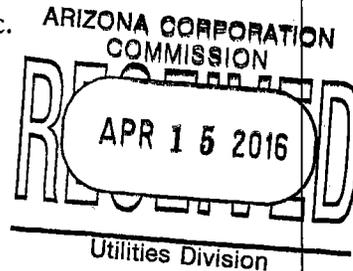


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-20445A

Global Water – Palo Verde Utilities Company, Inc.  
c/o Global Water Resources, Inc.  
21410 N. 19<sup>th</sup> Ave., Ste. 220  
Phoenix, AZ 85027



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**  
**Sewer**

**FOR YEAR ENDING**

12	31	2015
----	----	------

FOR COMMISSION USE

ANN05	15
-------	----

4-25-16



Statutory Agent: Mike Liebman

(Name)

21410 N. 19<sup>th</sup> Avenue, Suite 220

(Street)

Phoenix

(City)

AZ

(State)

85027

(Zip)

480-360-7775

Telephone No. (Include Area Code)

844-232-3517

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Tim Sabo, Snell & Wilmer

(Name)

400 E. Van Buren, Suite 1900

(Street)

Phoenix

(City)

AZ

(State)

85004

(Zip)

602-382-6359

Telephone No. (Include Area Code)

602-382-6070

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address tsabo@swlaw.com

### 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 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: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

**WASTEWATER UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	-	-	-
352	Franchises	-	-	-
353	Land and Land Rights	187,390	-	187,390
354	Structures and Improvements	23,064,589	7,166,324	15,898,265
355	Power Generation Equipment	440,218	180,391	259,827
360	Collection Wastewaters – Force	3,887,431	983,626	2,903,805
361	Collection Wastewaters – Gravity	48,781,018	8,881,645	39,899,373
362	Special Collecting Structures	348,090	3,481	344,609
363	Services to Customers	5,440,953	941,542	4,499,411
364	Flow Measuring Devices	33,674	25,377	8,297
365	Flow Measuring Installations	-	-	-
367	Reuse Meters & Meter Installations	1,487	62	1,425
370	Receiving Wells	1,921,877	560,640	1,361,237
371	Pumping Equipment	4,709,020	4,091,834	617,186
374	Reuse Distribution Reservoirs	618,994	42,193	576,801
375	Reuse Trans. and Distr. Equipment	12,207,053	2,584,201	9,622,852
380	Treatment and Disposal Equip.	7,439,904	3,179,944	4,259,960
381	Plant Wastewaters	215,585	53,702	161,883
382	Outfall Wastewater Lines	353,645	158,506	195,139
389	Other Plant and Misc. Equipment	2,326,459	1,152,914	1,173,545
390	Office Furniture and Equipment	53,522	50,987	2,535
390.1	Computers & Software	46,895	32,548	14,347
391	Transportation Equipment	407,881	259,073	148,808
393	Tools, Shop and Garage Equip.	212,936	72,643	140,293
394	Laboratory Equipment	21,046	17,387	3,659
395	Power Operated Equipment	125,511	14,248	111,263
396	Communication Equipment	82,683	47,699	34,984
397	Miscellaneous Equipment	621,332	327,613	293,719
398	Other Tangible Plant	1,729,953	1,357,567	372,386
	<b>TOTALS</b>	<b>\$ 115,279,146</b>	<b>\$ 32,186,147</b>	<b>\$ 83,092,999</b>

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



**WASTEWATER UTILITY CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
351	Organization	-	0.00%	-
352	Franchises	-	0.00%	-
353	Land and Land Rights	187,390	0.00%	-
354	Structures and Improvements	23,064,589	3.29%	757,961
355	Power Generation Equipment	440,218	4.69%	20,637
360	Collection Wastewaters - Force	3,887,431	1.93%	75,121
361	Collection Wastewaters - Gravity	48,781,018	1.99%	968,520
362	Special Collecting Structures	348,090	1.00%	3,481
363	Services to Customers	5,440,953	1.99%	108,397
364	Flow Measuring Devices	33,674	9.00%	3,030
365	Flow Measuring Installations	-	0.00%	-
367	Reuse Meters & Meter Installations	1,487	4.17%	62
370	Receiving Wells	1,921,877	3.32%	63,890
371	Pumping Equipment	4,709,020	3.80%	179,118
374	Reuse Distribution Reservoirs	618,994	2.50%	15,475
375	Reuse Trans. And Distr. Equipment	12,207,053	2.38%	290,802
380	Treatment and Disposal Equip.	7,439,904	4.81%	358,113
381	Plant Wastewaters	215,585	3.45%	7,440
382	Outfall Wastewater Lines	353,645	3.26%	11,535
389	Other Plant and Misc. Equipment	2,326,459	6.57%	152,928
390	Office Furniture and Equipment	53,522	4.91%	2,628
390.1	Computers & Software	46,895	8.11%	3,803
390.1	Computers & Software - Allocated from Corporate	-	0.00%	32,841
391	Transportation Equipment	407,881	13.28%	54,175
393	Tools, Shop and Garage Equip.	212,936	5.04%	10,725
394	Laboratory Equipment	21,046	9.92%	2,087
395	Power Operated Equipment	125,511	3.61%	4,525
396	Communication Equipment	82,683	8.58 %	7,094
397	Miscellaneous Equipment	621,332	9.93%	61,687
398	Other Tangible Plant	1,729,953	9.81%	169,706

	SUBTOTAL	\$ 115,279,146		\$ 3,365,781
	LESS CIAC Amortization			\$ (24,553)
	TOTALS *	\$ 115,279,146		\$ 3,341,228

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

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

**WASTEWATER UTILITY BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	103,629	185,201
132	Special Deposits	142,661	140,675
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	697,186	729,842
142	Other Accounts Receivable	714,276	4,829
143	Accumulated Provision for Uncollectible Accounts	(86,891)	(131,935)
146	Notes/Receivables from Associated Companies	-	397,045
151	Plant Material and Supplies	12,185	11,890
162	Prepayments	30,333	53,828
173	Accrued Utility Revenue	832,613	964,499
174	Miscellaneous Current and Accrued Assets	-	-
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 2,445,992</b>	<b>\$ 2,355,874</b>
<b>DEFERRED DEBITS</b>			
186.1	Deferred Rate Case Expense	-	106,289
	<b>TOTAL DEFERRED DEBITS</b>	<b>\$ -</b>	<b>\$ 106,289</b>
<b>FIXED ASSETS</b>			
101	Utility Plant in Service	112,879,476	115,279,146
103	Property Held for Future Use	-	-
105	Construction Work in Progress	16,242,619	16,542,116
108	Accumulated Depreciation - Utility Plant	(28,836,416)	(32,186,147)
121	Non-Utility Property	-	-
122	Accumulated Depreciation - Non Utility	-	-
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 100,285,679</b>	<b>\$ 99,635,115</b>
<b>OTHER ASSETS</b>			
190	Accumulated Deferred Income Taxes	2,536,753	749,808
	<b>TOTAL OTHER ASSETS</b>	<b>\$ 2,536,753</b>	<b>\$ 749,808</b>
	<b>TOTAL ASSETS</b>	<b>\$ 105,268,424</b>	<b>\$ 102,847,086</b>

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

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

**WASTEWATER UTILITY BALANCE SHEET (CONTINUED)**

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	203,086	168,616
232	Notes Payable (Current Portion)	-	-
234	Notes/ Accounts Payable to Associated Companies	-	112,227
235	Customer Deposits	1,033,036	810,651
236	Accrued Taxes	526,485	510,088
237	Accrued Interest	175,004	140,888
241	Miscellaneous Current and Accrued Liabilities	462,909	384,793
253	Other Deferred Credits	130,909	123,739
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 2,531,429</b>	<b>\$ 2,251,002</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	112,276	-
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	27,214,234	27,418,053
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	1,055,784	1,063,439
272	Less: Amortization of Contributions	(17,445)	(41,999)
281	Accumulated Deferred Income Tax	-	-
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 28,252,573</b>	<b>\$ 28,439,493</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 30,896,278</b>	<b>\$ 30,690,495</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	10	10
211	Other Paid in Capital	61,961,274	56,759,421
215	Retained Earnings	12,410,862	15,397,160
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	<b>TOTAL CAPITAL</b>	<b>\$ 74,372,146</b>	<b>\$ 72,156,591</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 105,268,424</b>	<b>\$ 102,847,086</b>

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

**WASTEWATER UTILITY COMPARATIVE STATEMENT OF INCOME  
AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	13,494,342	14,242,896
522	Measured Revenues	329,676	511,106
534	Rents from Wastewater Property	57,656	81,660
536	Other Wastewater Revenues	288,343	265,862
	<b>TOTAL REVENUES</b>	<b>\$ 14,170,017</b>	<b>\$ 15,101,524</b>
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	1,624,071	2,037,903
704	Employee Pension and Benefits	46,344	73,141
711	Sludge Removal Expense	99,423	12,456
715	Purchased Power	605,727	582,535
716	Fuel for Power Production	-	-
718	Chemicals	307,789	332,272
720	Materials and Supplies	155,343	200,313
721	Office Expense	127,897	136,282
731	Contractual Services - Engineering	2,072	395
732	Contractual Services - Accounting	295,947	361,482
733	Contractual Services - Legal	132,146	(59,207)
734	Contractual Services - Management Fees	723,569	747,856
735	Contractual Services - Testing	53,775	34,077
736	Contractual Services - Other	67,819	123,095
741	Rents - Building	24,950	25,900
742	Rents - Equipment	34,674	22,245
750	Transportation Expense	103,495	85,869
757	Insurance - General Liability	131,772	121,745
758	Insurance - Worker's Compensation	14,234	19,482
759	Insurance - Other	261,321	266,879
760	Advertising Expense	9,578	6,089
766	Regulatory Commission Expense - Rate Case	-	53,145
767	Regulatory Commission Expense - Other	40	7,696
770	Bad Debt Expense	47,390	47,518
775	Miscellaneous Expense	573,219	521,277
403	Depreciation Expense	3,304,776	3,365,781
403	Depreciation Expense - CIAC Amortization	(17,445)	(24,553)
408	Taxes Other Than Income	124,862	12,190
408.11	Property Taxes	884,883	1,005,372
408.12	Payroll Taxes	-	154,900
409	Income Taxes	(2,536,753)	1,786,737
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 7,202,918</b>	<b>\$ 12,060,872</b>

	<b>OPERATING INCOME/(LOSS)</b>	\$ 6,967,099	\$ 3,040,652
	<b>OTHER INCOME/EXPENSE</b>		
414	Gain (Loss) on Dispositions	7,742	(43,669)
419	Interest and Dividend Income	472	3,138
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	74,497	(854)
427	Interest Expense	(14,331)	(12,970)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	\$ 68,380	\$ (54,355)
	<b>NET INCOME/(LOSS)</b>	\$ 7,035,479	\$ 2,986,297

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

**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	\$	\$	\$	\$

**COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY**

**Name of System: Palo Verde**

**Wastewater Inventory Number (if applicable):**

**WASTEWATER UTILITY PLANT DESCRIPTION**  
**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 1.0 MGD SBR Tertiary Treatment Facility (non-operational)
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	Permitted Capacity = 9.0 MGD (per APP 105228)

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
McDavid LS	2	70	650	15,000
Cobblestone LS	2	18	1200	8,900
Tortosa LS	2	5	300	10,300
Maricopa Groves LS	2	40	750	24,600
Alterra LS	2	15	690	13,200
Rancho El Dorado LS	1	15	1100	23,095
Rancho El Dorado LS	2	20	1000	
Palo Verde WRF Influent LS	2	34	2350	328,000

**FORCE MAINS**

Size (Inches)	Material	Length (Feet)
4	UNK	40
14	UNK	33
30	UNK	10
4	DIP	42
6	DIP	38
8	DIP	179
10	DIP	65
12	DIP	741
16	DIP	16

18	DIP	17
24	DIP	942
30	DIP	50
6	PVC	1,961
8	PVC	31,637
10	PVC	6,329
12	PVC	1,520
14	PVC	7,991
24	PVC	5,584

DIP = Ductile Iron Pipe  
PVC = Polyvinyl Chloride  
UNK = Unknown

**MANHOLES**

Type	Quantity
Standard	3,435
Lock	743
Sealed/Water Tight	39

**CLEANOUTS**

Quantity
322

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

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

**WASTEWATER UTILITY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
6	UNK	98
24	UNK	15
48	UNK	19
8	ABS	27
6	DIP	160
8	DIP	2,963
10	DIP	264
12	DIP	1,148
18	DIP	155
24	DIP	641
30	DIP	1,764
12	HDPE	174
15	HDPE	225
18	HDPE	2,468
24	HDPE	16,308
27	HDPE	1,678
30	HDPE	17,115
36	HDPE	2,378
42	HDPE	10,553
48	HDPE	5,825
4	PVC	560
6	PVC	2,231
8	PVC	754,914
10	PVC	47,959
12	PVC	67,835
15	PVC	17,413
18	PVC	8,961
21	PVC	547
24	PVC	39,505
30	PVC	9,244
36	PVC	28,738
42	PVC	228
48	PVC	4,515

**SERVICES**

Size (in inches)	Material	Quantity
4	UNK	21,675
6	UNK	11

DIP = Ductile Iron Pipe  
 HDPE = High Density Polyethylene  
 PVC = Polyvinyl Chloride  
 UNK = Unknown

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY  
PER WASTEWATER SYSTEM**

<p><b>SOLIDS PROCESSING AND HANDLING FACILITIES</b></p>	<p>2 x 1.5m Filter Belt Press 2 x Conveyor System for Biosolids 3 x Influent Trash Removal Auger 1 x Washer Compactor 2 x Grit Classifier 1 x Conveyor for Grit/Trash</p>
<p><b>DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)</b></p>	<p>2 x Low Pressure High Intensity UV Channels</p>
<p><b>FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)</b></p>	<p>2 x 1.0 MGD Sand Filters (Gravity, traveling bridge) 2 x 4.0 MGD Disc Filters</p>
<p><b>STRUCTURES (Buildings, Fences, Etc.)</b></p>	<p>1 x Office/Lab/Storage = 1500 sq ft 1 x SBR Blower Building = 1400 sq ft 1 x Headworks Building = 2800 sq ft 1 x Blower/Solids Handling = 2400 sq ft 1 x Masonry Walls (Filtration &amp; Odor Control) = 600 sq ft 1 x 40' Connex Storage Masonry Brick Walls at Cobblestone Lift Station, Alterra Lift Station, Groves Lift Station, RED Lift Station and Tortosa Lift Station Chain Link Fence: Lagoon = 2450 ft McDavid Lift Station Chain Link Fence</p>
<p><b>OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)</b></p>	<p>6 x Odor Scrubbers: (3 x Lift Station; 1x Headworks; 2 x Lift Stations) 1 x Chlorine Injection System 1 x Bisulfate Injection System 1 x Polymer Injection System 2 x 1500 kW D/G 2 x 350kVAD/G 2 x 80kVAD/G 2 x 60kWD/G 2 x HACH Portable Water Test Kit (DR2000) 6 x 1/2 Ton Chevy Silverado Pick-up Trucks 1 x Toyota Tacoma 1 x Honda Civic 2 x Vac Truck 1 x Kenworth Roll-Off Truck 1 x Roll-Off Flatbed 5 x 20 Cubic Yard Roll-Off Bins 3 x 30 Cubic Yard Roll-Off Bins 2 x Diesel Pump 1 x Mobile Air Compressor</p>

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

<b>COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY</b>	
<b>Name of System: Palo Verde</b>	<b>Wastewater Inventory Number (if applicable):</b>

**WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
January	17,418	78,681,000	2,843,000
February	17,447	82,052,000	2,890,000
March	17,504	82,630,000	2,890,000
April	17,545	83,053,000	2,941,000
May	17,594	76,952,000	2,867,000
June	17,651	75,403,000	2,693,000
July	17,679	67,446,000	2,751,000
August	17,705	73,468,000	2,567,000
September	17,748	77,322,000	2,754,000
October	17,789	77,302,000	3,096,000
November	17,799	81,012,000	2,941,000
December	17,820	82,044,000	2,999,000

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE  
PER WASTEWATER SYSTEM**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	AZPDES Discharge, Reuse
<b>Groundwater Permit Number</b>	
<b>ADEQ Aquifer Protection Permit Number</b>	APP P105228 APP P105922 APP T105228 APP P105668 – Campus 2
<b>ADEQ Reuse Permit Number</b>	R106345
<b>EPA NPDES Permit Number</b>	AZ0025071

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

<b>COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY</b>	
Name of System: Palo Verde	Wastewater Inventory Number (if applicable):

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY	0	235	
FEBRUARY	0	198	
MARCH	0	142	
APRIL	0	161	
MAY	0	104	
JUNE	0	124	
JULY	0	232	
AUGUST	0	155	
SEPTEMBER	0	133	
OCTOBER	0	215	
NOVEMBER	0	169	
DECEMBER	0	147	
<b>TOTALS →</b>	0	2015	

OTHER (description):

---



---



---



---



---



---

GLOBAL WATER – PALO VERDE UTILITIES COMPANY  
YEAR ENDING 12/31/2015

**PROPERTY TAXES**

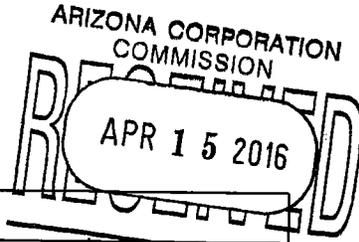
Amount of actual property taxes paid during Calendar Year 2015 was: \$ 944,946.85

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**

<i>COUNTY OF MARICOPA</i>
<i>JON CORWIN, GENERAL MANAGER</i>
<i>PALO VERDE UTILITIES COMPANY</i>

**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.**

\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
480-360-7775  
\_\_\_\_\_  
TELEPHONE NUMBER

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

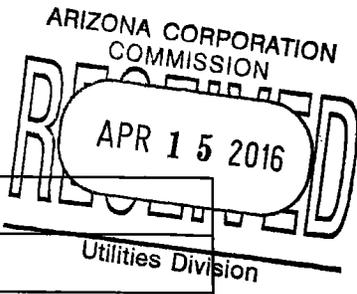
**THIS      APRIL      DAY OF**

<b>MARICOPA</b>	
APRIL	2016

**MY COMMISSION** **KRIS FENEX**  
Notary Public, State of Arizona  
Maricopa County  
My Commission Expires  
**January 09, 2017**

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



VERIFICATION  
STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF MARICOPA
JON CORWIN, GENERAL MANAGER
PALO VERDE UTILITIES COMPANY

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 (\$)
\$ 15,147,440

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 45,916  
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)

*Jon Corwin*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
480-360-7775  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

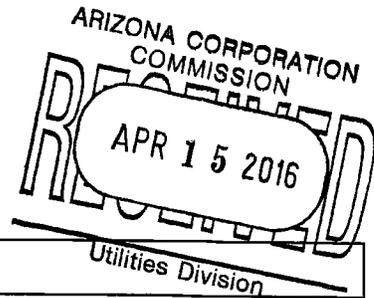
THIS 15<sup>th</sup> DAY OF

MARICOPA	
APRIL	2016

MY COMMISSION EXPIRES  
**KRIS FENEX**  
Notary Public, State of Arizona  
Maricopa County  
Commission Expires  
**January 09, 2017**

*Kris Fenex*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



VERIFICATION  
STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

COUNTY OF MARICOPA	
JON CORWIN	GENERAL MANAGER
PALO VERDE UTILITIES COMPANY	

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
\$ 13,614,326

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED

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

*[Signature]*  
SIGNATURE OF OWNER OR OFFICIAL  
480-660-7775  
TELEPHONE NUMBER

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

THIS 15<sup>TH</sup> DAY OF

(SEAL)

KRIS FENEX
MARICOPA
APRIL .2016

*[Signature]*  
SIGNATURE OF NOTARY PUBLIC

