

ANNUAL REPORT

Of

Company Name:
PO Drawer 9

Mailing Address: Ajo AZ
85321

Docket No.: WS-01025A
For the Year Ended:

RECEIVED

APR 14 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefafuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:
Application Date:

Original Filing
2016

4-25-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Ajo Improvement Company
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

6. On-Site Manager:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

7. Ownership:

8. Counties Served:

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	0	0	0	0	0	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	455,606	0	0	455,606	72,432	383,174
320.2	Solution Chemical Feeders	562,945	0	0	562,945	76,869	486,076
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	25,779	0	0	25,779	25,779	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	248,811	1,371,762
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	3,372,644	13,197,445
333	Services	1,090,752	0	0	1,090,752	77,791	1,012,961
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	370,631	654,053
335	Hydrants	507,700	0	0	507,700	43,629	464,072
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	4,713	0	0	4,713	4,713	0
340.1	Computer & Software	6,225	0	0	6,225	6,225	0
341	Transportation Equipment	329,809	0	0	329,809	257,926	71,882
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	42,408	368,162
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	3,352	0	0	3,352	251	3,100
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	25,929	0	0	25,929	24,960	970
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$22,638,727	\$0	\$0	\$22,638,727	\$4,625,070	\$18,013,657

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	455,606	0	0	455,606	72,432	3.78%	14,486
320.2	Solution Chemical Feeders	562,945	0	0	562,945	76,869	3.16%	15,374
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	25,779	0	0	25,779	25,779	-	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	248,811	2.57%	35,303
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	3,372,644	4.10%	540,465
333	Services	1,090,752	0	0	1,090,752	77,791	3.59%	36,358
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	370,631	12.49%	81,714
335	Hydrants	507,700	0	0	507,700	43,629	2.19%	10,154
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	4,713	0	0	4,713	4,713	0.00%	0
340.1	Computer & Software	6,225	0	0	6,225	6,225	0.00%	0
341	Transportation Equipment	329,809	0	0	329,809	257,926	18.10%	13,007
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	42,408	2.35%	8,636
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	3,352	0	0	3,352	251	5.43%	168
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	25,929	0	0	25,929	24,960	5.70%	55
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$22,638,727	\$0	\$0	\$22,638,727	\$4,625,070		\$755,720

Contribution(s) in Aid of Construction (Gross)	\$394,940
Less: Non Amortizable Contribution(s)	16,983
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$377,957</u>
Times: Proposed Amortization Rate	4.20%
Amortization of CIAC	\$15,856

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Balance Sheet Assets
12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$10,288	\$114,484
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		45,448	60,774
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		9,007	8,826
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$64,743	\$184,084
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$22,638,727	\$22,638,727
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(3,869,349)	(4,625,070)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$18,769,378	\$18,013,657
	Total Assets		\$18,834,121	\$18,197,741

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

*Note these items feed automatically from AR3 UPIS Page 3

Ajo Improvement Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$1,947	\$2,219
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		4,054,960	3,567,030
235	Customer Deposits		0	0
236	Accrued Taxes		7,811	318
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$4,064,718	\$3,569,568
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		394,940	394,940
272	Less: Amortization of Contributions		(6,793)	(16,983)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$388,147	\$377,957
	Total Liabilities		\$4,452,865	\$3,947,525
	Capital Accounts			
201	Common Stock Issued		\$392,000	\$392,000
211	Other Paid-In Capital		24,275,043	24,275,043
215	Retained Earnings		(10,285,787)	(10,416,827)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$14,381,256	\$14,250,216
	Total Liabilities and Capital		\$18,834,121	\$18,197,741

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$527,064	\$507,471
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$527,064	\$507,471
	Operating Expenses		
601	Salaries and Wages	\$436,790	\$544,196
604	Employee Pensions and Benefits	100,582	0
610	Purchased Water	177,035	180,567
615	Purchased Power	0	0
618	Chemicals	89,535	107,926
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	18,524	27,455
620.2	Office Supplies and Expense	20,685	25,006
630	Contractual Services	28,505	88,376
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	26,064	0
633	Contractual Services - Legal	8,987	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	50,411	130,455
642	Rental of Equipment	0	0
650	Transportation Expenses	12,768	26,375
657	Insurance - General Liability	3,356	4,126
657.1	Insurance - Health and Life	89,357	82,229
665	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	739,864	751,227
408	Taxes Other Than Income	0	0
408.11	Property Taxes	12,416	11,255
409	Income Taxes	0	0
	Total Operating Expenses	\$1,814,877	\$1,979,193
	Operating Income / (Loss)	(\$1,287,814)	(\$1,471,722)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$1,287,814)	(\$1,471,722)

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description

Name of the System: ADEQ Public Water System Number: 10-001
 ADEQ Public Water System Number: 10-001

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Freeport McMoran Ajo Operati	500	0
0	0	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
0	0	0
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard ***	156
Other	0

STORAGE TANKS		
Capacity	Material	Quantity
500,000	0	2
0	0	0
0	0	0

PRESSURE/BLADDER TANKS	
Capacity	Quantity
0	0
0	0
0	0

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXXX.

** Pump motor type, turbine or submersible.

*** A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	0	0	5/8 X 3/4	1,004
3	0	0	3/4	0
4	Ductile Iron	634	1	26
5	0	0	1 1/2	4
6	Ductile Iron	43,392	Compound 2	0
8	Ductile Iron	35,852	Turbine 2	16
10	Ductile Iron	4,762	Compound 3	0
12	Ductile Iron	3,503	Turbine 3	4
6	Steel	120	Compound 4	3
8	Steel	65	Turbine 5	0
10	Steel	645	Compound 6	0
12	Steel	8	Turbine 6	0
0	0	0	6+	0

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

TREATMENT EQUIPMENT:	Two filter vessels using Activated Alumina as a filter medium. 8' diameter x 13' high.
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STRUCTURES:	One water treatment plant building 110' by 40'
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OTHER:	None
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Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Water Use Data Sheet					
Name of the System:		ADEQ Public Water System Number: 10-001			
ADEQ Public Water System Number:		10-001			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	991	9,058	0	9,443	9,443
February	997	9,473	0	10,172	10,172
March	998	11,086	0	14,401	14,401
April	991	10,124	0	13,531	13,531
May	965	11,711	0	16,187	16,187
June	940	12,225	0	16,414	16,414
July	953	13,550	0	18,502	18,502
August	953	12,820	0	14,976	14,976
September	968	11,985	0	13,620	13,620
October	964	12,285	0	15,429	15,429
November	971	11,072	0	11,771	11,771
December	979	7,501	0	9,477	9,477
	Totals	132,890	0	163,923	163,923

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 None

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

- 1 Gallons sold - Total gallons from customer meters.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Ajo Improvement Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	10-001
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	5	0
February	0	5	0
March	0	6	0
April	0	5	0
May	0	0	0
June	0	3	0
July	0	5	0
August	0	5	0
September	0	5	0
October	0	7	0
November	0	7	0
December	0	0	0
Total	0	53	0

Other (description):

None

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Property Taxes
12/31/16

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2016 was	\$12,416
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If no property taxes paid, explain why. None

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Statement (Taxes)

RECEIVED

APR 14 2017

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/16

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]
signature of owner/official

520-387-2010
telephone no.

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

State of Arizona

Greenlee

(county name)

THIS

12TH

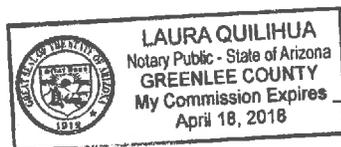
DAY OF

April 2017

(month) and (year)

MY COMMISSION EXPIRES

April 18, 2018
(date)



Laura Quilhua
(signature of notary public)

Verification and Statement

RECEIVED

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Pima

Name (owner or official) title: Roy Archer, President

Company name: Ajo Improvement Company

APR 14 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/16

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 DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$557,769
(The amount in the box above includes
\$30,705 in sales taxes
billed or collected)

Roy Archer
signature of owner/official

520-387-2010
telephone no.

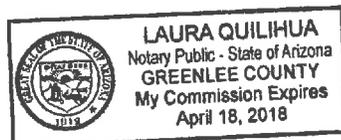
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

State of Arizona
Greenlee
(county name)

THIS 12TH DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES

April 18, 2018
(date)



Laura Quilhua
(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

RECEIVED

APR 14 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/16

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 THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$283,390

(The amount in the box above includes

\$16,293 in sales taxes
billed or collected)


signature of owner/official

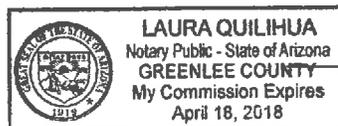
520-387-2010
telephone no.

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

Greenlee
State of Arizona
(county name)

THIS 12TH DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES April 18, 2018
(date)




(signature of notary public)