

ANNUAL REPORT

Of

Company Name:
2200 E. River Rd., Ste. 115

Mailing Address: Tucson AZ
85718

Docket No.: WS-04245A
For the Year Ended:

RECEIVED
MAR 20 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER 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:
Application Date:

3-20-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Red Rock Utilities, LLC
A Class Utility

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

2. Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
Zip Code:	85718		

3. Telephone Number: 520-577-0200

4. Date of Original Organization of Utility: 7/31/2002

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

Name: Mark Weinberg
Telephone No. : 520-577-0200
Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
Zip Code:	85718		

Email: mweinberg@diamondven.com

6. On-Site Manager:

Name: Chris Hill
Telephone No. : 520-904-0741
Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
Zip Code:	85718		

Email: cwh2serv@msn.com

7. Ownership: Limited Liability Company ("LLC")

8. Counties Served: Multiple counties

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$54,297	\$0	\$0	\$54,297	\$0	\$54,297
302	Franchises	49,632	0	0	49,632	0	49,632
303	Land and Land Rights	32,810	0	0	32,810	0	32,810
304	Structures and Improvements	142,938	0	0	142,938	55,421	87,517
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	724,314	0	0	724,314	281,702	442,612
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	51,082	0	0	51,082	17,772	33,310
311	Pumping Equipment	119,750	0	0	119,750	119,750	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	641,770	0	0	641,770	204,874	436,896
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	943,566	0	0	943,566	237,146	706,420
330.2	Pressure Tanks	228,710	0	0	228,710	131,508	97,202
331	Transmission and Distribution Mains	2,347,013	0	0	2,347,013	455,576	1,891,437
333	Services	518,785	0	0	518,785	166,623	352,162
334	Meters and Meter Installations	183,766	14,771	0	198,537	124,772	73,765
335	Hydrants	208,018	0	0	208,018	40,292	167,726
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	651	0	0	651	458	193
340	Office Furniture and Equipment	5,752	0	0	5,752	4,079	1,673
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	8,224	0	0	8,224	8,224	0
342	Stores Equipment	3,836	0	0	3,836	1,611	2,225
343	Tools, Shop and Garage Equipment	11,546	0	0	11,546	3,163	8,383
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	18,224	0	0	18,224	9,568	8,656
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	16,074	0	0	16,074	5,856	10,218
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$6,310,758	\$14,771	\$0	\$6,325,529	\$1,868,394	\$4,457,135

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.

Red Rock Utilities, LLC
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/17

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$54,297	\$0	\$0	\$54,297	\$54,297	0.00%	\$0
302	Franchises	49,632	0	0	49,632	49,632	0.00%	0
303	Land and Land Rights	32,810	0	0	32,810	32,810	0.00%	0
304	Structures and Improvements	142,938	0	0	142,938	0	3.33%	4,760
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	724,314	0	0	724,314	0	3.33%	24,120
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	51,082	0	0	51,082	0	5.00%	2,554
311	Pumping Equipment	119,750	0	0	119,750	119,750	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	641,770	0	0	641,770	0	3.33%	21,371
320.2	Solution Chemical Feeders	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	943,566	0	0	943,566	0	2.22%	20,947
330.2	Pressure Tanks	228,710	0	0	228,710	0	5.00%	11,436
331	Transmission and Distribution Mains	2,347,013	0	0	2,347,013	0	2.00%	46,940
333	Services	518,785	0	0	518,785	0	3.33%	17,276
334	Meters and Meter Installations	183,766	14,771	0	198,537	0	8.33%	15,923
335	Hydrants	208,018	0	0	208,018	0	2.00%	4,160
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	651	0	0	651	0	6.67%	43
340	Office Furniture and Equipment	5,752	0	0	5,752	0	6.67%	384
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	8,224	0	0	8,224	8,224	20.00%	0
342	Stores Equipment	3,836	0	0	3,836	0	4.00%	153
343	Tools, Shop and Garage Equipment	11,546	0	0	11,546	0	5.00%	577
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	18,224	0	0	18,224	0	5.00%	911
346	Communication Equipment	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	16,074	0	0	16,074	0	10.00%	1,607
348	Other Tangible Plant	0	0	0	0	0	4.00%	0
	Subtotal	\$6,310,758	\$14,771	\$0	\$6,325,529	\$264,713		\$173,163

Contribution(s) in Aid of Construction (Gross)	\$233,715
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$233,715</u>
Times: Proposed Amortization Rate	2.86%
Amortization of CIAC	\$6,677

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.

Red Rock Utilities, LLC
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$33,860	\$45,987
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		40,960	39,361
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$74,820	\$85,348
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$6,310,758	\$6,325,529
103	Property Held for Future Use		742,381	747,990
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(1,695,232)	(1,868,394)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,357,907	\$5,205,125
	Total Assets		\$5,432,727	\$5,290,473

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 AR3 UPIS Page 3

Red Rock Utilities, LLC
Annual Report
Balance Sheet Liabilities and Owners Equity

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		\$106	\$106
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		161,092	172,474
236	Accrued Taxes		531	533
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$161,729	\$173,113
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		3,444,728	3,382,097
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		233,715	233,715
272	Less: Amortization of Contributions		(41,037)	(47,714)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$3,637,406	\$3,568,098
	Total Liabilities		\$3,799,135	\$3,741,211
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		1,633,592	1,549,262
	Total Capital		\$1,633,592	\$1,549,262
	Total Liabilities and Capital		\$5,432,727	\$5,290,473

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!

Red Rock Utilities, LLC
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$441,421	\$402,441
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	10,335	10,845
	Total Revenues	\$451,756	\$413,286
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	22,067	19,328
618	Chemicals	2,680	2,644
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	18,681	4,182
620.2	Office Supplies and Expense	881	1,046
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	28,998	27,081
633	Contractual Services - Legal	0	3,972
634	Contractual Services - Management Fees	69,750	68,000
635	Contractual Services - Water Testing	0	500
636	Contractual Services - Other	35,819	42,576
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	0	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	9,696	4,229
403	Depreciation Expense (From Schedule AR4)	166,485	164,626
408	Taxes Other Than Income	26,049	24,798
408.11	Property Taxes	1,066	1,080
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$382,172	\$364,062
	Operating Income / (Loss)	\$69,584	\$49,224
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$69,584	\$49,224

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	0	0	0	0
Amount Outstanding	0	0	0	0
Date of Maturity	0	0	0	0
Interest Rate	0	0	0	0
Current Year Interest	0	0	0	0
Current Year Principal	0	0	0	0

Meter Deposit Balance at Test Year End:	\$102,882
---	-----------

Meter Deposits Refunded During the Test Year:	\$22,770
---	----------

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.

Water Utility Plant Description

Name of the System: Red Rock Utilities, LLC
 ADEQ Public Water System Number: 11-160

WELLS

ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-599556	75	750	800	16"	Turbine	6"	2003	0.0020
55-599557	75	750	900	16"	Turbine	6"	2003	0.0020
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000
None	0	0	0	0	0	0	0	0.0000

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	0	0
None	0	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
7.5	100	1
20	200	1
50	600	2
None	0	0

FIRE HYDRANTS

Type	Quantity
Standard ***	64
Other	0

STORAGE TANKS

Capacity	Material	Quantity
900,000	Steel	1
0	0	0
0	0	0

PRESSURE/BLADDER TANKS

Capacity	Quantity
5,000	2
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. Copy and paste this sheet as many times as is necessary.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.
 ** Pump motor type, turbine or submersible.

*** A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)					
MAINS			CUSTOMER METERS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity	
6.00	PVC/C900	142	5/8 X 3/4	835	
8.00	PVC C900	28,247	1	3	
12.00	PVC C900	12,980	Compound 2	3	
6.00	Ductile Iron	2,130	Compound 3	1	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	
NA	NA	0	NA	0	

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

TREATMENT EQUIPMENT:	Ion Exchange / Removal. Water treatment plant for Nitrate removal / remediation utilizing an ion exchange process at well #1
STRUCTURES:	CL 2 Building
OTHER:	None

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.

Water Use Data Sheet							
Name of the System:		Red Rock Utilities, LLC					
ADEQ Public Water System Number:		11-160					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	790	5,834	4,330	0	5,860	\$1,540	10,272
February	792	3,600	4,163	0	3,617	1,813	13,033
March	797	3,952	5,136	0	3,970	1,741	11,984
April	797	4,520	5,204	0	4,541	1,760	12,549
May	805	4,265	5,173	0	4,284	1,959	13,956
June	808	4,433	5,693	0	4,453	2,036	14,718
July	824	5,391	5,169	0	5,415	1,694	11,780
August	824	4,749	5,084	0	4,770	2,062	13,587
September	826	4,833	4,729	0	4,855	1,491	11,948
October	826	4,924	4,732	0	4,947	1,954	11,197
November	832	4,439	4,391	0	4,460	2,077	12,831
December	842	4,055	4,480	0	4,073	1,921	11,576
Totals		54,995	58,284	0	55,245	\$22,048	149,431

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 There has been some usage of the fire hydrants with usage throughout the year.

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

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Red Rock Utilities, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	11-160
-------------------	--------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	29	0
February	0	20	0
March	0	15	0
April	0	6	0
May	0	5	0
June	0	11	0
July	0	2	0
August	0	7	0
September	0	7	0
October	0	6	0
November	0	6	0
December	0	4	0
Total	0	118	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.

Red Rock Utilities, LLC
Annual Report
Property Taxes
12/31/17

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was

\$1,065

If no property taxes paid, explain why.

N/A

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

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Mark Weinberg, General Manager
Company name: Red Rock Utilities, LLC

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

520-577-0200

telephone no.

RECEIVED

MAR 22 2018

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS

20th

DAY OF

March 2018

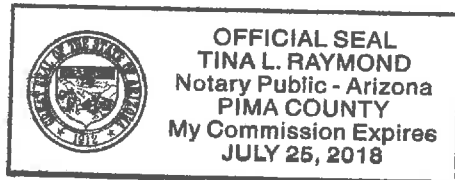
Pima
(county name)

(month) and (year)

MY COMMISSION EXPIRES

7/25/18

(date)



Tina L. Raymond
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Mark Weinberg, General Manager
Company name: Red Rock Utilities, LLC

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 (\$) \$451,755
(The amount in the box above includes \$26,049 in sales taxes billed or collected)

RECEIVED

MAR 22 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

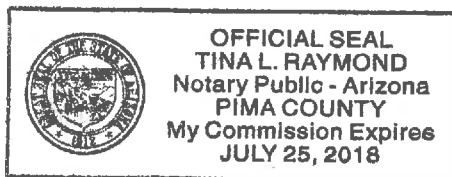
[Signature]
signature of owner/official

520-517-0800
telephone no.

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

THIS 20th DAY OF Pima March 2018
(month) and (year)

MY COMMISSION EXPIRES 7/25/18
(date)



Tina L. Raymond
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Mark Weinberg, General Manager
Name (owner or official) title: 0
Company name: Red Rock Utilities, LLC

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 (\$)

\$363,101

(The amount in the box above includes

\$20,937 in sales taxes
billed or collected)

RECEIVED

MAR 22 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Signature]
signature of owner/official

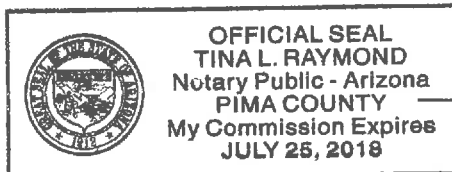
5-20-577-0200
telephone no.

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

Pima
(county name)

THIS 20th DAY OF March 2018
(month) and (year)

MY COMMISSION EXPIRES 7/25/18
(date)



Tina L. Raymond
(signature of notary public)