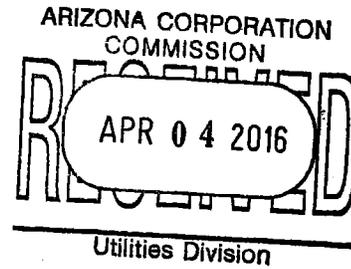


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02096A

Verde Lee Water Co., Inc.
PO Box 1322
Clifton, AZ 85533



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

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 15 |
|--------|----|

4-5-16

Company Information

Company Name (Business Name) Verde Lee Water Co., Inc.

Mailing Address P.O. Box 1322

(Street)

Clifton

(City)

AZ

(State)

85533

(Zip)

(520) 850-6780

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area code)

Pager / Cell (Include Area Code)

Email Address verdeleewater@gmail.com

Local Office Mailing Address P.O. Box 1322

(Street)

Clifton

(City)

AZ

(State)

85533

(Zip)

(928) 215-0290

Local Office Telephone No. (Include Area Code)

N/A

Fax No. (Include Area code)

Pager / Cell (Include Area Code)

Email Address N/A

Management Information

Regulatory Contract:

Management Contact:

Marla Wilkerson

Secretary

HC 30

(Name)

(Title)

~~P.O. Box 1322~~

Box 21-D

~~Clifton~~

Concho

AZ

~~85533~~

85924

(Street)

(City)

(State)

(Zip)

(520) 850-6780

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area code)

Cell (Include Area Code)

Email Address verdeleewater@gmail.com

On Site Manager:

~~Raymond Cueto~~

Brian Cueto

General Manager

(Name)

(Title)

P O Box 1322

(Street)

Clifton

(City)

AZ

(State)

85533

(Zip)

(928) 687-1647

Telephone No. (Include Area Code)

965-6542

Fax No. (Include Area code)

(520) 508-6814

Cell (Include Area Code)

Email Address rscueto@aznex.net

Statutory Agent: Marla Wilkerson
HC 30 Box 21-D (Name)
~~P.O. Box 971~~ ~~Chino~~ Concho AZ 85924 ~~86503~~
 (Street) (City) (State) (Zip)
(520) 850-6780 N/A
 Telephone No. (Include Area Code) Fax No. (Include Area code) Cell (Include Area Code)
Attorney: _____

 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area code) Cell (Include Area Code)
Email Address: _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S) C Corporation (C) (Other than Association / Co-op)

Partnership (P) Subchapter S Corporation (Z)

Bankruptcy (B) Association / Co-op (A)

Receivership (R) Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

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

APACHE COCHISE COCONINO

GILA GRAHAM GREENLEE

LA PAZ MARICOPA MOHAVE

NAVAJO PIMA PINAL

SANTA CRUZ YAVAPAI YUMA

STATEWIDE

COMPANY NAME Verde Lee Water Co., Inc.

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 | 174,003 | 10,840 | 163,163 |
| 304 | Structures and Improvements | - | - | - |
| 305 | Collecting & Impounding Reservoirs | | | |
| 306 | Lake, River, Canal Intakes | | | |
| 307 | Wells and Springs | 44,748 | 41,514 | 3,234 |
| 308 | Infiltration Galleries | | | |
| 309 | Raw Water Supply Mains | | | |
| 310 | Power Generation Equipment | | | |
| 311 | Pumping Equipment | 115,428 | 105,527 | 9,901 |
| 320 | Water Treatment Equipment | | | |
| 320.1 | Water Treatment Plants | 105,598 | 85,141 | 20,457 |
| 320.2 | Solution Chemical Feeders | | | |
| 320.3 | Point-of-Use Treatment Devices | | | |
| 320.4 | Arsenic Media | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 330.1 | Storage Tanks | 182,711 | 167,639 | 15,072 |
| 330.2 | Pressure Tanks | | | |
| 331 | Transmission and Distribution Mains | 241,072 | 227,582 | 13,490 |
| 333 | Services | - | - | - |
| 334 | Meters and Meter Installation | 38,252 | 12,936 | 25,316 |
| 335 | Hydrants | - | - | - |
| 336 | Backflow Prevention Devices | - | - | - |
| 339 | Other Plant and Misc. Equipment | 168,305 | 147,577 | 20,728 |
| 340 | Office Furniture and Equipment | 431 | 431 | - |
| 340.1 | Computers and Software | | | |
| 341 | Transportation Equipment | 2,436 | 2,436 | - |
| 342 | Stores Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | 2,303 | 2,303 | - |
| 344 | Laboratory Equipment | - | - | - |
| 345 | Power Operated Equipment | - | - | - |
| 346 | Communication Equipment | - | - | - |
| 347 | Miscellaneous Equipment | - | - | - |
| 348 | Other Tangible Plant | - | - | - |
| | TOTALS | 1,075,287 | 803,926 | 271,361 |

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

COMPANY NAME Verde Lee Water Co., Inc.

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Percentage Depreciation (2) | Depreciation Expense (1 X 2) |
|-----------|--|-------------------|-----------------------------|------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 174,003 | 0.000% | - |
| 304 | Structures and Improvements | | | |
| 305 | Collecting & Impounding Reseroirs | | | |
| 306 | Lake, River, Canal Intakes | | | |
| 307 | Wells and Springs | 44,748 | 1.969% | 881 |
| 308 | Infiltration Galleries | | | |
| 309 | Raw Water Supply Mains | | | |
| 310 | Power Generation Equipment | | | |
| 311 | Pumping Equipment | 115,428 | 0.000% | - |
| 320 | Water Treatment Equipment | | | |
| 320.1 | Water Treatment Plants | 105,598 | 17.312% | 18,281 |
| 320.2 | Solution Chemical Feeders | | | |
| 320.3 | Point-of-Use Treatment Devices | | | |
| 320.4 | Arsenic Media | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 330.1 | Storage Tanks | 182,711 | 1.878% | 3,431 |
| 330.2 | Pressure Tanks | | | |
| 331 | Transmission and Distribution Mains | 241,072 | 0.270% | 652 |
| 333 | Services | | | |
| 334 | Meters and Meter Installation | 38,252 | 0.565% | 216 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 168,305 | 1.275% | 2,146 |
| 340 | Office Furniture and Equipment | 431 | 0.000% | - |
| 340.1 | Computers and Software | 2,436 | 0.000% | - |
| 341 | Transportation Equipment | | | |
| 342 | Stores Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | 2,303 | 0.000% | - |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | SUBTOTAL | | | |
| | LESS CIAC Amortization | | | |
| | TOTALS* | 1,075,287 | 2.381% | 25,607 |

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

COMPANY NAME Verde Lee Water Co., Inc.

WATER UTILITY BALANCE SHEET

| Acct. No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 30,784 | \$ 52,187 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 8,881 | 6,576 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | - | - |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 39,665 | \$ 58,763 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 1,075,287 | \$ 1,075,287 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation - Utility Plant | (778,319) | (803,926) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation - Non Utility | - | - |
| | TOTAL FIXED ASSETS | \$ 296,968 | \$ 271,361 |
| | TOTAL ASSETS | \$ 336,633 | \$ 330,124 |

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

COMPANY NAME Verde Lee Water Co., Inc.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--|---|------------------------------|------------------------|
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| 231 | Accounts Payable | \$ 323 | \$ 1,000 |
| 232 | Notes Payable (Current Portion) | - | - |
| 234 | Notes/Accounts Payable to Associated Companies | - | - |
| 235 | Customer Deposits | - | - |
| 236 | Accrued Taxes | 50 | 50 |
| 237 | Accrued Interest | - | - |
| 241 | Miscellaneous Current and Accrued Liabilities | 488 | 1,082 |
| | TOTAL CURRENT LIABILITIES | \$ 861 | \$ 2,132 |
| LONG-TERM DEBT (Over 12 Months) | | | |
| 224 | Long-Term Notes and Bonds | \$ 12,793 | \$ 4,953 |
| 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 | - | - |
| 272 | Less: Amortization of Contributions | - | - |
| 281 | Accumulated Deferred Income Tax | - | - |
| | TOTAL DEFERRED CREDITS | \$ - | \$ - |
| | TOTAL LIABILITIES | \$ 13,654 | \$ 7,085 |
| CAPITAL ACCOUNTS | | | |
| 201 | Common Stock Issued | \$ 328,920 | \$ 328,920 |
| 211 | Paid in Capital in Excess of Par Value | - | - |
| 215 | Retained Earnings | (5,941) | (5,881) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | - | - |
| | TOTAL CAPITAL | \$ 322,979 | \$ 323,039 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 336,633 | \$ 330,124 |

COMPANY NAME Verde Lee Water Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------------|-------------------|
| 461 | Metered Water Revenue | \$ 99,169 | \$ 108,932 |
| 460 | Unmetered Water Revenue | - | - |
| 474 | Other Water Revenues | | |
| | TOTAL REVENUES | \$ 99,169 | \$ 108,932 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | | |
| 610 | Purchased Water | - | - |
| 615 | Purchased Power | 10,995 | 12,895 |
| 618 | Chemicals | - | - |
| 620 | Repairs and Maintenance | 446 | 25,531 |
| 621 | Office Supplies and Expense | 3,437 | 3,299 |
| 630 | Outside Services | 25,806 | 30,668 |
| 635 | Water Testing | - | 411 |
| 641 | Rents | - | - |
| 650 | Transportation Expenses | 6,671 | - |
| 657 | Insurance-General Liability | 4,662 | 5,560 |
| 659 | Insurance-Health and Life | - | - |
| 666 | Regulatory Commission Expense - Rate Case | - | - |
| 670 | Bad Debt Expense | - | - |
| 675 | Miscellaneous Expense | 3,234 | 3,045 |
| 403 | Depreciation Expense | 28,143 | 25,607 |
| 408 | Taxes Other Than Income | - | - |
| 408.11 | Property Taxes | 2,505 | 451 |
| 409 | Income Tax | 50 | 50 |
| | TOTAL OPERATING EXPENSES | \$ 85,949 | \$ 107,517 |
| | OPERATING INCOME/(LOSS) | 13,220 | 1,415 |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ - | \$ - |
| 421 | Non-Utility Income | 66 | 61 |
| 426 | Miscellaneous Non-Utility Expenses | - | - |
| 427 | Interest Expense | (873) | (1,413) |
| | TOTAL OTHER INCOME/EXP | \$ (807) | \$ (1,352) |
| | NET INCOME/(LOSS) | \$ 12,413 | \$ 63 |

COMPANY NAME Verde Lee Water Co., Inc.

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 \$ 0 .

Meter Deposits Refunded During the Test Year \$ 0 .

| | | | |
|------------------------|---|----------|--|
| COMPANY NAME: | Verde Lee Water Co., Inc | | |
| Name of System: | ADEQ Public Water System Number: | W-02096A | |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (Gpm) | Casing Size (inches) | Meter Size (inches) |
|------------------------|------------------------|-------------------------|-----------------------------|----------------------------|
| 55-623670 | 2.5 | 200+ | 8 | 4" |
| 55-623672 | 3 | 8 | 8 | 3/4" |
| 55-588765 | 3 | 150 | 8 | 4" |
| 55-623671 | 2.5 | 150 | 8 | 4" |
| | | | | |
| | | | | |

* 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 |
| 5 | 4 | None | None |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 125,000 | 1 | 2000 | 1 |
| 125,000 | 1 | 2500 | 1 |
| 125,000 | 1 | | |
| 125,000 | 1 | | |

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

| | | | |
|------------------------|----------------------------------|----------|--|
| COMPANY NAME: | Verde Lee Water Co., Inc | | |
| Name of System: | ADEQ Public Water System Number: | W-02096A | |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

| MAINS | | |
|------------------|-----------|------------------|
| Size (in inches) | Material | Length (in feet) |
| 2 | | |
| 3 | | |
| 4 | Hvy - PVC | 8000 |
| 5 | | |
| 6 | Hvy - PVC | 30716 |
| 8 | Hvy - PVC | 2100 |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| CUSTOMER METERS | |
|------------------|----------|
| Size (in inches) | Quantity |
| 5/8 X 3/4 | 195 |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |

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

TREATMENT EQUIPMENT:

Titanium Filter System and Arsenic Filter

STRUCTURES:

Buildings, Fences, Rock Walls, Warehouse, Dikes, Paving, Metal Racks, Culverts, Restructure, Gates, Land Improvements

OTHER:

N/A

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

| | | | |
|----------------------|----------------------------------|----------|--|
| COMPANY NAME: | Verde Lee Water Co., Inc | | |
| Name of System: | ADEQ Public Water System Number: | W-02096A | |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|-----------------------------|--|----------------------------------|
| JANUARY | 199 | 891,360 | is 3% per year more than Gallons Sold - for periodic pipe flushing and testing | 0 |
| FEBRUARY | 199 | 894,800 | | 0 |
| MARCH | 199 | 1,377,040 | | 0 |
| APRIL | 202 | 1,513,960 | | 0 |
| MAY | 202 | 1,542,151 | | 0 |
| JUNE | 203 | 2,011,790 | | 0 |
| JULY | 203 | 1,607,130 | | 0 |
| AUGUST | 201 | 2,141,910 | | 0 |
| SEPTEMBER | 201 | 1,237,400 | | 0 |
| OCTOBER | 202 | 1,493,040 | | 0 |
| NOVEMBER | 200 | 1,120,970 | | 0 |
| DECEMBER | 199 | 900,330 | | 0 |
| TOTAL | | 16,731,881.000 | | 0 |

What is the level of arsenic for each well in your system Well 55623671 - 0.023mg/l
(if more than one well, please list each separately) Well 55623670 - 0.011mg/l
Well 55623672 - 0.011mg/l
Well 55588765 - 0.026mg/l

If system has fire hydrants, what is the fire flow requirement? N/A GPM for [redacted] hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes (X) No

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

() Yes (X) No

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

() Yes (X) No

If yes, provide the GPCPD amount: _____

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

| | | | |
|------------------------|---|----------|--|
| COMPANY NAME: | Verde Lee Water Co., Inc | | |
| Name of System: | ADEQ Public Water System Number: | W-02096A | |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|------------|---|--|-------|
| JANUARY | N/A | N/A | N/A |
| FEBRUARY | | | |
| MARCH | | | |
| APRIL | | | |
| MAY | | | |
| JUNE | | | |
| JULY | | | |
| AUGUST | | | |
| SEPTEMBER | | | |
| OCTOBER | | | |
| NOVEMBER | | | |
| DECEMBER | | | |
| TOTALS --> | | | |

OTHER (description):

COMPANY NAME: Verde Lee Water Co., Inc. YEAR ENDING 12/31/2015

PROPERTY TAXES

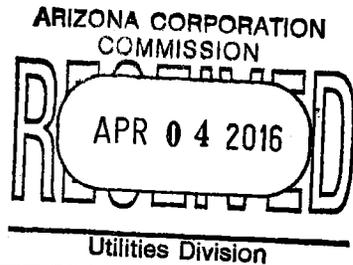
Amount of actual property taxes paid during Calendar Year 2015 was: \$

| |
|--------|
| 451.46 |
|--------|

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) |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME |

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.

Marla Wilkerson
SIGNATURE OF OWNER OR OFFICIAL
528-850-6780
TELEPHONE NUMBER

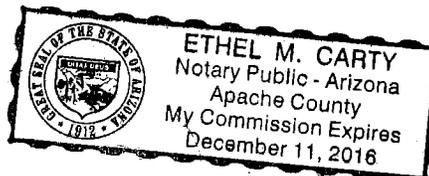
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 1st DAY OF April, 2016

| | | | |
|-------------|---------------|------|-------------|
| COUNTY NAME | <u>Apache</u> | | |
| MONTH | <u>April</u> | YEAR | <u>2016</u> |

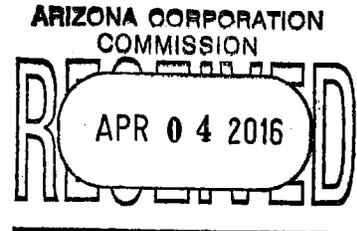
(SEAL)

Ethel M. Carty
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/11/2016



**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only



VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

| | |
|--------------------------------|--------------------|
| COUNTY OF (COUNTY NAME) | Utilities Division |
| 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 | 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>115,726</u> |

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,794 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)**

Marla Wilkerson

SIGNATURE OF OWNER OR OFFICIAL
520-850-6780

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 1st DAY OF

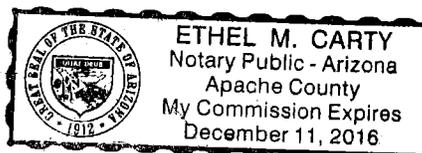
| | |
|-------------|---------------|
| COUNTY NAME | <u>Apache</u> |
| MONTH | <u>April</u> |
| YEAR | <u>2016</u> |

Ethel M. Carty

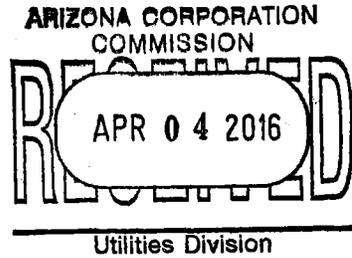
SIGNATURE OF NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES 12/11/2016



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



VERIFICATION
STATE OF ARIZONA
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 | 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 REQUIREMENTS 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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2015 WAS:

| |
|---|
| Arizona Intrastate Gross Operating Revenues Only (\$) |
| \$ 115,726 |

(THE AMOUNT IN BOX AT LEFT INCLUDES \$6,794 IN SALES TAXES BILLED, OR COLLECTED)

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

Marla Wilberson

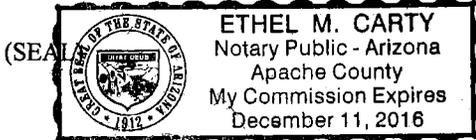
SIGNATURE OF OWNER OR OFFICIAL
528-850-6780

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 1st DAY OF

| | |
|--|------------------|
| NOTARY PUBLIC NAME <i>Ethel M. Carty</i> | |
| COUNTY NAME <i>Apache</i> | |
| MONTH <i>April</i> | YEAR <i>2016</i> |



x *Ethel M. Carty*

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/11/2016