

ANNUAL REPORT

OF

Company Name: **BN Leasing Corporation d/b/a Aubrey Water Company**

Mailing Address: **2301 Lou Menk Drive, Fort Worth, Texas 76131**

Docket No.: **W-03476A**

For the Year Ended: **12/31/17**

RECEIVED
APR 12 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: **1/18/2018**

4-13-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

A Class Utility

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

2. Address: **2301 Lou Menk Drive**
City: **Forth Worth** State: **TX** Zip Code: **76131**

3. Telephone Number: **817-352-6461**

4. Date of Original Organization of Utility:

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

Name: **Blaine Bilderback**
Telephone No. : **817-352-6461**
Address: **2301 Lou Menk Drive**
City: **Ft Worth** State: **TX** Zip Code: **76131**
Email: **blaine.bilderback@bnsf.com**

6. On-Site Manager:

Name: **John Kennedy**
Telephone No. : **928-422-3242**
Address: **PO Box 416**
City: **Sellgman** State: **AZ** Zip Code: **86337**
Email: **kennedy@tabletoptelephone.com**

7. Ownership: **C-Corporation (C)**

8. Counties Served: **YAVAPAI**

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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 302 | Franchises | \$0 | 0 | 0 | 0 | 0 | 0 |
| 303 | Land and Land Rights | \$0 | 0 | 0 | 0 | 0 | 0 |
| 304 | Structures and Improvements | \$125,577 | 0 | 0 | 125,577 | 43,584 | 81,993 |
| 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 | \$31,300 | 0 | 0 | 31,300 | 19,525 | 11,775 |
| 308 | Infiltration Galleries | \$0 | 0 | 0 | 0 | 0 | 0 |
| 309 | Supply Mains | \$0 | 0 | 0 | 0 | 0 | 0 |
| 310 | Power Generation Equipment | \$116,664 | 0 | 0 | 116,664 | 43,749 | 72,915 |
| 311 | Pumping Equipment | \$387,992 | 1,889 | 600 | 389,281 | 227,169 | 162,112 |
| 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 | \$4,872 | 0 | 0 | 4,872 | 4,872 | 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 | \$304,347 | 0 | 0 | 304,347 | 14,463 | 289,884 |
| 330.2 | Pressure Tanks | \$0 | 0 | 0 | 0 | 0 | 0 |
| 331 | Transmission and Distribution Mains | \$655,284 | 0 | 0 | 655,284 | 98,635 | 556,649 |
| 333 | Services | \$13,502 | 10,475 | 0 | 23,977 | 5,044 | 18,933 |
| 334 | Meters and Meter Installation | \$68,267 | 9,187 | 0 | 77,454 | 28,566 | 48,888 |
| 335 | Hydrants | \$1,872 | 0 | 0 | 1,872 | 281 | 1,591 |
| 336 | Backflow Prevention Devices | \$0 | 0 | 0 | 0 | 0 | 0 |
| 339 | Other Plant and Misc. Equipment | \$0 | 0 | 0 | 0 | 0 | 0 |
| 340 | Office Furniture and Equipment | \$0 | 0 | 0 | 0 | 0 | 0 |
| 340.1 | Computer & Software | \$0 | 0 | 0 | 0 | 0 | 0 |
| 341 | Transportation Equipment | \$0 | 0 | 0 | 0 | 0 | 0 |
| 342 | Stores Equipment | \$0 | 0 | 0 | 0 | 0 | 0 |
| 343 | Tools, Shop and Garage Equipment | \$2,906 | 0 | 0 | 2,906 | 1,235 | 1,671 |
| 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 | \$3,375 | 0 | 0 | 3,375 | 2,194 | 1,181 |
| 348 | Other Tangible Plant | \$0 | 0 | 0 | 0 | 0 | 0 |
| | Totals | \$1,715,957 | \$21,551 | \$600 | \$1,736,908 | \$489,316 | \$1,247,593 |

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

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 | \$0 | \$0 | \$0 | \$0 | \$0 | 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 | 125,577 | 0 | 0 | 125,577 | 0 | 3.33% | 4,182 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 307 | Wells and Springs | 31,300 | 0 | 0 | 31,300 | 0 | 3.33% | 1,042 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 310 | Power Generation Equipment | 116,664 | 0 | 0 | 116,664 | 0 | 5.00% | 5,833 |
| 311 | Pumping Equipment | 387,992 | 1,889 | 600 | 389,281 | 0 | 8.00% | 31,091 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | 3.33% | 0 |
| 320.2 | Solution Chemical Feeders | 4,872 | 0 | 0 | 4,872 | 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 | 304,347 | 0 | 0 | 304,347 | 4,872 | 2.22% | 6,757 |
| 330.2 | Pressure Tanks | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 331 | Transmission and Distribution Mains | 655,284 | 0 | 0 | 655,284 | 0 | 2.00% | 13,106 |
| 333 | Services | 13,502 | 10,475 | 0 | 23,977 | 0 | 3.33% | 624 |
| 334 | Meters and Meter Installation | 68,267 | 9,187 | 0 | 77,454 | 0 | 8.33% | 6,069 |
| 335 | Hydrants | 1,872 | 0 | 0 | 1,872 | 0 | 2.00% | 37 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 339 | Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 340 | Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 340.1 | Computer & Software | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 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 | 2,906 | 0 | 0 | 2,906 | 0 | 5.00% | 145 |
| 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 | 3,375 | 0 | 0 | 3,375 | 0 | 10.00% | 338 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| | Subtotal | \$1,715,957 | \$21,551 | \$600 | \$1,736,908 | \$4,872 | | \$69,224 |

Contribution(s) in Aid of Construction (Gross) 6,046
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$6,046
 Times: Proposed Amortization Rate 3.9967%
 Amortization of CIAC \$242

Less: Amortization of CIAC (242)

DEPRECIATION EXPENSE \$68,982

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.

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 | | \$28,980 | \$24,255 |
| 134 | Working Funds | | 0 | 0 |
| 135 | Temporary Cash Investments | | 0 | 0 |
| 141 | Customer Accounts Receivable | | 46 | 518 |
| 146 | Notes Receivable from Associated Companies | | 0 | 0 |
| 151 | Plant Material and Supplies | | 0 | 0 |
| 162 | Prepayments | | 2,012 | 2,391 |
| 174 | Miscellaneous Current and Accrued Assets | | 0 | 0 |
| | Total Current and Accrued Assets | | \$31,038 | \$27,164 |
| Account No. | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$1,715,957 | \$1,736,908 |
| 103 | Property Held for Future Use | | 0 | 0 |
| 105 | Construction Work in Progress | | 0 | 5,316 |
| 108 | Accumulated Depreciation <i>(enter as negative)*</i> | | (420,692) | (489,316) |
| 121 | Non-Utility Property | | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | | 0 | 0 |
| | Total Fixed Assets | | \$1,295,265 | \$1,252,909 |
| | Total Assets | | \$1,326,303 | \$1,280,073 |

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

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 | | \$1,006 | \$1,036 |
| 232 | Notes Payable (Current Portion) | | 0 | 0 |
| 234 | Notes Payable to Associated Companies | | 1,939,394 | 1,899,012 |
| 235 | Customer Deposits | | 7,745 | 10,677 |
| 236 | Accrued Taxes | | 767 | 918 |
| 237 | Accrued Interest | | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | | 10,591 | 2,822 |
| | Total Current Liabilities | | \$1,959,503 | \$1,914,465 |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$0 | \$0 |
| | Deferred Credits | | | |
| 251 | Unamortized Premium on Debt | | | |
| 252 | Advances in Aid of Construction | | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | | 0 | 0 |
| 271 | Contributions in Aid of Construction | | 6,046 | 6,046 |
| 272 | Less: Amortization of Contributions | | (1,622) | (1,864) |
| 281 | Accumulated Deferred Income Tax | | 0 | 0 |
| | Total Deferred Credits | | \$4,424 | \$4,182 |
| | Total Liabilities | | \$1,963,927 | \$1,918,647 |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | 0 | 0 |
| 211 | Other Paid-In Capital | | 0 | 0 |
| 215 | Retained Earnings | | (637,624) | (638,574) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | (\$637,624) | (\$638,574) |
| | Total Liabilities and Capital | | \$1,326,303 | \$1,280,073 |

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!

Annual Report
Water Comparative Income Statement
12/31/17

| Water Comprehensive Income Statement | | | |
|--------------------------------------|--|-------------------------|-------------------------|
| Account No. | Calendar Year | Current Year | Last Year |
| | | 01/01/2017 - 12/31/2017 | 01/01/2016 - 12/31/2016 |
| | Operating Revenue | | |
| 461 | Metered Water Revenue | \$224,674 | \$184,711 |
| 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 | 1,300 | 1,275 |
| | Total Revenues | \$225,974 | \$185,986 |
| | Operating Expenses | | |
| 601 | Salaries and Wages | 0 | 0 |
| 604 | Employee Pensions and Benefits | 0 | 0 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 29,850 | 29,446 |
| 618 | Chemicals | 953 | 936 |
| 620 | Materials and Supplies | 0 | 0 |
| 620.1 | Repairs and Maintenance | 14,684 | 23,271 |
| 620.2 | Office Supplies and Expense | 2,963 | 2,863 |
| 630 | Contractual Services | 62,358 | 48,121 |
| 631 | Contractual Services - Engineering | 0 | 0 |
| 632 | Contractual Services - Accounting | 12,780 | 16,680 |
| 633 | Contractual Services - Legal | 0 | 0 |
| 634 | Contractual Services - Management Fees | 10,116 | 10,155 |
| 635 | Contractual Services - Water Testing | 1,796 | 1,436 |
| 636 | Contractual Services - Other | 0 | 0 |
| 640 | Rents | 0 | 0 |
| 641 | Rental of Building/Real Property | 0 | 0 |
| 642 | Rental of Equipment | 0 | 0 |
| 650 | Transportation Expenses | 5,668 | 5,331 |
| 657 | Insurance - General Liability | 2,882 | 3,122 |
| 657.1 | Insurance - Health and Life | 0 | 0 |
| 665 | Regulatory Commission Expense - Rate | 6,042 | 25,265 |
| 670 | Bad Debt Expense | 744 | 671 |
| 675 | Miscellaneous Expense | 304 | 251 |
| 403 | Depreciation Expense (From Schedule AR4) | 68,982 | 70,139 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 7,321 | 6,725 |
| 409 | Income Taxes | 0 | 0 |
| 427.1 | Customer Security Deposit Interest | 0 | 0 |
| | Total Operating Expenses | \$227,443 | \$244,412 |
| | Operating Income / (Loss) | (\$1,469) | (\$58,426) |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | 0 | 0 |
| 421 | Non-Utility Income | 649 | 584 |
| 426 | Miscellaneous Non-Utility (Expense) | 0 | 0 |
| 427 | Interest (Expense) | (130) | (286) |
| | Total Other Income / (Expense) | \$519 | \$298 |
| | Net Income / (Loss) | -\$950 | -\$58,128 |

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.

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:

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: | Aubrey Water Company |
| ADEQ Public Water System Number: | 13-010 |

| 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) |
| 55-627275 | 30 | 150 | 400 | 16 | Submersible | 4 | 1940 | 0.0029 |
| 55-627276 | 30 | 150 | 400 | 16 | Submersible | 4 | 1940 | 0.0029 |
| | | | | | | | | |
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| OTHER WATER SOURCES | | |
|---------------------|----------------|--|
| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
| | | |
| | | |
| | | |

| BOOSTER PUMPS | | |
|---------------|-----|----------|
| Horsepower | GPM | Quantity |
| 25 | | 2 |
| 2 | | 1 |
| | | |
| | | |

| FIRE HYDRANTS | |
|---------------|-----------|
| Type | Quantity |
| Standard *** | 22 |
| Other | |

| STORAGE TANKS | | |
|----------------|--------------|----------|
| Capacity | Material | Quantity |
| 282,000 | Steel | 1 |
| | | |
| | | |

| PRESSURE/BLADDER TANKS | |
|------------------------|----------|
| Capacity | Quantity |
| | |
| | |

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. 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) | | | CUSTOMER METERS | |
|---|----------|---------------|-----------------|----------|
| MAINS | | | Size (inches) | Quantity |
| Sizes (inches) | Material | Length (feet) | | |
| 2 | PVC | 3560 | 5/8 X 3/4 | 277 |
| 4 | PVC | 9600 | 3/4 | |
| 6 | PVC | 4800 | 1 | 12 |
| 2 | Galv | 14580 | 1 1/2 | 6 |
| 6 | CIP | 15600 | 2 | 19 |
| 4 | PVC | 220 | Comp. 3 | 2 |
| | | | Turbo 3 | |
| | | | Comp. 4 | |
| | | | Turbo 4 | |
| | | | Comp. 6 | 3 |
| | | | Turbo 6 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

| | |
|-----------------------------|--|
| TREATMENT EQUIPMENT: | Two Chlorinators |
| STRUCTURES: | 20 Foot Storage Container and one 8 X 12 one Pump House |
| OTHER: | Transmission Main: Canyon Mouth to Town of Seligman (39,375' of 8" CIP) |

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. Copy and paste this sheet as many times as is necessary.

| Water Use Data Sheet | | | | | | | |
|----------------------------------|---------------------|---------------------------------------|---|--|---|--------------------------------------|------------------------------------|
| Name of the System: | | 0 | | | | | |
| ADEQ Public Water System Number: | | 0 | | | | | |
| 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 | 279 | 1,763 | 2,225 | | | | |
| February | 276 | 1,910 | 2,543 | | | | |
| March | 281 | 1,838 | 2,420 | | | | |
| April | 279 | 2,312 | 3,109 | | | | |
| May | 277 | 2,308 | 2,904 | | | | |
| June | 277 | 3,796 | 4,486 | | | | |
| July | 277 | 4,121 | 4,908 | | | | |
| August | 278 | 3,456 | 4,162 | | | | |
| September | 278 | 2,933 | 3,280 | | | | |
| October | 279 | 3,478 | 4,910 | | | | |
| November | 280 | 3,028 | 3,645 | | | | |
| December | 281 | 2,016 | 2,813 | | | | |
| Totals | | 32,961 | 41,404 | 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) requirements?
 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.

Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. : 0

| Utility Shutoffs / Disconnects | | | |
|--------------------------------|---|--|-------|
| Month | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | Other |
| January | | 9 | |
| February | | 1 | |
| March | | 3 | |
| April | | 1 | |
| May | | 2 | |
| June | | 3 | |
| July | | 3 | |
| August | | 0 | |
| September | | 2 | |
| October | | 1 | |
| November | | 4 | |
| December | | 0 | |
| Total | 0 | 29 | 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.

Annual Report
Property Taxes
12/31/17

| Property Taxes | |
|--|------------|
| Amount of actual property taxes paid during Calendar Year 2017 was | \$7,442.17 |

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 12 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Annual Report
Verification and Sworn Statement (Taxes)
12/31/17

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: Mark Ude, Vice President and Assistant Secretary
Company name: BN Leasing Corporation d/b/a Aubrey 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.

Mark Ude

signature of owner/official

telephone no.

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

Tarrant

(county name)

THIS

12th

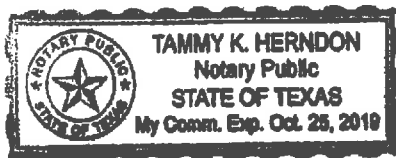
DAY OF

April, 2018

(month) and (year)

MY COMMISSION EXPIRES

(date)



Tammy K. Herndon
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: Mark Ude, Vice President and Assistant Secretary
Company name: BN Leasing Corporation d/b/a Aubrey Water Company

RECEIVED
APR 12 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

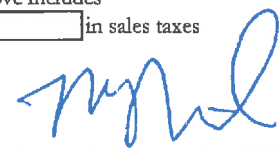
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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 (\$)
\$240,506.09
(The amount in the box above includes
\$14,532.42 in sales taxes
billed or collected)



signature of owner/official

telephone no.

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

THIS

12th

DAY OF

Tarrant

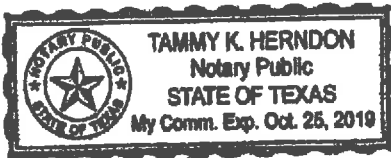
(county name)

April, 2018

(month) and (year)

MY COMMISSION EXPIRES

(date)



Tammy K. Herndon
(signature of notary public)

Annual Report
Verification and Sworn Statement (Residential Revenue)
12/31/17

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

Mark Ude, Vice President and Assistant Secretary

Company name:

BN Leasing Corporation d/b/a Aubrey Water Company

RECEIVED

APR 12 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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$141,220.25

(The amount in the box above includes

\$8,533.14

in sales taxes billed or collected)

signature of owner/official

telephone no.

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

Tarrant
(county name)

THIS

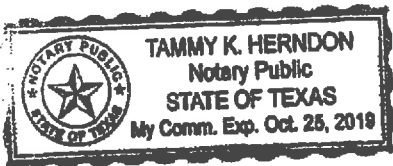
12th

DAY OF

April, 2018
(month) and (year)

MY COMMISSION EXPIRES

(date)



Tammy K Herndon
(signature of notary public)