

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

Lagoon Estates Water Company

2600 N. 44th St, Ste 203

Phoenix, AZ 85008

RECEIVED

W01825A

MAY 16 2014

AZ CORP COMM
Director - Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN04	13
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5-19-14

COMPANY INFORMATION

Company Name (BusinessName) <u>Lagoon Estates Water Company</u>		
Mailing Address <u>2600 N. 44th Street, Suite 203</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85008</u> (Zip)
<u>602-275-5402</u> Telephone No. (Include Area Code)	<u>602-275-8742</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address: <u>sherrillfarmsi@msn.com</u>		
Local Office Mailing Address _____		
_____ (City)	_____ (State)	_____ (Zip)
_____ Local Office Telephone No. (Include Area Code)	_____ Fax No. (Include Area Code)	_____ Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: _____			
_____	_____	_____	_____
_____ (Name)	_____ (Title)		
<u>2600 N. 44th Street, Ste 203</u> (Street)	<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85008</u> (Zip)
<u>602-275-5402</u> Telephone No. (Include Area Code)	<u>602-275-8742</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: _____			
_____	_____	_____	_____
_____ (Name)			
<u>2801 Laguna Road</u> (Street)	<u>Mohave Valley</u> (City)	<u>AZ</u> (State)	<u>86440</u> (Zip)
<u>928-768-7979</u> Telephone No. (Include Area Code)	_____ Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Charles B. Sherrill Jr.

2600 N. 44 th St, Ste 203	(Name) Phoenix	AZ	85008
(Street)	(City)	(State)	(Zip)

602-275-5402	602-275-8742	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)

Attorney: Gerald Sherrill

9927 E Bell Road, Ste 120	(Name) Scottsdale	AZ	85260
(Street)	(City)	(State)	(Zip)

602-495-1417	602-252-7907	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

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 checked="" 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

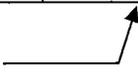
Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <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 checked="" 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 | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	28,262	0	28,262
304	Structures and Improvements	43,779	34,925	8,854
307	Wells and Springs	76,974	60,259	16,715
311	Pumping Equipment	68,039	67,845	194
320	Water Treatment Equipment	19,536	10,175	9,361
330	Distribution Reservoirs and Standpipes	64,377	59,026	5,351
331	Transmission and Distribution Mains	232,511	199,187	33,324
333	Services			
334	Meters and Meter Installations	38,289	33,431	4,058
335	Hydrants	448	448	0
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	5,418	546	4,872
340	Office Furniture and Equipment	12,810	9,539	3,271
341	Transportation Equipment	4,387	3,482	905
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	594,830	478,863	115,967

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	28,262	0	0
304	Structures and Improvements	43,779	3.23	1414
307	Wells and Springs	76,974	3.23	2486
311	Pumping Equipment	68,039	3.23	2198
320	Water Treatment Equipment	19,536	3.23	631
330	Distribution Reservoirs and Standpipes	64,377	3.23	2079
331	Transmission and Distribution Mains	232,511	3.23	7510
333	Services			
334	Meters and Meter Installations	38,289	3.23	1237
335	Hydrants	448	0	0
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	5,418	3.23	175
340	Office Furniture and Equipment	12,810	3.23	414
341	Transportation Equipment	4,387	3.23	142
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	594,830		18,286

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$23,913	\$11,446
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	\$1,431	\$944
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		\$7,010
	TOTAL CURRENT AND ACCRUED ASSETS	\$25,344	\$19,400
	FIXED ASSETS		
101	Utility Plant in Service	\$583,978	\$594,830
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	\$460,577	\$478,863
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$123,401	\$115,967
	TOTAL ASSETS	\$148,745	\$135,367

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$1,888	\$1,786
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	\$30,107	\$29,603
236	Accrued Taxes		\$336
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$31,995	\$31,725
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$35,894	\$35,798
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$35,894	\$35,798
	TOTAL LIABILITIES	\$67,889	\$67,523
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$75,214	\$75,214
211	Paid in Capital in Excess of Par Value	\$101,471	\$101,471
215	Retained Earnings	\$(95,829)	\$(108,841)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$80,856	\$67,844
	TOTAL LIABILITIES AND CAPITAL	\$148,745	\$135,367

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$171,149	\$169,859
460	Unmetered Water Revenue		
474	Other Water Revenues	\$15,632	\$16,428
	TOTAL REVENUES	\$186,781	\$186,287
	OPERATING EXPENSES		
601	Salaries and Wages	\$61,351	\$65,004
610	Purchased Water		
615	Purchased Power	\$7,928	\$9,649
618	Chemicals	\$399	\$2,562
620	Repairs and Maintenance	\$17,177	\$18,502
621	Office Supplies and Expense	\$12,738	\$13,113
630	Outside Services	\$	\$
635	Water Testing	\$2,017	\$3,820
641	Rents	\$10,400	\$10,400
650	Transportation Expenses	\$4,356	\$5,595
657	Insurance – General Liability	\$7,672	\$3,355
659	Insurance - Health and Life	\$6,176	\$6,353
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	\$15,285	\$15,449
403	Depreciation Expense	\$17,934	\$18,286
408	Taxes Other Than Income	\$15,685	\$18,791
408.11	Property Taxes	\$8,673	\$8,400
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$187,731	\$199,279
	OPERATING INCOME/(LOSS)	\$(950)	\$(12,992)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	\$21	\$20
	TOTAL OTHER INCOME/(EXPENSE)		
	NET INCOME/(LOSS)	\$(976)	\$(13,012)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued		\$	\$	\$
Amount Outstanding		\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$10,150
Meter Deposits Refunded During the Test Year	\$3,798

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-536722	40 TURBINE	1500	270	16	8	
55-618835	7.5	125	175	12	4	
55-618836	7.5	125	180	8	3	
55-618837	5	340	210	8	3	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		7	5 Jonesheads

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		5000	3

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	178,680
5		
6	PVC	10870
8	ACP 342	PVC1827
10	PCV (C900)	1833
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	372
3/4	
1	2
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
Tubo 8	1

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

TREATMENT EQUIPMENT:

RETAIL SINGLE CYCLINDER GAS CHLORINATOR

STRUCTURES:

SHOP BUILDING
2 UTILITY SHEDS

OTHER:

SECURITY CYCLONE FENCING
NATURAL GAS ONAN GENERTOR

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	322	1468000	1468000
FEBRUARY	323	1885000	2075000
MARCH	327	2044000	2151000
APRIL	327	2429000	2664000
MAY	329	2506000	3548000
JUNE	320	2818000	3820000
JULY	320	2706000	2827000
AUGUST	325	2750000	3057000
SEPTEMBER	322	2597000	2001000
OCTOBER	325	2492900	2493000
NOVEMBER	322	1631000	1789000
DECEMBER	318	1853000	1909000
TOTAL		2711600	2984200

Difference in sold verses pumped is irrigation, flushing water main leaks that were not billed to customers. **FLUSHING/IRRIGATION: 1838400 gallons**

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 08-021 .005 PPB
 (If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	39	101000	105000
FEBRUARY	37	151000	159000
MARCH	40	148000	186000
APRIL	40	170000	194000
MAY	38	242000	283000
JUNE	38	349000	363000
JULY	38	303000	363000
AUGUST	39	274000	281000
SEPTEMBER	37	222000	254000
OCTOBER	37	345000	379000
NOVEMBER	37	153000	207000
DECEMBER	37	153000	187000
		2611000	2961000

Difference in sold verses pumped is irrigation, flushing water main leaks that were not billed to customers. FLUSHING/IRRIGATION: 343000 gallons

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 08-046 .005 PPB
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	3	
FEBRUARY	0	4	
MARCH	0	8	
APRIL	0	3	
MAY	0	2	
JUNE	0	2	
JULY	0	1	
AUGUST	0	5	
SEPTEMBER	0	9	
OCTOBER	0	2	
NOVEMBER	0	2	
DECEMBER	0	0	
TOTALS →	0	41	

OTHER (description):

COMPANY NAME LAGOON ESTATES WATER COMPANY YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$8,400

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

MAY 16 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) MOHAVE
NAME (OWNER OR OFFICIAL) TITLE STANLEY MILLER, CONTROLLER
COMPANY NAME LAGOON ESTATES WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX 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

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.

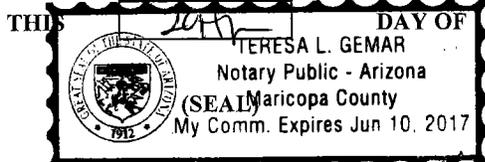
SIGNATURE OF OWNER OR OFFICIAL

602 275 5402

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

6/10/2017

COUNTY NAME	Maricopa	
MONTH	April	2014

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME LAGOON ESTATES WATER COMPANY **YEAR ENDING 12/31/2013**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$0
Estimated or Actual Federal Tax Liability	\$0
State Taxable Income Reported	\$0
Estimated or Actual State Tax Liability	\$0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/29/14

DATE

Stanley Miller

PRINTED NAME

Controller

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 16 2014

AZ CORP COMM
Director - Utilities

**VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) MOHAVE
NAME (OWNER OR OFFICIAL) TITLE STANLEY MILLER, CONTROLLER
COMPANY NAME LAGOON ESTATES WATER COMPANY

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.

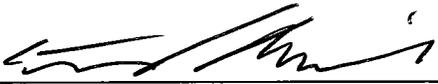
SWORN STATEMENT

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 (\$)
\$186,287

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$10,096
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

602-275-5402

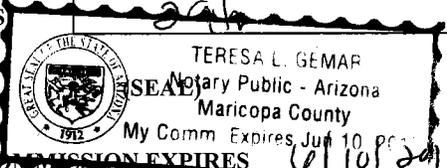
TELEPHONE NUMBER

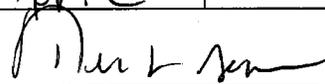
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29th **DAY OF**

COUNTY NAME <u>Maricopa</u>
MONTH <u>April</u> , 2014


MY COMMISSION EXPIRES <u>6/10/2017</u>



SIGNATURE OF NOTARY PUBLIC

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

RECEIVED

MAY 16 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MOHAVE	
NAME (OWNER OR OFFICIAL) STANLEY MILLER	TITLE CONTROLLER
COMPANY NAME LAGOON ESTATES WATER COMPANY	

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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$186,287

(THE AMOUNT IN BOX AT LEFT INCLUDES \$10,096 IN SALES TAXES BILLED, OR COLLECTED)

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

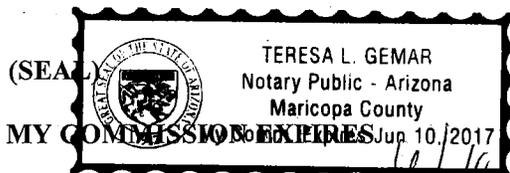


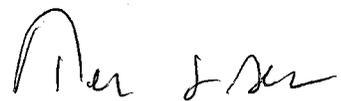
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 29th DAY OF

NOTARY PUBLIC NAME <i>Teresa L Gemar</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>April</i>	2014



X 

SIGNATURE OF NOTARY PUBLIC