

ANNUAL REPORT

Of

Company Name:

Picacho Sewer Company
9532 E. Riggs Rd

Mailing Address:

Sun Lakes AZ
85248

Docket No.:

SW-03709A

For the Year Ended:

12/31/16

RECEIVED

APR 25 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefuente@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:

2016

5-2-17

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT

Picacho Sewer Company

A Class Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

9532 E. Riggs Rd.			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

3. Telephone Number: (480) 895-9200

4. Date of Original Organization of Utility: 1998

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

Name: Steve Soriano
Telephone No. : (480) 895-9200
Address: 9532 E. Riggs Rd.
City: Sun Lakes State: Arizona Zip Code: 85248
Email: steve.soriano@robson.com

6. On-Site Manager:

Name: Dave Voorhees
Telephone No. : (480) 895-5009
Address: 24607 S. Price Rd.
City: Sun Lakes State: Arizona Zip Code: 85248
Email: dave.voorhees@robson.com

7. Ownership: "S" Corporation

8. Counties Served: Pinal

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	0	0	0	0	0	0
354	Structures and Improvements	105,419	6,478	0	111,897	29,158	82,739
355	Power Generation Equipment	0	792	0	792	32	760
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	2,810,938	116,991	0	2,927,929	770,102	2,157,827
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	654,205	50,042	0	704,247	151,457	552,790
364	Flow Measuring Devices	6,257	0	0	6,257	2,743	3,514
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	322,875	0	0	322,875	131,858	191,017
371	Pumping Equipment	815,088	25,038	0	840,126	222,053	618,073
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	838	0	838	17	821
380	Treatment and Disposal Equipment	3,956,393	121,590	16,000	4,061,983	1,661,511	2,400,472
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	1,347,867	0	0	1,347,867	511,440	836,427
389	Other Plant and Misc. Equipment	67,415	0	0	67,415	(46,849)	114,264
390	Office Furniture and Equipment	0	0	0	0	0	0
390.1	Computer & Software	3,831	677	0	4,508	193	4,315
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	685	3,216	0	3,901	133	3,768
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	148	0	148	2	146
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$10,090,973	\$325,810	\$16,000	\$10,400,783	\$3,433,850	\$6,966,933

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.

Picacho Sewer Company

Annual Report

Depreciation Expense for the Current Year (Wastewater)

12/31/16

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$0	\$0	\$0	\$0	\$0	4.00%	\$0
352	Franchises	0	0	0	0	0	4.00%	0
353	Land and Land Rights	0	0	0	0	0	4.00%	0
354	Structures and Improvements	105,419	6,478	0	111,897	0	3.83%	4,281
355	Power Generation Equipment	0	792	0	792	0	4.04%	32
360	Collections Wastewater - Force	0	0	0	0	0	4.00%	0
361	Collections Wastewater - Gravity	2,810,938	116,991	0	2,927,929	0	3.85%	112,828
362	Special Collecting Structures	0	0	0	0	0	4.00%	0
363	Services to Customers	654,205	50,042	0	704,247	0	3.74%	26,335
364	Flow Measuring Devices	6,257	0	0	6,257	0	4.00%	250
365	Flow Measuring Installations	0	0	0	0	0	4.00%	0
366	Reuse Services	0	0	0	0	0	4.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	4.00%	0
370	Receiving Wells	322,875	0	0	322,875	0	4.00%	12,915
371	Pumping Equipment	815,088	25,038	0	840,126	0	3.93%	33,026
374	Reuse Distribution Reservoirs	0	0	0	0	0	4.00%	0
375	Reuse Trans. And Distr. Equipment	0	838	0	838	0	2.03%	17
380	Treatment and Disposal Equipment	3,956,393	121,590	16,000	4,061,983	0	3.94%	160,005
381	Plant Sewers	0	0	0	0	0	4.00%	0
382	Outfall Sewer Lines	1,347,867	0	0	1,347,867	0	4.00%	53,915
389	Other Plant and Misc. Equipment	67,415	0	0	67,415	0	4.00%	2,697
390	Office Furniture and Equipment	0	0	0	0	0	4.00%	0
390.1	Computer & Software	3,831	677	0	4,508	0	3.99%	180
391	Transportation Equipment	0	0	0	0	0	4.00%	0
392	Stores Equipment	0	0	0	0	0	4.00%	0
393	Tools, Shop and Garage Equipment	685	3,216	0	3,901	0	3.33%	130
394	Laboratory Equipment	0	0	0	0	0	4.00%	0
395	Power Operated Equipment	0	0	0	0	0	4.00%	0
396	Communication Equipment	0	148	0	148	0	1.35%	2
397	Miscellaneous Equipment	0	0	0	0	0	4.00%	0
398	Other Tangible Plant	0	0	0	0	0	4.00%	0
	Subtotal	\$10,090,973	\$325,810	\$16,000	\$10,400,783	\$0		\$406,613

Contribution(s) in Aid of Construction (Gross) \$0

Less: Non Amortizable Contribution(s) 0

Fully Amortized Contribution(s) 0

Amortizable Contribution(s) \$0

Times: Proposed Amortization Rate 3.91%

Amortization of CIAC \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$406,613

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.

Picacho Sewer Company
Annual Report
Balance Sheet Assets
12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$50,900	\$18,819
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		36,823	41,854
142	Other Accounts Receivable		2,542	92
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		18,818	0
151	Plant Material and Supplies		0	0
162	Prepayments		71	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		251,163	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$360,317	\$60,765
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$10,090,973	\$10,400,783
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(3,043,237)	(3,433,850)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$7,047,736	\$6,966,933
	Total Assets		\$7,408,053	\$7,027,698

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.

Note these items feed automatically from the adjusted end of year balance from AR4.

Picacho Sewer Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity			
	Liabilities		
Account No.	Current Liabilities	Balance at Beginning of Year (2016)	Balance at End of Year (2016)
231	Accounts Payable	\$23,248	\$22,146
232	Notes Payable (Current Portion)	0	0
233	Accounts Payable - Related Party	66	167,429
234	Notes Payable to Associated Companies	0	66,752
235	Customer Deposits	0	0
236	Accrued Taxes	10,705	11,392
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	2,101	2,123
253	Other Deferred Credits	0	0
	Total Current Liabilities	\$36,120	\$269,842
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)	\$0	\$0
	Total Long Term Debt	\$0	\$0
	Deferred Credits		
252	Advances in Aid of Construction	\$0	\$0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	Total Deferred Credits	\$0	\$0
	Total Liabilities	\$36,120	\$269,842
	Capital Accounts		
201	Common Stock Issued	\$2,750,000	\$2,750,000
211	Other Paid-In Capital	7,400,000	7,400,000
215	Retained Earnings	(2,778,067)	(3,392,144)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	Total Capital	\$7,371,933	\$6,757,856
	Total Liabilities and Capital	\$7,408,053	\$7,027,698

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.

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

Picacho Sewer Company
Annual Report
Wastewater Comparative Income Statement
12/31/16

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2016 - 12/31/2016	01/01/2015 - 12/31/2015
	Operating Revenue		
521	Flat Rate Revenues	\$451,103	\$405,881
522	Measured Revenues	23,583	16,680
534	Rents from Wastewater Property	0	0
539	Other Wastewater Revenues	5,414	3,673
	Total Revenues	\$480,100	\$426,234
	Operating Expenses		
701	Salaries and Wages	\$157,288	\$109,192
703	Salaries and Wages - Officers	\$5,746	5,731
704	Employee Pensions and Benefits	24,559	17,431
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	73,854	38,970
715	Purchased Power	33,103	35,392
716	Fuel for Power Production	0	0
718	Chemicals	7,015	3,058
720	Materials and Supplies	27,224	23,669
721	Office Expense	16,129	12,456
731	Contractual Services - Engineering	0	0
732	Contractual Services - Accounting	345	330
733	Contractual Services - Legal	0	4,841
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	7,054	6,109
736	Contractual Services - Other	11,757	11,581
740	Rents - Building	0	0
742	Rents - Equipment	2,295	0
750	Transportation Expenses	6,621	8,902
756	Insurance - Vehicles	827	0
757	Insurance - General Liability	12,662	11,993
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	1,305	900
775	Miscellaneous Expense	556	2,059
434	Rate Case Adjustments	0	823,006
403	Depreciation Expense (From Schedule AR4)	406,613	396,500
408	Taxes Other Than Income	13,556	15,581
408.11	Property Taxes	22,659	20,933
408.12	Payroll Taxes	10,302	7,470
409	Income Taxes	251,163	0
	Total Operating Expenses	\$1,092,633	\$1,556,104
	Operating Income / (Loss)	(\$612,533)	(\$1,129,870)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	1,351
421	Non-Utility Income	13	8
426	Miscellaneous Non-Utility (Expense)	(280)	(229)
427	Interest (Expense)	(1,278)	0
	Total Other Income / (Expense)	(\$1,545)	\$1,130
	Net Income / (Loss)	(\$614,078)	(\$1,128,740)

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.

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	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

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.

Wastewater Utility Plant Description

Name of System:	n/a
Wastewater Inventory Number (if applicable):	0
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	250,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
7135 S Robson Blvd	2	15	600	12,566
5751 N Robson Blvd	2	10	300	10,376
4998 N Toltec Rd	2	3	200	6,342
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
4"	PVC	3,183
6"	PVC	600
8"	PVC	6,031
10"	PVC	94
15"	PVC	3,720
18"	PVC	2,940

MANHOLES

Type	Quantity
Standard	271
Drop	0

CLEANOUTS

Quantity
34
0
0
0

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Picacho Sewer Company
 Annual Report
 Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	n/a	0	4	PVC	1,424
6	n/a	0	6	n/a	0
8	PVC	61,039	8	n/a	0
10	PVC	1,272	12	n/a	0
12	PVC	172	15	n/a	0
15	n/a	0	0	0	0
18	n/a	0	0	0	0
21	n/a	0	0	0	0
24	n/a	0	0	0	0
30	n/a	0	0	0	0
0	n/a	0	0	0	0
0	n/a	0	0	0	0

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Digester and solids handling to production facility
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Dual median filter
STRUCTURES (Buildings, Fences, Etc.)	Office building, electrical building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Generators, meters, SCADA, Misc Tools

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Picacho Sewer Company
 Annual Report
 Wastewater Flows
 12/31/16

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	851	2,843,268	130,000
February	862	3,092,000	150,000
March	873	3,380,000	164,000
April	882	2,818,000	124,000
May	891	2,272,000	100,000
June	890	1,951,000	87,000
July	899	1,861,233	93,000
August	909	2,066,000	94,000
September	918	2,095,000	85,000
October	926	2,646,000	134,000
November	936	2,722,806	132,000
December	942	2,421,582	108,859
	Totals	30,168,889	1,401,859

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	n/a
ADEQ Aquifer Protection Permit ("APP") Number	56-0013530000
ADEQ Reuse Permit Number	n/a
EPA NPDES Permil Number	n/a
APP Effluent Treatment Requirement (Class)?	n/a

n/a

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Picacho Sewer Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

Name of System:	None
Wastewater Inventory Number (if applicable):	0

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

n/a

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

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$21,793

If no property taxes paid, explain why.

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.

Verification and Statement (Taxes)

RECEIVED
APR 24 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Maricopa
Name (owner or official) title: Steve Soriano Vice President & General Manager
Company name: Picacho Sewer Company

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

FOR THE YEAR ENDING: 12/31/16

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.

Steve Soriano

signature of owner/official

480-895-9200

telephone no.

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

THIS

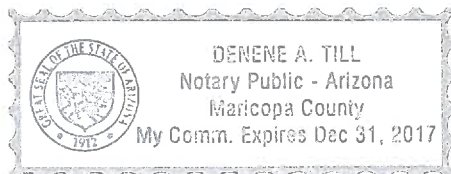
13

DAY OF

Maricopa
(county name)
April, 2017
(month) and (year)

MY COMMISSION EXPIRES

12/31/17
(date)



Denene A. Till
(signature of notary public)

RECEIVED

APR 24 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Steve Soriano Vice President & General Manager
Company name: Picacho Sewer Company

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)
\$482,464
(The amount in the box above includes
\$2,363 in sales taxes
billed or collected)

Steve Soriano

signature of owner/official

480-895-9200
telephone no.

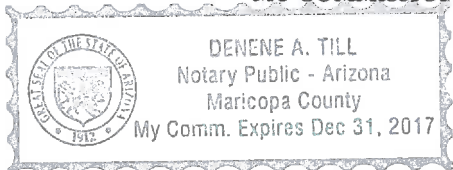
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 13 DAY OF April, 2017
(month) and (year)

Maricopa
(county name)

MY COMMISSION EXPIRES

12/31/17
(date)



Denene A. Till
(signature of notary public)

RECEIVED
APR 24 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Steve Soriano Vice President & General Manager
Company name: Picacho Sewer Company

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

\$451,442

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

Steve Soriano
signature of owner/official

480-895-9200
telephone no.

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

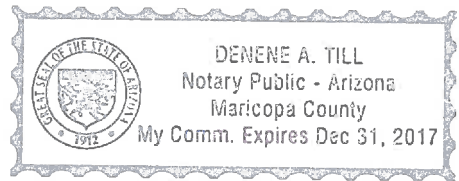
Maricopa
(county name)

THIS 13

DAY OF April, 2017
(month) and (year)

MY COMMISSION EXPIRES

12/31/17
(date)



Denene A. Till
(signature of notary public)