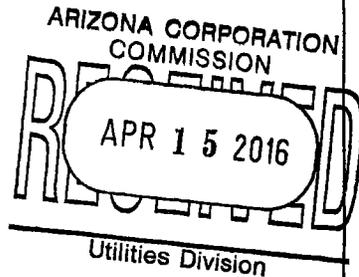


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-20475A

Watco, Inc.
PO Box 364
Overgaard, AZ 85933



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>Watco, Inc.</u>			
Mailing Address <u>PO Box 364</u>			
<small>(Street)</small>			
Overgaard	AZ	85933	
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>877-493-1853</u>	<u>N/A</u>	<u>N/A</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address <u>watercos@gmail.com</u>			
Local Office Mailing Address <u>Same as above</u>			
<small>(Street)</small>			
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)	
<u>877-493-1853</u>		<u>N/A</u>	
<small>Telephone No. (Include Area Code)</small>		<small>(1-800 or other long distance Customer Service Phone No.)</small>	
Email Address <u>N/A</u> Website address _____			

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact: <u>Thomas Grapp</u> <u>PO Box 364, Overgaard, AZ 85933</u>			
<input type="checkbox"/> Management Contact: <u>Utility Applications, llc</u> <u>Thomas Grapp</u> <u>Manager</u>			
<small>(Name)</small> <small>(Title)</small>			
<u>PO Box 568</u>	<u>Eagar</u>	<u>AZ</u>	<u>85925</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>877-493-1853</u>			
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address <u>utilityapplications1@gmail.com</u>			
On Site Manager: <u>Bryan Mullins</u>			
<small>(Name)</small>			
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address <u>watercos@gmail.com</u>			

Statutory Agent:		Mark Grapp	
		(Name)	
PO Box 364	Overgaard	AZ	85933
(Street)	(City)	(State)	(Zip)
877-493-1853	N/A	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney:		N/A	
		(Name)	
(Street)	(City)	(State)	(Zip)
N/A	N/A	N/A	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address		N/A	

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

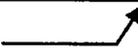
Check the box below for the county/ies in which you are certificated to provide service:

<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 checked="" 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 **Watco, Inc.**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,542	0	1,542
302	Franchises	7	0	7
303	Land and Land Rights	27,094	0	27,094
304	Structures and Improvements	47,958	13,830	34,128
305	Collecting & Impounding Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	48,807	34,014	14,793
308	Infiltration Galleries	0	0	0
309	Raw Water Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	44,821	44,821	0
320	Water Treatment Equipment			
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0
320.4	Arsenic Media	0	0	0
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	74,796	19,464	55,332
330.2	Pressure Tanks	46,800	33,046	13,754
331	Transmission and Distribution Mains	1,101,680	474,693	626,987
333	Services	96,409	70,024	26,385
334	Meters and Meter Installations	25,967	25,967	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computers & Software	0	0	0
341	Transportation Equipment	0	0	0
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	1,515,881	715,859	800,022

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

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	1,542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27,094	0	0
304	Structures and Improvements	47,958	3.33	1,597
305	Collecting & Impounding Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	48,807	3.33	1,625
308	Infiltration Galleries	0	0	0
309	Raw Water Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	44,821	12.5	5,603
320	Water Treatment Equipment			
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0
320.4	Arsenic Media	0	0	0
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	74,796	5	3,740
330.2	Pressure Tanks	46,800	5	2,340
331	Transmission and Distribution Mains	1,101,680	2	22,034
333	Services	96,409	3.33	3,210
334	Meters and Meter Installations	25,967	8.33	2,163
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computers & Software	0	0	0
341	Transportation Equipment	0	0	0
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	SUBTOTAL	1,515,881		42,312
	LESS CIAC Amortization			0
	TOTALS *	1,515,881		42,312

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

COMPANY NAME Watco, Inc.

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ (3,061)	\$ 4,257
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	9,988	16,184
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 6,927	\$ 20,441
FIXED ASSETS			
101	Utility Plant in Service	\$ 1,515,881	\$ 1,515,881
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	680,482	715,859
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 835,399	\$ 800,022
	TOTAL ASSETS	\$ 842,326	\$ 820,463

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

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	7,037	7,037
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	3,095	2,720
236	Accrued Taxes	0	0
237	Accrued Interest	2,135	2,071
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 12,267	\$ 11,828
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 65,676	\$ 61,770
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	1,003,656	1,003,656
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 1,003,656	\$ 1,003,656
	TOTAL LIABILITIES	\$ 1,081,599	\$ 1,077,254
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	(239,273)	(256,791)
218	Proprietary Capital (Sole Props and Partnerships)	0	
	TOTAL CAPITAL	\$ (239,273)	\$ (256,791)
	TOTAL LIABILITIES AND CAPITAL	\$ 842,326	\$ 820,463

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 171,298	\$ 173,731
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1,250	2,386
	TOTAL REVENUES	\$ 172,548	\$ 176,117
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 74,299	\$ 71,417
610	Purchased Water	0	0
615	Purchased Power	10,574	10,459
618	Chemicals	0	0
620	Repairs and Maintenance	1,754	1,926
621	Office Supplies and Expense	6,070	6,118
630	Outside Services	17,357	18,500
635	Water Testing	900	4,551
641	Rents	11,086	11,107
650	Transportation Expenses	8,605	9,838
657	Insurance – General Liability	1,763	2,179
659	Insurance - Health and Life	992	1,328
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense	40,188	42,312
408	Taxes Other Than Income	9,674	8,989
408.11	Property Taxes	7,887	6,520
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 191,149	\$ 195,244
	OPERATING INCOME/(LOSS)	\$ (18,601)	\$ (19,127)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(5,949)	(79)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (24,550)	\$ (19,206)

COMPANY NAME Watco, Inc.

Name of System: Same as Above

ADEQ Public Water System Number: 09049

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	538	8	2	1964
55-506606	5	31	440	6	2	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	7	1	N/A

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	1
25,000	1		

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

COMPANY NAME Watco, Inc.	
Name of System: Same as Above	ADEQ Public Water System Number: 09049

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	AC & PVC	33,872
5		
6	PVC	9,206
8	PVC	1,700
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	346
3/4	
1	
1 1/2	
2	1
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 for each system.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

12' X 30' Building

20' X 20' Building

OTHER:

N/A

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

COMPANY NAME Watco, Inc.
Name of System: Same as Above ADEQ Public Water System Number: 09091

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-901337	7.5	60	465	8	3	2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	1	22	N/A
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
120,000	1	5,000	1

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

COMPANY NAME Watco, Inc.	
Name of System: Same as Above	ADEQ Public Water System Number: 09091

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	PVC	1,494
8	PVC	13,030
10		
12	PVC	1,427

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	5
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 for each system.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

18' X 24' Building

OTHER

N/A

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

COMPANY NAME: Watco, Inc.
Name of System: Same as Above ADEQ Public Water System Number: 09049

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	285	973	1,299	0
FEBRUARY	286	803	1,106	0
MARCH	286	776	997	0
APRIL	283	1,109	1,349	0
MAY	282	896	1,117	0
JUNE	282	1,139	1,347	0
JULY	285	1,474	1,668	0
AUGUST	286	1,078	1,186	0
SEPTEMBER	286	1,114	1,159	0
OCTOBER	289	1,095	1,277	0
NOVEMBER	292	895	1,004	0
DECEMBER	293	949	1,145	0
TOTALS →		12,301	14,654	

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

POE#1 <.001 POE#2 <.001

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A 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: N/A

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

COMPANY NAME: Watco, Inc.	
Name of System: Same as Above	ADEQ Public Water System Number: 09091

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	4	10	13	0
FEBRUARY	4	7	13	0
MARCH	4	6	0	0
APRIL	4	6	13	0
MAY	4	10	14	0
JUNE	4	16	27	0
JULY	4	20	28	0
AUGUST	4	27	29	0
SEPTEMBER	4	21	23	0
OCTOBER	4	21	23	0
NOVEMBER	4	18	19	0
DECEMBER	4	18	19	0
TOTALS →		180	221	0

What is the level of arsenic for each well on your system? <.002 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A 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: N/A

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

COMPANY NAME: Watco, Inc.

Name of System: Same as Above

ADEQ Public Water System Number: 09049, 09091

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	13	0
FEBRUARY	0	09	0
MARCH	0	02	0
APRIL	0	05	0
MAY	0	05	0
JUNE	0	04	0
JULY	0	07	0
AUGUST	0	0	0
SEPTEMBER	0	9	0
OCTOBER	0	12	0
NOVEMBER	0	11	0
DECEMBER	0	4	0
TOTALS →	0	81	0

OTHER (description):

N/A

COMPANY NAME Watco, Inc. YEAR ENDING 12/31/2015

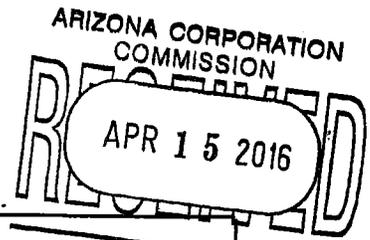
PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 6,520

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. _____

AND
SWORN STATEMENT
Taxes



VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Navaio
NAME (OWNER OR OFFICIAL) TITLE	Thomas Grapp Vice Pres. of Operations
COMPANY NAME	Watco, Inc.

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.

Thomas Grapp
SIGNATURE OF OWNER OR OFFICIAL

877-493-1853
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF April

MY COMMISSION EXPIRES 12-5-16

COUNTY NAME	Apache	
MONTH	April	2016

Marilyn Halmarson
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION
RECEIVED
APR 15 2016

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Navajo	Utilities Division
NAME (OWNER OR OFFICIAL) TITLE	Thomas Grapp Vice Pres. of Operations	
COMPANY NAME	Watco, Inc.	

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>176,117</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,989
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)**

SUBSCRIBED AND SWORN TO BEFORE ME

Thomas Grapp
SIGNATURE OF OWNER OR OFFICIAL
877-493-1853
TELEPHONE NUMBER

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME	Apache	
MONTH	April	2016

 **Martyn Hjalmarson**
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Commission Expires September 25, 2016

Martyn Hjalmarson
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

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

ARIZONA CORPORATION
COMMISSION
RECEIVED
APR 15 2016

VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) Navajo		Utilities Division
NAME (OWNER OR OFFICIAL) Thomas Grapp		TITLE Vice President of Operations
COMPANY NAME Watco, Inc.		

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 40-401.01, 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>176,117</u>
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THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 8,989
IN SALES TAXES BILLED, OR COLLECTED)

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

Thomas Grapp

SIGNATURE OF OWNER OR OFFICIAL

877-493-1853

TELEPHONE NUMBER

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

THIS 14th **DAY OF**

NOTARY PUBLIC NAME <i>Marilyn Hjalmarson Hallowell</i>	
COUNTY NAME <i>Apache</i>	
MONTH <i>April</i>	<i>2016</i>

 **Marilyn Hjalmarson
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Commission Expires
December 05, 2018
MY COMMISSION EXPIRES
12-5-16**

Marilyn Hjalmarson Hallowell

SIGNATURE OF NOTARY PUBLIC