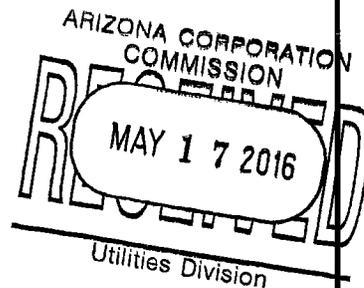


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01717A

Ponderosa Utility Corporation
949 Osage
Flagstaff, AZ 86005



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 FISCAL YEAR ENDING

01 31 2016

FOR COMMISSION USE

ANN 04 15

5-17-16

COMPANY INFORMATION

Company Name (Business Name) <u>Ponderosa Utility Corporation</u>			
Mailing Address <u>949 Osage</u> (Street)			
<u>Flagstaff</u> (City)	<u>AZ</u> (State)	<u>86005</u> (Zip)	
<u>(928) 525-6210</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>contact@ponderosauc.com</u>			
Local Office Mailing Address <u>949 Osage</u> (Street)			
<u>Flagstaff</u> (City)	<u>AZ</u> (State)	<u>86005</u> (Zip)	
<u>(928) 525-6210</u>			
Local Office Telephone No. (Incl Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>contact@ponderosauc.com</u>			

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Management Contact:	<u>Saffron Coons</u> (Name)	<u>Office Manager</u> (Title)	
<u>949 Osage</u> (Street)	<u>Flagstaff</u> (City)	<u>AZ</u> (State)	<u>86005</u> (Zip)
<u>(928) 525-6210</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>contact@ponderosauc.com</u>			
On Site Manager: <u>Marshall T Brown</u> (Name)			
<u>949 Osage</u> (Street)	<u>Flagstaff</u> (City)	<u>AZ</u> (State)	<u>86005</u> (Zip)
<u>(928) 525-6210</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>contact@ponderosauc.com</u>			

Statutory Agent: Marshall T. Brown

(Name)

949 Osage

(Street)

Flagstaff

(City)

AZ

(State)

86005

(Zip)

(928) 525-6210

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: N/A

(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 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 checked="" 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 | | |

COMPANY NAME: Ponderosa Utility Corporation

WATER UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ 1,443		\$ 1,443
302	Franchises			-
303	Land & Land Rights	1,801		1,801
304	Structures & Improvements	139,440	120,819	18,620
307	Wells & Springs	224,673	162,523	62,150
310	Power Generation Equipment	9,720	1,701	8,019
311	Pumping Equipment	153,108	88,653	64,456
320	Water Treatment Equipment			-
320.1	Water Treatment Plants			-
320.2	Solution Chemical Feeders			-
330	Distribution Reservoirs and Standpipes	71,548	71,548	(0)
330.1	Storage Tanks	2,984	179	2,804
330.2	Pressure Tanks			-
331	Transmission and Distribution Mains	185,466	184,680	786
333	Services	41,173	33,923	7,250
334	Meters and Meter Installations	99,467	66,016	33,451
335	Hydrants	5,609	5,609	-
336	Backflow Prevention Devices			-
339	Other Plant and Misc. Equipment	558	442	116
340	Office Furniture and Equipment	17,415	16,740	675
340.1	Computers & Software	9,354	8,022	1,332
341	Transportation Equipment	7,200	6,580	620
343	Tools, Shop and Garage Equipment	31,748	28,349	3,399
344	Laboratory Equipment			-
345	Power Operated Equipment	15,579	3,996	11,583
346	Communications Equipment	9,093	455	8,638.35
347	Miscellaneous Equipment	4,181	3,836	345.10
348	Other Tangible Plant			-
	TOTALS	\$ 1,031,561	\$ 804,070	\$ 227,490

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Ponderosa Utility Corporation

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT FISCAL YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 X 2)
301	Organization	\$ 1,443		\$ -
302	Franchises	-		-
303	Land & Land Rights	1,801	N/A	-
304	Structures & Improvements	139,440	3.33%	4,510
307	Wells & Springs	224,673	3.33%	7,482
310	Power Generation Equipment	9,720	5.00%	486
311	Pumping Equipment	153,108	12.50%	11,145
320	Water Treatment Equipment	-	20.00%	-
320.1	Water Treatment Plants	-	3.33%	-
320.2	Solution Chemical Feeders	-	20.00%	-
330	Distribution Reservoirs and Standpipes	71,548	2.22%	-
330.1	Storage Tanks	2,984	2.22%	66
330.2	Pressure Tanks	-	5.00%	-
331	Transmission and Distribution Mains	185,466	2.00%	12
333	Services	41,173	3.33%	209
334	Meters and Meter Installations	99,467	8.33%	3,778
335	Hydrants	5,609	2.00%	-
336	Backflow Prevention Devices	-	6.67%	-
339	Other Plant and Misc. Equipment	558	6.67%	37
340	Office Furniture and Equipment	17,415	6.67%	43
340.1	Computers & Software	9,354	33.33%	1,120
341	Transportation Equipment	7,200	20.00%	1,240
343	Tools, Shop and Garage Equipment	31,748	5.00%	265
344	Laboratory Equipment	-	10.00%	-
345	Power Operated Equipment	15,579	5.00%	740
346	Communications Equipment	9,093	10.00%	455
347	Miscellaneous Equipment	4,181	10.00%	41
348	Other Tangible Plant	-	10.00%	-
	SUBTOTAL	1,031,561		31,627
	LESS CIAC Amortization			(205)
	TOTALS *	\$ 1,031,561		\$ 31,422

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

COMPANY NAME: Ponderosa Utility Corporation

WATER UTILITY BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF FISCAL YEAR	BALANCE AT END OF FISCAL YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 23,828	\$ 5,565
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	19,156	3,381
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	140	26,912
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 43,124	\$ 35,858
	FIXED ASSETS		
101	Utility Plant in Service	\$ 966,644	\$ 1,031,561
103	Property Held for Future Use		34,200
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(772,443)	(804,070)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 194,201	\$ 261,690
	TOTAL ASSETS	\$ 237,325	\$ 297,548

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

COMPANY NAME: Ponderosa Utility Corporation

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF FISCAL YEAR	BALANCE AT END OF FISCAL YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 750	\$ 3,672
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,473	2,164
236	Accrued Taxes	10,123	3,597
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 12,346	\$ 9,433
	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	\$ 15,876	\$ 9,463
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	95,595	116,115
272	Less: Amortization of contributions	(95,595)	(95,800)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 15,876	\$ 29,778
	TOTAL LIABILITIES	\$ 28,222	\$ 39,211
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 52,541	\$ 52,541
211	Paid in Capital in Excess of Par Value	29,091	29,091
215	Retained Earnings	127,471	176,705
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 209,103	\$ 258,337
	TOTAL LIABILITIES AND CAPITAL	\$ 237,325	\$ 297,548

COMPANY NAME: Ponderosa Utility Corporation

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR FISCAL YEAR	CURRENT FISCAL YEAR
461	Metered Water Revenue	\$ 292,099	\$ 270,915
460	Unmetered Water Revenue		
474	Other Water Revenues	3,453	6,634
	TOTAL REVENUES	\$ 295,552	\$ 277,549
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 97,664	\$ 112,790
610	Purchased Water		
615	Purchased Power	28,472	24,244
618	Chemicals		
620	Repairs and Maintenance	6,536	5,615
621	Office Supplies & Expense	12,833	15,888
630	Outside Services	6,555	2,912
635	Water Testing	4,084	2,070
641	Rents	43,200	-
650	Transportation Expenses	8,054	4,929
657	Insurance - General Liability	6,106	3,885
659	Insurance - Health and Life		
666	Regulatory Commsn Exp-Rate Case		
675	Miscellaneous Expense	4,790	3,169
403	Depreciation Expense	23,099	31,422
408	Taxes Other Than Income	8,898	8,784
408.11	Property Taxes	10,736	16,686
409	Income Tax	4,295	-
427	Customer Security Deposit Interest	225	329
	TOTAL OPERATING EXPENSES	\$ 265,547	\$ 232,723
	OPERATING INCOME/(LOSS)	\$ 30,005	\$ 44,826
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Exp		
427	Interest Expense		(712)
434	Extraordinary Deductions		
	TOTAL OTHER INCOME/(EXPENSE)	\$ -	\$ (712)
	NET INCOME/(LOSS)	\$ 30,005	\$ 44,114

COMPANY NAME: Ponderosa Utility Corporation

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

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

Meter Deposit Balance at Fiscal Year End \$ 9,463

Meter Deposits Refunded During the Fiscal Year \$ 2,020

COMPANY NAME: Ponderosa Utility Corporation	
Name of System:	ADEQ Public Water System Number: 03-018

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-806223	30	75	950	8	3	2003
55-566882	40	120	1120	8	3	1998

* 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	
Horsepower	Quantity
5.0	2
10.0	6
15.0	1

FIRE HYDRANTS	
Quantity Standard	Quantity Other
29	

STORAGE TANKS	
Capacity	Quantity
22,000	1
66,000	1
84,000	1
125,000	1

PRESSURE TANKS	
Capacity	Quantity

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

COMPANY NAME: Ponderosa Utility Corporation		
Name of System:	ADEQ Public Water System Number:	03-018

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	6,500
3	PVC	10,355
4	PVC	14,220
5		
6	PVC	15,110
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	614
3/4	5
1	18
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

STRUCTURES:

4 pump houses

1 work shed

1 office/storage building

OTHER:

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

COMPANY NAME: Ponderosa Utility Corporation		
Name of System:	ADEQ Public Water System Number:	03-018

WATER USE DATA SHEET BY MONTH FOR FISCAL YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
FEBRUARY 2015	601	1,388	2,060	-
MARCH 2015	600	1,695	1,986	-
APRIL 2015	599	1,683	2,375	-
MAY 2015	598	1,969	2,220	-
JUNE 2015	600	2,353	2,658	-
JULY 2015	605	1,948	2,469	-
AUGUST 2015	609	2,276	2,788	-
SEPTEMBER 2015	606	1,929	2,070	-
OCTOBER 2015	607	1,623	1,938	-
NOVEMBER 2015	602	1,597	1,945	-
DECEMBER 2015	614	1,547	1,877	-
JANUARY 2016	613	1,524	1,839	-
TOTALS		21,532	26,225	-

What is the level of arsenic for each well on your system? Well 1 - .0013 mg/l
(If more than one well, please list each separately.) Well 2 - 0.0023 mg/l

If system has fire hydrants, what is the fire flow requirement? 1000/1500 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?
 YES NO N/A

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: N/A

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

COMPANY NAME: Ponderosa Utility Corporation
 Name of System: ADEQ Public Water System Number: 03-018

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
FEBRUARY 2015	-	-	-
MARCH 2015	-	-	-
APRIL 2015	-	3	-
MAY 2015	-	-	-
JUNE 2015	-	-	-
JULY 2015	-	6	-
AUGUST 2015	-	1	-
SEPTEMBER 2015	-	13	-
OCTOBER 2015	-	-	-
NOVEMBER 2015	-	-	-
DECEMBER 2015	-	-	-
JANUARY 2016	-	4	-
TOTALS	-	27	-

OTHER (description):

COMPANY NAME Ponderosa Utility Corporation

YEAR ENDING 12/31/15

PROPERTY TAXES

Amount of actual property taxes paid during Fiscal year 2015 was: \$ 5,341

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 06 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) COCONINO
NAME (OWNER OR OFFICIAL) TITLE Saffron Coons, Office Manager
COMPANY NAME Ponderosa Utility Corporation

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.

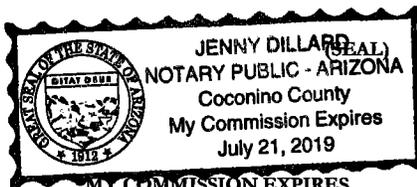
Saffron Coons
SIGNATURE OF OWNER OR OFFICIAL
928.525.6210
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	<u>Coconino</u>
MONTH/YEAR	<u>May 2016</u>

THIS 4 DAY OF



Jenny Dillard
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 06 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	COCONINO
NAME (OWNER OR OFFICIAL) TITLE	Saffron Coons, Office Manager
COMPANY NAME	Ponderosa Utility Corporation

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>\$ 293,754</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 16,205
IN SALES TAXES BILLED, OR COLLECTED)**

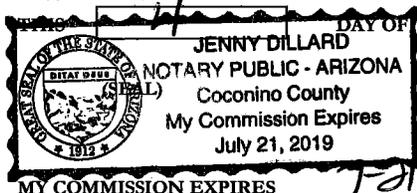
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
928.525.6210

TELEPHONE NUMBER

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



MY COMMISSION EXPIRES 7-21-19

COUNTY NAME	<u>Coconino</u>
MONTH/YEAR	<u>May 2016</u>



SIGNATURE OF NOTARY PUBLIC

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

RECEIVED

MAY 06 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

<small>COUNTY OF (COUNTY NAME)</small> COCONINO	
<small>NAME (OWNER OR OFFICIAL)</small> Saffron Coons	<small>TITLE</small> Office Manager
<small>COMPANY NAME</small> Ponderosa Utility Corporation	

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

FOR THE YEAR ENDING

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
12	31	2014

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.

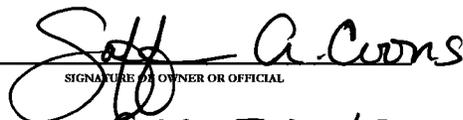
SWORN STATEMENT

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 2014 WAS:

<small>ARIZONA INTRASTATE GROSS OPERATING REVENUES</small> \$ 287,252

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 15,846
IN SALES TAXES BILLED, OR COLLECTED

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

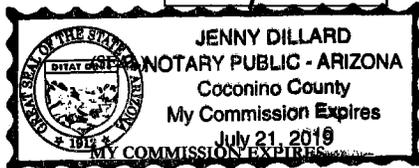

SIGNATURE OF OWNER OR OFFICIAL
928-525-6210
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 4 DAY OF

<small>NOTARY PUBLIC NAME</small> Jenny Dillard
<small>COUNTY NAME</small> Coconino
<small>MONTH/YEAR</small> May 2016



7-21-16


SIGNATURE OF NOTARY PUBLIC