

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02393A
For the Year Ended:

RECEIVED
APR 17 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:
Application Date:

4-18-18

4-18-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Chaparral Water Properties, Inc.

A Class 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:

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
301	Organization	\$0	0	0	\$0	0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	17,000	0	0	17,000	0	17,000
304	Structures and Improvements	73,989	0	0	73,989	66,272	7,717
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	36,106	0	0	36,106	36,106	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	50,740	873	0	51,613	36,805	14,808
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	749	0	0	749	749	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	116,118	0	0	116,118	95,753	20,365
330.2	Pressure Tanks	16,753	0	0	16,753	1,257	15,496
331	Transmission and Distribution Mains	91,922	2,652	0	94,574	52,877	41,697
333	Services	46,651	35,308	0	81,959	45,389	36,570
334	Meters and Meter Installations	24,020	3,335	0	27,355	18,606	8,749
335	Hydrants	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	467	0	0	467	202	265
340.1	Computer & Software	12,079	0	0	12,079	12,079	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	6,550	0	0	6,550	5,895	655
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	\$493,144	\$42,168	\$0	\$535,312	\$371,990	\$163,322

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.

Chaparral Water Properties, 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	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	17,000	0	0	17,000	17,000	0.00%	0
304	Structures and Improvements	73,989	0	0	73,989	0	3.33%	2,464
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	36,106	0	0	36,106	36,101	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	50,740	873	0	51,613	14,760	12.50%	4,552
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	749	0	0	749	749	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	116,118	0	0	116,118	0	2.22%	2,578
330.2	Pressure Tanks	16,753	0	0	16,753	0	5.00%	838
331	Transmission and Distribution Mains	91,922	2,652	0	94,574	0	2.00%	1,865
333	Services	46,651	35,308	0	81,959	44,646	3.33%	655
334	Meters and Meter Installations	24,020	3,335	0	27,355	16,728	8.33%	746
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	467	0	0	467	0	6.67%	31
340.1	Computer & Software	12,079	0	0	12,079	12,079	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	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	6,550	0	0	6,550	0	10.00%	655
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	\$493,144	\$42,168	\$0	\$535,312	\$142,063		\$14,384

Contribution(s) in Aid of Construction (Gross) \$0
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$0
 Times: Proposed Amortization Rate 0.00%
 Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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

Chaparral Water Properties, 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		\$22,717	\$23,411
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		11,191	11,565
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		0	0
	Total Current and Accrued Assets		\$33,908	\$34,976
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$493,144	\$535,312
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(357,607)	(371,990)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$135,537	\$163,322
	Total Assets		\$169,445	\$198,298

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

Chaparral Water Properties, 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		\$4,302	\$4,381
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		10,757	12,443
236	Accrued Taxes		892	877
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$15,951	\$17,701
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,959	2,320
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		\$1,959	\$2,320
	Total Liabilities		\$17,910	\$20,021
	Capital Accounts			
201	Common Stock Issued		\$54,750	\$54,750
211	Other Paid-In Capital		62,494	62,494
215	Retained Earnings		34,291	61,033
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$151,535	\$178,277
	Total Liabilities and Capital		\$169,445	\$198,298

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!

Chaparral Water Properties, 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	\$176,334	\$170,086
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	5,209	4,925
	Total Revenues	\$181,543	\$175,011
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	32,005	27,708
618	Chemicals	1,240	2,725
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	24,788	20,249
620.2	Office Supplies and Expense	3,195	3,298
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	1,685	1,620
633	Contractual Services - Legal	986	960
634	Contractual Services - Management Fees	49,807	59,648
635	Contractual Services - Water Testing	4,234	1,552
636	Contractual Services - Other	4,313	7,955
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	257	378
657	Insurance - General Liability	2,799	2,505
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	2,646	9,381
670	Bad Debt Expense	549	2,495
675	Miscellaneous Expense	2,042	3,295
403	Depreciation Expense (From Schedule AR4)	14,384	12,830
408	Taxes Other Than Income	0	0
408.11	Property Taxes	6,847	6,020
409	Income Taxes	50	726
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$151,827	\$163,345
	Operating Income / (Loss)	\$29,716	\$11,666
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(273)	(399)
	Total Other Income / (Expense)	(\$273)	(\$399)
	Net Income / (Loss)	\$29,443	\$11,267

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No Loans	No Loans	No Loans	No Loans
Source of Loan	No Loans	No Loans	No Loans	No Loans
ACC Decision No.	No Loans	No Loans	No Loans	No Loans
Reason for Loan	No Loans	No Loans	No Loans	No Loans
Dollar Amt. Issued	No Loans	No Loans	No Loans	No Loans
Amount Outstanding	No Loans	No Loans	No Loans	No Loans
Date of Maturity	No Loans	No Loans	No Loans	No Loans
Interest Rate	No Loans	No Loans	No Loans	No Loans
Current Year Interest	No Loans	No Loans	No Loans	No Loans
Current Year Principal	No Loans	No Loans	No Loans	No Loans

Meter Deposit Balance at Test Year End:	\$2,320
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Meter Deposits Refunded During the Test Year:	\$993
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<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>
--

Water Utility Plant Description	
Name of the System:	Chaparral Water
ADEQ Public Water System Number:	17-064

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)
55-619218	15	90	825	8	Submersible	3	1971	0.0026
55-619219	15	50	557	8	Submersible	3	1978	0.0029
55-619217	15	90	650	8	Submersible	3	1980	0.0043
55-558536	25	100	710	12	Submersible	3	1996	

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5		1
10		5

FIRE HYDRANTS	
Type	Quantity
Standard ***	0
Other	0

STORAGE TANKS		
Capacity	Material	Quantity
10,000	Steel	2
15,000	Steel	1
35,000	Steel	2
165,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
3,000	1
5,000	1
10,000	1

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)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
4.00	PVC	1,800	5/8 X 3/4	333
6.00	PVC	4,800	0.75	1
			1	5
			Compound 2	1

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

TREATMENT EQUIPMENT:	Chlorination equipment at well sites 1, 2 and 3
STRUCTURES:	8 x 12 foot metal storage shed
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.

Water Use Data Sheet							
Name of the System:		Chaparral Water					
ADEQ Public Water System Number:		17-064					
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	299	1,627	2327	0	0	\$2,068	15,291
February	302	1,893	2796	0	0	1,965	13,036
March	302	1,734	2681	0	0	1,883	16,034
April	303	2,371	3271	0	0	2,286	18,682
May	303	3,800	4566	0	0	2,690	22,661
June	304	3,801	4782	0	0	3,179	27,674
July	302	4,619	4766	0	0	3,558	29,480
August	304	3,657	5261	0	0	2,912	23,963
September	303	3,937	4537	0	0	3,226	20,138
October	304	3,386	4167	0	0	2,935	20,605
November	310	3,230	4519	0	0	2,838	19,807
December	312	2,727	3728	0	0	2,465	17,970
Totals		36,782	47,401	0	0	\$32,005	245,341

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:
 During 2017, Chaparral had line breaks or lines that needed to be repaired due to leaks on at least 25 different occasions.

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.

Chaparral Water Properties, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	17-064
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	8	0
February	0	9	0
March	0	4	0
April	0	3	0
May	0	9	0
June	0	9	0
July	0	7	0
August	0	12	0
September	0	14	0
October	0	15	0
November	0	4	0
December	0	4	0
Total	0	98	0

Other (description):

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.

Chaparral Water Properties, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$6,553

If no property taxes paid, explain why.
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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Chaparral Water Properties, 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.

Bonnie O'Connor
signature of owner/official

520.624.1460
telephone no.

RECEIVED

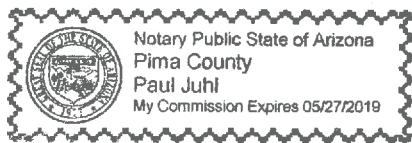
APR 19 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS 16th DAY OF Pima
(county name)
April, 2018
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



Paul Juhl
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Chaparral Water Properties, 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 (\$)
\$181,543
(The amount in the box above includes
\$12,567 in sales taxes
billed or collected)

RECEIVED

APR 19 2018

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

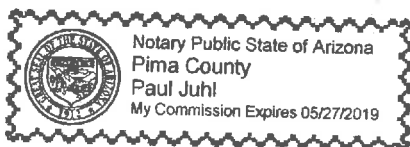
Bonnie O'Connor Manager
signature of owner/official

520.624.1460
telephone no.

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

THIS 16th DAY OF April, 2018
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



Paul Juhl
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Chaparral Water Properties, 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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$176,812

(The amount in the box above includes

\$12,264 in sales taxes
billed or collected)

RECEIVED

APR 19 2018

CORP COMMISSION
DIRECTOR'S OFFICE

Bonnie O'Connor Manager
signature of owner/official

520.624.1460

telephone no.

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

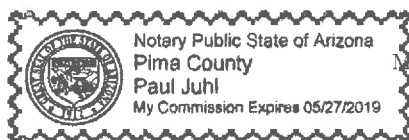
Pima
(county name)

THIS

16th

DAY OF

April, 2018
(month) and (year)



MY COMMISSION EXPIRES

5/27/19
(date)

[Signature]
(signature of notary public)