

ANNUAL REPORT

Of

Company Name: Gadsden Water Company, Inc.
PO Box 519

Mailing Address: Somerton AZ
85350

Docket No.: W-02205A
For the Year Ended: 12/31/17

RECEIVED
APR 16 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: Original Filing
Application Date: 4/9/2018

4-18-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Gadsden Water Company, Inc.
A Class E Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

P.O. Box 519			
City: Somerton	State: Arizona	Zip Code: 85350	

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:



MISENHIMER, AIVAZIAN & TENNANT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

D. PAGE MISENHIMER, JR.
SARA K. AIVAZIAN
ELIZABETH A. TENNANT
JEFFREY B. POLSTON

3150 S. CATALINA DRIVE, SUITE 1 P.O. Box 5693 YUMA, ARIZONA 85366-2483 TEL 928-314-1488 FAX 928-314-1499

To Management
Gadsden Water Company, Inc.
Somerton, Arizona

Management is responsible for the accompanying financial statements of Gadsden Water Company, Inc. (an S Corporation), which comprise the balance sheet assets and balance sheet liabilities and owners equity as of December 31, 2017 and 2016, and the related statement of water comparative income for the years then ended, included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information contained in pages 1 - 4 and pages 8 - 16 of the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Gadsden Water Company, Inc.

Misenhimer Aivazian & Tennant, P.C.

April 10, 2018

Gadsden Water Company, Inc.
 Annual Report
 Utility Plant in Service (Water)
 12/31/17

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	\$1,221	\$0	\$0	\$1,221	\$1,221	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	3,500	0	0	3,500	0	3,500
304	Structures and Improvements	1,428	0	0	1,428	1,036	392
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	12,754	0	0	12,754	12,754	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	6,380	0	0	6,380	3,552	2,828
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	3,749	0	0	3,749	3,749	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	11,746	0	0	11,746	10,436	1,310
330.2	Pressure Tanks	768	0	0	768	768	0
331	Transmission and Distribution Mains	9,373	0	0	9,373	9,373	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	9,350	0	0	9,350	6,741	2,609
335	Hydrants	1,239	0	0	1,239	604	635
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	0	0	0	0	0	0
340.1	Computer & Software	1,910	0	0	1,910	1,592	318
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,556	0	0	1,556	1,282	274
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	5,300	0	0	5,300	853	4,447
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$70,274	\$0	\$0	\$70,274	\$53,961	\$16,313

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.

Gadsden Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	\$1,221	\$0	\$0	\$1,221	\$1,221	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	3,500	0	0	3,500	3,500	0.00%	0
304	Structures and Improvements	1,428	0	0	1,428	971	3.33%	15
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	12,754	0	0	12,754	12,754	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	6,380	0	0	6,380	0	12.50%	798
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	3,749	0	0	3,749	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	11,746	0	0	11,746	0	2.22%	261
330.2	Pressure Tanks	768	0	0	768	0	0.00%	0
331	Transmission and Distribution Mains	9,373	0	0	9,373	0	0.00%	0
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	9,350	0	0	9,350	3,129	8.33%	518
335	Hydrants	1,239	0	0	1,239	0	2.00%	25
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	0	0	0	0	0	0.00%	0
340.1	Computer & Software	1,910	0	0	1,910	0	20.00%	382
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,556	0	0	1,556	370	5.00%	59
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	5,300	0	0	5,300	0	6.67%	353
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$70,274	\$0	\$0	\$70,274	\$21,945		\$2,411

Contribution(s) in Aid of Construction (Gross) \$0
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$0
 Times: Proposed Amortization Rate 4.99%
 Amortization of CIAC \$0

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.

Gadsden Water Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$51,620	\$50,777
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable 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		\$51,620	\$50,777
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$70,274	\$70,274
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(51,550)	(53,961)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$18,724	\$16,313
	Total Assets		\$70,344	\$67,090

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

Gadsden Water Company, Inc.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,466	\$1,487
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		218	221
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		109,069	97,008
	Total Current Liabilities		\$111,753	\$98,716
	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		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$111,753	\$98,716
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$50,000
211	Other Paid-In Capital <i>Treasury Stock</i>		(42,373)	(42,373)
215	Retained Earnings		(49,036)	(39,253)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$41,409)	(\$31,626)
	Total Liabilities and Capital		\$70,344	\$67,090

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!

Gadsden Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$45,521	\$44,877
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	\$45,521	\$44,877
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	6,043	7,046
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	4,335	9,618
620.2	Office Supplies and Expense	3,481	3,251
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	2,000	2,000
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,600	360
636	Contractual Services - Other	10,789	10,289
640	Rents	0	0
641	Rental of Building/Real Property	0	3,600
642	Rental of Equipment	0	0
650	Transportation Expenses	0	80
657	Insurance - General Liability	1,175	1,308
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	197	145
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	513	0
403	Depreciation Expense (From Schedule AR4)	2,411	2,414
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,194	2,011
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$35,738	\$42,122
	Operating Income / (Loss)	\$9,783	\$2,755
	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)	\$9,783	\$2,755

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.

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:	NA
---	----

Meter Deposits Refunded During the Test Year:	NA
---	----

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 (Continued)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Sizes (inches)	Material	Length (feet)		
2.00	NA		5/8 X 3/4	
3.00			0.75	
4.00			1	
5.00			1.5	1
6.00	CL 150	6949 LF	Compound 2	2
8.00	CL 150	6403 LF	Turbine 2	
10.00	CL 150	1173 LF	Compound 3	
12.00			Turbine 3	
14.00	NA		Compound 4	
NA	NA		Turbine 5	
NA	NA		Compound 6	
NA	NA		Turbine 6	
NA	NA		NA	
NA	NA		NA	
NA	NA		NA	
NA	NA		NA	

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

TREATMENT EQUIPMENT:	Sentry 1 Chlorinator
STRUCTURES:	8'x12' Storage Shed; 8'x10' Cantra Shed
OTHER:	

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.

Water Use Data Sheet							
Name of the System:		Gadsden Water Co.					
ADEQ Public Water System Number:		14037					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	190	1,473	1,646	0	NA	335	2,110
February	190	1,072	1,243	0	NA	322	2,072
March	189	1,496	1,671	0	NA	427	2,773
April	190	2,267	2,444	0	NA	463	3,019
May	190	2,406	2,583	0	NA	520	3,003
June	189	2,315	2,486	0	NA	682	3,947
July	188	2,639	2,813	0	NA	660	3,827
August	190	2,765	2,940	0	NA	728	4,232
September	187	1,907	2,081	0	NA	535	3,081
October	190	2,188	2,365	0	NA	536	3,079
November	186	1,584	1,757	0	NA	480	3,059
December	188	1,275	1,449	0	NA	357	2,232
Totals		23,387	25,478	0	0	\$6,043	36,434

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:

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, and other sold gallons such as Construction water.
- 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.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Gadsden Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	14037
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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	1	0
February	0	5	0
March	0	1	0
April	0	4	0
May	0	3	0
June	0	1	0
July	0	7	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	2	0
Total	0	24	0

Other (description):

--

<p>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.</p>
--

Verification and Sworn Statement (Taxes)

RECEIVED

APR 16 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Yuma
Name (owner or official) title: Jimmy A. Deere, President
Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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.

Jimmy A. Deere

signature of owner/official

928-344-4222

telephone no.

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

THIS

11th

DAY OF

Yuma

(county name)

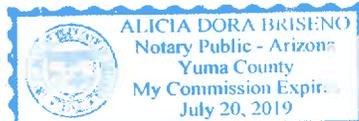
April 2018

(month) and (year)

MY COMMISSION EXPIRES

7/20/2019

(date)



Alicia Dora Brisenó
(signature of notary public)

Verification and Sworn Statement

RECEIVED

APR 16 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

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

County of (county name): Yuma

Name (owner or official) title: Jimmy A. Deere, President

Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$48,453

(The amount in the box above includes

\$2,932

in sales taxes

billed or collected)

Jimmy A. Deere

signature of owner/official

928-344-4222

telephone no.

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

THIS

11th

DAY OF

Yuma

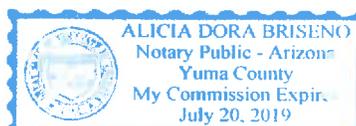
(county name)

April 2018

(month) and (year)

MY COMMISSION EXPIRES

7/20/2019
(date)



Alicia Dora Brisenó
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

RECEIVED

APR 16 2018

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Yuma
Name (owner or official) title: Jimmy A. Deere, President
Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)
\$48,453
(The amount in the box above includes
\$2,932 in sales taxes
billed or collected)

[Signature]
signature of owner/official

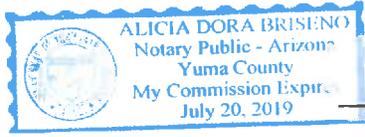
928-344-4222
telephone no.

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

Yuma
(county name)

THIS 11th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 7/20/2019
(date)



[Signature]
(signature of notary public)