

ANNUAL REPORT

Of

Company Name: Arroyo Water Company, Inc.
PO Box 3077

Mailing Address: Payson AZ
85541

Docket No.: W-04286A
For the Year Ended: 12/31/17

RECEIVED
MAY 15 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER 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: 5/15/2018

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Kacy Parker DBA Arroyo Water Company
A Class E Utility

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

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:

Kacy Parker DBA Arroyo Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/17

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	\$40,000	\$0	\$0	\$40,000	\$40,000	\$0
302	Franchises	0	\$0	\$0	0	0	0
303	Land and Land Rights	0	\$0	\$0	0	0	0
304	Structures and Improvements	9,600	\$0	\$0	9,600	8,562	1,038
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	10,000	\$0	\$0	10,000	10,000	0
308	Infiltration Galleries	0	\$0	\$0	0	0	0
309	Supply Mains	0	\$0	\$0	0	0	0
310	Power Generation Equipment	10,000	\$0	\$0	10,000	6,900	3,100
311	Pumping Equipment	39,500	\$0	\$0	39,500	30,263	9,237
320	Water Treatment Equipment	0	\$0	\$0	0	0	0
320.1	Water Treatment Plants	0	\$0	\$0	0	0	0
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	12,000	\$0	\$0	12,000	12,000	0
330.2	Pressure Tanks	3,000	\$0	\$0	3,000	3,000	0
331	Transmission and Distribution Mains	464,224	\$0	\$0	464,224	297,103	167,121
333	Services	65,000	\$0	\$0	65,000	65,000	0
334	Meters and Meter Installations	19,500	\$0	\$0	19,500	19,500	0
335	Hydrants	0	\$0	\$0	0	0	0
336	Backflow Prevention Devices	3,000	\$0	\$0	3,000	1,801	1,199
339	Other Plant and Misc. Equipment	1,550	\$0	\$0	1,550	1,447	103
340	Office Furniture and Equipment	1,500	\$0	\$0	1,500	1,401	99
340.1	Computer & Software	2,000	\$0	\$0	2,000	200	1,800
341	Transportation Equipment	0	\$0	\$0	0	0	0
342	Stores Equipment	0	\$0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	8,000	\$0	\$0	8,000	8,000	0
344	Laboratory Equipment	0	\$0	\$0	0	0	0
345	Power Operated Equipment	0	\$0	\$0	0	0	0
346	Communication Equipment	0	\$0	\$0	0	0	0
347	Miscellaneous Equipment	0	\$0	\$0	0	0	0
348	Other Tangible Plant	0	\$0	\$0	0	0	0
	Totals	\$688,874	\$0	\$0	\$688,874	\$505,177	\$183,697

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.

Kacy Parker DBA Arroyo Water Company
 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	\$40,000	\$0	\$0	\$40,000	\$40,000	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	9,600	0	0	9,600	8,562	3.33%	320
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	10,000	0	0	10,000	10,000	3.33%	0
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	10,000	0	0	10,000	6,900	5.00%	150
311	Pumping Equipment	39,500	0	0	39,500	30,263	12.50%	1,463
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	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	12,000	0	0	12,000	12,000	2.22%	0
330.2	Pressure Tanks	3,000	0	0	3,000	3,000	5.00%	0
331	Transmission and Distribution Mains	464,224	0	0	464,224	297,103	2.00%	9,284
333	Services	65,000	0	0	65,000	65,000	3.33%	0
334	Meters and Meter Installations	19,500	0	0	19,500	19,500	8.33%	0
335	Hydrants	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	3,000	0	0	3,000	1,801	6.67%	200
339	Other Plant and Misc. Equipment	1,550	0	0	1,550	1,447	6.67%	103
340	Office Furniture and Equipment	1,500	0	0	1,500	1,401	6.67%	100
340.1	Computer & Software	2,000	0	0	2,000	200	20.00%	133
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	8,000	0	0	8,000	8,000	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$688,874	\$0	\$0	\$688,874	\$505,177		\$11,753

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 6.40%
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.

Kacy Parker DBA Arroyo Water Company
 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		\$1,059	\$1,700
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		0	3,604
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$1,059	\$5,304
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$688,874	\$688,874
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(498,303)	(505,177)
121	Non-Utility Property		90,000	90,000
122	Accumulated Depreciation - Non Utility		9,000	(15,000)
	Total Fixed Assets		\$289,571	\$258,697
	Total Assets		\$290,630	\$264,001

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

Kacy Parker DBA Arroyo Water Company
 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		\$164	\$6,623
232	Notes Payable (Current Portion)			10,116
234	Notes Payable to Associated Companies		9,685	10,269
235	Customer Deposits		570	912
236	Accrued Taxes		1,486	25,726
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		2,921	2,921
	Total Current Liabilities		\$14,826	\$56,567
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		1,060	2,044
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		\$1,060	\$2,044
	Total Liabilities		\$15,886	\$58,611
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		274,744	205,390
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$274,744	\$205,390
	Total Liabilities and Capital		\$290,630	\$264,001

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!

Kacy Parker DBA Arroyo Water Company
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	\$27,322	\$38,934
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	17,405	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	698	0
	Total Revenues	\$45,425	\$38,934
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	3,529	4,618
618	Chemicals	0	0
620	Materials and Supplies	1,031	960
620.1	Repairs and Maintenance	4,408	3,822
620.2	Office Supplies and Expense	2,480	2,719
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	6,419	6,875
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	30,000	17,000
635	Contractual Services - Water Testing	2,517	1,402
636	Contractual Services - Other	3,157	0
640	Rents	0	3,424
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	1,503	10,282
657	Insurance - General Liability	1,364	1,266
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	863	0
675	Miscellaneous Expense	156	91
403	Depreciation Expense (From Schedule AR4)	11,753	11,684
408	Taxes Other Than Income	0	0
408.11	Property Taxes	25,726	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	7	0
	Total Operating Expenses	\$94,912	\$64,143
	Operating Income / (Loss)	(\$49,487)	(\$25,209)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	17	14
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$17	\$14
	Net Income / (Loss)	(\$49,470)	(\$25,195)

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.

Kacy Parker DBA Arroyo Water Company
 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	n/a	n/a	n/a	n/a
Source of Loan	None	None	None	None
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:	\$2,044
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Meter Deposits Refunded During the Test Year:	\$106
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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: ARROYO WATER COMPANY
 ADEQ Public Water System Number: W-04286A

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)
55-805-621	53	90	61'	19"	NA	0	1996	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
5	0	1
5	0	1
0	0	0
0	0	0

FIRE HYDRANTS

Type	Quantity
Standard ***	0
Other	0

STORAGE TANKS

Capacity	Material	Quantity
11,000	0	1
0	0	0
0	0	0

PRESSURE/BLADDER TANKS

Capacity	Quantity
2,500	1
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 Use Data Sheet							
Name of the System:		ARROYO WATER COMPANY					
ADEQ Public Water System Number:		W-04286A					
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		408,659	460,500				
February		289,901	290,300				
March		367,076	397,800				
April		373,657	575,100				
May		655,109	787,700				
June		946,190	1,138,500				
July		1,826,210	1,327,600				
August		890,460	1,147,100				
September		963,830	1,145,700				
October		903,660	1,019,500				
November		789,320	899,100				
December		763,040	747,500				
Totals		9,177,112	9,936,400	0	0	\$0	0

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:

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.

Kacy Parker DBA Arroyo Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	W-04286A
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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):

NA

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.

Kacy Parker DBA Arroyo Water Company
Annual Report
Property Taxes
12/31/17

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was

\$0

If no property taxes paid, explain why.

Underfunded - there is not sufficient cash to pay the current or delinquent property taxes. We have been told that all delinquent property taxes must be paid before any payments would be accepted for the current property taxes.

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): Yavapai
Name (owner or official) title: Michael Armstead - Owner
Company name: Kacy Parker DBA Arroyo Water Company

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.

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

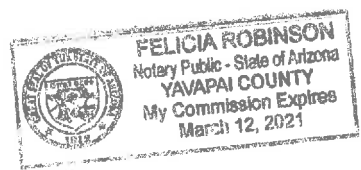
RECEIVED
MAY 15 2018

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS 14th DAY OF Yavapai
May, 2018
(month) and (year)

MY COMMISSION EXPIRES March 21, 2021
(date)



Felicia Robinson
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Yavapai
Name (owner or official) title: Michael Armstead - Owner
Company name: Kacy Parker DBA Arroyo Water Company

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.

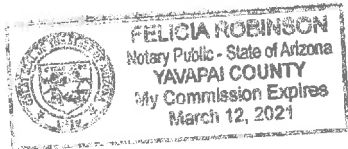
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$47,509
(The amount in the box above includes \$2,084 in sales taxes billed or collected)

Michael Armstead
signature of owner/official
928-951-4000
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY Yavapai
THIS 14th DAY OF May, 2018
(month) and (year)

MY COMMISSION EXPIRES March 12, 2021
(date)



Felicia Robinson
(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): Michael Armstead - Owner
Name (owner or official) title: 0
Company name: Kacy Parker DBA Arroyo Water Company

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 (\$)

\$47,509

(The amount in the box above includes

\$2,084 in sales taxes
billed or collected)

RECEIVED

MAY 15 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Michael Armstead
signature of owner/official

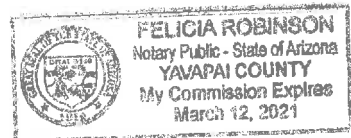
928 951 4000
telephone no.

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

Yavapai
(county name)

THIS 14th DAY OF May, 2018
(month) and (year)

MY COMMISSION EXPIRES March 12, 2021
(date)



Felicia Robinson
(signature of notary public)