

ANNUAL REPORT

Of

Company Name: Saddlebrooke Utility Company

9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: SW-02849A

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: rdela Fuente@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
Saddlebrooke Utility 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:

1994

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:

Ed MacMeans

Telephone No. :

(520) 825-3423

Address:

40004 S. Ridgeview Blvd			
City:	Tucson	State:	Arizona
		Zip Code:	85739

Email:

ed.macmeans@robson.com

7. Ownership:

"S" Corporation

8. Counties Served:

Pinal

Saddlebrooke Utility Company
Annual Report
Utility Plant in Service (Wastewater)
12/31/16

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	\$21,369	\$0	\$0	\$21,369	\$0	\$21,369
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	125,000	0	0	125,000	0	125,000
354	Structures and Improvements	83,028	0	0	83,028	39,815	43,213
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	6,664,318	0	0	6,664,318	4,214,889	2,449,429
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	1,466,275	0	0	1,466,275	846,104	620,171
364	Flow Measuring Devices	0	0	0	0	0	0
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	609,870	0	0	609,870	372,738	237,132
371	Pumping Equipment	1,075,748	49,878	30,521	1,095,105	582,784	512,321
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	6,409,853	160,266	0	6,570,119	4,507,768	2,062,351
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	694,685	0	0	694,685	206,854	487,831
389	Other Plant and Misc. Equipment	178,275	0	33,456	144,819	32,681	112,138
390	Office Furniture and Equipment	1,685	0	0	1,685	278	1,407
390.1	Computer & Software	10,694	0	0	10,694	624	10,070
391	Transportation Equipment	146,432	849	42,017	105,264	(13,429)	118,693
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	2,397	0	2,397	88	2,309
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	1,146	0	0	1,146	82	1,064
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$17,488,378	\$213,390	\$105,994	\$17,595,774	\$10,791,276	\$6,804,498

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.

Saddlebrooke Utility 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	\$21,369	\$0	\$0	\$21,369	\$21,369	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	125,000	0	0	125,000	125,000	0.00%	0
354	Structures and Improvements	83,028	0	0	83,028	0	4.00%	3,321
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	6,664,318	0	0	6,664,318	0	4.00%	266,374
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	1,466,275	0	0	1,466,275	0	4.00%	58,651
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	609,870	0	0	609,870	0	4.00%	24,395
371	Pumping Equipment	1,075,748	49,878	30,521	1,095,105	0	3.92%	42,922
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	6,409,853	160,266	0	6,570,119	0	3.95%	259,796
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	694,685	0	0	694,685	0	4.00%	27,787
389	Other Plant and Misc. Equipment	178,275	0	33,456	144,819	0	4.95%	7,172
390	Office Furniture and Equipment	1,685	0	0	1,685	0	3.98%	67
390.1	Computer & Software	10,694	0	0	10,694	0	4.00%	428
391	Transportation Equipment	146,432	849	42,017	105,264	0	5.57%	5,863
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	0	2,397	0	2,397	0	3.67%	88
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	1,146	0	0	1,146	0	4.01%	46
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$17,488,378	\$213,390	\$105,994	\$17,595,774	\$146,369		\$696,910

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	3.99%
Amortization of CIAC	\$0
Less: Amortization of CIAC	\$0
DEPRECIATION EXPENSE	\$696,910

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.

Saddlebrooke Utility Company
 Annual Report
 Balance Sheet Assets
 12/31/16

Balance Sheet Assets				
Account No.	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Current and Accrued Assets				
131	Cash		\$100,305	\$100,218
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		190,798	195,150
142	Other Accounts Receivable		2,291	9,357
143	Accumulated Provision for Uncollectable Accounts		0	0
145	Accounts Receivable - Related Parties		7,086	5,659
146	Notes Receivable from Associated Companies		2,871,290	3,907,844
151	Plant Material and Supplies		0	0
162	Prepayments		11,132	48,697
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		386,116	386,116
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$3,569,018	\$4,653,041
Deferred Debits				
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
Fixed Assets				
101	Utility Plant in Service*		\$17,488,378	\$17,595,774
103	Property Held for Future Use		\$0	0
105	Construction Work in Progress		21,719	26,978
108	Accumulated Depreciation (enter as negative)*		(10,193,793)	(10,791,276)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$7,316,304	\$6,831,476
	Total Assets		\$10,885,322	\$11,484,517

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

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

Saddlebrooke Utility Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$33,991	\$28,884
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		47	2,969
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		64,211	61,630
			0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		19,667	20,522
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$117,916	\$114,005
	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		\$117,916	\$114,005
	Capital Accounts			
201	Common Stock Issued		\$98,472	\$98,472
211	Other Paid-In Capital		2,724,839	2,724,839
215	Retained Earnings		7,944,095	8,547,201
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$10,767,406	\$11,370,512
	Total Liabilities and Capital		\$10,885,322	\$11,484,517

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!

Saddlebrooke Utility Company
Annual Report
Wastewater Comparative Income Statement
12/31/16

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
521	Flat Rate Revenues	\$2,338,379	\$2,317,952
522	Measured Revenues	76,949	70,128
534	Rents from Wastewater Property	0	0
539	Other Wastewater Revenues	72,734	86,447
	Total Revenues	\$2,488,062	\$2,474,527
	Operating Expenses		
701	Salaries and Wages	\$123,171	\$125,149
703	Salaries and Wages - Officers	\$25,138	25,071
704	Employee Pensions and Benefits	24,907	20,730
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	68,338	46,806
715	Purchased Power	218,127	204,236
716	Fuel for Power Production	0	0
718	Chemicals	15,910	9,561
720	Materials and Supplies	12,620	19,926
721	Office Expense	50,122	53,821
731	Contractual Services - Engineering	(2,439)	2,515
732	Contractual Services - Accounting	775	770
733	Contractual Services - Legal	316	7,128
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	18,092	27,835
736	Contractual Services - Other	51,995	51,037
740	Rents - Building	0	0
742	Rents - Equipment	5,239	5,485
750	Transportation Expenses	16,677	16,058
756	Insurance - Vehicles	3,312	5,535
757	Insurance - General Liability	23,122	21,725
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	862	1,261
775	Miscellaneous Expense	6,907	6,296
434	Rate Case Adjustments	0	591,701
403	Depreciation Expense (From Schedule AR4)	696,910	691,525
408	Taxes Other Than Income	7,254	13,737
408.11	Property Taxes	109,600	115,747
408.12	Payroll Taxes	8,075	8,884
409	Income Taxes	0	0
	Total Operating Expenses	\$1,485,030	\$2,072,539
	Operating Income / (Loss)	\$1,003,032	\$401,988
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	97,173	117,460
421	Non-Utility Income	2,899	2,330
426	Miscellaneous Non-Utility (Expense)	0	(733)
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$100,072	\$119,057
	Net Income / (Loss)	\$1,103,104	\$521,045

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.

Saddlebrooke Utility Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/18/1996	None	None	None
Source of Loan	IDA Bonds	None	None	None
ACC Decision No.	59134	None	None	None
Reason for Loan	Construction	None	None	None
Dollar Amt. Issued	\$3,950,000	None	None	None
Amount Outstanding	\$0	None	None	None
Date of Maturity	7/1/2019	None	None	None
Interest Rate	7.25%	None	None	None
Current Year Interest	\$0	None	None	None
Current Year Principal	\$0	None	None	None

Meter Deposit Balance at Test Year End:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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:	None
Wastewater Inventory Number (if applicable):	None
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	1240000

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Construction Yard	2	3	50	1,000
Unit 7	2	3	50	1,020
Unit 9	2	75	140	677
Unit 19	2	5	140	888
Unit 27	2	5	120	380
Unit 32	2	20	500	1,800
Unit 21 North	2	15	131	1,197
Unit 21 South	2	88	275	1,795
Unit 46	2	20	600	1,800
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	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 inch	PVC	1,772
6 inch	PVC	8,046
<4 inch	PVC	8,002
>6 inch	PVC	2,797
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

MANHOLES	
Type	Quantity
Standard	1,006
Drop	11

CLEANOUTS
Quantity
133
0
0
0

Saddlebrooke Utility 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	PVC	6,302	4	PVC	5,125
6	0	0	6	0	0
8	PVC	268,083	8	0	0
10	PVC	2,787	12	0	0
12	0	0	15	0	0
15	0	0	0	0	0
18	0	0	0	0	0
21	0	0	0	0	0
24	0	0	0	0	0
30	0	0	0	0	0
3	PVC	760	0	0	0
0	0	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	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand & Anthracite
STRUCTURES (Buildings, Fences, Etc.)	Comminuter, Influent Pump Station, Package Plant, Blowers, Generators, Equalization Basin, Filters, UV Disinfection, Effluent
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Generators, Vehicles, Microscope

Saddlebrooke Utility Company
 Annual Report
 Wastewater Flows
 12/31/16

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	4,945	14,884,000	536,800
February	4,947	14,087,300	605,000
March	4,955	15,179,400	520,500
April	4,956	13,662,600	508,400
May	4,958	12,049,900	445,700
June	4,958	10,637,200	409,300
July	4,959	10,684,700	403,500
August	4,962	11,001,700	452,700
September	4,965	10,691,600	392,000
October	4,970	11,962,000	429,000
November	4,969	13,016,500	504,300
December	4,970	13,530,100	512,600
	Totals	151,387,000	5,719,800

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	100356
ADEQ Aquifer Protection Permit ("APP") Number	N/A
ADEQ Reuse Permit Number	PL000356
EPA NPDES Permil Number	AZ0022853
APP Effluent Treatment Requirement (Class)?	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.

Saddlebrooke Utility Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

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

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.

Saddlebrooke Utility Company
Annual Report
Property Taxes
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$112,248

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:

Saddlebrooke Utility Company

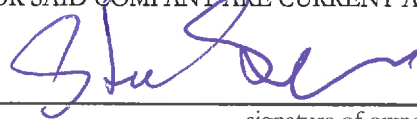
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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.



signature of owner/official

480-895-9200

telephone no.

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

THIS

21st

DAY OF

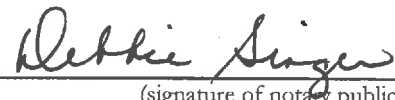
Maricopa
(county name)

April 2017
(month) and (year)

MY COMMISSION EXPIRES

12-14-19

(date)



(signature of notary public)

Verification and Statement

RECEIVED

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: Saddlebrooke Utility Company

APR 24 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

\$2,494,080

(The amount in the box above includes

\$6,018 in sales taxes

billed or collected)

signature of owner/official

480-895-9200

telephone no.

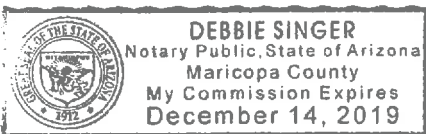
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS 21st DAY OF

April 2017
(month) and (year)

MY COMMISSION EXPIRES 12-14-19
(date)



(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: Saddlebrooke Utility 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.

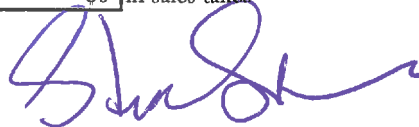
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$2,346,213

(The amount in the box above includes

\$0 in sales taxes
billed or collected)



signature of owner/official

480-895-9200

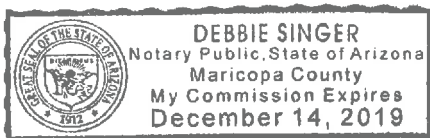
telephone no.

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

Maricopa
(county name)

THIS 21st DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 12-14-19
(date)



Debbie Singer
(signature of notary public)