

ANNUAL REPORT

Of

Company Name: Rio Verde Utilities, Inc.
25609 Danny Lane

Mailing Address: Rio Verde AZ
85263

Docket No.: WS-02156A
For the Year Ended: 12/31/17

RECEIVED
MAY 16 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 5/13/2018

5-25-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT

Rio Verde Utilities, Inc.

A Class Utility

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

2. Address:

25609 N Danny Lane Suite #1			
City:	Rio Verde	State:	Arizona
Zip Code:	85263		

3. Telephone Number: 480-471-7247

4. Date of Original Organization of Utility: 2/25/1971

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

Name: Jim Thomson
Telephone No.: 480-471-7247
Address:

25609 N Danny Lane Suite #1			
City:	Rio Verde	State:	Arizona
Zip Code:	85263		

Email: jim@theverdes.com

6. On-Site Manager:

Name: Michael Kleminski
Telephone No.: 480-471-7247
Address:

25609 N Danny Ln Suite #1			
City:	Rio Verde	State:	Arizona
Zip Code:	85263		

Email: mikekleminski@theverdes.com

7. Ownership: "C" Corporation

8. Counties Served: Maricopa

Rio Verde Utilities, Inc.
Annual Report
Utility Plant in Service (Wastewater)
12/31/17

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	\$1,380			\$1,380	\$0	\$1,380
352	Franchises	0			0	0	0
353	Land and Land Rights	50,513			50,513	0	50,513
354	Structures and Improvements	294,307			294,307	177,202	117,105
355	Power Generation Equipment	0			0	0	0
360	Collections Wastewater - Force	61,694	45,572		107,266	37,544	69,722
361	Collections Wastewater - Gravity	4,940,711	123,577		5,064,288	1,451,617	3,612,671
362	Special Collecting Structures	279,353	22,582		301,935	115,057	186,878
363	Services to Customers	691,267	24,023		715,290	350,260	365,030
364	Flow Measuring Devices	0			0	0	0
365	Flow Measuring Installations	0			0	0	0
366	Reuse Services	0			0	0	0
367	Reuse Meters & Meter Installations	0			0	0	0
370	Receiving Wells	0			0	0	0
371	Pumping Equipment	29,504			29,504	19,574	9,930
374	Reuse Distribution Reservoirs	0			0	0	0
375	Reuse Trans. And Distr. Equipment	0			0	0	0
380	Treatment and Disposal Equipment	3,820,281	114,329		3,934,610	1,634,129	2,300,481
381	Plant Sewers	0			0	0	0
382	Outfall Sewer Lines	0			0	0	0
389	Other Plant and Misc. Equipment	0			0	0	0
390	Office Furniture and Equipment	10,927	1,342		12,269	2,866	9,403
390.1	Computer & Software	0			0	0	0
391	Transportation Equipment	76,435	26,279	9,099	93,615	(10,340)	103,955
392	Stores Equipment	0			0	0	0
393	Tools, Shop and Garage Equipment	29,152			29,152	8,953	20,199
394	Laboratory Equipment	68,324			68,324	41,811	26,513
395	Power Operated Equipment	0			0	0	0
396	Communication Equipment	9,300			9,300	6,148	3,152
397	Miscellaneous Equipment	0			0	0	0
398	Other Tangible Plant	86,791	32,005		118,796	50,043	68,753
	Totals	\$10,449,939	\$389,709	\$9,099	\$10,830,549	\$3,884,865	\$6,945,684

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.

Rio Verde Utilities, 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	\$1,380	\$0	\$0	\$1,380	\$1,380	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	50,513	0	0	50,513	50,513	0.00%	0
354	Structures and Improvements	294,307	0	0	294,307	0	3.33%	9,800
355	Power Generation Equipment	0	0	0	0	0	5.00%	0
360	Collections Wastewater - Force	61,694	45,572	0	107,266	0	3.33%	2,813
361	Collections Wastewater - Gravity	4,940,711	123,577	0	5,064,288	0	2.00%	100,050
362	Special Collecting Structures	279,353	22,582	0	301,935	0	3.33%	9,678
363	Services to Customers	691,267	24,023	0	715,290	0	2.00%	14,066
364	Flow Measuring Devices	0	0	0	0	0	10.00%	0
365	Flow Measuring Installations	0	0	0	0	0	10.00%	0
366	Reuse Services	0	0	0	0	0	2.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	8.33%	0
370	Receiving Wells	0	0	0	0	0	3.33%	0
371	Pumping Equipment	29,504	0	0	29,504	0	8.00%	2,360
374	Reuse Distribution Reservoirs	0	0	0	0	0	2.50%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	2.50%	0
380	Treatment and Disposal Equipment	3,820,281	114,329	0	3,934,610	0	5.00%	193,872
381	Plant Sewers	0	0	0	0	0	5.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	3.33%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	6.67%	0
390	Office Furniture and Equipment	10,927	1,342	0	12,269	0	6.67%	774
390.1	Computer & Software	0	0	0	0	0	20.00%	0
391	Transportation Equipment	76,435	26,279	9,099	93,615	0	20.00%	17,005
392	Stores Equipment	0	0	0	0	0	4.00%	0
393	Tools, Shop and Garage Equipment	29,152	0	0	29,152	0	5.00%	1,458
394	Laboratory Equipment	68,324	0	0	68,324	0	10.00%	6,832
395	Power Operated Equipment	0	0	0	0	0	5.00%	0
396	Communication Equipment	9,300	0	0	9,300	0	10.00%	930
397	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
398	Other Tangible Plant	86,791	32,005	0	118,796	0	10.00%	10,279
	Subtotal	\$10,449,939	\$389,709	\$9,099	\$10,830,549	\$51,893		\$369,918

Contribution(s) in Aid of Construction (Gross)	\$2,784,379
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	71,250
Amortizable Contribution(s)	<u>\$2,713,129</u>
Times: Proposed Amortization Rate	3.43%
Amortization of CIAC	\$93,113

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Rio Verde Utilities, Inc.
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		\$287,062	\$313,771
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		25,542	90,600
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		17,685	32,020
173	Accrued Utility Revenue		11,710	27,046
174	Miscellaneous Current and Accrued Assets		239,941	278,807
	Total Current and Accrued Assets		\$581,940	\$742,244
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$41,612	
	Total Deferred Debits		\$41,612	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$10,449,939	\$10,830,549
103	Property Held for Future Use		0	
105	Construction Work in Progress		147,812	81,139
108	Accumulated Depreciation (enter as negative)*		(3,517,949)	(3,884,865)
121	Non-Utility Property		0	
122	Accumulated Depreciation - Non Utility		0	
	Total Fixed Assets		\$7,079,802	\$7,026,823
	Total Assets		\$7,703,354	\$7,769,067

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.

Rio Verde Utilities, Inc.
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		\$87,850	\$20,033
232	Notes Payable (Current Portion)		84,410	87,811
234	Notes Payable to Associated Companies		30,191	30,326
235	Customer Deposits		0	0
236	Accrued Taxes		217	3,898
237	Accrued Interest		0	1,439
241	Miscellaneous Current and Accrued Liabilities		23,117	30,857
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$225,785	\$174,364
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$368,171	\$286,084
	Total Long Term Debt		\$368,171	\$286,084
	Deferred Credits			
252	Advances in Aid of Construction		\$1,317,991	\$1,460,491
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		2,641,449	2,784,379
272	Less: Amortization of Contributions		(1,408,756)	(1,501,438)
281	Accumulated Deferred Income Tax		723,028	823,444
	Total Deferred Credits		\$3,273,712	\$3,566,876
	Total Liabilities		\$3,867,668	\$4,027,324
	Capital Accounts			
201	Common Stock Issued		\$1,306,731	\$1,383,305
211	Other Paid-In Capital		0	
215	Retained Earnings		2,528,955	2,358,438
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$3,835,686	\$3,741,743
	Total Liabilities and Capital		\$7,703,354	\$7,769,067

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!

Rio Verde Utilities, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/17

Wastewater 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		
521	Flat Rate Revenues	\$1,218,115	\$974,115
522	Measured Revenues	57,291	48,092
534	Rents from Wastewater Property		0
536	Other Wastewater Revenues	58,161	58,358
	Total Revenues	\$1,333,567	\$1,080,565
	Operating Expenses		
701	Salaries and Wages	\$282,462	\$133,495
704	Employee Pensions and Benefits	53,262	20,773
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	33,359	44,022
715	Purchased Power	88,557	89,610
716	Fuel for Power Production	0	0
718	Chemicals	45,742	34,108
720	Materials and Supplies	5,600	3,338
720.1	Repairs and Maintenance	90,976	73,741
720.2	Office Supplies and Expense	5,015	3,632
721	Office Expense	13,634	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	9,552	8,852
733	Contractual Services - Legal	5,487	7,858
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	1,400	1,528
736	Contractual Services - Other	5,787	97,580
740	Rents - Building	24,000	24,000
742	Rents - Equipment	4,262	4,194
750	Transportation Expenses	12,784	11,397
757	Insurance - General Liability	49,042	47,746
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	8,914	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	469	0
775	Miscellaneous Expense	37,310	39,695
403	Depreciation Expense (From Schedule AR4)	276,805	186,190
408	Taxes Other Than Income	5,221	16,326
408.11	Property Taxes	32,315	32,196
408.12	Payroll Taxes	39,068	19,845
409	Income Taxes	7,879	(8,397)
	Total Operating Expenses	\$1,138,902	\$891,729
	Operating Income / (Loss)	\$194,665	\$188,836
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	(\$874)	(\$17,276)
419	Interest and Dividend Income	353	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(13,801)	(19,469)
	Total Other Income / (Expense)	(\$14,322)	(\$36,745)
	Net Income / (Loss)	\$180,343	\$152,091

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	12/5/2001	none	none	none
Source of Loan	CoBank	none	none	none
ACC Decision No.	63585	none	none	none
Reason for Loan	Plant Expansion	none	none	none
Dollar Amt. Issued	\$2,469,787	none	none	none
Amount Outstanding	\$953,958	none	none	none
Date of Maturity	12/21/2021	none	none	none
Interest Rate	Variable	none	none	none
Current Year Interest	\$34,944	none	none	none
Current Year Principal	\$166,061	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 (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	230	4	PVC	2,220
6	PVC	5,951		NA	
8	PVC	173,451		NA	
10	PVC	1,312		NA	
12	PVC	12,586			
15	PVC	5,200			
8	Ductile Iron (DIP)	380			
	NA				
	NA				
	NA				
	NA				
	NA				
	NA				
	NA				
	NA				

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

SOLIDS PROCESSING AND HANDLING FACILITIES	2 Plate Presses with 25 yd container
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 Hypochlorination with 12.5% bleach (1500 gallons on site storage)
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	7 dual media pressure filters
STRUCTURES (Buildings, Fences, Etc.)	Lab/ Office WWTP Wall Enclosure, 3 blower/maintenance building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	75KW, 130KW, 230KW generators, spectrophotometer, nephelometer, autoclave oven, incubators

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	1,835	5,702	217,000	\$5,590	74,211
February	1,855	5,564	223,000	6,252	81,811
March	1,858	7,109	237,000	6,878	94,657
April	1,887	5,126	234,000	8,365	96,654
May	1,896	4,024	193,000	8,263	93,569
June	1,918	2,420	185,000	7,347	70,211
July	1,918	4,337	150,000	7,400	70,973
August	1,926	3,511	190,000	6,286	71,053
September	1,926	3,639	160,000	5,884	64,812
October	1,945	4,394	187,000	6,642	88,073
November	1,960	5,335	275,000	7,079	95,062
December	1,960	3,935	230,000	6,798	90,106
	Totals	55,096	2,481,000	\$82,784	991,192

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	
ADEQ Aquifer Protection Permit ("APP") Number	P100197
ADEQ Reuse Permit Number	R100197
EPA NPDES Permil Number	
APP Effluent Treatment Requirement (Class)?	B

--

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 relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Rio Verde Utilities, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Name of System:	Rio Verde Utilities, Inc.
Wastewater Inventory Number (if applicable):	7121

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	1	0
February	0	1	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	1	0
July	0	0	0
August	0	1	0
September	0	0	0
October	0	3	0
November	0	0	0
December	0	1	0
Total	0	8	0

Other (description):

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.

Rio Verde Utilities, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2017 was	
--	--

	\$32,315
--	----------

If no property taxes paid, explain why.

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.

RECEIVED

APR 30 2018

Verification and Sworn Statement (Taxes)

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: Jim Thomson, President
Company name: Rio Verde Utilities, Inc. Sewer

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.

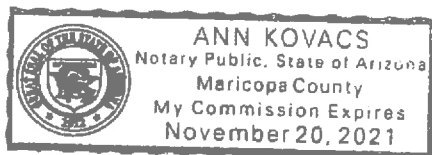
Jim Thomson
signature of owner/official

480-471-7247
telephone no.

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

THIS 30th DAY OF April
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)

RECEIVED

APR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President
Company name: Rio Verde Utilities, Inc. Sewer

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.

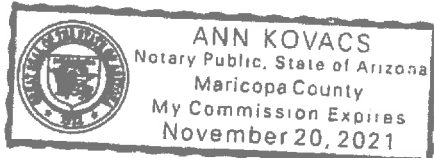
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$1,337,176
(The amount in the box above includes
\$3,609 in sales taxes
billed or collected)

Jim Thomson
signature of owner/official
480-471-7247
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)
THIS 30th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)

RECEIVED

APR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President
Company name: Rio Verde Utilities, Inc. Sewer

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 (\$)

\$1,131,639

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

Jim Thomson
signature of owner/official

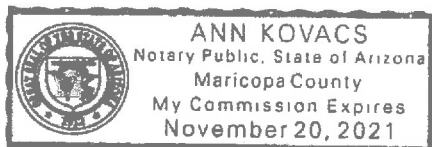
480-471-7247
telephone no.

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

Maricopa
(county name)

THIS 30th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)