

ANNUAL REPORT

Of

Company Name: Empirita Water Company, L.L.C.
2850 E. Skyline Dr., Ste. 100

Mailing Address: Tucson AZ
85718

Docket No.: W-03948A
For the Year Ended: 12/31/16

RECEIVED

MAR 24 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

3-27-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Empirita Water Company, L.L.C.
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:

Empirita Water Company, L.L.C.
 Annual Report
 Utility Plant in Service (Water)
 12/31/16

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$15,000	\$11,500	\$3,500
302	Franchises	0	0	0
303	Land and Land Rights	0	0	0
304	Structures and Improvements	0	0	0
305	Collecting & Improving Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	29,888	13,661	16,227
308	Infiltration Galleries	0	0	0
309	Supply Mains	0	0	0
310	Power Generation Equipment	67,719	38,230	29,489
311	Pumping Equipment	0	0	0
320	Water Treatment Equipment	0	0	
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	
330.1	Storage Tanks	198,933	84,508	114,425
330.2	Pressure Tanks	0	0	0
331	Transmission and Distribution Mains	0	0	0
333	Services	0	0	0
334	Meters and Meter Installations	11,498	11,498	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computer & Software	0	0	0
341	Transportation Equipment	2,000	2,000	0
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	Totals	\$325,038	\$161,397	\$163,641

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.

Empirita Water Company, L.L.C.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$15,000	\$0	\$15,000	\$0	\$15,000	6.67%	\$1,000
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0.00%	0
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	29,888	0	29,888	0	29,888	3.91%	1,170
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	67,719	0	67,719	0	67,719	2.18%	1,477
311	Pumping Equipment	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	-	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
330.1	Storage Tanks	198,933	0	198,933	0	198,933	4.00%	7,957
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	0	0	0	0	0	0.00%	0
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	11,498	0	11,498	0	11,498	0.00%	0
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	2,000	0	2,000	0	2,000	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	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	\$325,038	\$0	\$325,038	\$0	\$325,038		\$11,604

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 3.57%
Amortization of CIAC 0

Less: Amortization of CIAC

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.

Empirita Water Company, L.L.C.
 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	\$102	\$551
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	0
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	\$102	\$551
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$325,038	\$325,038
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(149,793)	(161,397)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$175,245	\$163,641
	Total Assets	\$175,347	\$164,192

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

Empirita Water Company, L.L.C.
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		\$1,181	\$865
232	Notes Payable (Current Portion)		9,496	9,870
234	Notes Payable to Associated Companies		157,840	145,275
235	Customer Deposits		3,645	3,725
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		3,516	3,606
	Total Current Liabilities		\$175,678	\$163,341
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$47,339	\$43,263
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
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		\$0	\$0
	Total Liabilities		\$223,017	\$206,604
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		(47,670)	(42,412)
	Total Capital		(\$47,670)	(\$42,412)
	Total Liabilities and Capital		\$175,347	\$164,192

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!

Empirita Water Company, L.L.C.
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	\$25,918	\$25,429
460	Unmetered Water Revenue	450	399
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	3,110	388
	Total Revenues	\$29,478	\$26,216
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	5,562	5,035
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	695	182
620.2	Office Supplies and Expense	100	0
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,627	2,425
633	Contractual Services - Legal	344	1,500
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,526	2,005
636	Contractual Services - Other	4,999	3,231
635	Water Testing	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	1,890	2,748
657	Insurance - General Liability	1,384	1,346
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	33	24
403	Depreciation Expense (From Schedule AR4)	11,604	11,689
408	Taxes Other Than Income	1,420	1,521
408.11	Property Taxes	116	529
409	Income Taxes	0	0
	Total Operating Expenses	\$31,300	\$32,235
	Operating Income / (Loss)	(\$1,822)	(\$6,019)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	12,777	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,697)	(6,110)
	Total Other Income / (Expense)	\$7,080	(\$6,110)
	Net Income / (Loss)	\$5,258	(\$12,129)

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.

Empirita Water Company, L.L.C.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/25/2014	none	none	none
Source of Loan	Individual	0	0	0
ACC Decision No.	N/A	0	0	0
Reason for Loan	Equipment upgrade	0	0	0
Dollar Amt. Issued	\$62,000	\$0	\$0	\$0
Amount Outstanding	\$53,133	\$0	\$0	\$0
Date of Maturity	6/30/2022	none	none	none
Interest Rate	10.00%	0.00%	0.00%	0.00%
Current Year Interest	\$5,420	\$0	\$0	\$0
Current Year Principal	\$3,702	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$3,725
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Meter Deposits Refunded During the Test Year:	\$820
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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: N/A
 ADEQ Public Water System Number: None

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)
55-570078	10	25	445	5	Submersible	1	2000	0
55-580933	10	30	425	5	Submersible	1	2,000	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	0	0
None	0	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
9.5	85	2
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS

Type	Quantity
Standard ***	1
Other	0

STORAGE TANKS

Capacity	Material	Quantity
50,000	Steel	1
150,000	Steel	1
0	0	0

PRESSURE/BLADDER TANKS

Capacity	Quantity
5,000	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)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	0	0	5/8 X 3/4	0
3	0	0	3/4	32
4	0	0	1	0
5	0	0	1 1/2	0
6	PVC	10,560	Compound 2	0
8	0	0	Turbine 2	0
10	0	0	Compound 3	0
12	0	0	Turbine 3	0
0	0	0	Compound 4	0
0	0	0	Turbine 5	0
0	0	0	Compound 6	0
0	0	0	Turbine 6	0
0	0	0	6+	0

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

TREATMENT EQUIPMENT:	None
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STRUCTURES:	1 50,000 Gal. Reservoir; 1 5,000 Gal Hydropneumatic tank; 1 150,000 Gal Reservoir (not in use); electric panel; Grundfoss pumps (2) plus housings; Fill and pressure reducing valves plus connecting equipment
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OTHER:	2 Well Sites
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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. Copy and paste this sheet as many times as is necessary.

Water Use Data Sheet					
Name of the System:		N/A			
ADEQ Public Water System Number:		None			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	39	117,646	126,606	124,246	127,856
February	39	155,118	188,425	165,518	189,675
March	39	261,757	270,329	273,157	271,579
April	40	232,139	246,374	241,939	247,624
May	40	281,197	296,325	291,797	297,575
June	40	315,823	333,795	328,123	335,045
July	40	262,865	275,845	274,165	277,095
August	40	191,694	199,148	199,094	200,398
September	40	215,578	221,332	221,278	222,582
October	40	240,613	248,394	245,013	249,644
November	40	196,630	203,274	200,630	204,524
December	40	152,252	154,734	154,252	155,984
Totals		2,623,312	2,764,581	2,719,212	2,779,581

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 (GCPCPD) 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:
 Annual fire department testing uses approximately 10,000 gallons per year; Flushing the system uses approximately 5,000 gallons per year.

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.

- 1 Gallons sold - Total gallons from customer meters.
- 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.

Empirita Water Company, L.L.C.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	None
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	None	None	None
February	None	None	None
March	None	None	None
April	None	None	None
May	None	None	None
June	None	None	None
July	None	None	None
August	None	None	None
September	None	None	None
October	None	None	None
November	None	None	None
December	None	None	None
Total	0	0	0

Other (description):

There were no terminations in 2016

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.

Empirita Water Company, L.L.C.
Annual Report
Property Taxes
12/31/16

Property Taxes

Amount of actual property taxes paid during Calendar Year 2015 was

\$116

If no property taxes paid, explain why.

N/A

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.

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Verification and Statement (Taxes)

MAR 24 2017

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

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

County of (county name): Cochise
Name (owner or official) title: James Vermilyea, Member
Company name: Empirita Water Company, L.L.C.

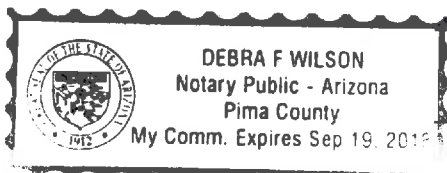
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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.



James Vermilyea
signature of owner/official

(520) 490-1218
telephone no.

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

THIS 22 DAY OF Pima
(county name)
March 2017
(month) and (year)

MY COMMISSION EXPIRES 9-9-2018
(date)

Debra F. Wilson
(signature of notary public)

RECEIVED

MAR 24 2017

Verification and Statement

Verification:

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

County of (county name): Cochise

Name (owner or official) title: James Vermilyea, Member

Company name: Empirita Water Company, L.L.C.

ARIZONA CORP 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: 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:

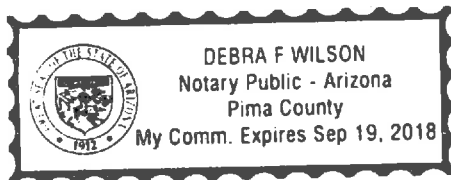
Arizona Intrastate Gross Operating Revenues Only (\$)

\$25,308

(The amount in the box above includes

\$1,455 in sales taxes

billed or collected)



James Vermilyea
signature of owner/official

(520) 490-1218
telephone no.

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

Pima
(county name)

THIS 22ND DAY OF March 2017
(month) and (year)

MY COMMISSION EXPIRES 9-19-18
(date)

Debra F. Wilson
(signature of notary public)

RECEIVED

MAR 24 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Cochise
Name (owner or official) title: James Vermilyea, Member
Company name: Empirita Water Company, L.L.C.

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 (\$)

\$25,308

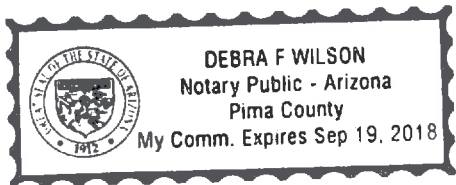
(The amount in the box above includes

\$1,455 in sales taxes
billed or collected)

James Vermilyea
signature of owner/official

(520) 490-1218

telephone no.



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

Pima
(county name)

THIS 22ND

DAY OF March 2017
(month) and (year)

MY COMMISSION EXPIRES

9-19-2018
(date)

Debra F. Wilson
(signature of notary public)