

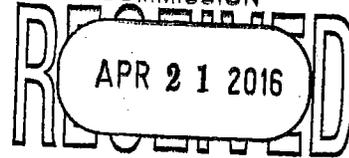
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-03528A

Picacho Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

ARIZONA CORPORATION
COMMISSION



Utilities Division

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT

Water

FOR YEAR ENDING

12	31	2015
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FOR COMMISSION USE

ANN 04	15
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4-28-16

COMPANY INFORMATION

Company Name (Business Name) <u>Picacho Water Company</u>		
Mailing Address <u>9532 E. Riggs Rd.</u>		
<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-4200</u> Telephone No. (Include Area Code)	<u>(480) 895-5455</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>24607 S. Price Rd.</u>		
<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-5009</u> Local Customer Service Phone No. (Include Area Code)	<u></u> (1-800 or other long distance Customer Service Phone No.)	
Email Address _____	Website address _____	

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u>Steve Soriano</u> <u>Vice President/General Manager</u>			
<u>9532 E. Riggs Rd.</u> (Street)	<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480)895-4200</u> Telephone No. (Include Area Code)	<u>(480) 895-5455</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)	
Email Address <u>steve.soriano@robson.com</u>			
On Site Manager: <u>Dave Voorhees</u>			
<u>24607 S. Price Rd.</u> (Street)	<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-5009</u> Telephone No. (Include Area Code)	<u>(480) 802-9463</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)	
Email Address <u>dave.voorhees@robson.com</u>			

Statutory Agent:		<u>James Hubbard</u>	
		(Name)	
<u>9532 E. Riggs Rd.</u>	<u>Sun Lakes</u>	<u>AZ</u>	<u>85248</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 895-4200</u>	<u>(480) 895-0136</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney:		<u>Jay L. Shapiro</u>	
		(Name)	
<u>3003 N. Central Ave., Ste 2600</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85012-2913</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 916-5366</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email			
Address <u>jshapiro@fclaw.com</u>			

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 type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input checked="" type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME Picacho Water 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	183,896	0	183,896
303	Land and Land Rights			
304	Structures and Improvements	30,260	2,927	27,333
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	2,131,345	608,892	1,522,453
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	1,007,495	280,757	726,738
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders	25,594	3,518	22,076
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	894,323	266,040	628,283
330.2	Pressure Tanks	6,291	100	6,191
331	Transmission and Distribution Mains	3,501,818	818,125	2,683,693
333	Services	616,827	97,758	519,069
334	Meters and Meter Installations	311,425	43,243	268,182
335	Hydrants	494,209	99,059	395,150
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	39,581	28,808	10,773
340.1	Computers & Software			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	184,177	51,580	132,597
347	Miscellaneous Equipment	22,106	2,580	19,526
348	Other Tangible Plant			
	TOTALS	9,449,347	2,303,387	7,145,960

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

COMPANY NAME **Picacho Water Company**

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost(1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			
302	Franchises	183,896		
303	Land and Land Rights			
304	Structures and Improvements	30,260	3.00	909
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	2,131,345	3.00	63,870
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	1,007,495	2.98	30,011
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders	25,594	3.00	768
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	894,323	3.01	26,917
330.2	Pressure Tanks	6,291	1.41	89
331	Transmission and Distribution Mains	3,501,818	3.00	104,966
333	Services	616,827	2.99	18,426
334	Meters and Meter Installations	311,425	3.02	9,404
335	Hydrants	494,209	2.99	14,797
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	39,581	1.06	419
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	184,177	3.00	5,525
347	Miscellaneous Equipment	22,106	3.00	663
348	Other Tangible Plant			
	SUBTOTAL	9,449,347	2.93	276,764
	LESS CIAC Amortization			0
	TOTALS *	9,449,347	2.93	276,764

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

COMPANY NAME Picacho Water Company

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 53,864	\$ 48,485
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	41,207	47,890
146	Notes/Receivables from Associated Companies	569,036	782,398
151	Plant Material and Supplies		
162	Prepayments		2,306
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 664,107	\$ 881,079
FIXED ASSETS			
101	Utility Plant in Service	\$ 9,339,080	\$ 9,449,347
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,540,760)	(2,303,387)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 7,798,319	\$ 7,145,960
	TOTAL ASSETS	\$ 8,462,426	\$ 8,027,039

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

COMPANY NAME Picacho Water Company

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$ 10,293	\$ 10,537
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	33,274	31,165
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	2,410	1,432
	TOTAL CURRENT LIABILITIES	\$ 45,977	\$ 43,134
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 0	\$ 0
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	187,102	187,102
	TOTAL DEFERRED CREDITS	\$ 187,102	\$ 187,102
	TOTAL LIABILITIES	\$ 233,079	\$ 230,236
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 1,475,000	\$ 1,475,000
211	Paid in Capital in Excess of Par Value	6,025,000	6,025,000
215	Retained Earnings	729,347	296,803
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 8,229,347	\$ 7,796,803
	TOTAL LIABILITIES AND CAPITAL	\$ 8,462,426	\$ 8,027,039

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 636,214	\$ 684,859
460	Unmetered Water Revenue		
474	Other Water Revenues	3,778	3,245
	TOTAL REVENUES	\$ 639,992	\$ 688,104
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 78,929	\$ 88,976
610	Purchased Water		
615	Purchased Power	140,811	166,508
618	Chemicals	3,418	3,598
620	Repairs and Maintenance	12,881	6,007
621	Office Supplies and Expense	10,768	10,084
631	Contractual Services – Engineering	0	0
632	Contractual Services – Accounting	385	390
633	Contractual Services – Legal	4,953	6,065
635	Contractual Services – Testing	1,220	2,301
636	Contractual Services – Other	11,785	13,035
641	Rents		
650	Transportation Expenses	8,667	8,807
656	Insurance - Vehicle	1,645	2,612
657	Insurance – General Liability	10,069	7,099
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	386	0
675	Miscellaneous Expense	6,658	4,396
403	Depreciation Expense	250,021	276,764
408	Taxes Other Than Income		
408.11	Property Taxes	41,985	38,568
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 584,581	\$ 635,210
	OPERATING INCOME/(LOSS)	\$ 55,411	\$ 52,894
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 9,576	\$ 17,597
421	Non-Utility Income	343	386
426	Miscellaneous Non-Utility Expenses	(54)	(276)
427	Interest Expense		
434	Extraordinary Depreciation Adjustment	0	(503,146)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 9,865	\$ (485,439)
	NET INCOME/(LOSS)	\$ 65,276	\$ (432,545)

COMPANY NAME Picacho Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
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 \$0

Meter Deposits Refunded During the Test Year \$0

COMPANY NAME Picacho Water Company	
Name of System:	ADEQ Public Water System Number:

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-567967	400	2,500	1,613	20	12	1998
55-567966	400	2,400	1,150	20	12	1998
55-211811	400	2,000	1,570	18	12	2006

* 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
60	2	163	
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000	1	15,000	1

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

COMPANY NAME Picacho Water Company

Name of System:

ADEQ Public Water System Number:

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	PVC	32,906
8	PVC	27,108
10		
12	PVC	32,525
16	PVC	12,442
18	PVC	7,920

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	846
3/4	
1	7
1 1/2	4
2	33
Comp. 3	
Turbo 3	
Comp. 4	2
Turbo 4	
Comp. 6	1
Turbo 6	

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

TREATMENT EQUIPMENT:

Dual Chlorination System (2)

STRUCTURES:

2 Motor Control Panels

OTHER:

Generator (1) 350 KW

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

COMPANY NAME: Picacho Water Company	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	822	8,695	9,053	0
FEBRUARY	824	9,685	10,650	0
MARCH	837	18,989	19,299	0
APRIL	841	25,659	26,901	0
MAY	844	28,875	28,720	0
JUNE	853	37,268	36,555	0
JULY	854	35,609	37,029	0
AUGUST	857	36,580	35,353	0
SEPTEMBER	864	18,544	17,342	0
OCTOBER	873	27,118	27,419	0
NOVEMBER	882	13,517	13,584	0
DECEMBER	893	12,020	11,054	0
TOTALS →		272,559	272,959	0

What is the level of arsenic for each well on your system? POE#1.0046 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,750 GPM for 2 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: Picacho Water 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	0	1*	0
FEBRUARY	0	1*	0
MARCH	0	1*	0
APRIL	0	1*	0
MAY	0	1*	0
JUNE	0	1*	0
JULY	0	1*	0
AUGUST	0	1*	0
SEPTEMBER	0	1*	0
OCTOBER	0	1*	0
NOVEMBER	0	1*	0
DECEMBER	0	1*	0
TOTALS →	0	12*	0

OTHER (description):

*Number estimated – new tracking system put in place 1/1/16

COMPANY NAME Picacho Water Company YEAR ENDING 12/31/2015

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 40,243.93

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

ARIZONA CORPORATION
COMMISSION

RECEIVED
APR 21 2016

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Steve Soriano - Vice President/General Manager</u>
COMPANY NAME <u>Picacho Water Company</u>

Utilities Division

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	2015

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.

Steve M. Soriano

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-4200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 20th DAY OF

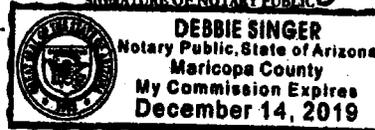
(SEAL)

MY COMMISSION EXPIRES 12-14-19

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>APRIL</u>	<u>2016</u>

Debbie Singer

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION
RECEIVED
APR 21 2016

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	Utilities Division
NAME (OWNER OR OFFICIAL) TITLE <u>Steve Soriano - Vice President/General Manager</u>	
COMPANY NAME <u>Picacho Water Company</u>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>756,429</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 68,326
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

480-895-4200

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)

MY COMMISSION EXPIRES _____

SIGNATURE OF NOTARY PUBLIC

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

ARIZONA CORPORATION
COMMISSION

RECEIVED

APR 21 2016

Utilities Division

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Steve Soriano</u>	TITLE <u>Vice President/General Manager</u>
COMPANY NAME <u>Picacho Water Company</u>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2015</u>

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.

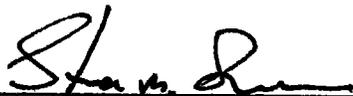
SWORN STATEMENT

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 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
<u>\$ 307,043</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 26,857
IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL

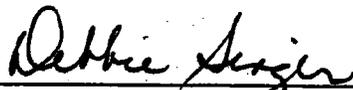
480-895-4200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 20th DAY OF

NOTARY PUBLIC NAME <u>Debbie SINGER</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>APRIL</u>	YEAR <u>2016</u>

(SEAL)

MY COMMISSION EXPIRES 12-14-19


SIGNATURE OF NOTARY PUBLIC

