

ANNUAL REPORT

Of

Company Name:

Community Water Company of Green Valley
1501 S. La Canada Dr.

Mailing Address:

Green Valley AZ
85622-1600

Docket No.:

W-02304A

For the Year Ended:

12/31/16

RECEIVED

APR 17 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

5-1-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Community Water Company of Green Valley
A Class A Utility B 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:

Community Water Company of Green Valley
Annual Report
Utility Plant in Service (Water)
12/31/16

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	\$47,863	\$0	\$0	\$47,863	\$47,588	\$275
302	Franchises	244	0	0	244	136	108
303	Land and Land Rights	170,589	0	0	170,589	0	170,589
304	Structures and Improvements	0	0	0	0	0	0
304.1	Pumping Structure	30,695	0	0	30,695	8,880	21,815
304.2	Water Treatment Structure	141,261	0	0	141,261	51,404	89,858
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	2,013,049	0	0	2,013,049	624,757	1,388,293
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 Electric	3,294,365	6,372	79,853	3,220,884	3,220,884	0
311.1	Pumping Equipment Gas	118,494	0	0	118,494	118,494	0
320	Water Treatment Equipment	4,464,028	0	0	4,464,028	1,303,774	3,160,255
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	2,011,933	7,944	15,070	2,004,807	486,625	1,518,182
330.1	Storage Tanks	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	19,222,327	162,584	1,045	19,383,866	6,937,421	12,446,445
333	Services	5,160,056	167,743	4,037	5,323,761	2,337,072	2,986,689
334	Meters and Meter Installations	1,826,178	240,413	33,649	2,032,941	740,568	1,292,373
335	Hydrants	2,065,982	45,361	1,375	2,109,969	778,916	1,331,052
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	594,909	11,359	0	606,268	578,505	27,762
340	Office Furniture and Equipment	179,553	432	1,430	178,555	78,589	99,967
340.1	Computer & Software	650,743	103,376	74,312	679,807	479,846	199,961
341	Transportation Equipment - Backhoe	149,439	0	0	149,439	128,538	20,901
341	Transportation Equipment - Vehicles	504,861	113,801	76,837	541,825	541,515	310
342	Stores Equipment	2,441	0	0	2,441	1,897	544
343	Tools, Shop and Garage Equipment	103,018	0	0	103,018	48,606	54,413
344	Laboratory Equipment	12,000	0	0	12,000	11,450	550
345	Power Operated Equipment	139,442	0	0	139,442	45,828	93,614
346	Communication Equipment	125,777	0	0	125,777	95,252	30,525
347	Miscellaneous Equipment	12,938	0	0	12,938	3,834	9,104
348	Other Tangible Plant	1,065,652	0	0	1,065,652	1,042,840	22,812
	Totals	\$44,107,839	\$859,385	\$287,609	\$44,679,615	\$19,713,220	\$24,966,395

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.

Community Water Company of Green Valley
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/16

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	\$47,863	\$0	\$0	\$47,863	\$0	0.00%	\$0
302	Franchises	244	0	0	244	0	0.00%	0
303	Land and Land Rights	170,589	0	0	170,589	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0.00%	0
304.1	Pumping Structure	30,695	0	0	30,695	0	3.33%	1,022
304.2	Water Treatment Structure	141,261	0	0	141,261	0	3.33%	4,704
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	2,013,049	0	0	2,013,049	0	3.33%	67,035
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 Electric	3,294,365	6,372	79,853	3,220,884	0	12.50%	6,372
311.1	Pumping Equipment Gas	118,494	0	0	118,494	118,494	12.50%	0
320	Water Treatment Equipment	4,464,028	0	0	4,464,028	0	3.33%	148,652
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	2,011,933	7,944	15,070	2,004,807	0	2.22%	44,586
330.1	Storage Tanks	0	0	0	0	0	2.22%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	19,222,327	162,584	1,045	19,383,866	0	2.00%	386,062
333	Services	5,160,056	167,743	4,037	5,323,761	0	3.33%	174,556
334	Meters and Meter Installations	1,826,178	240,413	33,649	2,032,941	0	8.33%	160,732
335	Hydrants	2,065,982	45,361	1,375	2,109,969	0	2.00%	41,760
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	594,909	11,359	0	606,268	0	6.67%	38,638
340	Office Furniture and Equipment	179,553	432	1,430	178,555	0	6.67%	11,943
340.1	Computer & Software	650,743	103,376	74,312	679,807	0	20.00%	133,055
341	Transportation Equipment - Backhoe	149,439	0	0	149,439	0	5.00%	7,472
341	Transportation Equipment - Vehicles	504,861	113,801	76,837	541,825	0	20.00%	104,669
342	Stores Equipment	2,441	0	0	2,441	0	4.00%	98
343	Tools, Shop and Garage Equipment	103,018	0	0	103,018	0	5.00%	5,151
344	Laboratory Equipment	12,000	0	0	12,000	0	10.00%	1,200
345	Power Operated Equipment	139,442	0	0	139,442	0	5.00%	6,972
346	Communication Equipment	125,777	0	0	125,777	0	10.00%	12,578
347	Miscellaneous Equipment	12,938	0	0	12,938	0	10.00%	1,294
348	Other Tangible Plant	1,065,652	0	0	1,065,652	437,109	2.47%	15,516
	Subtotal	\$44,107,839	\$859,385	\$287,609	\$44,679,615	\$555,603		\$1,374,064

Beginning Balance Contribution(s) in Aid of Construction (CIAC)	\$17,307,823
Additions to CIAC	175,298
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$17,483,121</u>
Times: Proposed Amortization Rate	3.92%
Amortization of CIAC	\$681,902

Less: Amortization of CIAC

Less: Vehicle and Backhoe Capitalized Depreciation

DEPRECIATION EXPENSE

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.

Community Water Company of Green Valley
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		\$1,260,613	\$996,793
134	Working Funds		0	0
135	Temporary Cash Investments		1,490,416	1,961,460
141	Customer Accounts Receivable		281,349	387,363
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		38,706	37,668
162	Prepayments		31,022	23,390
174	Miscellaneous Current and Accrued Assets		340,621	340,621
	Total Current and Accrued Assets		\$3,442,727	\$3,747,297
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$44,107,839	\$44,679,615
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,943	4,188
108	Accumulated Depreciation (enter as negative)*		(18,617,914)	(19,713,220)
121	Non-Utility Property		2,662,530	2,768,449
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$28,154,397	\$27,739,032
	Total Assets		\$31,597,124	\$31,486,329

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.

*Note these items feed automatically from AR3 UPIS Page 3

Community Water Company of Green Valley
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		\$81,589	\$333,790
232	Notes Payable (Current Portion)		92,228	98,198
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		17,192	19,819
236	Accrued Taxes		109,522	112,783
237	Accrued Interest		8,496	8,249
242	Miscellaneous Current and Accrued Liabilities		263,783	262,091
	Total Current Liabilities		\$572,811	\$834,930
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$3,075,445	\$2,933,514
	Deferred Credits			
251	Unamortized Premium on Debt		\$274,568	\$207,585
252	Advances in Aid of Construction		6,865,193	6,803,629
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		17,307,822	17,483,120
272	Less: Amortization of Contributions		(6,086,723)	(6,768,625)
281	Accumulated Deferred Income Tax		280,203	149,100
	Total Deferred Credits		\$18,641,063	\$17,874,808
	Total Liabilities		\$22,289,319	\$21,643,253
	Capital Accounts			
201	Common Stock Issued		\$48,010	\$48,010
211	Other Paid-In Capital		9,259,794	9,795,066
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$9,307,805	\$9,843,077
	Total Liabilities and Capital		\$31,597,124	\$31,486,329

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!

Community Water Company of Green Valley
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	\$3,919,183	\$3,654,513
460	Unmetered Water Revenue	12,047	11,623
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	133,268	80,924
474	Other Water Revenue	0	0
	Total Revenues	\$4,064,498	\$3,747,059
	Operating Expenses		
601	Salaries and Wages	\$905,974	\$884,872
604	Employee Pensions and Benefits	140,656	132,345
610	Purchased Water	0	0
615	Purchased Power	229,218	239,734
618	Chemicals	26,242	31,469
620	Materials and Supplies	4,184	5,651
620.1	Repairs and Maintenance	160,466	137,785
620.2	Office Supplies and Expense	14,818	14,318
630	Contractual Services	0	0
631	Contractual Services -Engineering	1,076	0
632	Contractual Services - Accounting	28,249	30,635
633	Contractual Services - Legal	35,563	5,836
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	16,798	8,081
636	Contractual Services - Other	221,808	231,071
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	50,785	45,516
657	Insurance - General Liability	61,209	62,368
657.1	Insurance - Health and Life	195,273	197,563
665	Regulatory Commission Expense - Rate	36,000	0
675	Miscellaneous Expense	106,024	99,101
403	Depreciation Expense (From Schedule AR4)	669,452	894,212
408	Taxes Other Than Income	358,479	338,114
408.11	Property Taxes	162,252	170,440
409	Income Taxes	0	0
	Total Operating Expenses	\$3,424,524	\$3,529,112
	Operating Income / (Loss)	\$639,974	\$217,947
	Other Income / (Expense)		
419	Interest and Dividend Income	\$16,915	\$14,502
421	Non-Utility Income	13,978	29,311
426	Miscellaneous Non-Utility (Expense)	(13,195)	(2,241)
427	Interest (Expense)	(188,375)	(169,241)
	Total Other Income / (Expense)	(\$170,677)	(\$127,669)
	Net Income / (Loss)	\$469,297	\$90,278

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	11/14/2015	na	na	na
Source of Loan	Compass Bank	na	na	na
ACC Decision No.	74809	na	na	na
Reason for Loan	Refinancing Loan& Construct of Reservoirs #	na	na	na
Dollar Amt. Issued	\$3,234,208	na	na	na
Amount Outstanding	\$3,075,445	na	na	na
Date of Maturity	11/14/2029	na	na	na
Interest Rate	5.68%	na	na	na
Current Year Interest	\$180,280	na	na	na
Current Year Principal	\$92,228	na	na	na

Meter Deposit Balance at Test Year End:	\$21,069
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Meter Deposits Refunded During the Test Year:	\$4,241
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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 (Continued)					
MAINS			CUSTOMER METERS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity	
2	CU & PVC	7,530	5/8 X 3/4	10,128	
3	CU & PVC	8,167	3/4	96	
4	CA & DI	53,167	1	522	
5	CA & DI		1 1/2	78	
6	CA & DI	315,014	Compound 2	167	
8	CA & DI	244,707	Turbine 2	0	
10	CA & DI	6,799	Compound 3	16	
12	CA & DI	111,339	Turbine 3	0	
	CA & DI	45,450	Compound 4	1	
			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:	Four (4) Arsenic Treatment Systems
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STRUCTURES:	Office Building, Warehouse, and Storage Building
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OTHER:	Flat bed trailer, Service Trucks, Backhoes, Mini-Excavator, dump bed trailer, air compressor/equipment trailer, welding, sanding, plumbing, painting and other equipment necessary to perform duties of water utilities
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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:		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
January	13,047	53,665	57,522		
February	13,046	52,846	59,095		
March	13,059	59,645	68,214		
April	13,057	60,052	68,080		
May	13,043	59,905	65,994		
June	13,042	65,594	72,237		
July	13,042	68,798	70,474		
August	13,044	59,812	65,554		
September	13,049	60,368	57,802		
October	13,065	53,619	62,972		
November	13,083	57,931	60,608		
December	13,093	60,846	54,437		
Totals		713,080	762,987	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) 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, 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.

Community Water Company of Green Valley
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	0
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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	69	0
February	0	70	0
March	0	65	0
April	0	60	0
May	0	69	0
June	0	72	0
July	0	56	0
August	0	73	0
September	0	69	0
October	0	47	0
November	0	95	0
December	0	59	0
Total	0	804	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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$166,342

If no property taxes paid, explain why.

NA

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.

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APR 17 2017

Verification and Statement (Taxes)

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Pima
Name (owner or official) title: Pierre Hanhart, Controller
Company name: Community Water Company of Green Valley

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.

R Hanhart

signature of owner/official

520-625-8409

telephone no.

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

THIS

14th

DAY OF

Santa Cruz

(county name)

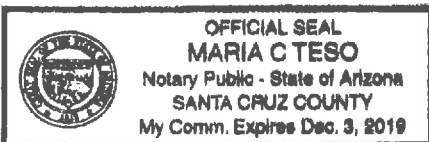
April 2017

(month) and (year)

MY COMMISSION EXPIRES

12/3/19

(date)



Maria C Teso
(signature of notary public)

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APR 17 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Pierre Hanhart, Controller
Company name: Community Water Company of Green Valley

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.

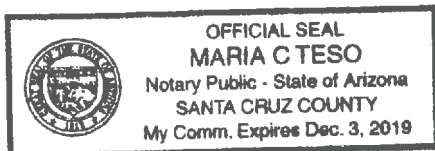
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$4,064,498
(The amount in the box above includes
\$258,041 in sales taxes
billed or collected)

P Hanhart
signature of owner/official

520-625-8409
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Santa Cruz
(county name)
THIS 14th DAY OF April 2017
(month) and (year)



MY COMMISSION EXPIRES 12-3-19
(date)

Maria C Teso
(signature of notary public)

RECEIVED

APR 17 2017

Verification and Statement (Residential Revenue)

Verification:

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Pima
Name (owner or official) title: Pierre Hanhart, Controller
Company name: Community Water Company of Green Valley

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 (\$)

\$3,273,581

(The amount in the box above includes

\$208,835 in sales taxes

billed or collected)

P. Hanhart

signature of owner/official

520-625-8409

telephone no.

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

Santa Cruz
(county name)

THIS

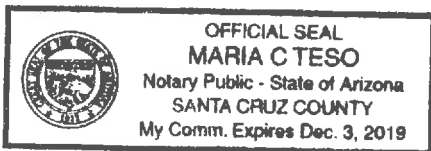
14th

DAY OF

April 2017
(month) and (year)

MY COMMISSION EXPIRES

12-31-17
(date)



Maria C Teso
(signature of notary public)