc.
Telephone No.:
Address: 300 W. Clarendon Ave., Suite 240
City: Phoenix State: Arizona Zip Code: 85013
Email:

Attorney

Name: Douglas N. Currault II
Telephone No.: 602-366-8093
Address: 333 N. Central Ave. Ste. 25.009
City: Phoenix State: Arizona Zip Code: 85004
Email:

Attorney

Name: Michael Patten
Telephone No.: 602-290-4131
Address: One Arizona Center 400 East Van Buren Street Suite 1900
City: Phoenix State: Arizona Zip Code: 85004
Email:

Ownership: "C" Corporation

Counties Served: Greenlee

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

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	1,404,924	5,163	0	1,410,087	540,282	869,805
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	535,308	0	0	535,308	417,887	117,421
320	Water Treatment Equipment	2,677,957	0	0	2,677,957	504,242	2,173,715
320.1	Water Treatment Plants	4,832,206	0	0	4,832,206	781,641	4,050,565
320.2	Solution Chemical Feeders	349,674	0	0	349,674	62,164	287,510
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	2,272,314	0	0	2,272,314	1,249,611	1,022,703
330.1	Storage Tanks	591,205	0	0	591,205	147,801	443,404
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	4,739,187	0	0	4,739,187	1,284,700	3,454,487
333	Services	381,740	0	0	381,740	96,199	285,541
334	Meters and Meter Installations	601,042	61,883	190	662,735	419,288	243,447
335	Hydrants	35,789	0	0	35,789	5,069	30,720
336	Backflow Prevention Devices	6,343	0	0	6,343	3,699	2,644
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	12,802	0
340	Office Furniture and Equipment	21,584	0	0	21,584	14,151	7,434
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	630,406	0	0	630,406	443,009	187,397
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	72,721	11,223	0	83,945	30,107	53,838
344	Laboratory Equipment	26,070	0	0	26,070	14,389	11,681
345	Power Operated Equipment	141,707	0	0	141,707	76,053	65,654
346	Communication Equipment	17,961	0	0	17,961	9,579	8,382
347	Miscellaneous Equipment	3,100	0	0	3,100	2,754	345
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0
	Totals	\$19,509,701	\$78,269	\$190	\$19,587,780	\$6,119,303	\$13,468,477

Morenci Water and Electric Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/21

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	1,404,924	5,163	0	1,410,087	504,318	905,769	3.98%	35,964
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	535,308	0	0	535,308	386,112	149,196	21.30%	\$31,775
320	Water Treatment Equipment	2,677,957	0	0	2,677,957	415,906	2,262,052	3.91%	\$88,336
320.1	Water Treatment Plants	4,832,206	0	0	4,832,206	616,701	4,215,506	3.91%	\$164,940
320.2	Solution Chemical Feeders	349,674	0	0	349,674	50,509	299,166	6.42%	\$19,204
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	\$0
330	Distribution Reservoirs and Standpipes	2,272,314	0	0	2,272,314	1,189,489	1,082,825	5.55%	\$60,122
330.1	Storage Tanks	591,205	0	0	591,205	128,094	463,110	4.26%	\$19,707
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	\$0
331	Transmission and Distribution Mains	4,739,187	0	0	4,739,187	1,153,131	3,586,055	2.15%	\$77,039
333	Services	381,740	0	0	381,740	83,060	298,680	4.40%	\$13,139
334	Meters and Meter Installations	601,042	61,883	190	662,735	399,949	262,786	8.34%	\$19,339
335	Hydrants	35,789	0	0	35,789	4,359	31,430	2.26%	\$711
336	Backflow Prevention Devices	6,343	0	0	6,343	3,420	2,923	9.52%	\$278
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	12,802	0	0.00%	\$0
340	Office Furniture and Equipment	21,584	0	0	21,584	12,075	9,509	21.82%	\$2,075
340.1	Computer & Software	0	0	0	0	0	0	0.00%	\$0
341	Transportation Equipment	630,406	0	0	630,406	507,901	122,505	50.45%	\$61,803
342	Stores Equipment	0	0	0	0	0	0	0.00%	\$0
343	Tools, Shop and Garage Equipment	72,721	11,223	0	83,945	12,007	71,937	2.29%	\$1,518
344	Laboratory Equipment	26,070	0	0	26,070	10,756	15,313	23.72%	\$3,632
345	Power Operated Equipment	141,707	0	0	141,707	71,166	70,541	6.93%	\$4,887
346	Communication Equipment	17,961	0	0	17,961	7,783	10,178	17.65%	\$1,796
347	Miscellaneous Equipment	3,100	0	0	3,100	2,726	374	7.69%	\$29
348	Other Tangible Plant	3,877	0	0	3,877	0	3,877	0.00%	\$0
	Subtotal	\$19,509,701	\$78,269	\$190	\$19,587,780	\$5,572,264	\$14,015,516		\$606,293

Contribution(s) in Aid of Construction (Gross)	\$1,105,335
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	42,757
Amortizable Contribution(s)	\$1,062,579
Times: Proposed Amortization Rate	4.33%
Amortization of CIAC	\$45,966

Less: Amortization of CIAC **\$45,966**

DEPRECIATION EXPENSE \$560,327

Morenci Water and Electric Company
Annual Report
Balance Sheet Assets
12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$86,155	\$54,671
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		51,852	55,541
146	Notes Receivable from Associated Companies		65,374	0
151	Plant Material and Supplies		121,316	100,435
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$324,697	\$210,647
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$19,504,134	\$19,587,780
103	Property Held for Future Use		0	0
105	Construction Work in Progress		47,067	1,013,689
108	Accumulated Depreciation (enter as negative)*		-549,519	(6,119,303)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$14,056,009	\$14,482,166
	Total Assets		\$14,380,706	\$14,692,813

*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 (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$39,681	\$26,805
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		4,433,065	8,479,869
235	Customer Deposits		9,734	8,436
236	Accrued Taxes		145,316	219,049
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		31,244	36,395
	Total Current Liabilities		\$4,659,039	\$8,770,554
	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		1,105,335	1,105,335
272	Less: Amortization of Contributions		(20,594)	(42,757)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,084,741	\$1,062,579
	Total Liabilities		\$5,743,780	\$9,833,133
	Capital Accounts			
201	Common Stock Issued		\$706,908	\$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)		1,374,240	(2,403,006)
	Total Capital		\$8,636,926	\$4,859,680
	Total Liabilities and Capital		\$14,380,706	\$14,692,813

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
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$980,005	\$1,039,330
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	63,607	77,958
	Total Revenues	\$1,043,612	\$1,117,289
	Operating Expenses		
601	Salaries and Wages	\$720,447	\$890,352
604	Employee Pensions and Benefits	129,187	193,452
610	Purchased Water	82,899	91,675
615	Purchased Power	45,156	17,678
618	Chemicals	77,768	122,863
620	Materials and Supplies	55,667	27,208
620.1	Repairs and Maintenance	127,676	155,128
620.2	Office Supplies and Expense	9,366	21,985
630	Contractual Services	0	0
631	Contractual Services - Engineering	207,628	93,198
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	23,071
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	6,088	4,200
636	Contractual Services - Other	394,885	330,338
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	2,012	2,952
650	Transportation Expenses	0	9,594
657	Insurance - General Liability	20,509	16,831
657.1	Insurance - Health and Life	141,539	165,647
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	2,031	14,535
675	Miscellaneous Expense	15,001	42,883
403	Depreciation Expense (From Schedule AR4)	560,327	583,246
408	Taxes Other Than Income	0	0
408.11	Property Taxes	173	433
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$2,598,361	\$2,807,268
	Operating Income / (Loss)	(\$1,554,749)	(\$1,689,979)
	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)	(\$1,554,749)	(\$1,689,979)

Morenci Water and Electric Company
 Annual Report
 Full time equivalent employees
 12/31/21

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.0	0.1
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)	7.0	0.0	0.0	7.0
Meter reader	1.0	0.0	0.0	1.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	2.0	0.0	0.0	2.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.5	0.0	0.0	1.5
Other	0.0	0.0	0.0	0.0
Total	11.5	0.1	0.0	11.6

Morenci Water and Electric Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/21

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	N/A	N/A	N/A	N/A
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:	N/A
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Meter Deposits Refunded During the Test Year:	N/A
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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:	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-XXXXXXX):	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	8,398,231.00	3,080,000.00	0.00	0.00	3,080,000.00	\$1,396	14,871
February	8,464,013.00	3,011,100.00	0.00	0.00	3,011,100.00	1,333	14,182
March	9,376,182.00	3,450,100.00	0.00	0.00	3,450,100.00	1,512	16,138
April	9,803,417.00	4,890,600.00	0.00	0.00	4,890,600.00	1,639	17,524
May	11,123,659.00	5,127,400.00	0.00	0.00	5,127,400.00	1,478	15,769
June	13,087,716.00	7,849,500.00	0.00	0.00	7,849,500.00	2,156	22,113
July	10,796,770.00	8,297,500.00	0.00	0.00	8,297,500.00	1,902	19,464
August	11,973,012.00	5,399,300.00	0.00	0.00	5,399,300.00	2,217	22,746
September	12,893,766.00	5,332,400.00	0.00	0.00	5,332,400.00	1,765	18,026
October	11,293,397.00	4,755,000.00	0.00	0.00	4,755,000.00	1,100	11,090
November	11,589,392.00	4,061,400.00	0.00	0.00	4,061,400.00	1,372	13,930
December	11,418,538.00	3,344,000.00	0.00	0.00	3,344,400.00	1,355	13,086
Totals	130,218,093.00	58,598,300.00	0.00	0.00	58,598,700.00	\$19,225	198,939

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

[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	Other		

Name of system water received from:		
ADWR PCC Number:		
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	11,299,600.00	11,299,600.00	0.00	0.00	11,299,600.00	\$2,396	26,015
February	10,667,400.00	10,667,400.00	0.00	0.00	10,667,400.00	2,115	22,936
March	12,067,600.00	12,067,600.00	0.00	0.00	12,067,600.00	2,063	22,370
April	16,010,700.00	16,010,700.00	0.00	0.00	16,010,700.00	2,071	22,459
May	15,175,100.00	15,175,100.00	0.00	0.00	15,175,100.00	1,624	17,570
June	29,029,200.00	29,029,200.00	0.00	0.00	29,029,200.00	1,725	17,799
July	24,895,600.00	24,895,600.00	0.00	0.00	24,895,600.00	1,801	18,595
August	19,068,400.00	19,068,400.00	0.00	0.00	19,068,400.00	1,986	20,523
September	18,488,100.00	18,488,100.00	0.00	0.00	18,488,100.00	1,992	20,592
October	17,661,600.00	17,661,600.00	0.00	0.00	17,661,600.00	1,808	18,671
November	14,044,000.00	14,044,000.00	0.00	0.00	14,044,000.00	1,584	16,333
December	12,095,100.00	12,095,100.00	0.00	0.00	12,095,100.00	1,821	17,969
Totals	200,502,400.00	200,502,400.00	0.00	0.00	200,502,400.00	\$22,986	241,832

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

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	PVC/AC/Steel	3,981
3.00	PVC/AC/Steel	9,671
4.00	PVC/AC/Steel	7,026
6.00	PVC/AC/Steel	17,066
8.00	PVC/AC/Steel	12,891
10.00	PVC/AC/Steel	11,476
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

SERVICE LINES

Material	Percent of system	Year installed
Black poly	100%	1968
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
1.4	50	2
7.5	40	1
15	252	2

STORAGE TANKS

Capacity (gallons)	Material	Quantity	Year installed
750,000	Steel	1	1995
10,000	Steel	1	1985
5,000	Steel	1	1995

CUSTOMER METERS

Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	622	90%	90%
0.75	5	90%	90%
1	17	90%	90%
1.5	1	90%	90%
2	10	90%	90%
3	3	90%	90%
4	3	90%	90%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

FIRE HYDRANTS

Type	Quantity
Standard *	60
Other	0

PRESSURE/BLADDER TANKS

Capacity (gallons)	Material	Quantity	Year installed

* 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:	2 Submersible wells, calcium hypochlorite chlorinator, chlorine/ ph analyzer, SCADA systems
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
- (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	201
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				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	563	0	110	0	0
February	565	0	110	0	0
March	565	0	111	0	0
April	559	0	109	0	0
May	563	0	109	0	0
June	531	0	105	0	0
July	534	0	105	0	0
August	540	0	105	0	0
September	549	0	106	0	0
October	554	0	106	0	0
November	558	0	106	0	0
December	560	0	107	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.

None

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

Morenci Water and Electric Company
Annual Report
Utility Shutoffs / Disconnects
12/31/21

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	3	0
February	0	0	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	7	0
December	0	4	0
Total	0	21	0

Other (description):

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	
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Amount of actual property taxes paid during Calendar Year 2021 was
--

\$173

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.

12/31/21

Verification and Sworn Statement (Taxes)

(state name)

Morenci Water and Electric Company

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

12/31/21

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 of owner/official

602-366-7176
telephone no.

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

DAY OF

May

(month) and (year)

MY COMMISSION EXPIRES

(date)



Stephanie Dominich
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Maricopa

Name (owner or official) title: John M. Key

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: 12/31/21

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 (\$)

\$1,108,951

(The amount in the box above includes

\$65,339 in sales taxes
billed or collected)

John M. Key
signature of owner/official

602-366-7176

telephone no.

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

Maricopa

(county name)

THIS 2nd

DAY OF

May

(month) and (year)

MY COMMISSION EXPIRES

12/4/2025

(date)



Stephanie Reninger
(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): Maricopa
Name (owner or official) title: John M. Key
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: 12/31/21

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 (\$)

\$621,889
(The amount in the box above includes
\$35,754 in sales taxes
billed or collected)

John M. Key
signature of owner/official

602-366-7176
telephone no.

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

(county name)

THIS 2nd DAY OF May
(month) and (year)

MY COMMISSION EXPIRES 12/4/2025
(date)



Stephanie Reninger
(signature of notary public)

Morenci Water and Electric Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/21

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): Maricopa
Name (owner or official) title: John M. Key
Company name: Morenci Water and Electric Company

FOR THE YEAR ENDING: 12/31/21

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 INCURRED OR 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
602-366-7176
telephone no.


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

Maricopa
(county name)

THIS 2nd DAY OF May
(month) and (year)

MY COMMISSION EXPIRES 12/4/2025
(date)




(signature of notary public)