

ANNUAL REPORT

Of

Company Name:
96 Bel Aire Pl., Ste 140

Mailing Address: Sierra Vista AZ
85635

Docket No.:
For the Year Ended:

RECEIVED

APR 13 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:
Application Date:

4-16-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Cloud Nine Water Company, Inc.
A Class Utility

1. For the Calendar Year Ended: 12/31/17

2. Address: 96 BEL AIRE PL, STE 140
City: SIERRA VISTA State: AZ Zip Code: 85635

3. Telephone Number: 520-4581311

4. Date of Original Organization of Utility: 9/20/91

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

Name: ANDREW STOILES
Telephone No.: 415-497-2619
Address: AS ABOVE
City: _____ State: _____ Zip Code: _____
Email: _____

6. On-Site Manager:

Name: ROBERT JONKIEWARD
Telephone No.: AS ABOVE
Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____

7. Ownership: S-CORPORATION

8. Counties Served: COCHISE

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC/LD (OC less AD)
351	Organization				\$0		\$0
352	Franchises				0		0
353	Land and Land Rights				0		0
354	Structures and Improvements				0		0
355	Power Generation Equipment				0		0
360	Collections Wastewater - Force				0		0
361	Collections Wastewater - Gravity				0		0
362	Special Collecting Structures				0		0
363	Services to Customers				0		0
364	Flow Measuring Devices				0		0
365	Flow Measuring Installations				0		0
366	Reuse Services				0		0
367	Reuse Meters & Meter Installations				0		0
370	Receiving Wells				0		0
371	Pumping Equipment				0		0
374	Reuse Distribution Reservoirs				0		0
375	Reuse Trans. And Distr. Equipment				0		0
380	Treatment and Disposal Equipment				0		0
381	Plant Sewers				0		0
382	Outfall Sewer Lines				0		0
389	Other Plant and Misc. Equipment				0		0
390	Office Furniture and Equipment				0		0
390.1	Computer & Software				0		0
391	Transportation Equipment				0		0
392	Stores Equipment				0		0
393	Tools, Shop and Garage Equipment				0		0
394	Laboratory Equipment				0		0
395	Power Operated Equipment				0		0
396	Communication Equipment				0		0
397	Miscellaneous Equipment				0		0
398	Other Tangible Plant				0		0
	Totals	\$0	\$0	\$0	\$0	\$0	\$0

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.

Cloud Nine Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/17

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
352	Franchises	0	0	0	0			0
353	Land and Land Rights	0	0	0	0			0
354	Structures and Improvements	0	0	0	0			0
355	Power Generation Equipment	0	0	0	0			0
360	Collections Wastewater - Force	0	0	0	0			0
361	Collections Wastewater - Gravity	0	0	0	0			0
362	Special Collecting Structures	0	0	0	0			0
363	Services to Customers	0	0	0	0			0
364	Flow Measuring Devices	0	0	0	0			0
365	Flow Measuring Installations	0	0	0	0			0
366	Reuse Services	0	0	0	0			0
367	Reuse Meters & Meter Installations	0	0	0	0			0
370	Receiving Wells	0	0	0	0			0
371	Pumping Equipment	0	0	0	0			0
374	Reuse Distribution Reservoirs	0	0	0	0			0
375	Reuse Trans. And Distr. Equipment	0	0	0	0			0
380	Treatment and Disposal Equipment	0	0	0	0			0
381	Plant Sewers	0	0	0	0			0
382	Outfall Sewer Lines	0	0	0	0			0
389	Other Plant and Misc. Equipment	0	0	0	0			0
390	Office Furniture and Equipment	0	0	0	0			0
390.1	Computer & Software	0	0	0	0			0
391	Transportation Equipment	0	0	0	0			0
392	Stores Equipment	0	0	0	0			0
393	Tools, Shop and Garage Equipment	0	0	0	0			0
394	Laboratory Equipment	0	0	0	0			0
395	Power Operated Equipment	0	0	0	0			0
396	Communication Equipment	0	0	0	0			0
397	Miscellaneous Equipment	0	0	0	0			0
398	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$0	\$0	\$0	\$0	\$0		\$0

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Cloud Nine Water Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/17

SEE RETURN FOR CLOUD NINE WATER - WATER UTILITY

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash			
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$0	\$0
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$0	\$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*			0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$0	\$0
	Total Assets		\$0	\$0

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.

Cloud Nine Water Company, Inc.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

SEC RETURN FOR CLOUD NINE WATER - WATER UTILITY

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities			
253	Other Deferred Credits			
	Total Current Liabilities		\$0	\$0
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$0	\$0
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings			
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$0	\$0
	Total Liabilities and Capital		\$0	\$0

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

Cloud Nine Water Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/17

Wastewater Comparative Income Statement					
Account No.	Calendar Year	Current Year		Last Year	
		01/01/2017 - 12/31/2017		01/01/2016 - 12/31/2016	
	Operating Revenue				
521	Flat Rate Revenues	}	6,405	6,820	
522	Measured Revenues				
534	Rents from Wastewater Property				
536	Other Wastewater Revenues				
	Total Revenues		6,405 \$0	6,820 \$0	
	Operating Expenses				
701	Salaries and Wages				
704	Employee Pensions and Benefits				
710	Purchased Wastewater Treatment		5,631	15,972	
711	Sludge Removal Expense				
715	Purchased Power				
716	Fuel for Power Production				
718	Chemicals				
720	Materials and Supplies				
720.1	Repairs and Maintenance				
720.2	Office Supplies and Expense				
721	Office Expense				
731	Contractual Services -Engineering				
732	Contractual Services - Accounting				
733	Contractual Services - Legal				
734	Contractual Services - Management Fees				
735	Contractual Services - Testing				
736	Contractual Services - Other				
740	Rents - Building				
742	Rents - Equipment				
750	Transportation Expenses				
757	Insurance - General Liability				
758	Insurance - Worker's Compensation				
759	Insurance - Other				
760	Advertising Expense				
766	Regulatory Commission Expense - Rate Case				
767	Regulatory Commission Expense - Other				
770	Bad Debt Expense				
775	Miscellaneous Expense				
403	Depreciation Expense (From Schedule AR4)				
408	Taxes Other Than Income				
408.11	Property Taxes				
408.12	Payroll Taxes				
409	Income Taxes				
	Total Operating Expenses		5,631 \$0	15,972 \$0	
	Operating Income / (Loss)		774 \$0	(9,152) \$0	
	Other Income / (Expense)				
414	Gain (Loss) on Dispositions				
419	Interest and Dividend Income				
421	Non-Utility Income				
426	Miscellaneous Non-Utility (Expense)				
427	Interest (Expense)				
	Total Other Income / (Expense)		- \$0	- \$0	
	Net Income / (Loss)		774 \$0	(9,152) \$0	

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.

Cloud Nine Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/17

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	
---	--

Meter Deposits Refunded During the Test Year:	
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<i>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.</i>

Wastewater Utility Plant Description

<u>Name of System:</u>	
<u>Wastewater Inventory Number (if applicable):</u>	
<u>Type of Treatment</u>	
<u>Design Capacity of Plant (Gallons per day)</u>	

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)

FORCE MAINS		
Size	Material	Length (Feet)

MANHOLES	
Type	Quantity
Standard	
Drop	

CLEANOUTS
Quantity

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.

Cloud Nine Water Company, Inc.
 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

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

SOLIDS PROCESSING AND HANDLING FACILITIES	
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
STRUCTURES (Buildings, Fences, Etc.)	
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	

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.

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
	Totals	0	0	\$0	0

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	
Groundwater Permit Number	
ADEQ Aquifer Protection Permit ("APP") Number	
ADEQ Reuse Permit Number	
EPA NPDES Permit Number	
APP Effluent Treatment Requirement (Class)?	

--

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

¹ Enter the total purchased power costs for the power meters associated with this system.
² Enter the total purchased kWh used by the power meters associated with this 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.

Cloud Nine Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Name of System:	0
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			
February			
March			
April			1
May			
June			1
July			
August			
September			
October			
November			2
December			
Total	0	0	4

Other (description):

CUSTOMER REQUESTED SHUTOFFS

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.

Cloud Nine Water Company, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was

If no property taxes paid, explain why.

SEE CLOUD NINE WATER-WATER UTILITY RETURN
FOR PROPERTY TAX INFORMATION.

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

Verification and Sworn Statement (Taxes)

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

County of (county name): MARIN
Name (owner or official) title: ANDREW STOKES, SECRETARY
Company name: Cloud Nine Water Company, Inc.

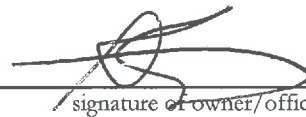
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/17

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

415-497-2619
telephone no.

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APR 13 2018

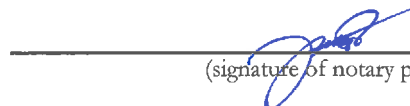
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS 11th DAY OF MARIN
APRIL, 2018
(month) and (year)

MY COMMISSION EXPIRES 02/10/2021
(date)




(signature of notary public)

Verification and Sworn Statement

Verification:

State of CALIFORNIA I, the undersigned of the
(state name)
County of (county name): 0 MARIN
Name (owner or official) title: 0 ANDREW STILES, SECRETARY
Company name: Cloud Nine Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)
6,405
(The amount in the box above includes
— in sales taxes
billed or collected)

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APR 13 2018

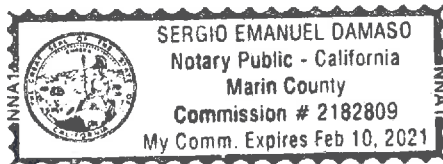
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Signature]
signature of owner/official
0 415-4972619
telephone no.

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

THIS 11th DAY OF MARIN
(county name)
APRIL, 2018
(month) and (year)

MY COMMISSION EXPIRES 02/10/2021
(date)



[Signature]
signature of notary public

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): MARIN
Name (owner or official) title: ANDREW STOKES, SECRETARY
Company name: Cloud Nine Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

3,393

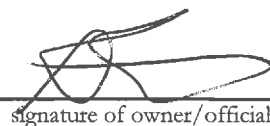
(The amount in the box above includes

- in sales taxes
billed or collected)

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ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE


signature of owner/official

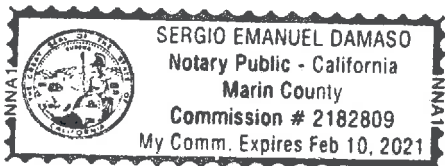
415 4572119
telephone no.

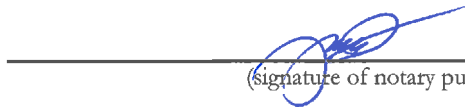
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

MARIN
(county name)

THIS 11th DAY OF APRIL 2018
(month) and (year)

MY COMMISSION EXPIRES 02/10/2021
(date)




(signature of notary public)