

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02113A

Chaparral City Water Company
12021 N. Panorama Drive
Fountain Hills, AZ 85268

RECEIVED

MAY 15 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION – DIRECTOR'S OFFICE

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2017
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FOR COMMISSION USE

ANN 04	15
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5-16-18

Statutory Agent: United States Corporation Company
(Name)

2338 West Royal Palm Road Phoenix AZ 85022
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Martin Stanek
(Name)

2355 W. Pinnacle Peak Road, Suite 300 Phoenix AZ 85027
(Street) (City) (State) (Zip)

(623) 445-2427 N/A N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email

Address mstanek@epcor.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |


COMPANY NAME:

Chaparral City Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0		0
302	Franchises	0		0
303	Land and Land Rights	1,554,591	0	1,554,591
304	Structures and Improvements	2,219,000	1,038,582	1,180,418
305	Collecting and Impounding Reservoirs	998,886	793,997	204,889
307	Wells and Springs	2,256,327	125,783	2,130,544
308	Infiltration Galleries	0	0	0
309	Supply Mains	2,349,579	1,710,771	638,808
310	Power Production Equipment	0	0	0
311	Pumping Equipment	6,520,573	6,272,067	248,506
320	Water Treatment Equipment	8,159,213	2,625,840	5,533,373
330	Distribution Reservoirs and Standpipes	5,781,434	2,143,882	3,637,552
331	Transmission and Distribution Mains	27,639,028	9,860,645	17,778,383
332	Fire Mains	0	0	0
333	Services	13,906,937	3,854,722	10,052,215
334	Meters and Meter Installations	3,783,205	3,198,767	584,438
335	Hydrants	2,327,356	532,454	1,794,902
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	792,399	210,233	582,166
340	Office Furniture and Equipment	371,010	351,435	19,575
341	Transportation Equipment	695,410	670,484	24,926
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	557,242	200,701	356,542
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	373,764	160,101	213,663
347	Miscellaneous Equipment	357,801	70,867	286,934
348	Other Tangible Plant	0	0	0
	Reg Asset AFUDC Debt	0	0	0
	TOTALS	80,643,755	33,821,330	46,822,425

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME:

Chaparral City Water Company

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0.00%	0
302	Franchises	0	0.00%	0
303	Land and Land Rights	271,857	0.00%	0
304	Structures and Improvements	2,219,000	3.33%	73,086
305	Collecting and Impounding	998,886	2.50%	24,972
307	Wells and Springs	2,256,327	3.33%	74,180
309	Supply Mains	2,349,579	2.00%	46,992
311	Pumping Equipment	6,520,573	8.00%	17,237
320	Water Treatment Equipment	8,159,213	3.33%	271,552
330	Distribution Reservoirs and Standpipes	5,781,434	2.22%	126,585
331	Transmission and Distribution Mains	27,639,028	2.00%	550,035
333	Services	13,906,937	3.33%	458,336
334	Meters and Meter Installations	3,783,205	8.33%	233,290
335	Hydrants	2,327,356	2.00%	45,646
339	Other Plant and Misc. Equipment	2,075,133	6.67%	48,312
340	Office Furniture and Equipment	371,010	6.67%	28,033
341	Transportation Equipment	695,410	10.00%	50,463
343	Tools, Shop and Garage Equipment	557,242	5.00%	27,928
344	Laboratory Equipment	0	0.00%	0
345	Power Operated Equipment	0	5.00%	0
346	Communication Equipment	373,764	10.00%	37,376
347	Miscellaneous Equipment	357,801	10.00%	11,861
348	Other Tangible Plant	0	0.00%	0
	Reg Asset AFUDC Debt	0		0
	TOTALS	80,643,755		2,125,884
	LESS CIAC Amortization:			(554,804)
	Other Amortization:			(76,000)
	Net Depreciation & Amortization (Acct. No. 403)*			\$1,495,080

Note: *

(1) Depreciation expense is net of CIAC amortization

COMPANY NAME:

Chaparral City Water Company

WATER UTILITY BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$1,150	\$1,150
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	418,366	504,922
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	165,668	251,569
162	Prepayments	331,640	308,286
174	Miscellaneous Current and Accrued Assets	3,792,181	3,119,839
	TOTAL CURRENT AND ACCRUED ASSETS	\$4,709,005	\$4,185,766
	FIXED ASSETS		
101	Utility Plant in Service	\$78,669,527	\$80,643,755
103	Property Held for Future Use	-	\$0
105	Construction Work in Progress	612,625	\$3,615,542
108	Accumulated Depreciation - Utility Plant	(32,265,116)	(\$33,821,330)
121	Non-Utility Property	-	\$0
122	Accumulated Depreciation - Non Utility	-	\$0
	TOTAL FIXED ASSETS	\$47,017,036	\$50,437,967
	TOTAL ASSETS	\$51,726,041	\$54,623,733

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page

COMPANY NAME:

Chaparral City Water Company

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COMPANY NAME

Chaparral City Water Company

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$915,590	\$915,566
232	Notes Payable (Current Portion)	475,000	500,000
234	Notes/Accounts Payable to Associated Companies	2,471,427	4,255,517
236	Accrued Taxes	-	-
237	Accrued Interest	12,639	10,798
241	Miscellaneous Current and Accrued Liabilities	223,024	235,809
	TOTAL CURRENT LIABILITIES	\$4,097,680	\$5,917,690
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$2,785,000	\$2,285,000
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	-	-
235	Customer Deposits	64,662	71,114
252	Advances in Aid of Construction	2,721,835	3,083,602
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	16,531,484	16,584,484
272	Less: Amortization of Contributions	(4,553,953)	(5,108,757)
281	Accumulated Deferred Income Tax	-	-
253	Other Credits	275,472	1,178,552
	TOTAL DEFERRED CREDITS	\$15,039,500	\$15,808,994
	TOTAL LIABILITIES	\$21,922,180	\$24,011,684
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$4,603,140	\$4,603,140
211	Paid in Capital in Excess of Par Value	19,006,566	19,006,566
215	Retained Earnings	6,194,155	7,002,343
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	\$29,803,861	\$30,612,049
	TOTAL LIABILITIES AND CAPITAL	\$51,726,041	\$54,623,733

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$10,904,157	\$10,887,604
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	39,069	41,541
	TOTAL REVENUES	\$10,943,226	\$10,929,145
	OPERATING EXPENSES		
601	Salaries and Wages	\$1,098,659	\$1,136,383
610	Purchased Water	936,639	1,182,462
615	Purchased Power	742,589	721,103
618	Chemicals	104,425	82,619
620	Repairs and Maintenance	178,423	121,059
621	Office Supplies and Expense	163	1
630	Outside Services	156,162	123,628
635	Water Testing	-	-
641	Rents	2	-
650	Transportation Expenses	150,579	147,134
657	Insurance - General Liability	85,395	93,041
659	Insurance - Health and Life	384,574	304,261
666	Regulatory Commission Expense - Rate Case	107,309	80,595
675	Miscellaneous Expense	1,470,567	1,321,271
403	Depreciation Expense	1,465,483	1,495,080
408	Taxes Other Than Income	67,177	70,360
408.11	Property Taxes	255,341	264,687
409	Income Tax	1,452,029	2,043,128
414	Gain on settlement for removal of wells	-	-
	TOTAL OPERATING EXPENSES	\$8,655,516	\$9,186,813
	OPERATING INCOME/(LOSS)	\$2,287,710	\$1,742,332
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	-	-
427	Interest Expense	(115,950)	(128,594)
	TOTAL OTHER INCOME/(EXPENSE)	(\$115,950)	(\$128,594)
	NET INCOME/(LOSS)	\$2,171,760	\$1,613,738

COMPANY NAME	Chaparral City Water Company
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SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	4/15/2014			
Source of Loan	EPCOR Water (USA), Inc.			
ACC Decision No.	74388			
Reason for Loan				
Dollar Amount Issued	\$ 4,545,000			
Amount Outstanding	\$ 2,785,000			
Date of Maturity	12/1/2022			
Interest Rate	4.565%			
Current Year Interest	\$ 146,977			
Current Year Principal	\$ 500,000			

Meter Deposit Balance at Test Year End	<u>\$71,114</u>
Meter Deposits Refunded During the Test Year	<u>\$10,734</u>

COMPANY NAME	CHAPARRAL CITY WATER	
Name of System:	ADEQ Public Water System Number:	04-07-017

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
**55-640784	N/A	1,500	725	10 3/4	8	1970
**55-604785	N/A	1,180	765	350-20/415-16	10	1970
55-604786	350	1,300	738	450-20/288-16	10	1970
55-604787	500	2,200	768	300-20/468-16	10	1972

**Inactive

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CAP Water Treatment Plant II	10417	1,100,788
Well # 10	1300	87,706
Well #11	2200	372,618

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1	1654	
10	2		
20	2		
40	5		
60	2		
75	8		
100 & 125	5		
150	3		
200	2		
450	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
3.5	1	10,000	1
1.5	1	5,000	2
1.25	3	3,000	2
0.5 or less	3		
1.3	1		

COMPANY NAME	CHAPARRAL CITY WATER	
Name of System:	ADEQ Public Water System Number:	04-07-017

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
1	Various	316
2	Various	1,142
3	Various	197
4	Various	42,588
5	Various	466,229
6	Various	369,122
8	Various	4,492
10	Various	208,674
12	Various	
16	Various	37,253
24	Various	28,338
Undetermined		32,715
	TOTAL =	1,191,064

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	1
3/4	8,956
1	5,450
1 1/2	333
2	260
3	36
4	17
6	5
Unkown	
TOTAL	15,058

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

TREATMENT EQUIPMENT:
Shea Plant: Three 5 MGD capacity modules utilizing contact clarification-filtration process which consists of one adsorption clarifier and two granular media filters. Positive displacement pumps used to feed Aluminum chlorohydrate which is used as a primary coagulant and cationic polymer as a coagulant aid. Sodium hypochlorite used for disinfection.
Well 10: Severn Trent SORB 33 Arsenic Removal System. Treatment flow capacity 650 GPM & media quantity 563 Cubic Feet. Two 10' Diameter Bayoxide E33 filter vessels, with flow configuration set in parallel. Upon well start up, water goes through a flush to waste. Following the flush to waste, 50% of flow is sent through the As removal system. Post treated water is bended with system water and sent out to zone 2. Loading rate 4.1 gpm/sft Blending target was designed to achieve 0.009 mg/L

STRUCTURES:
Treatment process modules (aka WTP 2), administration building, on site generator, on site 3.5 MG Raw water storage reservoir. Eight off site reservoir/booster stations.

OTHER:

COMPANY NAME	CHAPARRAL CITY WATER	
Name of System:	ADEQ Public Water System Number:	04-07-017

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2017

MONTH	NUMBER OF CUSTOMERS	A	B	C	D	E	F
		GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)	TOTAL PRODUCTION	GALLONS AUTHORIZED UNBILLED (Thousands)	GALLONS SOLD (Thousands)	% NON-ACCOUNT WATER (Thousands)
							=(C-D-E)/C
JANUARY	13,717	88,748	25,512	114,260	891	117,025	-3.20%
FEBRUARY	13,729	81,903	31,580	113,483	599	104,260	7.60%
MARCH	13,731	15,193	117,348	132,541	211	100,174	24.26%
APRIL	13,714	53,744	78,233	131,977	476	135,356	-2.92%
MAY	13,723	67,857	99,892	167,749	421	128,393	23.21%
JUNE	13,732	56,619	126,243	182,862	284	157,340	13.80%
JULY	13,744	56,106	129,854	185,960	327	183,723	1.03%
AUGUST	13,747	43,009	141,700	184,709	501	148,849	19.14%
SEPTEMBER	13,754	17	177,942	177,959	366	182,441	-2.72%
OCTOBER	13,764	-	176,579	176,579	328	151,021	14.29%
NOVEMBER	13,793	-	143,832	143,832	621	157,845	-10.17%
DECEMBER	13,795	1,178	134,831	136,009	814	141,906	-4.93%
TOTALS ->		464,374	1,383,546	1,847,920	5,839	1,708,333	7.24%

What is the level of arsenic for each well on your system.

(If more than one well, please list each separately)

Well #10 (55-604786) - 0.0100 mg/l Well #11 (55-604787)- .0077 mg/l

If system has fire hydrants, what is the fire flow requirement?

1,500 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: 250

COMPANY NAME:	Chaparral City Water
Name of System	ADEQ Public Water System Number: 04-07-017

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice		Termination with Notice	OTHER
	R14-2-410.B		R14-2-410.C	
JANUARY			42	
FEBRUARY			24	
MARCH			26	
APRIL			26	
MAY			39	
JUNE			31	
JULY			39	
AUGUST			67	
SEPTEMBER			41	
OCTOBER			34	
NOVEMBER			43	
DECEMBER			12	
TOTALS →			424	

OTHER (description):

COMPANY NAME Chaparral City Water Company YEAR ENDING 12/31/2017

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2017 was: \$ **254,308**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAY 15 2018

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE Greg Barber, Controller
COMPANY NAME Chaparral City Water Company

ARIZONA CORPORATION 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

MONTH	DAY	YEAR
12	31	2017

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.

Greg Barber

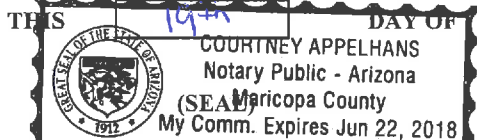
SIGNATURE OF OWNER OR OFFICIAL

(623) 445-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES June 22, 2018

COUNTY NAME Maricopa
MONTH April .2018__

Courtney Appelhans

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 15 2018

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	COMMISSION UTILITIES DIVISION - DIRECTOR'S OFFICE
NAME (OWNER OR OFFICIAL) TITLE Greg Barber, Controller	
COMPANY NAME Chaparral City Water Company	

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FOR THE YEAR ENDING

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT 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 CALENDAR YEAR 2016 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 11,947,885

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,018,737
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

My Banks

SIGNATURE OF OWNER OR OFFICIAL
(623) 445-2414

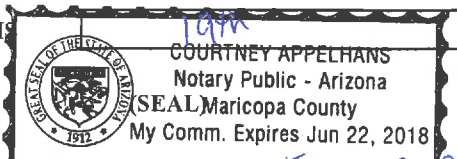
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF

COUNTY NAME	<i>Maricopa</i>
MONTH	<i>April</i> , 2018



Courtney Appelhans

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 22, 2018

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 15 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <p style="text-align: center; margin: 0;">Maricopa</p>	
NAME (OWNER OR OFFICIAL) <p style="text-align: center; margin: 0;">Greg Barber</p>	TITLE <p style="text-align: center; margin: 0;">Controller</p>
COMPANY NAME <p style="text-align: center; margin: 0;">Chaparral City Water Company</p>	

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FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2017

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 40-401.01, 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 CALENDAR YEAR 2016 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$9,637,082

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 843,826
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

(623) 445-2414

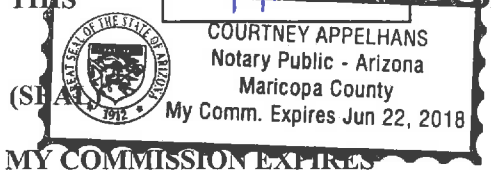
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th **DAY OF**

NOTARY PUBLIC NAME <p style="text-align: center; margin: 0;">Courtney Appelhans</p>	
COUNTY NAME <p style="text-align: center; margin: 0;">maricopa</p>	
MONTH <p style="text-align: center; margin: 0;">April</p>	, 2018__



SIGNATURE OF NOTARY PUBLIC