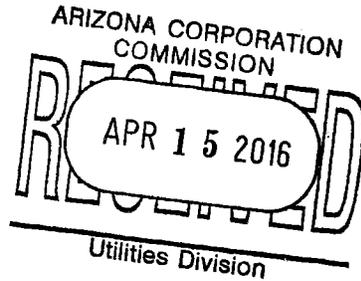


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02541A

Cedar Grove Water, 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
----	----	------

FOR COMMISSION USE

ANN 04	15
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4-26-16

COMPANY INFORMATION

Company Name (Business Name) <u>Cedar Grove Water, Inc.</u>		
Mailing Address <u>PO Box 364</u>		
<u>Overgaard</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85933</u> <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>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<small>Local Customer Service Phone 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>			
<u>PO Box 568</u> <small>(Street)</small>	<u>Eagar</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85925</u> <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>(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:		<u>Mark Grapp</u>	
		(Name)	
<u>PO Box 364</u>	<u>Overgaard</u>	<u>AZ</u>	<u>85933</u>
(Street)	(City)	(State)	(Zip)
<u>877-493-1853</u>	<u>N/A</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney:		<u>N/A</u>	
		(Name)	
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
(Street)	(City)	(State)	(Zip)
<u>N/A</u>	<u>N/A</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address		<u>N/A</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"/>	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA APACHE	<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		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,000	0	1,000
302	Franchises	500	0	500
303	Land and Land Rights	1,000	0	1,000
304	Structures and Improvements	8,770	7,538	1,232
305	Collecting & Impounding Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	19,955	19,955	0
308	Infiltration Galleries	0	0	0
309	Raw Water Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	36,653	23,092	13,561
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	95,597	25,374	70,223
330.2	Pressure Tanks	0	0	0
331	Transmission and Distribution Mains	543,816	184,595	359,221
333	Services	35,871	15,974	19,897
334	Meters and Meter Installations	24,123	18,526	5,597
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	767,285	295,054	472,231

*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	1,000	0	0
302	Franchises	500	0	0
303	Land and Land Rights	1,000	0	0
304	Structures and Improvements	8,770	3.33	292
305	Collecting & Impounding Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	19,955	3.33	0
308	Infiltration Galleries	0	0	0
309	Raw Water Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	36,653	12.5	4,582
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	95,597	2.22	2,122
330.2	Pressure Tanks	0	0	0
331	Transmission and Distribution Mains	543,816	2	10,876
333	Services	35,871	3.33	1,195
334	Meters and Meter Installations	24,123	8.33	2,009
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	767,285		21,076
	LESS CIAC Amortization			2,793
	TOTALS*	767,285		18,283

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

COMPANY NAME Cedar Grove Water Company, Inc.

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ (74,383)	\$ (134,207)
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	6,197	10,407
146	Notes/Receivables from Associated Companies	(344)	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	\$ (68,186)	\$ (123,800)
FIXED ASSETS			
101	Utility Plant in Service	\$ 766,811	\$ 767,285
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	280,000	295,054
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 482,811	\$ 472,231
	TOTAL ASSETS	\$ 418,625	\$ 348,431

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 LIABILITES		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	9,568	9,568
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	10,125	3,000
236	Accrued Taxes	0	0
237	Accrued Interest	5,813	2,163
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 25,506	\$ 14,731
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 46,988	\$ 39,635
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	390,087	390,087
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	139,642	139,642
272	Less: Amortization of Contributions	22,376	25,169
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 552,105	\$ 504,560
	TOTAL LIABILITIES	\$ 624,599	\$ 558,926
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	(205,974)	(210,495)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ (205,974)	\$ (210,495)
	TOTAL LIABILITIES AND CAPITAL	\$ 418,625	\$ 348,431

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 180,047	\$ 164,065
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1,000	2,163
	TOTAL REVENUES	\$ 181,947	\$ 166,228
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 102,331	\$ 97,931
610	Purchased Water	0	0
615	Purchased Power	19,030	19,644
618	Chemicals	0	0
620	Repairs and Maintenance	9,490	5,345
621	Office Supplies and Expense	5,571	6,656
630	Outside Services	23,289	23,128
635	Water Testing	2,173	3,123
641	Rents	15,710	15,446
650	Transportation Expenses	11,375	12,621
657	Insurance – General Liability	2,397	2,885
659	Insurance - Health and Life	1,338	1,857
666	Regulatory Commission Expense – Rate Case	0	784
675	Miscellaneous Expense	1,261	0
403	Depreciation Expense	13,219	18,283
408	Taxes Other Than Income	10,568	8,871
408.11	Property Taxes	1,872	8,494
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 219,624	\$ 225,068
	OPERATING INCOME/(LOSS)	\$ (37,677)	\$ (58,840)
	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	(4,301)	(3,856)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (4,301)	\$ (3,856)
	NET INCOME/(LOSS)	\$ (41,978)	\$ (62,696)

COMPANY NAME Cedar Grove Water Company, Inc.
Name of System: Same as Above ADEQ Public Water System Number: 01049

WATER UTILITY PLANT DESCRIPTION
WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-550075	5	31.5	440	6 & 5	1	1985
55-504679	5	31.5	400	6	2	1983
55-087623	5	11.5	860	6	1	1981
55-566375	7.5	0	544	6	1.5	1998
55-808434	5	31.5	Unknown	6 & 5	1	Unknown

* 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	10	11	N/A
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
12,500	1	1,000	1
15,000	1	2,000	1
50,000	1		
300,000	1		

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

COMPANY NAME Cedar Grove Water Company, Inc.	
Name of System: Same as Above	ADEQ Public Water System Number: 01049

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2,760
3		
4		
5		
6	PVC	92,138
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	394
3/4	
1	1
1 1/2	
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:

12' X 12' Building

6' X 6' Building

20' X 30' Building

24' X 24' Building

4' X 8' Building

OTHER: N/A

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

COMPANY NAME: Cedar Grove Water Company, Inc.
Name of System: Same as Above ADEQ Public Water System Number: 01049

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	382	1,050	1,156	0
FEBRUARY	384	985	1,060	0
MARCH	384	830	993	0
APRIL	378	1,082	1,176	0
MAY	378	1,312	1,360	0
JUNE	384	1,610	1,637	0
JULY	386	1,531	1,764	0
AUGUST	391	1,678	1,879	0
SEPTEMBER	393	1,675	1,898	0
OCTOBER	394	1,414	1,734	0
NOVEMBER	394	920	1,000	0
DECEMBER	394	920	1,059	0
TOTALS →		15,007	16,716	0

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 <.0003 POE#3 .004 POE#4 <.001 POE#5 <.0003

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: Cedar Grove Water Company, Inc.
Name of System: Same as Above ADEQ Public Water System Number: 01049

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	2	0
FEBRUARY	0	11	0
MARCH	0	3	0
APRIL	0	0	0
MAY	0	1	0
JUNE	0	0	0
JULY	0	5	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	8	0
DECEMBER	0	6	0
TOTALS →	0	36	0

OTHER (description):

N/A

COMPANY NAME Cedar Grove Water Company, Inc. YEAR ENDING 12/31/2015

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 8,494

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

ARIZONA CORPORATION
COMMISSION
RECEIVED
APR 15 2016
Utilities Division

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Thomas Grapp Vice Pres. of Operations
COMPANY NAME	Cedar Grove Water Company, Inc.

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

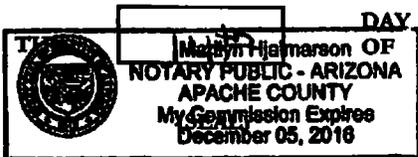
877-493-1853

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Apache	
MONTH	April	2016

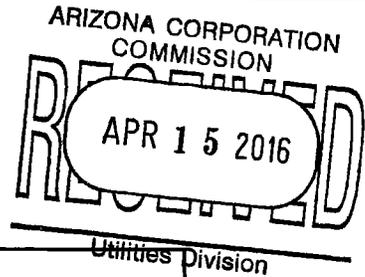


Malyn Hjelmerson

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12-5-16

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Thomas Grapp Vice Pres. of Operations
COMPANY NAME	Cedar Grove Water Company, Inc.

Utilities Division

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>166,228</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 8,871 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)**

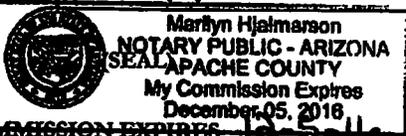
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

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

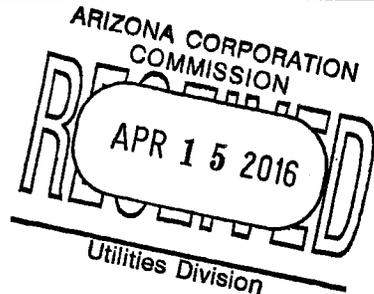
COUNTY NAME	Apache	
MONTH	April	2016



Marilyn Hjalmerson
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12-5-16

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



VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) Apache	
NAME (OWNER OR OFFICIAL) Thomas Grapp	TITLE Vice President of Operations
COMPANY NAME Cedar Grove Water Company, 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
\$ 166,228

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 8,871 IN SALES TAXES BILLED, OR COLLECTED)

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

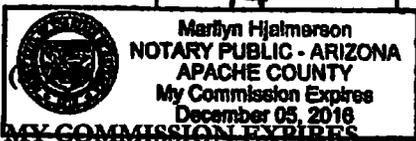
Thomas Grapp
SIGNATURE OF OWNER OR OFFICIAL

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 Hjelmerson Holwell</i>	
COUNTY NAME Apache	
MONTH April	, 2016



Marilyn Hjelmerson Holwell
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12-5-16