

ANNUAL REPORT

Of

Company Name:

Casa Grande South Water Company

211 N. Florence St., Ste. 107

Mailing Address:

Casa Grande AZ
85222

Docket No.:

W-03847A

For the Year Ended:

12/31/16

RECEIVED
MAY 16 2017
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:

2016

5-17-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Casa Grande South Water Company

A Class Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

200 N. Florence St. Suite 107			
City:	Casa Grande	State:	Arizona
Zip Code:	85122		

3. Telephone Number:

520-836-0267

4. Date of Original Organization of Utility:

Unknown

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

Name:

Bobby Gordon

Telephone No. :

520-836-0267

Address:

Same as Above			
City:		State:	
Zip Code:			

Email:

gordon.bobby@yahoo.com

6. On-Site Manager:

Name:

Bobby Grodon

Telephone No. :

520-836-0267

Address:

Same as Above			
City:		State:	
Zip Code:			

Email:

--

7. Ownership:

"C" Corporation

8. Counties Served:

Pinal

Casa Grande South Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/16

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0
302	Franchises	0	0	0
303	Land and Land Rights	0	0	0
304	Structures and Improvements	0	0	0
305	Collecting & Improving Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	0	0	0
308	Infiltration Galleries	0	0	0
309	Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	0	0	0
320	Water Treatment Equipment	0	0	
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	
330.1	Storage Tanks	0	0	0
330.2	Pressure Tanks	0	0	0
331	Transmission and Distribution Mains	32,759	19,468	13,291
333	Services	0	0	0
334	Meters and Meter Installations	0	0	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computer & Software	505	377	128
341	Transportation Equipment	0	0	0
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	Totals	\$33,264	\$19,845	\$13,419

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.

Casa Grande South Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	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	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
311	Pumping Equipment	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	-	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
330.1	Storage Tanks	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	32,759	0	32,759	0	32,759	5.00%	1,638
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	0	0	0	0	0	0.00%	0
335	Hydrants	0	0	0	0	0	0.00%	0
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	505	0	505	0	505	5.00%	25
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	0	0	0	0	0	0.00%	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	\$33,264	\$0	\$33,264	\$0	\$33,264		\$1,663

Contribution(s) in Aid of Construction (Gross)		0
Less: Non Amortizable Contribution(s)		
Fully Amortized Contribution(s)		
Amortizable Contribution(s)	\$0	
Times: Proposed Amortization Rate	5.00%	
Amortization of CIAC	0	
	Less: Amortization of CIAC	0
	DEPRECIATION EXPENSE	\$1,663

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.

**Andersen & Sarnowski, P.C.
Certified Public Accountants
550 E. Cottonwood Lane, Suite C
Casa Grande, Arizona 85122**

To the Board of Directors
Casa Grande South Water Company
Casa Grande, Arizona 85122

Management is responsible for the accompanying financial statements of Casa Grande South Water Company (a corporation) which comprise the balance sheet assets-regulatory basis, and balance sheet liabilities and owners equity – regulatory basis as of January 1, 2016 and December 31, 2016 and the related water comparative income statements - regulatory basis for the years December 31, 2015 and 2016 then ended in accordance with the regulatory-basis of accounting, and for determining that the regulatory-basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements have been prepared in accordance with the regulatory financial reporting framework, which is a basis of accounting other than account principles generally accepted in the United States of America. The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles accepted in the United States of America.

No provision has been made for deferred income taxes as required by the National Association of Regulatory Utility Commissioners. For rate making purposes, income tax expense is reported as the actual income tax reported for federal income tax purposes. The effect of this departure from regulatory accounting principles on financial position and results of operations have not been determined by management.

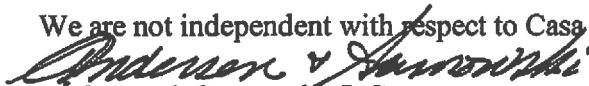
The report is intended solely for the information and use of the Arizona Corporation Commission and is not intended to be and should not be used by anyone other than this specified party.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions

about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

All other information contained in the accompanying prescribed form has been presented to supplement the basic financial statements. Such information, although not apart of the basic financial statements is required by the Arizona Corporation Commission, who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operation, economic, or historical context. The supplementary information included on pages 2-4, 8, and 13-16 has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it. The supplementary information included on pages 9-12 was not audited, reviewed, or compiled by us and accordingly, we do not express and opinion or any assurance on it.

We are not independent with respect to Casa Grande South Water Company.


Andersen & Sarnowski, P.C.

May 12, 2017

Casa Grande South Water Company
 Annual Report
 Balance Sheet Assets
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$2,348	\$4,847
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		5,091	1,792
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		650	650
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$8,089	\$7,289
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$32,759	\$33,264
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(17,830)	(19,845)
121	Non-Utility Property		505	0
122	Accumulated Depreciation - Non Utility		(352)	0
	Total Fixed Assets		\$15,082	\$13,419
	Total Assets		\$23,171	\$20,708

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

Casa Grande South Water Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$474	\$36
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		14,239	13,439
235	Customer Deposits		240	240
236	Accrued Taxes		3,298	3,066
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$18,251	\$16,781
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$4,688	\$3,820
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$22,939	\$20,601
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		100	100
215	Retained Earnings		32	(93)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$232	\$107
	Total Liabilities and Capital		\$23,171	\$20,708

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!

Casa Grande South Water Company
Annual Report
Water Comparative Income Statement
12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$58,676	\$55,326
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	(124)	0
	Total Revenues	\$58,552	\$55,326
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	22,473	23,445
615	Purchased Power	0	0
618	Chemicals	0	1,672
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	4,944	2,962
620.2	Office Supplies and Expense	1,200	108
630	Contractual Services	11,004	11,004
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	4,060	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	565	1,784
636	Contractual Services - Other	0	0
635	Water Testing	0	0
640	Rents	0	2,124
641	Rental of Building/Real Property	2,148	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	1,913	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	2,428	1,977
403	Depreciation Expense (From Schedule AR4)	1,663	1,663
408	Taxes Other Than Income	3,572	3,574
408.11	Property Taxes	2,453	1,864
409	Income Taxes	50	50
	Total Operating Expenses	\$58,473	\$52,227
	Operating Income / (Loss)	\$79	\$3,099
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$1
421	Non-Utility Income	31	27
426	Miscellaneous Non-Utility (Expense)	0	(2,961)
427	Interest (Expense)	(236)	(282)
	Total Other Income / (Expense)	(\$205)	(\$3,215)
	Net Income / (Loss)	(\$126)	(\$116)

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.

Casa Grande South Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/1/2000			
Source of Loan	USDA			
ACC Decision No.				
Reason for Loan	Back Taxes			
Dollar Amt. Issued	\$13,350			
Amount Outstanding	\$3,820			
Date of Maturity	11/1/2020			
Interest Rate	5.50%			
Current Year Interest	\$236			
Current Year Principal	\$868			

Meter Deposit Balance at Test Year End:	\$240
---	-------

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.

Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	PVC	1,320	5/8 X 3/4	0
3	PVC	2,000	3/4	64
4	PVC	4,200	1	2
5	N/A	N/A	1 1/2	2
6	Concrete	19,800	Compound 2	1
8	N/A	N/A	Turbine 2	0
10	N/A	N/A	Compound 3	0
12	N/A	N/A	Turbine 3	0
			Compound 4	0
			Turbine 5	0
			Compound 6	0
			Turbine 6	0
			6+	0

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

TREATMENT EQUIPMENT:	None
-----------------------------	------

STRUCTURES:	Backflow Assembly 6"
--------------------	----------------------

OTHER:	N/A
---------------	-----

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Casa Grande South Water Company
 Annual Report
 Water Use Data Sheet
 12/31/16

Water Use Data Sheet					
Name of the System:		Casa Grande South Water Company			
ADEQ Public Water System Number:		11-061			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	65	519,430	0	548,000	
February	65	632,410	0	644,000	
March	65	807,830	0	871,000	
April	65	890,380	0	998,000	
May	67	1,030,900	0	1,163,000	
June	66	1,210,440	0	1,370,000	
July	67	1,267,710	0	1,502,000	
August	67	1,168,580	0	1,328,000	
September	67	1,168,550	0	1,301,000	
October	67	811,540	0	954,000	
November	67	774,700	0	949,000	
December	69	699,120	0	780,000	
Totals		10,981,590	0	12,408,000	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.
- 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.

Casa Grande South Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	11-061
-------------------	--------

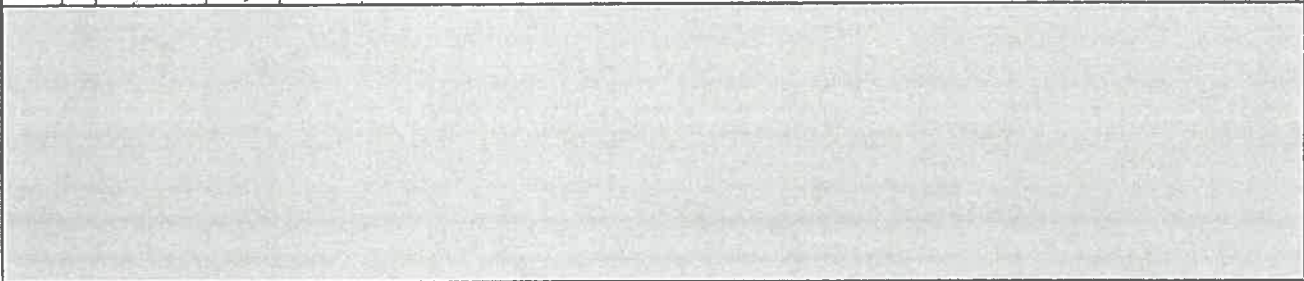
Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	
February	0	0	
March	0	1	
April	0	0	
May	0	0	
June	0	1	
July	0	0	
August	0	0	
September	0	0	
October	0	0	
November	0	0	
December	0	0	
Total	0	2	0

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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2015 was	\$2,453

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
MAY 16 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION DIRECTOR'S OFFICE

Verification and Statement (Taxes)

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

County of (county name): Pinal
Name (owner or official) title: Mike Bogle, Fiduciary Agent J. Little Estate
Company name: Casa Grande South Water Company

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

FOR THE YEAR ENDING: 12/31/16

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

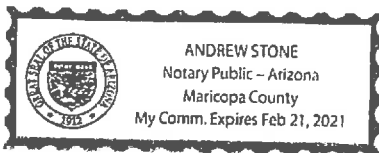
[Signature]
signature of owner/official

480-985-0936 x207
telephone no.

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

THIS 15 DAY OF Maricopa
(month) and (year)

MY COMMISSION EXPIRES 2/21/2021
(date)



[Signature]
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
 (state name)
 County of (county name): Pinal
 Name (owner or official) title: Mike Bogle, Fiduciary Agent J. Little Estate
 Company name: Casa Grande South Water Company

RECEIVED
 MAY 16 2017
 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.

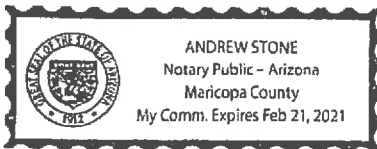
FOR THE YEAR ENDING: 12/31/16

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 (\$)
\$58,676
 (The amount in the box above includes
\$3,572 in sales taxes
 billed or collected)

[Signature]
 X
 signature of owner/official
 480-985-0936 x207
 telephone no.



SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
 IN AND FOR THE COUNTY Maricopa
 (county name)
 THIS 15 DAY OF May 2017
 (month) and (year)

MY COMMISSION EXPIRES 2/21/2021
 (date)

[Signature]
 (signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name):

Pinal

Name (owner or official) title:

Mike Bogle, Fiduciary Agent J. Little Estate

Company name:

Casa Grande South Water Company

RECEIVED

MAY 16 2017

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: 12/31/16

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 (\$)

558,676

(The amount in the box above includes

53,572 in sales taxes

billed or collected)

[Handwritten Signature]

signature of owner/official

480-985-0936 x207

telephone no.

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

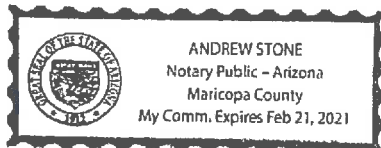
Maricopa
(county name)

THIS 15

DAY OF May 2017
(month) and (year)

MY COMMISSION EXPIRES

2/21/2021
(date)



[Handwritten Signature]

(signature of notary public)