

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01049A

The Morenci Water and Electric Company

PO Box 68

Morenci, AZ 85540

RECEIVED

APR 14 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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5-1-14

COMPANY INFORMATION

Company Name (Business Name) <u>The Morenci Water and Electric Company</u>		
Mailing Address <u>P.O. Box 68</u> (Street)		
<u>Morenci</u> (City)	<u>Arizona</u> (State)	<u>85540</u> (Zip)
<u>(928) 865-2229</u> Telephone No. (Include Area Code)	<u>(928) 865-5261</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>jeff_kincaid@fmi.com</u>		
Local Office Mailing Address <u>Same as above</u> (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: <u>Ruel Rogers</u> <u>Superintendent</u> (Name) (Title)		
<u>P.O. Box 68</u> (Street)	<u>Morenci</u> (City)	<u>Arizona</u> <u>85540</u> (State) (Zip)
<u>(928) 865-2229</u> Telephone No. (Include Area Code)	<u>(928) 865-5261</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>ruel_rogersjr@fmi.com</u>		
On Site Manager: <u>Same as above</u> (Name)		
 (Street)	 (City)	 (State) (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

Statutory Agent: Michael McElrath

(Name)

P.O. Box 68

(Street)

Morenci

(City)

Arizona

(State)

85540

(Zip)

(928) 865-2229

Telephone No. (Include Area Code)

(928) 865-5261

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Roshka Heymen & Patten

(Name)

400 East Van Buren Street Suite 800

(Street)

Phoenix

(City)

Arizona

(State)

85004

(Zip)

(602) 256-6100

Telephone No. (Include Area Code)

(602) 256-6800

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 checked="" 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 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 checked="" 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 | | |

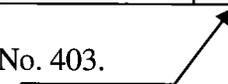
COMPANY NAME The Morenci Water and Electric Company**UTILITY PLANT IN SERVICE**

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	151,165		151,165
304	Structures and Improvements	472,114	373,461	98,652
307	Wells and Springs			
311	Pumping Equipment	263,015	137,803	125,212
320	Water Treatment Equipment	121,796	67,817	53,979
320.1	Water Treatment Plants	1,360,596	1,352,048	8,548
320.2	Solution Chemical Feeders	71,222	36,380	34,842
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	2,270,179	850,521	1,419,658
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	2,803,137	743,631	2,059,505
333	Services	465,850	39,410	426,440
334	Meters and Meter Installations	466,684	206,339	260,345
335	Hydrants	427	427	0.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	45,418	45,418	0.00
340	Office Furniture and Equipment	18,270	15,923	2,348
340.1	Computers & Software			
341	Transportation Equipment	452,237	270,437	181,800
343	Tools, Shop and Garage Equipment	40,566	19,903	20,663
344	Laboratory Equipment	915	915	0.00
345	Power Operated Equipment	36,017	33,694	2,323
346	Communication Equipment			
347	Miscellaneous Equipment	48,034	17,547	30,487
348	Other Tangible Plant	10,611	9,648	963
	TOTALS	9,098,253	4,221,324	4,876,929

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	151,165		
304	Structures and Improvements	472,114	2.12%	10,024
307	Wells and Springs			
311	Pumping Equipment	263,015	5.62%	14,792
320	Water Treatment Equipment	121,796	5.72%	6,963
320.1	Water Treatment Plants	1,360,596	0.37%	5,095
320.2	Solution Chemical Feeders	71,222	6.73%	4,797
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	2,270,179	3.05%	69,247
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	2,803,137	1.59%	44,574
333	Services	465,850	1.78%	8,304
334	Meters and Meter Installations	466,684	7.51%	35,062
335	Hydrants	427	0.00	0.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	45,418	0.00	0.00
340	Office Furniture and Equipment			
340.1	Computers & Software	18,270	3.59%	655
341	Transportation Equipment	452,237	12.60%	56,968
343	Tools, Shop and Garage Equipment	40,566	1.72%	699
344	Laboratory Equipment	915	0.00	0.00
345	Power Operated Equipment	36,017	0.32%	116
346	Communication Equipment			
347	Miscellaneous Equipment	48,034	9.89%	4,750
348	Other Tangible Plant	10,611	11.52%	1,222
	TOTALS	9,098,253		263,269

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

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 475,837	\$ 158,099
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	593,405	522,233
146	Notes/Receivables from Associated Companies	6,221,253	8,498,151
151	Plant Material and Supplies	244,806	209,849
162	Prepayments	20,264	58,294
174	Miscellaneous Current and Accrued Assets	15,109	15,109
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 7,570,674	\$ 9,461,735
FIXED ASSETS			
101	Utility Plant in Service	\$ 35,825,433	\$ 37,268,554
103	Property Held for Future Use		
105	Construction Work in Progress	159,726	219,876
108	Accumulated Depreciation – Utility Plant	(9,794,238)	(10,778,664)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 26,190,900	\$ 26,709,766
	TOTAL ASSETS	\$ 33,761,596	\$ 36,171,501

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	\$ 3,430,658	\$ 4,754,709
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	7,694,467	8,277,060
235	Customer Deposits	21,185	28,140
236	Accrued Taxes	1,633,428	1,832,862
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	154,964	225,017
	TOTAL CURRENT LIABILITIES	\$ 12,934,702	\$ 15,117,788
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	724,390	1,100,476
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	190,933	190,933
	TOTAL DEFERRED CREDITS	\$ 915,323	\$ 1,291,409
	TOTAL LIABILITIES	\$ 915,323	\$ 16,409,197
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 14,525,370	\$ 14,525,370
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	5,386,202	5,236,934
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 19,911,572	\$ 19,762,304
	TOTAL LIABILITIES AND CAPITAL	\$33,761,597	\$ 36,171,501

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 876,035	\$ 929,420
460	Unmetered Water Revenue		
474	Other Water Revenues	19,884	58,854
	TOTAL REVENUES	\$ 895,919	\$ 988,274
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 550,230	\$ 850,435
610	Purchased Water	108,938	94,312
615	Purchased Power	33,164	57,440
618	Chemicals	123,020	127,398
620	Repairs and Maintenance	15,362	90,372
621	Office Supplies and Expense	3,331	15,414
630	Outside Services	170,500	312,411
635	Water Testing		
641	Rents		
650	Transportation Expenses	2,072	14,436
657	Insurance – General Liability	7,504	10,689
659	Insurance - Health and Life	111,932	124,353
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	8,421	16,671
403	Depreciation Expense	257,508	267,987
408	Taxes Other Than Income		
408.11	Property Taxes	48,533	717
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 1,440,534	\$ 1,982,635
	OPERATING INCOME/(LOSS)	\$ (544,615)	\$ (994,361)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (544,615)	\$ (994,361)

COMPANY NAME The Morenci Water and Electric Company

Name of System:

ADEQ Public Water System Number: AZ04-06-002

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624-247	60	500	148'	20"	8"	1972
55-624-246	60	500	148'	20"	8"	1972

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2	1	60	
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
750,000	1	N/A	
10,000	1		
5,000	1		

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

COMPANY NAME The Morenci Water and Electric Company

Name of System:

ADEQ Public Water System Number: AZ04-06-002

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel, PVC	3,981
3	Steel, PVC	9,671
4	Steel, PVC	7,624
5		
6	Steel, PVC	16,466
8	Steel, PVC	12,391
10	Steel, PVC	11,476
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	641
3/4	6
1	19
1 1/2	
2	14
Comp. 3	
Turbo 3	3
Comp. 4	
Turbo 4	1
Comp. 6	
Turbo 6	
	684

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

TREATMENT EQUIPMENT:

Clorinator

STRUCTURES:

Pumping Station

OTHER:

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

COMPANY NAME The Morenci Water and Electric Company

Name of System: ADEQ Public Water System Number: AZ04-06-003

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1	1	240	
20	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	4		
7,500	1		
355,000	1		
101,000	1		
228,000	1		

COMPANY NAME The Morenci Water and Electric Company

Name of System:

ADEQ Public Water System Number: AZ04-06-003

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel, AC, PVC	3,720
3	Steel, AC, PVC	1,672
4	Steel, AC, PVC	21,363
5		
6	Steel, AC, PVC	11,230
8	Steel, AC, PVC	48,752
10	Steel, AC, PVC	10,012
12	Steel, AC, PVC	27,790
14	AC	7,810

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,586
3/4	2
1	15
1 1/2	1
2	63
Comp. 3	
Turbo 3	8
Comp. 4	
Turbo 4	2
Comp. 6	
Turbo 6	1
	1,678

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

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

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

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number: AZ04-06-002

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	669	4,681	9,088	
FEBRUARY	672	4,615	6,360	
MARCH	672	5,195	6,942	
APRIL	668	7,437	12,471	
MAY	669	7,565	11,406	
JUNE	673	10,459	13,834	
JULY	673	9,982	12,683	
AUGUST	675	8,247	12,684	
SEPTEMBER	679	6,811	10,919	
OCTOBER	679	6,423	12,349	
NOVEMBER	681	5,720	9,791	
DECEMBER	684	4,605	10,002	
TOTALS →		81,740	128,529	

What is the level of arsenic for each well on your system? <0.0030 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 250GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

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: _____

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

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number: AZ04-06-003

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,532	37,538		37,603
FEBRUARY	1,536	35,545		35,388
MARCH	1,554	37,889		34,297
APRIL	1,570	32,626		37,028
MAY	1,608	46,855		46,767
JUNE	1,604	53,400		53,804
JULY	1,598	42,624		43,444
AUGUST	1,607	49,351		49,246
SEPTEMBER	1,607	39,177		39,180
OCTOBER	1,657	42,170		41,887
NOVEMBER	1,677	39,371		38,436
DECEMBER	1,677	33,119		33,119
TOTALS →		489,665		490,199

What is the level of arsenic for each well on your system? <0.0016 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 250 GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

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: _____

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

COMPANY NAME: The Morenci Water and Electric Company	
Name of System:	ADEQ Public Water System Number: AZ04-06-002

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		3	
FEBRUARY		2	
MARCH		9	
APRIL			
MAY		1	
JUNE			
JULY		1	
AUGUST		2	
SEPTEMBER		4	
OCTOBER		3	
NOVEMBER			
DECEMBER			
TOTALS →		25	

OTHER (description):

COMPANY NAME: The Morenci Water and Electric Company	
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

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

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 304,432.60

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**

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Greenlee</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Ruel Rogers</u>
COMPANY NAME <u>The Morenci Water and Electric Company</u>

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

FOR THE YEAR ENDING

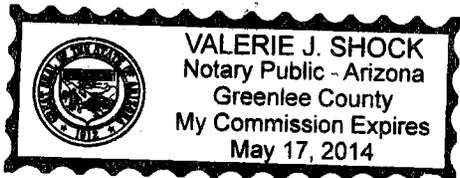
MONTH	DAY	YEAR
12	31	2013

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.



Ruel Rogers
SIGNATURE OF OWNER OR OFFICIAL

(928) 865-2229
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11 DAY OF

COUNTY NAME <u>Greenlee</u>
MONTH <u>4</u> YEAR <u>2014</u>

(SEAL)

MY COMMISSION EXPIRES

5/17/2014

Valerie J. Shock
SIGNATURE OF NOTARY PUBLIC

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported None
Estimated or Actual Federal Tax Liability None

State Taxable Income Reported None
Estimated or Actual State Tax Liability None

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances None
Amount of Gross-Up Tax Collected None
Total Grossed-Up Contributions/Advances None

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

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Greenlee</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Ruel Rogers</u>
COMPANY NAME <u>The Morenci Water and Electric Company</u>

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

FOR THE YEAR ENDING

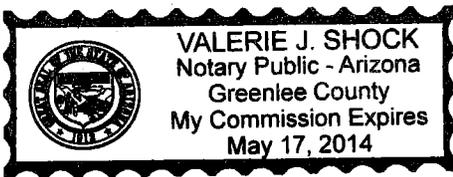
MONTH	DAY	YEAR
12	31	2013

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 (\$)
\$ <u>1,051,342.47</u>



(THE AMOUNT IN BOX ABOVE INCLUDES \$ 63,067.69 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)**

Ruel Rogers

SIGNATURE OF OWNER OR OFFICIAL
(928) 865-2229

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11 **DAY OF**

COUNTY NAME <u>Greenlee</u>
MONTH <u>4</u> YEAR <u>2014</u>

(SEAL)

MY COMMISSION EXPIRES May 17, 2014

Valerie J. Shock

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Greenlee	
NAME (OWNER OR OFFICIAL) Ruel Rogers	TITLE Superintendent
COMPANY NAME The Morenci Water and Electric 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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 582,318.52

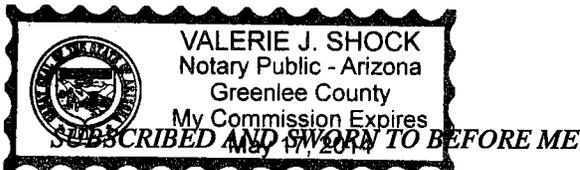
THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 34,931.99
IN SALES TAXES BILLED, OR COLLECTED)

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

Ruel Rogers

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER



A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11 DAY OF

NOTARY PUBLIC NAME <i>Valerie Shock</i>	
COUNTY NAME <i>Greenlee</i>	
MONTH <i>4</i>	, 20 <i>14</i>

(SEAL)

MY COMMISSION EXPIRES *May 17, 2014*

Valerie Shock

SIGNATURE OF NOTARY PUBLIC