

ANNUAL REPORT

Of

Company Name:

Francesca Water Company, Inc.

Mailing Address:

PO Box 85160
Tucson, AZ 85754

Docket No.:

W-03945A

For the Year Ended:

12/31/2016

RECEIVED

APR 19 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, AZ 85007

Application Type:

Original Filing

Application Date:

2016

4-27-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Francesca Water Company, Inc.

A Class Utility

1. For the Calendar Year Enc 12/31/2016

2. Address:

PO Box 85160					
City:	Tucson	State:	AZ	Zip Code:	85754

3. Telephone Number:

520.623.5172

4. Date of Original Organization of Utility:

1998

5. Person to whom correspondence should be addressed concerning this report:

Name:	Bonnie O'Connor				
Telephone No. :	520.623.5172				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

6. On-Site Manager:

Name:	Keith Dojaquez				
Telephone No. :	520.623.5172				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

7. Ownership:

C-Corp

8. Counties Served:

Pima

Francesca Water Company, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/2016

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OC LD (OC less AD)
301	Organization	\$ 1,015	\$ -	\$ 1,015
302	Franchises	-	-	-
303	Land and Land Rights	10,000	-	10,000
304	Structures and Improvements	2,612	1,519	1,093
305	Collecting & Improving Reservoirs	-	-	-
306	Lake, River, Canal Intakes	-	-	-
307	Wells and Springs	38,669	38,669	(0)
308	Infiltration Galleries	-	-	-
309	Supply Mains	-	-	-
310	Power Generation Equipment	-	-	-
311	Pumping Equipment	38,456	23,951	14,506
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders	1,456	968	488
320.3	Point-of-Use Treatment Devices	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-
330.1	Storage Tanks	71,342	44,565	26,777
330.2	Pressure Tanks	-	-	-
331	Transmission and Distribution Mains	137,091	105,430	31,661
333	Services	25,564	23,789	1,775
334	Meters and Meter Installations	7,573	7,094	479
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	4,000	3,722	278
340.1	Computers & Software	791	8	783
341	Transportation Equipment	-	-	-
342	Stores Equipment	-	-	-
343	Tools, Shop and Garage Equipment	3,000	1,683	1,317
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communications Equipment	500	500	(0)
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	Totals	\$ 342,069	\$ 251,898	\$ 90,171

Francesca Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2016

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	\$ 1,015	\$ -	\$ 1,015	\$ 1,015	\$ -		\$ -
302	Franchises			-		-		-
303	Land and Land Rights	10,000		10,000	10,000	-		-
304	Structures and Improvements	2,612		2,612		2,612	3.33%	87
305	Collecting & Improving Reservoirs			-		-		-
306	Lake, River, Canal Intakes			-		-		-
307	Wells and Springs	38,669		38,669	38,669	-	3.33%	-
308	Infiltration Galleries			-		-		-
309	Supply Mains			-		-		-
310	Power Generation Equipment			-		-		-
311	Pumping Equipment	31,413	7,043	38,456	12,600	25,856	12.50%	2,792
320	Water Treatment Equipment			-		-		-
320.1	Water Treatment Plants			-		-		-
320.2	Solution Chemical Feeders	1,456		1,456		1,456	20.00%	291
320.3	Point-of-Use Treatment Devices			-		-		-
330	Distribution Reservoirs and Standpipes			-		-		-
330.1	Storage Tanks	71,342		71,342	11,702	59,640	2.22%	1,324
330.2	Pressure Tanks			-		-		-
331	Transmission and Distribution Mains	137,091		137,091	75,034	62,057	2.00%	1,241
333	Services	23,759	1,805	25,564	23,759	1,805	3.33%	30
334	Meters and Meter Installations	7,073	500	7,573	7,073	500	8.33%	21
335	Hydrants			-		-		-
336	Backflow Prevention Devices			-		-		-
339	Other Plant and Misc. Equipment			-		-		-
340	Office Furniture and Equipment	4,000		4,000	4,000	-	6.67%	62
340.1	Computers & Software	791		791	341	450	20.00%	90
341	Transportation Equipment			-		-		-
342	Stores Equipment			-		-		-
343	Tools, Shop and Garage Equipment	3,000		3,000	3,000	-	5.00%	243
344	Laboratory Equipment			-		-		-
345	Power Operated Equipment			-		-		-
346	Communications Equipment	500		500	500	-	10.00%	-
347	Miscellaneous Equipment			-		-		-
348	Other Tangible Plant			-		-		-
	Subtotal	\$ 332,721	\$ 9,348	\$ 342,069	\$ 187,693	\$ 154,376		\$ 6,181

Contribution(s) in Aid of Construction (Gross)	\$	12,300
Less: Non Amortizable Contributions(s)		-
Fully Amortized Contributions(s)		-
Amortizable Contribution(s)	\$	12,300
Times: Proposed Amortization Rate		3.95%
Amortization of CIAC	\$	486

Less: Amortization of CIAC \$ (486)

DEPRECIATION EXPENSE \$ **5,695**

Francesca Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/2016

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$ 3,014	\$ 4,091
134	Working Funds			
135	Temporary Cash Investments		8,933	9,543
141	Customer Accounts Receivable		4,864	5,397
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$ 16,811	\$ 19,031
Account No.	Fixed Assets			
101	Utility Plant in Service		\$ 332,721	\$ 342,069
103	Property Held for Future Use			
105	Construction Work In Progress			
108	Accumulated Depreciation - Utility Plant		(245,717)	(251,898)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$ 87,004	\$ 90,171
	Total Assets		\$ 103,815	\$ 109,202

Francesca Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity
12/31/2016

Balance Sheet Liabilities and Owners Equity

		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
	Liabilities		
Account No.	Current Liabilities		
231	Accounts Payable	\$ 18,451	\$ 21,022
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5,226	5,668
236	Accrued Taxes	251	334
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	Total Current Liabilities	\$ 23,928	\$ 27,024
	Long-Term Debt		
224	Long-Term Debt (Notes and Bonds)	\$ 38,375	\$ 32,339
	Deferred Credits		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	2,093	2,471
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	12,300	12,300
272	Less: Amortization of Contributions	(4,312)	(4,798)
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	\$ 10,081	\$ 9,973
	Total Liabilities	\$ 72,384	\$ 69,336
	Capital Accounts		
201	Common Stock Issued	\$ 100	\$ 100
211	Other Paid-In Capital	35,112	35,112
215	Retained Earnings	(3,781)	4,654
218	Proprietary Capital (Sole Props and Partnerships)		
	Total Capital	\$ 31,431	\$ 39,866
	Total Liabilities and Capital	\$ 103,815	\$ 109,202

Francesca Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/2016

Supplemental Financial Data (Long-Term Debt)

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	8/24/2001			
Source of Loan	WIFA			
ACC Decision No.	63660			
Reason for Loan	Storage and Upgrades			
Dollar Amount Issued	\$ 97,000	\$ -	\$ -	\$ -
Amount Outstanding	\$ 32,339	\$ -	\$ -	\$ -
Date of Maturity	8/1/2021			
Interest Rate	5.08%	%	%	%
Current Year Interest	\$ 1,808	\$ -	\$ -	\$ -
Current Year Principal	\$ 6,039	\$ -	\$ -	\$ -

Meter Deposit Balance at Year End:	\$ 2,471
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Meter Deposits Refunded During the Year:	\$ 182
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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.

Francesca Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/2016

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	\$ 60,034	\$ 54,252
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenues	3,300	3,100
	Total Revenues	\$ 63,334	\$ 57,352
	Operating Expenses		
601	Salaries and Wages	\$ -	\$ -
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	9,681	8,633
618	Chemicals	386	193
620	Materials and Supplies		
621.1	Repairs and Maintenance	2,860	1,264
620.2	Office Supplies and Expense	1,852	1,598
630	Contractual Services		14,888
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	1,529	
633	Contractual Services - Legal	714	
634	Contractual Services - Management Fees	13,200	
635	Contractual Services - Water Testing	1,386	2,596
636	Contractual Services - Other	402	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	986	1,389
657	Insurance - General Liability	1,495	1,433
657.1	Insurance - Health and Life		
665	Regulatory Commission - Rate Case Expense	7,164	
670	Bad Debt Expense	33	
675	Miscellaneous Expense	1,200	1,746
403	Depreciation Expense (From Page 4)	5,695	5,204
408	Taxes Other Than Income	31	
408.11	Property Taxes	3,493	5,627
409	Income Taxes		
427.1	Customer Security Deposit Interest	125	48
	Total Operating Expenses	\$ 52,232	\$ 44,619
	Operating Income / (Loss)	\$ 11,102	\$ 12,733
	Other Income / (Expense)		
419	Interest and Dividend Income	\$ 75	\$ 1,088
421	Non-Utility Income		3,897
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	\$ (2,691)	(2,108)
	Total Other Income / (Expense)	\$ (2,616)	\$ 2,877
	Net Income / (Loss)	\$ 8,486	\$ 15,610

Water Utility Plant Description
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Name of the System: Amber Ann

ADEQ Public Water System Number: 10-317

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)
55-535748	10	25	805	10	submersible	2	1992	0.0061

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

BOOSTER PUMPS		
Horsepower	GPM	Quantity
3.0		2

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
25,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
2,000	1

* Arizona Department of Water Resources ("ADWR") well identification number.

** 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)

Name of the System:	Amber Ann
ADEQ Public Water System Number:	10-317

MAINS		
Size (inches)	Material	Length (feet)
2	PVC	1,250
3		
4	PVC	2,200
5		
6	PVC	1,500
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	41
3/4	
1	1
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	Chlorinator
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STRUCTURES:	500 feet of chain link fence
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OTHER:	
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Water Utility Plant Description
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Name of the System: Talaway

ADEQ Public Water System Number: 10-283

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)
55-508617	10	25	550	8	Submersible	2	1984	0.0057

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

BOOSTER PUMPS		
Horsepower	GPM	Quantity
3.0		1
5.0		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
40,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
3,000	1

* Arizona Department of Water Resources ("ADWR") well identification number.

** 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)		
Name of the System:	Talaway	
ADEQ Public Water System Number	10-283	

MAINS		
Size (inches)	Material	Length (feet)
2	PVC	1,917
3	PVC	329
4	PVC	4,596
5		
6	PVC	2,987
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	92
3/4	
1	
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	Chlorinator
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STRUCTURES:	510 feet of chain link fence
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OTHER:	
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Water Use Data Sheet					
Name of the System:		Amber Ann			
ADEQ Public Water System Number:		10-317			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	32	115	142	0	
February	32	187	196	0	
March	33	175	197	0	
April	33	302	315	0	
May	33	237	253	0	
June	34	252	280	0	
July	33	261	289	0	
August	34	195	220	0	
September	34	230	248	0	
October	34	170	220	0	
November	34	163	173	0	
December	34	157	179	0	
	Totals	2444	2712	0	

If 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:

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 meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Water Use Data Sheet					
Name of the System:		Talaway			
ADEQ Public Water System Number:		10-283			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	70	309	328	0	
February	69	393	457	0	
March	70	396	453	0	
April	70	498	540	0	
May	70	539	561	0	
June	70	635	707	0	
July	72	773	836	0	
August	72	503	539	0	
September	72	800	641	0	
October	72	439	476	0	
November	74	387	515	0	
December	73	335	355	0	
	Totals	6007	6408	0	0

If 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:

Meter malfunction and line repair during 2016

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 meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Francesca Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Amber Ann

 ADEQ Public Water System Number:

10-317

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	1	0
June	0	2	0
July	0	0	0
August	0	1	0
September	0	2	0
October	0	0	0
November	0	2	0
December	0	2	0
Total	0	11	0

Other (description):

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Francesca Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Talaway

 ADEQ Public Water System Number:

10-283

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	3	0
June	0	4	0
July	0	0	0
August	0	2	0
September	0	4	0
October	0	2	0
November	0	0	0
December	0	4	0
Total	0	21	0

Other (description):

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Francesca Water Company, Inc.
Annual Report
Property Taxes
12/31/2016

Property Taxes

Amount of actual property taxes paid during Calendar year 2016 was

\$ 3,634

If no property taxes paid, explain why.

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Verification and 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: Francesca Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2016

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.

RECEIVED
APR 19 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

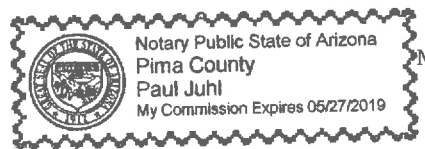
Bonnie O'Connor
signature of owner/official

520.623.5172
telephone no.

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

Pima
(county name)

THIS 14th DAY OF April 2017
(month) and (year)



MY COMMISSION EXPIRES 5/27/19
(date)
Paul Juhl
(signature of notary public)

Verification and 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: Francesca Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2016

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 CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 67,252

(The amount in the box above includes

\$ 3,918 in sales tax billed or collected)

RECEIVED

APR 19 2017

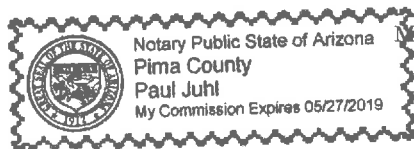
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Bonnie O'Connor Manager
signature of owner/official

520.623.5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
(county name)

THIS 14th DAY OF April 2017
(month) and (year)



MY COMMISSION EXPIRES 5/27/19
(date)

Paul Juhl
(signature of notary public)

Verification and 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: Francesca Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2016

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 CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 66,737

(The amount in the box above includes

\$ 3,888 in sales tax
billed or collected)

RECEIVED
APR 19 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Bonnie O'Connor, Manager
signature of owner/official

520.623.5172
telephone no.

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

Pima
(county name)

THIS 14th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)

Paul Juhl
(signature of notary public)

