

# ANNUAL REPORT

Of

Company Name:

Utility Source, LLC  
20525 E. Chandler Heights Rd.

Mailing Address:

Queen Creek AZ  
85142-9500

Docket No.:

WS-04235A

For the Year Ended:

12/31/17

RECEIVED  
APR 30 2018  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

## WASTEWATER UTILITY

To

Arizona Corporation Commission

### Due on April 15th

Email: [rdefafuente@azcc.gov](mailto: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:

Original Filing

Application Date:

1/16/2018

5-1-18

ARIZONA CORPORATION COMMISSION  
WASTEWATER UTILITY ANNUAL REPORT

Utility Source, LLC

A Class  Utility

1. For the Calendar Year Ended:

2. Address:   
City:  State:  Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

Name:   
Telephone No.:   
Address:   
City:  State:  Zip Code:   
Email:

6. On-Site Manager:

Name:   
Telephone No.:   
Address:   
City:  State:  Zip Code:   
Email:

7. Ownership:

8. Counties Served:

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	105,000	0	0	105,000	0	105,000
354	Structures and Improvements	56,350	0	0	56,350	25,330	31,020
355	Power Generation Equipment	2,879	0	0	2,879	2,375	504
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	260,553	0	0	260,553	70,349	190,204
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	60,375	0	0	60,375	16,305	44,070
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	0	0	0	0	0	0
371	Pumping Equipment	0	0	0	0	0	0
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	903,992	0	0	903,992	607,834	296,158
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	4,672	0	0	4,672	2,552	2,120
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$1,397,271</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,397,271</b>	<b>\$728,195</b>	<b>\$669,076</b>

**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.

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	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	105,000	0	0	105,000	105,000	0.00%	0
354	Structures and Improvements	56,350	0	0	56,350	0	3.33%	1,876
355	Power Generation Equipment	2,879	0	0	2,879	0	5.00%	144
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	260,553	0	0	260,553	0	2.00%	5,211
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	60,375	0	0	60,375	0	2.00%	1,208
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	10.00%	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	0	0	0	0	0	0.00%	0
371	Pumping Equipment	0	0	0	0	0	0.00%	0
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	903,992	0	0	903,992	0	5.00%	45,200
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	4,672	0	0	4,672	0	6.67%	312
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$1,397,271</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,397,271</b>	<b>\$108,450</b>		<b>\$53,950</b>

Contribution(s) in Aid of Construction (Gross)	\$197,973
Less: Non Amortizable Contribution(s)	99,231
Fully Amortized Contribution(s)	
Amortizable Contribution(s)	\$98,742
Times: Proposed Amortization Rate	4.19%
<b>Amortization of CIAC</b>	\$4,133
<b>Less: Amortization of CIAC</b>	\$4,133
<b>DEPRECIATION EXPENSE</b>	<b>\$49,817</b>

**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.

UTILITY SOURCE, LLC  
 Annual Report  
 Balance Sheet Assets  
 12/31/2017

Balance Sheet Assets				
	Assets		"Balance at Beginning of Year " (2017)	"Balance at End of Year " (2017)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$426,361	\$454,425
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		176,026	222,464
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
	<b>Total Current and Accrued Assets</b>		<b>\$602,387</b>	<b>\$676,889</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$5,590,215	\$5,590,215
103	Property Held for Future Use		71,940	126,558
105	Construction Work in Progress		0	0
108	Accumulated Depreciation-Utility Plant		(2,174,138)	(2,348,922)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$3,488,017</b>	<b>\$3,367,851</b>
186	Deferred Rate Case Expense		\$47,980	\$21,169
	<b>Total Assets</b>		<b>\$4,138,384</b>	<b>\$4,065,909</b>

**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

UTILITY SOURCE, 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.	<b>Current Liabilities</b>			
231	Accounts Payable		\$25,738	\$2,084
232	Notes Payable (Current Portion)		0	0
234	Notes/Accounts Payable to Associated Companies		0	0
235	Customer Deposits		20,530	20,765
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		38,660	57,893
	<b>Total Current Liabilities</b>		<b>\$84,928</b>	<b>\$80,742</b>
	<b>Long Term Debt (Over 12 Months)</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		350,000	350,000
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		492,718	492,718
272	Less: Amortization of Contributions		(229,028)	(238,377)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$613,690</b>	<b>\$604,341</b>
	<b>Total Liabilities</b>		<b>\$698,618</b>	<b>\$685,083</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$0	\$0
211	Paid in Capital in Excess of Par Value		0	0
215	Retained Earnings		82,381	91,042
218	Proprietary Capital (Sole Props and Partnerships)		3,357,385	3,289,784
	<b>Total Capital</b>		<b>\$3,439,766</b>	<b>\$3,380,826</b>
	<b>Total Liabilities and Capital</b>		<b>\$4,138,384</b>	<b>\$4,065,909</b>

**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!

Utility Source, LLC  
Annual Report  
Wastewater Comparative Income Statement  
12/31/17

<b>Wastewater Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	<b>Operating Revenue</b>		
521	Flat Rate Revenues	\$172,373	\$158,937
522	Measured Revenues	94,558	89,665
534	Rents from Wastewater Property	0	0
539	Other Wastewater Revenues	11,143	2,952
	<b>Total Revenues</b>	<b>\$278,075</b>	<b>\$251,554</b>
	<b>Operating Expenses</b>		
701	Salaries and Wages	\$52,821	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	12,540	5,040
715	Purchased Power	28,011	30,654
716	Fuel for Power Production	0	0
718	Chemicals	0	0
720	Materials and Supplies	4,700	13,492
721	Office Expense	2,186	2,620
731	Contractual Services -Engineering	637	0
732	Contractual Services - Accounting	6,827	1,654
733	Contractual Services - Legal	2,321	3,998
734	Contractual Services - Management Fees	45,850	43,350
735	Contractual Services - Testing	13,891	18,054
736	Contractual Services - Other	4,188	20,683
740	Rents - Building	7,932	7,932
742	Rents - Equipment	0	0
750	Transportation Expenses	3,522	8,615
757	Insurance - General Liability	4,545	3,623
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	14,078	10,317
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	0	0
775	Miscellaneous Expense	26,067	26,157
403	Depreciation Expense (From Schedule AR4)	49,817	49,975
408	Taxes Other Than Income	0	0
408.11	Property Taxes	1,537	1,662
408.12	Payroll Taxes	4,314	0
409	Income Taxes	0	0
	<b>Total Operating Expenses</b>	<b>\$285,785</b>	<b>\$247,826</b>
	<b>Operating Income / (Loss)</b>	<b>(\$7,711)</b>	<b>\$3,728</b>
	<b>Other Income / (Expense)</b>		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	2,585	37
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(86)	(3,439)
	<b>Total Other Income / (Expense)</b>	<b>\$2,499</b>	<b>(\$3,402)</b>
	<b>Net Income / (Loss)</b>	<b>(\$5,212)</b>	<b>\$326</b>

**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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

**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**

<u>Name of System:</u>	Flagstaff Meadows Wastewater Treatment Plant
<u>Wastewater Inventory Number (if applicable):</u>	0
<u>Type of Treatment</u>	Extended aeration, stepfeed system
<u>Design Capacity of Plant (Gallons per day)</u>	37,500 gpd Plant 1 100,000 gpd Plant 2

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Pilot Travel Center	2	1.5	50	1,500
Flagstaff Meadows WW	2	3	150	8,000
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
0	0	0	0	0

**FORCE MAINS**

Size	Material	Length (Feet)
4 inch	SDR-35	2,200
6 inch	0	0
0	0	0
0	0	0
0	0	0
0	0	0

**MANHOLES**

Type	Quantity
Standard	60
Drop	0

**CLEANOUTS**

Quantity
1
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.

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	0	0	4	SDR-35	327
6	0	0	6	SDR-35	3
8	SDR-35	16,224	8	0	0
10	0	0	12	0	0
12	SDR-35	360	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
0	0	0	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.

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	21,928 gallon sludge holding tank - sludge hauled away 3,500 gallon sludge holding tank - sludge away
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	1 Peristaltic chemical pump
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Mixed media filter continuous backwash
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	700 sq ft building 2 -12' wide rolling gates 6' cinder block fence, 376 in length
<b>Other</b> (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	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.

Utility Source, LLC  
 Annual Report  
 Wastewater Flows  
 12/31/17

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	330	2,052,900	96,600
February	332	2,320,200	99,700
March	332	2,074,900	88,500
April	331	1,917,200	89,400
May	332	2,460,000	99,500
June	332	1,968,000	89,200
July	333	1,675,700	83,500
August	331	1,548,400	89,200
September	330	1,552,100	73,000
October	332	1,600,500	66,000
November	332	1,504,900	60,600
December	330	1,552,600	86,300
	<b>Totals</b>	<b>22,227,400</b>	<b>1,021,500</b>

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Surface water discharge
Groundwater Permit Number	0
ADEQ Aquifer Protection Permit ("APP") Number	P104083
ADEQ Reuse Permit Number	R104083
EPA NPDES Permil Number	AZ 0024708
APP Effluent Treatment Requirement (Class)?	0

0
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**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.

Utility Source, LLC  
 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	0	0	0
February	0	1	0
March	0	0	0
April	0	0	0
May	0	1	0
June	0	0	0
July	0	2	0
August	0	0	0
September	0	0	0
October	0	5	0
November	0	4	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>13</b>	<b>0</b>

**Other (description):**

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.

Utility Source, LLC  
Annual Report  
Property Taxes  
12/31/17

**Property Taxes**

Amount of actual property taxes paid during Calendar Year ~~2016~~ was  
2017

\$1,537

If no property taxes paid, explain why.

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.

Verification and Statement (Taxes)

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

County of (county name): MARICOPA  
Name (owner or official) title: LONNIE MCCLEVE  
Company name: Utility Source, LLC

RECEIVED  
APR 30 2018  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

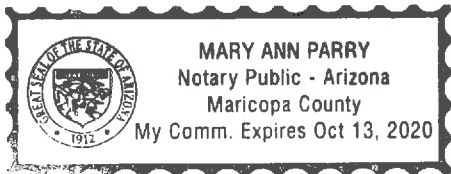
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/17

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.



*[Handwritten Signature]*  
\_\_\_\_\_  
signature of owner/official

480-892-8756  
telephone no.

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

THIS 16<sup>th</sup> DAY OF Maricopa  
April 2018  
(month) and (year)

MY COMMISSION EXPIRES 10-13-20  
(date)

*[Handwritten Signature]*  
\_\_\_\_\_  
(signature of notary public)

Verification and Statement

Verification:

State of ARIZONA I, the undersigned of the  
(state name)  
County of (county name): MARICOPA  
Name (owner or official) title: LONNIE MCCLEVE  
Company name: Utility Source, LLC

RECEIVED  
APR 30 2018  
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: 12/31/17

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:

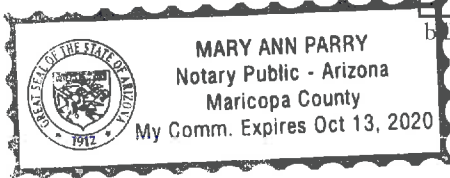
Arizona Intrastate Gross Operating Revenues Only (\$)

\$304,783

(The amount in the box above includes

\$19,673 in sales taxes

billed or collected)



*[Handwritten Signature]*  
\_\_\_\_\_  
signature of owner/official

480-892-8756

telephone no.

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

THIS

16th

DAY OF

Maricopa  
(county name)  
April 2018  
(month) and (year)

MY COMMISSION EXPIRES

10-13-20  
(date)

*[Handwritten Signature]*  
\_\_\_\_\_  
(signature of notary public)

Verification and Statement (Residential Revenue)

RECEIVED

APR 30 2018

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: LONNIE MCCLEVE  
Company name: Utility Source, 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.

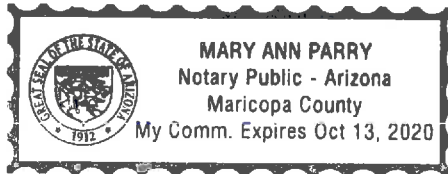
**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$153,646

(The amount in the box above includes

\$9,917 in sales taxes  
billed or collected)



[Signature]  
signature of owner/official

480-892-8756  
telephone no.

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

Maricopa  
(county name)

THIS 16<sup>th</sup> DAY OF April 2018  
(month) and (year)

MY COMMISSION EXPIRES 10-13-20  
(date)

[Signature]  
signature of notary public