

ANNUAL REPORT

Of

Company Name: Cedar Grove Water, Inc.
PO Box 364

Mailing Address: Overgaard AZ
85933

Docket No.: W-20541A
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: 4/9/2018

5-16-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cedar Grove Water, Inc.
A Class E 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:

Cedar Grove Water, Inc.
 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	\$1,000	\$0	\$0	\$1,000	\$0	\$1,000
302	Franchises	500	0	0	500	0	500
303	Land and Land Rights	1,000	0	0	1,000	0	1,000
304	Structures and Improvements	8,770	0	0	8,770	8,122	648
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	19,955	0	0	19,955	19,955	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	36,653	0	0	36,653	32,256	4,397
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	95,597	0	0	95,597	29,618	65,979
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	543,816	68,078	0	611,894	207,709	404,185
333	Services	37,001	3,955	0	40,956	18,570	22,386
334	Meters and Meter Installations	25,229	1,106	0	26,335	22,822	3,513
335	Hydants	0	0	0	0	0	0
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	0	0	0	0	0	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	\$769,521	\$73,139	\$0	\$842,660	\$339,052	\$503,608

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.

Cedar Grove Water, Inc.
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	\$1,000	\$0	\$0	\$1,000	\$1,000	0.00%	\$0
302	Franchises	500	0	0	500	500	0.00%	0
303	Land and Land Rights	1,000	0	0	1,000	1,000	0.00%	0
304	Structures and Improvements	8,770	0	0	8,770	0	3.33%	292
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Labr, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	19,955	0	0	19,955	19,955	3.33%	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	36,653	0	0	36,653	0	12.50%	4,582
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	95,597	0	0	95,597	0	2.22%	2,122
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	543,816	68,078	0	611,894	0	2.00%	12,238
333	Services	37,001	3,955	0	40,956	0	3.33%	1,364
334	Meters and Meter Installations	25,229	1,106	0	26,335	0	8.33%	2,194
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	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stees 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	\$769,521	\$73,139	\$0	\$842,660	\$22,455		\$22,792

Contribution(s) in Aid of Construction (Gross)	\$184,042
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$184,042</u>
Times: Proposed Amortization Rate	2.78%
Amortization of CIAC	\$5,116
Less: Amortization of CIAC	<input type="text" value="\$5,116"/>
DEPRECIATION EXPENSE	<input type="text" value="\$17,676"/>

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.

Cedar Grove Water, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		(\$140,061)	(\$168,098)
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		17,268	11,387
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		200	0
	Total Current and Accrued Assets		(\$122,593)	(\$156,711)
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$769,521	\$842,660
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(316,260)	(339,052)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$453,261	\$503,608
	Total Assets		\$330,668	\$346,897

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

Cedar Grove Water, Inc.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		9,568	9,568
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		3,000	2,700
236	Accrued Taxes		0	0
237	Accrued Interest		2,343	2,271
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$14,911	\$14,539
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$31,901	\$23,764
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	
252	Advances in Aid of Construction		390,087	398,587
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		182,798	184,042
272	Less: Amortization of Contributions		(28,825)	(33,941)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$544,060	\$548,688
	Total Liabilities		\$590,872	\$586,991
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(260,204)	(240,094)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$260,204)	(\$240,094)
	Total Liabilities and Capital		\$330,668	\$346,897

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!

Cedar Grove Water, Inc.
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	\$227,814	\$206,290
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	2,148	1,756
Total Revenues		\$229,961	\$208,046
Operating Expenses			
601	Salaries and Wages	\$140,064	\$93,595
604	Employee Pensions and Benefits	81	53
610	Purchased Water	0	0
615	Purchased Power	16,395	17,312
618	Chemicals	18	41
620	Materials and Supplies	1,519	3,293
620.1	Repairs and Maintenance	2,320	1,415
620.2	Office Supplies and Expense	5,057	5,011
630	Contractual Services	15,690	14,681
631	Contractual Services - Engineering	900	2,512
632	Contractual Services - Accounting	6,548	5,938
633	Contractual Services - Legal	4,401	161
634	Contractual Services - Management Fees	2,115	8,459
635	Contractual Services - Water Testing	1,887	(17)
636	Contractual Services - Other	390	189
640	Rents	0	0
641	Rental of Building/Real Property	5,088	5,088
642	Rental of Equipment	10,581	10,009
650	Transportation Expenses	12,311	10,596
657	Insurance - General Liability	5,135	2,767
657.1	Insurance - Health and Life	3,629	2,290
665	Regulatory Commission Expense - Rate	5,812	585
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	74	289
403	Depreciation Expense (From Schedule AR4)	17,676	17,550
408	Taxes Other Than Income	13,084	12,362
408.11	Property Taxes	7,556	6,578
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	471	0
Total Operating Expenses		\$278,803	\$220,757
Operating Income / (Loss)		(\$48,842)	(\$12,711)
Other Income / (Expense)			
419	Interest and Dividend Income	\$1	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
Total Other Income / (Expense)		\$1	\$0
Net Income / (Loss)		(\$48,841)	(\$12,711)

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.

Cedar Grove Water, Inc.
 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	9/1/2001	1/0/1900	1/0/1900	1/0/1900
Source of Loan	WIFA	0	0	0
ACC Decision No.	63673	0	0	0
Reason for Loan	Construction	0	0	0
Dollar Amt. Issued	\$119,941	0	0	0
Amount Outstanding	\$31,901	0	0	0
Date of Maturity	9/1/2021	0	0	0
Interest Rate	5.08%	0	0	0
Current Year Interest	\$585	0	0	0
Current Year Principal	\$8,137	0	0	0

Meter Deposit Balance at Test Year End:	\$894
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Meter Deposits Refunded During the Test Year:	\$0
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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:	Cedar Grove Water, Inc.
ADEQ Public Water System Number:	1049

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)
55-550075	5	32	440	6 & 5	Submersible	1	1985	<.001
55-504679	5	32	400	6	Submersible	2	1983	<.0003
55-087623	5	12	860	6	Submersible	1	1981	0.0040
55-566375	7.5	0	544	6	Submersible	2	1998	<.001
55-808434	5	32	Unknown	6 & 5	Submersible	1	Unknown	<.0003
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000
0	0	0	0	0	0	0	0	0.0000

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
0	0	0
0	0	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2x2	40	2
2	40	2
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard ***	1
Other	10

STORAGE TANKS		
Capacity	Material	Quantity
12,500	Metal	1
15,000	Metal	1
50,000	Metal	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
1,000	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 Utility Plant Description (Continued)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Size (inches)	Material	Length (feet)		
2.00	PVC	2,760	5/8 X 3/4	408
3.00	0	0	3/4"	0
4.00	0	0	1	1
5.00	0	0	1 1/2	0
6.00	PVC	92,138	Compound 2	2
8.00	0	0	0	0
10.00	0	0	0	0
12.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0
0.00	0	0	0	0

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

TREATMENT EQUIPMENT:	None
STRUCTURES:	12' X 12' Building, 6' X 6' Building, 20' X 30' Building, 24' X 24' Building & 4' X 8' Building
OTHER:	10 Fire hydrants under other (on preceding page) are currently not in service, because of inadequate water supply to that portion of the 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.

Water Use Data Sheet							
Name of the System:		Cedar Grove Water, Inc.					
ADEO Public Water System Number:		1049					
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	401	886	1,000	0	2,696	\$1,328	14,489
February	401	907	1,188	0	41,308	1,294	14,388
March	398	905	1,126	0	22,485	1,157	14,814
April	400	1,356	1,440	0	0	1,262	14,371
May	405	1,233	1,358	0	266	1,458	15,630
June	403	1,876	2,113	0	5,358	1,718	18,867
July	413	2,100	2,253	0	0	1,487	17,148
August	407	1,272	1,365	0	0	1,459	12,241
September	407	1,569	1,678	0	0	1,374	11,382
October	406	1,319	1,456	0	614	1,305	10,982
November	405	1,047	1,183	0	3,307	1,193	9,536
December	405	1,156	1,288	0	1,602	1,345	11,089
Totals		15,626	17,448	0	77,636	\$16,380	164,937

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:
 None

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.

Cedar Grove Water, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. : 1049

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	7	0
August	0	6	0
September	0	5	0
October	0	8	0
November	0	5	0
December	0	7	0
Total	0	38	0

Other (description): None

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.

Cedar Grove Water, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$7,556

If no property taxes paid, explain why.
None

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.

Cedar Grove Water, Inc.
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): Apache
Name (owner or official) title: Mark Grapp President
Company name: Cedar Grove Water, Inc.

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

928-537-8739
telephone no.

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MAY 15 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS 13th DAY OF Navajo
(month) and (year) April, 2018
(county name)

MY COMMISSION EXPIRES 01/18/2022
(date)

 **ANA RAMSAY**
Notary Public - State of Arizona
NAVAJO COUNTY
My Commission Expires
January 18, 2022

[Handwritten Signature: Ana Ramsay]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Apache
Name (owner or official) title: Mark Grapp President
Company name: Cedar Grove Water, Inc.

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 (\$)

\$229,962
(The amount in the box above includes
\$13,084 in sales taxes
billed or collected)

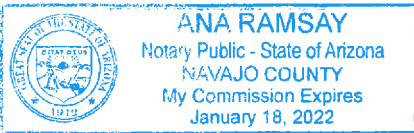
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MAY 15 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Signature]
signature of owner/official

0
telephone no.



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

THIS 13th DAY OF Navajo
(county name) April, 2018
(month) and (year)

MY COMMISSION EXPIRES

01/18/2022
(date)
[Signature]
(signature of notary public)

Cedar Grove Water, Inc.
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): Apache
Name (owner or official) title: Mark Grapp President
Company name: Cedar Grove Water, Inc.

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 HEREBIN 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 (\$)

\$229,962
(The amount in the box above includes
\$13,084 in sales taxes
billed or collected)

RECEIVED

MAY 15 2018

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(date)

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