

TO: Public Service Corporations (Except Water and Sewer Utilities)

FROM: Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: UTILITIES DIVISION ANNUAL REPORT, CALENDAR YEAR ENDING
DECEMBER 31, 2013

Enclosed is the Utilities Division Annual Report form for the calendar year ending December 31, 2013.

All public service corporations must file a Utilities Division Annual Report with the Commission pursuant to the Constitution of the State of Arizona, Article 15, Section 13; Arizona Revised Statutes, Section 40-204; and Commission Rules contained in the Arizona Administrative Code.

The Annual Report must be completed and filed by **April 15, 2014**. Failure to file an Annual Report by this date will result in the issuance of a complaint and order to show cause resulting in administrative fines. If you require additional time to file your Annual Report, you may make a request to the Commission by addressing a letter to:

**Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007**

However, you must still file the "VERIFICATION AND SWORN STATEMENT" and the "VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE" forms from the back of the Annual Report form by **MAY 1, 2014**, pursuant to Arizona Revised Statute 40-401.

Mail or deliver the completed Annual Report to:

**Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007**

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

| |
|--|
| |
|--|

CONFIDENTIAL

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2013 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|---------------|-----------|
| ANN 03 | 13 |
|---------------|-----------|

COMPANY INFORMATION

| | | |
|--|-----------------------------|------------------------------|
| Company Name (Business Name) _____ | | |
| Mailing Address _____ | | |
| (Street) | | |
| _____ (City) | _____ (State) | _____ (Zip) |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) |
| Email Address _____ | | |
| Local Office Mailing Address _____ | | |
| (Street) | | |
| _____ (City) | _____ (State) | _____ (Zip) |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) |
| Email Address _____ | | |

MANAGEMENT INFORMATION

| | | | |
|---|-----------------------------|------------------------------|----------------|
| <input type="checkbox"/> Regulatory Contact: | | | |
| <input type="checkbox"/> Management Contact: _____ | | | |
| (Name) | | (Title) | |
| _____ (Street) | _____ (City) | _____ (State) | _____ (Zip) |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| On Site Manager: _____ | | | |
| (Name) | | | |
| _____ (Street) | _____ (City) | _____ (State) | _____ (Zip) |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address _____ | | | |

Statutory Agent: _____

(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the counties in which you are certificated to provide service:

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box(es) for the services that you are authorized to provide:

- Incumbent Local Exchange Carrier
 Interexchange Carrier
 Competitive Local Exchange Carrier
 Reseller
 Alternative Operator Service Provider
 Other (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

| | Circuit Switched | Voice over Internet Protocol ("VoIP") |
|--|---------------------|--|
| Total number of residence local exchange access lines | _____ | _____ |
| Total number of residence local exchange customers | _____ | _____ |
| Total number of business local exchange access lines | _____ | _____ |
| Total number of business local exchange customers | _____ | _____ |
| Total quantity of phone numbers assigned to Company | _____ | |
| | Retail | Other |
| Total phone numbers assigned by Company to Customers | _____ | _____ |
| Total number of long distance residence customers | _____ | |
| Total number of long distance business customers | _____ | |
| Total local exchange revenue from Arizona operations | \$ _____ | |
| Total intrastate interexchange revenue from Arizona operations | \$ _____ | |
| Total intrastate revenue from Arizona operations | \$ _____ | |
| Total intrastate income from Arizona operations | \$ _____ | |
| Number of management employees in Arizona operations | _____ | |
| Number of non-management employees in Arizona operations | _____ | |
| Value of company's total assets in Arizona | \$ _____ | |
| Value of company's total assets | \$ _____ | |
| (Value of company's total assets in Arizona)/(Value of company's total assets) | \$ _____ | |
| Current amount of deposits, prepayments, and advances from customers <i>(not including monthly service bills)</i> | \$ _____ | |
| Current amount of performance bond | \$ _____ | |
| Current amount of Irrevocable Sight Draft Letter of Credit | \$ _____ | |

Check box if Company is current on payments for:

- Regulatory Assessment
 AZ Universal Service Fund
 AZ 911/E911
 AZ Telephone Relay Service

COMPANY NAME:

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-509.B | Termination with Notice R14-2-509.C | OTHER |
|------------------|---|--|--------------|
| JANUARY | | | |
| FEBRUARY | | | |
| MARCH | | | |
| APRIL | | | |
| MAY | | | |
| JUNE | | | |
| JULY | | | |
| AUGUST | | | |
| SEPTEMBER | | | |
| OCTOBER | | | |
| NOVEMBER | | | |
| DECEMBER | | | |
| TOTALS → | | | |

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF _____
**I, THE UNDERSIGNED
OF THE**

| |
|--------------------------------|
| COUNTY OF (COUNTY NAME) |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2013 |

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 REQUIREMENT 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 CALENDAR YEAR 2013 WAS:

| |
|---|
| Arizona Intrastate Gross Operating Revenues Only (\$) |
| \$ _____ |

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS **DAY OF**

| | |
|-------------|-------|
| COUNTY NAME | |
| MONTH | .20__ |

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

STATE OF ARIZONA

| | |
|--------------------------|-------|
| COUNTY OF (COUNTY NAME) | |
| NAME (OWNER OR OFFICIAL) | TITLE |
| COMPANY NAME | |

**I, THE UNDERSIGNED
OF THE**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2013 |

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 40-401.01, 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 2013 WAS:

| |
|---|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ _____ |

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ _____ IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS DAY OF**

| | |
|--------------------|-------|
| NOTARY PUBLIC NAME | |
| COUNTY NAME | |
| MONTH | .20__ |

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2013) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Company Name: _____

Rules to follow in designing the Income Statement and the Balance Sheet:

- A. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a statement of income for the reporting year similar in format to R14.2.103, Schedule (C) (1) or similar in format to R14.2.103 Schedule (E) (2). Also, the above-referenced Rule states that the income statement shall be Arizona-specific and reflect operating results in Arizona.

Unfortunately, the two Schedules referenced above are both designed for a rate case filing, and, as such, contain certain terminology, such as "test year", "actual (accounting data) for test year", "pro forma adjustments" and "test year results after pro forma adjustments", and contain references to two prior fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the two acceptable formats for the statement of income (the first based on Schedule (C) (1) and the second on Schedule (E) (2)):

**** THE INCOME STATEMENT SHOULD RESEMBLE EITHER FIGURE 1A SHOWN BELOW OR FIGURE 1B. (IT IS NOT NECESSARY TO FILE BOTH.) EITHER USE FIGURE 1A, FIGURE 1B OR FIGURE 1C FOR YOUR INCOME STATEMENT FILING. THE INCOME STATEMENT SHALL BE ARIZONA-SPECIFIC, AND REFLECT OPERATING RESULTS IN ARIZONA: ** (All Facilities-Based CLECs, Facilities-Based IXC, Facilities-Based Access Line Providers & Facilities-Based Private Line Providers must submit FIGURE 1C)**

FIGURE 1A

| <u>Account Description</u> | <u>\$ Amount</u> |
|----------------------------|------------------|
|----------------------------|------------------|

Revenues:

Expenses:

Operating Income:

Net Income:

Docket No. _____

Year Ending: 12-31-13

Company Name: _____

FIGURE 1B

Account Description

\$ Amount

Revenues:

Operating Expenses:

Operating Income:

Other Income and Deductions:

Interest:

Net Income:

Preferred Dividends:

Earnings Available for Common Stock:

**Earnings Per Share of Average
Common Stock Outstanding:**

FIGURE 1C

| <u>Account Description</u> | <u>\$ Amount</u> |
|---|------------------|
| Revenues: | |
| Local Exchange – Dial Tone Services | _____ |
| Long Distance | _____ |
| Interstate – Access Services & Private Line | _____ |
| Intrastate – Access Services & Private Line | _____ |
| Other Revenues | _____ |
| Total revenues | _____ |
| Operating Expenses: | |
| Cost of Services & Products | _____ |
| Selling, General & Administration | _____ |
| Deprecation & Amortization | _____ |
| Assigned/Transferred from Affiliates | _____ |
| Other Operating Expenses..... | _____ |
| Total Operating Expenses | _____ |
| Total Operating Income | _____ |
| Other Income and Deductions: | |
| Regulatory Assessment Paid | _____ |
| AUSF Collections | _____ |
| AUSF Paid | _____ |
| E911/911 Collections | _____ |
| E911/911 Paid..... | _____ |
| TRS Collections | _____ |
| TRS Paid | _____ |
| Total Other Income | _____ |
| Total Other Deductions | _____ |
| Interest | _____ |
| Income Taxes | _____ |
| Net Income..... | _____ |

Company Name: _____

- B. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a balance sheet as of the end of the reporting year similar in format to R14.2.103, Schedule (E) (1). Also, the above-referenced Code section states that the balance sheet shall be Arizona-specific. Unfortunately, the Schedule referenced above is designed for a rate case filing, and, as such, contains certain terminology, such as "test year" and references to two prior Fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the acceptable format for the balance sheet:

**** THE BALANCE SHEET SHOULD RESEMBLE FIGURE 2(A) or FIGURE 2(B) SHOWN BELOW AND SHALL BE ARIZONA-SPECIFIC: ** (All Facilities-Based CLECs, Facilities-Based IXCs, Facilities-Based Access Line Providers & Facilities-Based Private Line Providers must submit FIGURE 2B)**

FIGURE 2(A)

Account Description

\$ Amount

ASSETS

Property, Plant & Equipment: (should be reversed with Current Assets)

Current Assets: (should be reversed with Property, Plant & Equipment)

Total Assets:

LIABILITIES AND STOCKHOLDERS' EQUITY

Capitalization: (should be reversed with Current Liabilities)

Current Liabilities: (should be reversed with Capitalization)

Total Liabilities and Stockholders' Equity:

Company Name: _____

FIGURE 2(B)

| | |
|-----------------------------------|-------------------------|
| <u>Account Description</u> | <u>\$ Amount</u> |
|-----------------------------------|-------------------------|

ASSETS

Current Assets:

| | |
|----------------------------|-------|
| Cash | _____ |
| Receivables | _____ |
| Other Current Assets | _____ |
| Total current assets | _____ |

Property, Plant & Equipment:

| | |
|---|-------|
| Telecommunications Plant in Service | _____ |
| Telecommunications Plant under Construction | _____ |
| Accumulated Depreciation & Amoritization | _____ |
| Other Property, Plant & Equipment | _____ |
| Total property, plant & equipment | _____ |

Inventories & Other Investments _____

Total Assets _____

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

| | |
|---------------------------------|-------|
| Accounts Payable | _____ |
| Short Term Notes | _____ |
| Other Current Liabilities | _____ |
| Total Current Liabilities | _____ |

Other Liabilities:

| | |
|-------------------------------|-------|
| Long Term Borrowings | _____ |
| Other Long Liabilities | _____ |
| Total Other Liabilities | _____ |

Total Liabilities _____

Shareholders' Equity:

| | |
|----------------------------------|-------|
| Capital Stock | _____ |
| Retained Earnings | _____ |
| Total Shareholders' Equity | _____ |

Total Liabilities & Shareholders' Equity _____