

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

G-02527A

Graham County Utilities, Inc.  
PO Drawer B  
Pima, AZ 85543

RECEIVED

MAY 16 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

---

**ANNUAL REPORT**

**Gas**

**FOR YEAR ENDING**

12	31	2016
----	----	------

FOR COMMISSION USE

ANN 02	16
--------	----

5-17-17

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Graham County Utilities, Inc. – Gas Division</u>			
<b>Mailing Address</b> <u>PO Drawer B</u>			
(Street)			
<u>Pima</u>	<u>Arizona</u>	<u>85543</u>	
(City)	(State)	(Zip)	
<u>(928) 485-2451</u>	<u>(928) 485-9491</u>	<u>(928) 651-8850</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email</b>			
Address <u>tashby@gce.coop</u>			
<b>Local Office Mailing Address</b> <u>PO Drawer B</u>			
(Street)			
<u>Pima</u>	<u>Arizona</u>	<u>85543</u>	
(City)	(State)	(Zip)	
<u>(928) 485-2451</u>	<u>1-800-577-9266</u>		
Local Customer Service Phone No. (Include Area Code)	(1-800 or other long distance Customer Service Phone No.)		
Email Address <u>tashby@gce.coop</u>		Website address <u>www.gce.coop</u>	

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input type="checkbox"/> <b>Management Contact:</b> <u>Than Ashby</u> <u>Administrative Services Manager</u>			
(Name) (Title)			
<u>PO Drawer B</u>	<u>Pima</u>	<u>Arizona</u>	<u>85543</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 485-2451</u>	<u>(928) 485-9491</u>	<u>(928) 651-8850</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email</b>			
Address <u>tashby@gce.coop</u>			
<b>On Site Manager:</b> <u>Kirk Gray</u>			
(Name)			
<u>PO Drawer B</u>	<u>Pima</u>	<u>Arizona</u>	<u>85543</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 485-2451</u>	<u>(928) 485-9491</u>	<u>(928) 651-3380</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>kgray@gce.coop</u>			

**Statutory Agent:** J. Grant Walker

(Name)

1124 W Thatcher Blvd, Suite 202  
(Street)

Safford  
(City)

Arizona  
(State)

85546  
(Zip)

(928) 428-2728  
Telephone No. (Include Area Code)

(928) 485-9491  
Fax No. (Include Area Code)

(480) 747-3121  
Cell No. (Include Area Code)

**Attorney:** J. Grant Walker

(Name)

1124 W Thatcher Blvd, Suite 202  
(Street)

Safford  
(City)

Arizona  
(State)

85546  
(Zip)

(928) 428-2728  
Telephone No. (Include Area Code)

(928) 485-9491  
Fax No. (Include Area Code)

(480) 747-3121  
Cell No. (Include Area Code)

**Email**

**Address** grant@jgwalkerlaw.com

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) \_\_\_\_\_

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

**SERVICES AUTHORIZED TO PROVIDE**

Check the following box(es) for the services that you are authorized to provide:

Gas

Natural Gas

Propane

Other (Specify) \_\_\_\_\_

**STATISTICAL INFORMATION**

**GAS UTILITIES ONLY**

Total number of customers	5,139
Residential	4,858
Commercial	276
Industrial	_____
Irrigation	5
Resale	_____
Total therms sold	2,664,756 _____ therms
Residential	1,718,203
Commercial	941,623
Industrial	_____
Irrigation	4,930
Resale	_____

COMPANY NAME: Graham County Utilities, Inc. – Gas Division

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-311.B	Termination with Notice R14-2-311.C	OTHER
JANUARY		12	
FEBRUARY		21	
MARCH		13	
APRIL		7	
MAY		6	
JUNE		5	
JULY		6	
AUGUST		6	
SEPTEMBER		6	
OCTOBER		5	
NOVEMBER		6	
DECEMBER		7	
TOTALS →		100	

OTHER (description):

---

---

---

---

---

---

---

---

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

**MAY 16 2017**

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<b>Graham</b>
NAME (OWNER OR OFFICIAL), TITLE	<b>Kirk Gray, General Manager</b>
COMPANY NAME	<b>Graham County Utilities, Inc. - Gas Division</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2016

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 REQUIREMENT 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 CALENDAR YEAR 2016 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>3,393,280</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 248,733  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

*Kirk Gray*  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

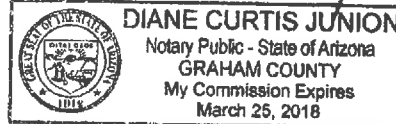
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15<sup>th</sup> DAY OF  
(SEAL)

COUNTY NAME	<b>Graham</b>	
MONTH	<u>May</u>	<u>2017</u>

*Diane Curtis Junion*  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 3-25-2018



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

**MAY 16 2017**

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>Graham</b>	
NAME (OWNER OR OFFICIAL) <b>Kirk Gray</b>	TITLE <b>General Manager</b>
COMPANY NAME <b>Graham County Utilities, Inc. - Gas Division</b>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<b>12</b>	<b>31</b>	<b>2016</b>

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 40-401.01, 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 CALENDAR YEAR 2016 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>2,449,799</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 181,507 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*Kirk Gray*  
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)

MY COMMISSION EXPIRES **3-25-2018**

NOTARY PUBLIC NAME <b>Diane Curtis Junion</b>	
COUNTY NAME <b>Graham</b>	
MONTH <b>May</b>	YEAR <b>2017</b>

*Diane Curtis Junion*  
SIGNATURE OF NOTARY PUBLIC

**DIANE CURTIS JUNION**  
Notary Public - State of Arizona  
GRAHAM COUNTY  
My Commission Expires  
March 25, 2018

---

## FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2016) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**



**GRAHAM COUNTY UTILITIES, INC. - GAS  
REVENUE FOR THE YEAR 2016**

	SALES TAX					FRANCHISE FEES			
	<u>STATE</u>	<u>THATCHER</u>	<u>PIMA</u>	<u>SAFFORD</u>	<u>TOTAL</u>	<u>THATCHER</u>	<u>PIMA</u>	<u>TOTAL</u>	<u>TOTAL</u>
	<u>236.50 02</u>	<u>236.80 02</u>	<u>236.90 02</u>	<u>236.95 02</u>		<u>236.60 02</u>	<u>236.70 02</u>		
Jan	37,717.86	4,702.93	1,979.50	57.83	<b>44,458.12</b>	3,674.44	1,938.58	<b>5,613.02</b>	<b>50,071.14</b>
Feb	29,077.73	3,897.00	1,464.35	37.39	<b>34,476.47</b>	3,047.10	1,433.68	<b>4,480.78</b>	<b>38,957.25</b>
Mar	16,044.94	2,008.27	858.60	18.67	<b>18,930.48</b>	1,572.54	841.14	<b>2,413.68</b>	<b>21,344.16</b>
Apr	13,317.16	1,722.86	615.47	17.01	<b>15,672.50</b>	1,349.60	604.22	<b>1,953.82</b>	<b>17,626.32</b>
May	11,101.70	1,413.98	531.01	16.69	<b>13,063.38</b>	1,109.25	521.70	<b>1,630.95</b>	<b>14,694.33</b>
Jun	9,328.95	1,173.97	440.48	9.88	<b>10,953.28</b>	921.62	432.83	<b>1,354.45</b>	<b>12,307.73</b>
Jul	9,341.91	1,152.95	440.61	10.76	<b>10,946.23</b>	905.86	432.11	<b>1,337.97</b>	<b>12,284.20</b>
Aug	8,827.82	1,066.58	407.13	10.89	<b>10,312.42</b>	837.76	1,305.01	<b>2,142.77</b>	<b>12,455.19</b>
Sep	9,675.60	1,209.87	508.24	11.06	<b>11,404.77</b>	950.32	422.12	<b>1,372.44</b>	<b>12,777.21</b>
Oct	9,774.53	1,234.43	438.53	12.31	<b>11,459.80</b>	970.12	429.97	<b>1,400.09</b>	<b>12,859.89</b>
Nov	10,391.78	1,295.79	472.80	13.23	<b>12,173.60</b>	1,018.64	463.76	<b>1,482.40</b>	<b>13,656.00</b>
Dec	22,471.28	2,718.20	1,186.32	26.37	<b>26,402.17</b>	2,134.40	1,163.00	<b>3,297.40</b>	<b>29,699.57</b>
<b>Total</b>	<b>187,071.26</b>	<b>23,596.83</b>	<b>9,343.04</b>	<b>242.09</b>	<b>220,253.22</b>	<b>18,491.65</b>	<b>9,988.12</b>	<b>28,479.77</b>	<b>248,732.99</b>

	<u>440.10 02</u>	<u>441.00 02</u>	<u>442.10 02</u>	<u>456.00 02</u>	<u>456.10 02</u>	<u>456.14 02</u>	<u>456.16 02</u>	<u>456.18 02</u>	
Jan	428,566.57	263.43	191,209.97		1,950.00	330.00	50.00	709.22	623,079.19
Feb	349,991.45	207.82	127,246.27		1,920.00	560.00	150.00	1,236.38	481,311.92
Mar	203,451.26	176.87	68,182.67		1,980.00	370.00	50.00	1,475.26	275,686.06
Apr	167,336.86	214.57	55,302.92		1,950.00	120.00	150.00	464.75	225,539.10
May	140,151.41	219.69	45,390.48		1,500.00	180.00	-	518.32	187,959.90
Jun	122,246.67	215.99	34,519.39		1,915.00	150.00	-	736.48	159,783.53
Jul	119,851.13	780.55	36,466.57		1,710.00	480.00	-	369.08	159,657.33
Aug	113,858.89	1,300.76	34,371.80		(60.00)	2,130.00	50.00	599.65	152,251.10
Sep	120,399.67	1,116.86	40,927.18		-	2,240.00	-	343.77	165,027.48
Oct	123,104.09	263.31	41,696.06		-	2,280.00	-	539.96	167,883.42
Nov	127,298.23	190.41	46,024.37		(30.00)	1,530.00	120.00	686.31	175,819.32
Dec	252,035.56	180.92	114,929.29		-	3,060.00	50.00	293.02	370,548.79
<b>Total</b>	<b>2,268,291.79</b>	<b>5,131.18</b>	<b>836,266.97</b>	<b>-</b>	<b>12,835.00</b>	<b>13,430.00</b>	<b>620.00</b>	<b>7,972.20</b>	<b>3,144,547.14</b>

<u>G/L #</u>	<u>ACCOUNT NAME</u>	<u>FACTOR</u>	<u>TOTAL</u>	<u>FRANCHISE</u>	<u>STATE</u>	<u>CITY</u>	<u>TOTAL</u>
440.10 02	RESIDENTIAL	2,268,291.79	2,268,291.79	20,808.25	136,454.83	24,243.82	2,449,798.69
441.00 02	IRRIGATION		5,131.18		308.68		5,439.86
442.10 02	COMMERCIAL	836,266.97	836,266.97	7,671.52	50,307.75	8,938.14	903,184.38
456.00 02	MISCELLANEOUS		-		-		-
456.10 02	MISC - RESERVATION		12,835.00				12,835.00
456.14 02	MISC - RECONNECT		13,430.00				13,430.00
456.16 02	MISC - RECONN AFTER HRS		620.00				620.00
456.18 02	MISC - NSF LATE FEES		7,972.20				7,972.20
		<b>3,104,558.76</b>	<b>3,144,547.14</b>	<b>28,479.77</b>	<b>187,071.26</b>	<b>33,181.96</b>	<b>3,393,280.13</b>
			<u>248,732.99</u>				
			<u><b>3,393,280.13</b></u>				

<b>FINANCIAL AND STATISTICAL REPORT</b>  Round ALL AMOUNTS to nearest dollar.	<b>GRAHAM COUNTY UTILITIES, INC.</b> <b>GAS SYSTEM</b> <b>PIMA, AZ 85543</b> <b>MONTH ENDING</b> <b>December 31, 2016</b>
---	---

**CERTIFICATION**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.*

<i>Shawlsby</i> _____ <b>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</b>	1/20/17 _____ <b>DATE</b>
<i>Kirk Gray</i> _____ <b>SIGNATURE OF MANAGER</b>	1/20/17 _____ <b>DATE</b>

PART A. STATEMENT OF OPERATIONS				December
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Operating Revenue and Patronage Capital	3,160,959	3,144,547	3,316,874	370,549
2. Gas Production Expense	-	-	-	-
3. Cost of Purchased Gas	1,195,210	1,088,965	1,231,309	141,570
4. Transmission Expense	-	-	-	-
5. Distribution Expense - Operations	467,048	519,043	402,052	34,094
6. Distribution Expense - Maintenance	372,340	425,545	393,320	41,205
7. Consumer Accounts Expense	349,035	394,434	353,053	30,022
8. Customer Service and Informational Expense	-	-	-	-
9. Sales Expense	-	-	-	-
10. Administrative and General Expense	556,051	566,305	566,132	47,988
11. Total Operation & Maintenance Expense (2 - 10)	2,939,685	2,994,290	2,945,866	294,879
12. Depreciation and Amortization Expense	149,527	160,437	157,071	13,644
13. Tax Expense - Property	-	-	-	-
14. Tax Expense - Other	-	-	-	-
15. Interest on Long-Term Debt	131,235	123,670	119,626	9,898
16. Interest Charged to Construction - Credit	-	-	-	-
17. Interest Expense - Other	22,260	28,056	30,108	2,846
18. Other Deductions	-	-	-	-
19. Total Cost of Gas Service (11 - 18)	3,242,706	3,306,454	3,252,671	321,268
20. Patronage Capital & Operating Margins (1 - 19)	(81,747)	(161,907)	64,203	49,281
21. Non Operating Margins - Interest	-	-	-	-
22. Allowance for Funds Used During Construction	-	-	-	-
23. Non Operating Margins - Other	-	-	-	-
24. Generation & Transmission Capital Credits	-	-	-	-
25. Other Capital Credits and Patronage Dividends	-	4,231	4,370	-
26. Extraordinary Items	-	-	-	-
27. Patronage Capital or Margins (20 - 26)	(81,747)	(157,676)	68,573	49,281

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	47	25			
2. Service Retired		-	6. Miles Distribution	244	246
3. Total Services in Place	5,438	5,463			
4. Idle Services (Exclude Seasonal)	-	-	8. Total Miles (5+6+7)	244	246

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>
	<b>GAS SYSTEM</b>
	<b>MONTH ENDING</b>
	<b>December 31, 2016</b>

Round ALL AMOUNTS to nearest dollar.

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	5,728,375	26. Memberships	25,225
2. Construction Work in Progress	25,540	27. Patronage Capital	(525,840)
3. Total Utility Plant (1 + 2)	5,753,914	28. Operating Margins - Prior Years	
4. Accum. Provision for Depreciation & Amort.	3,352,711	29. Operating Margins - Current Year	(161,907)
5. Net Utility Plant (3 -4)	2,401,203	30. Non Operating Margins	4,231
6. Nonutility Property _ Net	-	31. Other Margins and Equities	-
7. Invest in Assoc Org - Patronage Capital	-	32. Total Margins & Equities (26 thru 31)	(658,291)
8. Invest in Assoc Org - General Funds	171,050	33. Long-Term Debt RUS (Net)	-
9. Invest in Assoc Org - Nongeneral Funds	-	(Payments - Unapplied \$ _____)	
10. Other Investments	-	34. Long-Term Debt - Other (net)	2,001,854
11. Special Funds	-	(Payments - Unapplied \$ _____)	
12. Total Other Property & Investments (6 thru 11)	171,050	35 Total Long-Term Debt(33 + 34)	2,001,854
13. Cash - General Funds	-	36. Notes Payable	-
14. Cash - Construction Funds - Trustee	-	37. Accounts Payable	1,382,675
15. Special Deposits	-	38. Consumers Deposits	129,600
16. Temporary Investments	-	39. Other Current & Accrued Liabilities	71,586
17. Notes Receivable - Net	-	40. Total Current & Accrued Liab (36 thru 39)	1,583,861
18. Accounts Receivable - Sales of Gas	245,215	41. Deferred Credits	-
19. Accounts Receivable - Fuel Bank	6,264	42. Miscellaneous Operating Reserves	-
20. Materials & Supplies - Gas & Other	83,950	43. Total Liabilities & Other Credits (32 +	-
21. Prepayments	11,746	36 + 40 thru 42)	2,927,425
22. Other Current & Accrued Assets	-	<b>ESTIMATED CONTRIBUTIONS IN AID TO CONSTRUCTION</b>	
23. Total Current & Accrued Assets (13 thru 22)	347,175	Balance Beginning of Year	1,366,575
24. Deferred Debits	7,997	Amounts Received This Year (Net)	35,043
25. Total Assets & Other Debits (5+12+23+24)	2,927,425	TOTAL Contributions In Aid of Construction	1,401,618

**PART D. CONSUMER SALES AND REVENUE DATA**

CLASS OF SERVICE	THIS MONTH			YEAR TO DATE	
	NO. RECEIVING SERVICE	THERMS SOLD	AMOUNT	THERMS SOLD	AMOUNT
				CUMULATIVE	CUMULATIVE
1. RESIDENTIAL SALES	4,858	226,014	252,035.56	1,718,203	2,268,292
2. IRRIGATION SALES	5	74	180.92	4,930	5,131
3. COMM & INDUSTRIAL	276	137,377	114,929.29	941,623	836,267
4. TOTAL GAS SALES	5,139	363,465	367,145.77	2,664,756	3,109,690
5. OTHER GAS REVENUE			3,403.02		34,857
6. TOTAL	5,139	363,465	370,548.79	2,664,756	3,144,547

**PART E. GAS STATISTICS**

ITEM	THIS MONTH	YEAR TO DATE	ITEM	THIS MONTH	YEAR TO DATE
1. THERMS PURCHASED	518,700	2,760,500	6. OFFICE USE		
2.			7. UNACCOUNTED FOR	155,235	95,744
3. TOTAL PURCHASED	518,700	2,760,500	8. % SYSTEM LOSS	29.93%	3.47%
			9. MAXIMUM DEMAND		
4. TOTAL SOLD	363,465	2,664,756	10. MONTH WHEN MAXIMUM DEMAND OCCURRED		

## BALANCE SHEET

DIV	TYPE	LINE	G/L #	DESCRIPTION	YTD	CURRENT
2	B	1	211400	UTILITY PLANT ACQUISITION ADJ	415,484.27	-
2	B	1	230100	ORGANIZATION	42,522.00	-
2	B	1	235000	LAND & LAND RIGHTS	325.00	-
2	B	1	237400	LAND & LAND RIGHTS	1,091.03	-
2	B	1	237600	MAINS	2,381,161.50	-
2	B	1	238000	SERVICES	1,004,713.77	-
2	B	1	238100	METERS & REGULATORS	1,638,552.93	7,718.32
2	B	1	239000	STRUCTURES & IMPROVEMENTS	8,259.17	-
2	B	1	239100	OFFICE EQUIPMENT	2,750.00	-
2	B	1	239200	TRANSPORTATION EQUIPMENT	200.00	-
2	B	1	239400	TOOLS, SHOP & GARAGE EQUIP	167,305.70	-
2	B	1	239600	POWER OPERATED EQUIPMENT	66,009.31	-
				<b>TOTAL PLANT IN SERVICE</b>	<b>5,728,374.68</b>	<b>7,718.32</b>
2	B	2	210713	LEAK SURVEY AND REPAIR	1,074.86	727.26
2	B	2	210720	CWIP	19,003.38	6,178.68
2	B	2	210726	CWIP - LABOR OVERHEAD	3,349.55	1,302.68
2	B	2	210729	CWIP - MATERIAL OVERHEAD	2,111.92	2,111.92
				<b>TOTAL CWIP</b>	<b>25,539.71</b>	<b>10,320.54</b>
				<b>TOTAL UTILITY PLANT</b>	<b>5,753,914.39</b>	<b>18,038.86</b>
2	B	4	210860	ACCUM PROV FOR DEPR-DIST PLANT	(2,700,791.21)	(12,539.01)
2	B	4	210870	ACCUM PROV FOR DEPR-GEN PLANT	(236,435.47)	(1,104.73)
2	B	4	211410	AMORTIZATION-UTILITY PLANT ACQUISITION	(415,484.27)	-
				<b>ACCUMULATED PROVISION FOR DEPR</b>	<b>(3,352,710.95)</b>	<b>(13,643.74)</b>
				<b>NET UTILITY PLANT</b>	<b>2,401,203.44</b>	<b>4,395.12</b>
2	B	8	212322	INVESTMENTS IN CFC MEMBERSHIP	500.00	-
2	B	8	212323	CFC CAPITAL TERM CERTIFICATES	98,732.33	-
2	B	8	212324	CFC PATRONAGE CAPITAL	71,370.87	-
2	B	8	212325	PATRONAGE CAPITAL ASSOC ORGANIZATIONS-GCEC	446.56	-
				<b>INVESTMENT IN ASSOCIATED ORGANIZATIONS</b>	<b>171,049.76</b>	<b>-</b>
2	B	18	214200	A/R	294,601.68	178,031.61
2	B	18	214250	A/R BILLABLE REPAIRS	2,625.60	(146.48)
2	B	18	214420	ACCUM PROV FOR UNCOLLECTIBLE ACCTS	(52,012.12)	(5,407.54)
				<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>245,215.16</b>	<b>172,477.59</b>
2	B	19	214210	A/R - FUEL BANK	6,264.00	84,921.00
				<b>TOTAL OTHER RECEIVABLES</b>	<b>6,264.00</b>	<b>84,921.00</b>
2	B	20	215400	MATERIAL & SUPPLIES INVENTORY	83,949.84	624.22
				<b>TOTAL INVENTORY</b>	<b>83,949.84</b>	<b>624.22</b>
2	B	21	216300	STORES EXPENSE CLEARING	0.01	0.78
2	B	21	216510	PREPAID INSURANCE	11,745.67	(1,627.90)
				<b>TOTAL PREPAYMENTS</b>	<b>11,745.68</b>	<b>(1,627.12)</b>
				<b>TOTAL CURRENT ASSETS</b>	<b>347,174.68</b>	<b>256,395.69</b>
2	B	24	218675	RATE CASE - 2012	7,996.83	(380.79)
				<b>TOTAL DEFERRED DEBITS</b>	<b>7,996.83</b>	<b>(380.79)</b>
				<b>TOTAL ASSETS</b>	<b>2,927,424.71</b>	<b>260,410.02</b>
				<b>LIABILITIES AND CAPITAL</b>		
2	B	26	220010	MEMBERSHIPS CLASS	(2,500.00)	-
2	B	26	220020	MEMBERSHIP CLASS	(22,725.00)	(479.83)
				<b>MEMBERSHIPS ISSUED</b>	<b>(25,225.00)</b>	<b>4,190.17</b>
2	B	27	220110	PATRONAGE CAPITAL	525,839.66	-
				<b>PATRONAGE CAPITAL CREDITS</b>	<b>525,839.66</b>	<b>-</b>
2	B	29	221910	OPERATING MARGINS	161,906.78	(49,281.26)
2	B	30	221920	NON OPERATING MARGINS	(4,230.69)	-
2	B	30	222000	OPERATIONS CLEARING	-	-
				<b>NET INCOME</b>	<b>157,676.09</b>	<b>(49,281.26)</b>
				<b>TOTAL MARGINS AND EQUITY</b>	<b>658,290.75</b>	<b>(45,091.09)</b>
2	B	34	222410	CIAC REFUNDS PAYABLE	(60,418.19)	-
2	B	34	222414	NOTE PAYABLE - GCEC	(737,754.97)	7,444.68
2	B	34	222430	CFC CONSTRUCTION NOTE	(466,806.93)	8,865.44
3	B	34	222440	CFC CONSTRUCTION NOTE - REPAY GCEC	(736,874.31)	3,085.22
				<b>TOTAL LONG TERM DEBT</b>	<b>(2,001,854.40)</b>	<b>19,395.34</b>
2	B	37	223100	DUE TO GRAHAM COUNTY ELECT	(1,156,151.34)	(86,593.63)
2	B	37	223210	ACCOUNTS PAYABLE	(226,523.69)	(139,685.65)
				<b>TOTAL ACCOUNTS PAYABLE</b>	<b>(1,382,675.03)</b>	<b>(226,279.28)</b>
2	B	38	223500	CONSUMER SECURITY DEPOSITS	(129,600.00)	(305.00)
				<b>TOTAL CONSUMER DEPOSITS</b>	<b>(129,600.00)</b>	<b>(305.00)</b>
2	B	39	223610	ACCRUED PROPERTY TAX	(26,121.80)	(4,373.12)
2	B	39	223650	ACCRUED STATE SALES TAX	(22,093.90)	(11,914.95)
2	B	39	223660	ACCRUED FRANCHISE TAX -THATCHER	(2,133.74)	(2,133.74)
2	B	39	223670	ACCRUED FRANCHISE TAX - PIMA	(1,163.00)	(1,163.00)
2	B	39	223680	ACCRUED CITY SALES TAX - THATCHER	(2,717.36)	(1,421.57)
2	B	39	223690	ACCRUED SALES TAX - PIMA	(1,140.32)	(713.52)
2	B	39	223698	USE TAX PAYABLE	(26.37)	(13.14)
2	B	39	223740	ACCRUED INTEREST-SECURITY DEPOSITS	(16,189.54)	174.55
				<b>OTHER CURRENT &amp; ACCRUED LIABILITIES</b>	<b>(71,586.03)</b>	<b>(8,129.99)</b>
				<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<b>(1,583,861.06)</b>	<b>(234,714.27)</b>
				<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>(2,927,424.71)</b>	<b>(260,410.02)</b>

INCOME STATEMENT		December 31, 2016				
LINE	G/L #	DESCRIPTION	LAST YEAR	YTD	BUDGET	CURRENT
1	244010	RESIDENTIAL SALES	(2,253,939.42)	(2,268,291.79)	(2,422,387.00)	(252,035.56)
1	244100	IRRIGATION SALES	(12,952.14)	(5,131.18)	(6,969.00)	(180.92)
1	244210	COMMERCIAL & INDUSTRIAL SALES-SMALL	(853,644.61)	(836,266.97)	(846,501.00)	(114,929.29)
1	245610	MISC GAS REVENUE-ESTABLISHMENT	(28,230.00)	(12,835.00)	(41,017.00)	-
1	245614	MISC GAS REVENUE-DISCONNECT/RECONNECT	(3,355.00)	(13,430.00)	-	(3,060.00)
1	245616	MISC GAS REVENUE-RECONNECT AFTER HOURS	(1,330.00)	(620.00)	-	(50.00)
1	245618	MISC GAS REVENUE-NSF CHECK & LATE FEES	(7,508.21)	(7,972.20)	-	(293.02)
		<b>OPERATING REVENUES</b>	<b>(3,160,959.38)</b>	<b>(3,144,547.14)</b>	<b>(3,316,874.00)</b>	<b>(370,548.79)</b>
3	255500	GAS PURCHASES	1,066,622.04	1,064,259.48	1,231,309.00	226,487.32
3	255540	FUEL BANK-OVER OR UNDER COLLECTIONS	128,588.00	24,705.00	-	(84,917.00)
		<b>COST OF GAS PURCHASED</b>	<b>1,195,210.04</b>	<b>1,088,964.48</b>	<b>1,231,309.00</b>	<b>141,570.32</b>
5	258000	OPERATIONS-SUPERVISION	69,266.41	95,216.49	46,141.00	4,560.94
5	258200	REGULATOR STATIONS-MAINTENANCE	94.16	3,206.78	2,247.00	-
5	258300	OPERATION - LINES	35,555.27	33,103.21	33,617.00	2,757.60
5	258310	PATROLLING LINES	1,345.62	1,239.61	-	-
5	258320	COMPLIANCE TESTING & CHECKING	169,684.54	184,217.45	108,247.00	11,217.76
5	258600	METER EXPENSE	17,672.27	17,036.82	16,140.00	1,419.19
5	258610	METER INSPEC & TESTING	3,464.68	6,280.23	4,859.00	-
5	258620	METER INSTALL & REMOVAL	89,923.16	100,722.18	126,692.00	9,590.95
5	258810	BLUE STAKE	66,803.02	64,915.15	52,098.00	3,455.97
5	258820	GAS COMPLIANCE	134.75	-	-	-
5	258901	SERVICE TRUCK RENTAL EXPENSE	13,104.60	13,104.60	12,011.00	1,092.05
		<b>DISTRIBUTION EXPENSE - OPERATIONS</b>	<b>467,048.48</b>	<b>519,042.52</b>	<b>402,052.00</b>	<b>34,094.46</b>
6	259000	MAINTENANCE-SUPERVISION	12,813.69	7,484.50	17,531.00	1,468.43
6	259200	MAINT OF STATION EQUIP	16.63	397.36	150.00	-
6	259300	LINE MAINTENANCE	200,653.08	276,898.54	271,898.00	32,342.56
6	259330	LEAK SURVEY AND REPAIR	34,684.76	72,452.01	48,845.00	1,242.50
6	259350	TROUBLE CALLS	105,668.29	49,331.67	38,734.00	4,548.32
6	259360	STANDBY	18,503.29	18,980.80	16,162.00	1,602.84
7	259370	GPS / GIS SYSTEM MAPPING	-	26,969.10	-	1,716.70
		<b>DISTRIBUTION EXPENSE - MAINTENANCE</b>	<b>372,339.74</b>	<b>452,513.98</b>	<b>393,320.00</b>	<b>42,921.35</b>
7	290200	METER READING EXPENSE	92,062.35	88,910.35	105,228.00	6,307.50
7	290300	CONSUMER RECORDS & COLL EXP	6,570.95	6,709.30	4,388.00	588.98
7	290301	NEW ACCOUNTS/CLOSED ACCOUNTS	30,749.65	35,808.29	26,810.00	3,204.44
7	290302	CASHIERING	68,698.04	72,504.61	75,585.00	5,895.36
7	290303	BILLING	20,904.64	32,298.91	20,720.00	1,512.07
7	290304	ACCOUNTS PAYABLE	14,463.09	15,723.73	12,219.00	1,361.51
7	290305	PAYROLL PREPARATION	12,876.79	14,373.73	10,655.00	1,093.47
7	290306	GENERAL LEDGER	22,754.99	28,822.79	15,257.00	2,292.61
7	290307	DELINQUENT ACCOUNTS	35,797.59	31,876.29	27,377.00	2,967.64
7	290308	FILING	999.43	966.08	1,261.00	35.25
7	290309	TROUBLE CALLS	-	-	20.00	-
7	290310	CASH OVER SHORT	-	(100.45)	-	-
7	290311	WORK ORDERS	1,407.28	831.30	1,334.00	91.42

INCOME STATEMENT		December 31, 2016				
LINE	GIL #	DESCRIPTION	LAST YEAR	YTD	BUDGET	CURRENT
7	290314	INVENTORY CLEARING	1,290.46	771.75	3,245.00	83.67
7	290315	CUSTOMER RELATIONS	28,392.27	22,679.88	27,581.00	1,773.52
7	290316	FAIR TIME	2,467.77	2,509.89	2,271.00	-
7	290317	RATE RELATED EXPENSE	5,638.93	4,569.48	-	380.79
7	290318	CONSUMER MEETINGS	3,961.19	4,648.96	2,418.00	716.69
7	290400	UNCOLLECTIBLE ACCOUNTS	-	3,559.50	16,684.00	-
7	290410	MISCELL WRITE OFF EXPENSE	-	0.36	-	0.33
		<b>CONSUMER ACCOUNT EXPENSE</b>	<b>349,035.42</b>	<b>367,464.75</b>	<b>353,053.00</b>	<b>28,305.25</b>
10	292000	ADMIN & GENERAL SALARIES	198,724.85	209,332.40	184,131.00	21,126.47
10	292010	EMPLOYEES MEETINGS	28,041.45	34,552.94	14,115.00	2,314.35
10	292100	OFFICE SUPPLIES & EXP	109,600.01	104,745.29	83,191.00	5,845.87
10	292300	OUTSIDE SERVICES EMPLOYED	13,501.41	13,614.29	16,824.00	-
10	292400	PROPERTY INSURANCE	227.25	-	-	-
10	292500	INJURIES & DAMAGES INS	21,337.35	19,604.89	28,843.00	1,627.90
10	292600	EMPLOYEE PENSION BENEFITS	-	-	162.00	-
10	292610	EDUCATION & TRAINING	28,757.74	30,235.73	25,688.00	2,281.48
10	292620	SAFETY EDUCATION	46,789.69	46,261.84	35,070.00	2,193.02
10	292800	REGULATORY COMMISSION EXP	6,857.22	7,008.06	10,038.00	-
10	293000	MISC GENERAL EXPENSE	14,858.86	14,662.94	6,424.00	218.31
10	293002	DIRECTORS FEES	9,701.73	11,758.18	14,925.00	2,054.96
10	293010	PUBLICATIONS	2,737.32	3,507.91	741.00	320.84
10	293100	MANAGEMENT FEE	26,160.69	29,937.55	89,058.00	6,936.18
10	293110	COMPUTER RENTAL EXPENSE	6,438.60	6,438.60	7,413.00	536.55
10	293200	MAINT-GENERAL PLANT	131.33	-	1,873.00	-
10	293210	MAINT-BUILDINGS	28,884.89	20,822.75	32,662.00	2,060.71
10	293220	MAINT-GROUNDS & YARDS	13,300.71	13,821.31	14,974.00	471.47
		<b>ADMINISTRATIVE AND GENERAL EXPENSE</b>	<b>556,051.10</b>	<b>566,304.68</b>	<b>566,132.00</b>	<b>47,988.11</b>
		<b>TOTAL OPERATIONS AND MAINTENANCE EXPEN</b>	<b>2,939,684.78</b>	<b>2,994,290.41</b>	<b>2,945,866.00</b>	<b>294,879.49</b>
12	240360	DEPREC-DISBURTITION PLANT	142,560.54	147,731.42	119,789.00	12,539.01
12	240370	DEPREC-GENERAL PLANT	11,336.50	12,706.06	18,465.00	1,104.73
12	240600	AMORTIZATION-UTILITY PLANT ACQUISITION	(4,370.46)	-	18,817.00	-
		<b>DEPRECIATION &amp; AMORTIZATION EXPENSE</b>	<b>149,526.58</b>	<b>160,437.48</b>	<b>157,071.00</b>	<b>13,643.74</b>
15	242720	INTEREST DUE LTD-CFC	83,907.29	80,947.08	119,626.00	6,519.70
15	242721	INTEREST ON LTD-GCEC	47,327.48	42,723.25	-	3,378.24
		<b>INTEREST ON LONG-TERM DEBT</b>	<b>131,234.77</b>	<b>123,670.33</b>	<b>119,626.00</b>	<b>9,897.94</b>
17	242800	AMORTIZATION OF DEBT DISCOUNT & EXPENSE	-	-	2,593.00	-
17	243110	INTEREST EXPENSE-SEC DEPOSITS	6,111.00	9,150.23	1,921.00	659.59
17	243210	INTEREST EXPENSE	16,149.24	18,905.47	25,594.00	2,186.77
		<b>INTEREST EXPENSE - OTHER</b>	<b>22,260.24</b>	<b>28,055.70</b>	<b>30,108.00</b>	<b>2,846.36</b>
		<b>TOTAL COST OF GAS SERVICE</b>	<b>3,242,706.37</b>	<b>3,306,453.92</b>	<b>3,252,671.00</b>	<b>321,267.53</b>
		<b>OPERATING MARGINS</b>	<b>81,746.99</b>	<b>161,906.78</b>	<b>(64,203.00)</b>	<b>(49,281.26)</b>
25	242400	OTHER CAPITAL CREDITS & PATRONAGE	-	(4,230.69)	(4,370.00)	-
		<b>PATRONAGE CAPITAL</b>	<b>-</b>	<b>(4,230.69)</b>	<b>(4,370.00)</b>	<b>-</b>
		<b>NET MARGINS (PROFIT)</b>	<b>81,746.99</b>	<b>157,676.09</b>	<b>(68,573.00)</b>	<b>(49,281.26)</b>