

ANNUAL REPORT

Of

Company Name:

PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01917A
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

4-19-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Dragoon Water Company

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	OCLD (OC less AD)
301	Organization	\$6,983	0	0	\$6,983	0	\$6,983
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	5,187	0	0	5,187	0	5,187
304	Structures and Improvements	29,114	0	0	29,114	19,968	9,146
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	48,891	0	0	48,891	37,090	11,801
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	4,154	0	0	4,154	2,604	1,550
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	236,935	17,939	0	254,874	238,056	16,818
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	3,649	0	0	3,649	1,153	2,496
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	96,107	0	0	96,107	64,051	32,056
330.1	Storage Tanks	0	2,495	0	2,495	28	2,467
330.2	Pressure Tanks	613	0	0	613	92	521
331	Transmission and Distribution Mains	212,923	0	0	212,923	133,488	79,435
333	Services	21,756	0	0	21,756	12,470	9,286
334	Meters and Meter Installations	33,553	0	0	33,553	33,553	0
335	Hydrants	633	0	0	633	227	406
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	4,045	0	0	4,045	4,045	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	280	0	0	280	175	105
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	15,575	0	0	15,575	14,011	1,564
	Totals	\$720,398	\$20,434	\$0	\$740,832	\$561,011	\$179,821

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.

Dragoon Water Company
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	\$6,983	\$0	\$0	\$6,983	\$6,983	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	5,187	0	0	5,187	5,187	0.00%	0
304	Structures and Improvements	29,114	0	0	29,114	0	3.33%	969
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	48,891	0	0	48,891	0	3.33%	1,628
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	4,154	0	0	4,154	0	2.00%	83
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	236,935	17,939	0	254,874	236,935	12.50%	1,121
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	3,649	0	0	3,649	0	3.33%	122
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	96,107	0	0	96,107	0	2.22%	2,134
330.1	Storage Tanks	0	2,495	0	2,495	0	2.22%	28
330.2	Pressure Tanks	613	0	0	613	0	5.00%	31
331	Transmission and Distribution Mains	212,923	0	0	212,923	0	2.00%	4,258
333	Services	21,756	0	0	21,756	0	3.33%	724
334	Meters and Meter Installations	33,553	0	0	33,553	0	8.33%	1,953
335	Hydrants	633	0	0	633	0	3.33%	21
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	4,045	0	0	4,045	4,045	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	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	280	0	0	280	0	5.00%	14
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	15,575	0	0	15,575	0	2.50%	389
	Subtotal	\$720,398	\$20,434	\$0	\$740,832	\$253,150		\$13,476

Contribution(s) in Aid of Construction (Gross)	\$187,023
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	124,735
Amortizable Contribution(s)	<u>\$62,288</u>
Times: Proposed Amortization Rate	4.15%
Amortization of CIAC	\$2,585

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.

Dragoon Water Company
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		\$37,137	\$16,576
134	Working Funds			
135	Temporary Cash Investments		48,775	60,700
141	Customer Accounts Receivable		101	850
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		32,776	19,167
	Total Current and Accrued Assets		\$118,789	\$97,293
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$720,398	\$740,832
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(569,391)	(561,011)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$151,007	\$179,821
	Total Assets		\$269,796	\$277,114

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

Dragoon Water Company
 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		\$2,323	\$7,103
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		3,875	4,319
236	Accrued Taxes		444	2,489
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$6,642	\$13,911
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$57,042	\$34,168
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		3,790	1,610
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		182,197	187,023
272	Less: Amortization of Contributions		(131,029)	(135,577)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$54,958	\$53,056
	Total Liabilities		\$118,642	\$101,135
	Capital Accounts			
201	Common Stock Issued		\$13,000	\$13,000
211	Other Paid-In Capital		168,642	168,642
215	Retained Earnings		(30,488)	(5,663)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$151,154	\$175,979
	Total Liabilities and Capital		\$269,796	\$277,114

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!

Dragoon Water Company
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	\$106,466	\$109,018
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	2,207	1,124
	Total Revenues	\$108,673	\$110,142
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	12,651	9,416
618	Chemicals	581	193
620	Materials and Supplies		
620.1	Repairs and Maintenance	9,296	6,048
620.2	Office Supplies and Expense	1,237	1,050
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	4,640	5,945
633	Contractual Services - Legal	5,341	910
634	Contractual Services - Management Fees	21,315	21,682
635	Contractual Services - Water Testing	4,901	700
636	Contractual Services - Other	195	227
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	3,223	2,337
657	Insurance - General Liability	2,624	1,762
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		433
670	Bad Debt Expense	151	58
675	Miscellaneous Expense		33
403	Depreciation Expense (From Schedule AR4)	10,891	36,216
408	Taxes Other Than Income		
408.11	Property Taxes	4,815	4,645
409	Income Taxes	9,200	
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$91,061	\$91,655
	Operating Income / (Loss)	\$17,612	\$18,487
	Other Income / (Expense)		
419	Interest and Dividend Income	\$12	\$2,452
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(2,540)	(3,165)
	Total Other Income / (Expense)	(\$2,528)	(\$713)
	Net Income / (Loss)	\$15,084	\$17,774

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.

Dragoon Water Company
 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	Varies	10/10/2013	N/A	N/A
Source of Loan	WIFA	Southwestern Util Mgt	N/A	N/A
ACC Decision No.	65132	75037	N/A	N/A
Reason for Loan	Plant upgrades	Pump replacement	N/A	N/A
Dollar Amt. Issued	\$196,442	\$26,000	N/A	N/A
Amount Outstanding	\$49,026	\$8,016	N/A	N/A
Date of Maturity	2/1/2020	no specified	N/A	N/A
Interest Rate	4.69%	5.00%	N/A	N/A
Current Year Interest	\$1,981	\$325	N/A	N/A
Current Year Principal	\$14,858	\$3,321	N/A	N/A

Meter Deposit Balance at Test Year End:	\$1,610
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Meter Deposits Refunded During the Test Year:	\$180
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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:	Dragoon Water Company
ADEQ Public Water System Number:	02-015

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)
55-631739	15	55	760	12	Submersible	3	1958	0.0012
55-631738	30	200	987	12	Submersible	4	1967	0.0013

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

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5.0		2
15.0		2
10.0		2
1.5		2

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
40,000	Steel	1
20,000	Steel	1
5,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
5,000	2
2,000	1
100	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	
2.00	PVC	1,450	5/8 X 3/4	122	
3.00	AC/PVC	2,830	1	20	
3.00	PVC	16,418	Compound 2	2	
4.00	AC/PVC	4,030			
4.00	PVC	10,757			
5.00					
6.00	AC/PVC	600			
6.00	PVC	8,860			
8.00					
10.00					
12.00					

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

TREATMENT EQUIPMENT:	2 chlorinators
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STRUCTURES:	10 x 10 foot block pump house well 1, 10 x 12 foot wood pump houses at wells 2 and 3, 1,200 feet of chain link fence, 5 x 5 foot booster house, two tin storage sheds

OTHER:	
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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:		Dragoon Water Company					
ADEQ Public Water System Number:		02-015					
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	122	487	585	0	0	\$471	3,101
February	123	355	515	0	0	484	3,209
March	122	422	542	0	0	545	3,707
April	121	554	763	0	0	1,054	4,494
May	121	688	1271	0	0	1,264	6,564
June	116	806	3811	0	0	2,529	20,440
July	116	1225	3476	0	0	2,051	14,542
August	120	716	746	0	0	1,080	4,510
September	120	899	996	0	0	1,042	4,224
October	121	827	879	0	0	1,013	3,937
November	121	527	562	0	0	584	3,949
December	121	530	603	0	0	589	3,404
Totals		8,036	14,749	0	0	\$12,706	76,081

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:
 Line leaks/repairs in January and twice in April. In June, line repair on feed line from high pressure zone that was leaking for several months.

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.

Dragoon Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	02-015
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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	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	1	0
June	0	1	0
July	0	0	0
August	0	1	0
September	0	1	0
October	0	0	0
November	0	4	0
December	0	2	0
Total	0	10	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 2017 was

\$4,730

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.

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APR 19 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION

Dragoon Water Company
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): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Dragoon Water Company

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

FOR THE YEAR ENDING: 12/31/17

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.

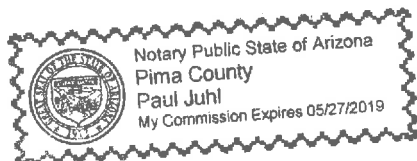
Bonnie O'Connor Manager
signature of owner/official

520.624.1460
telephone no.

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

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

MY COMMISSION EXPIRES 5/27/18
(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: Dragoon Water Company

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

FOR THE YEAR ENDING: 12/31/17

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.

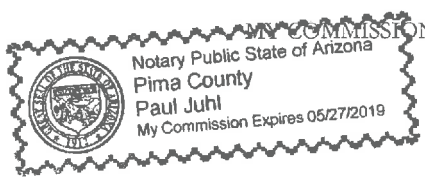
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$108,673
(The amount in the box above includes \$6,681 in sales taxes billed or collected)

RECEIVED
APR 19 2018
ARIZONA STATE CORPORATION COMMISSION
100 N. GILBERT ST. TUCSON, AZ 85724

Bonnie O'Connor
signature of owner/official
520.624.1460
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
THIS 16th DAY OF April, 2018
(month) and (year)



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: Dragoon Water Company

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)
\$87,821
(The amount in the box above includes
\$5,409 in sales taxes
billed or collected)

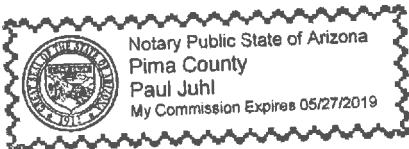


Bonnie O'Connor, Manager
signature of owner/official

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)

Paul Juhl
(signature of notary public)