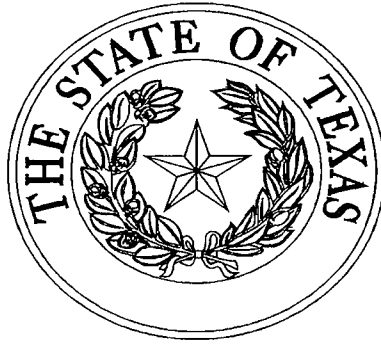


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PUBLIC UTILITY COMMISSION
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**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

45185

CCN Number

11971

Official Company Name:

SWWC Utilities, Inc. dba Huntington Utility Company, LLC

D/B/A Name(s)

Huntington Utility Company, LLC

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended

2015

212

GENERAL INSTRUCTIONS - Class C Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service.
Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
If the utility cannot complete the electronic forms, it may submit a hard copy rather than a Microsoft Excel spreadsheet.
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end).
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
14. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE**CHAPTER 13.136(b)**

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326
pursuant to TWC § 13.136

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

1 Utility Name: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

List all assumed name(s) or d/b/a names: Huntington Utility Company, LLC

2 Certificate of Convenience and Necessity No. 11971 Calendar Year Ending 2015

3 Street Address: 12535 Reed Road

4 City or Town: Sugar Land, TX CCN No.: 11971

5 Email Address: gfrietag@swwc.com

6 County: Fort Bend Zip Code: 77478

7 TCEQ PWS Number(s) 1050124

8 Water Quality Discharge Permit Number(s) n/a

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership: Corporation: _____ Partnership: _____ Individual: _____ Other: _____ DBA _____

10 If a corporation, list names and titles of the officers. If an individual or partnership, list the name of the individual or each partner and provide the title for each. For partnerships, please provide the percentage of ownership for each partner.

SWWC Utilities, Inc. Officers: President, Michael O. Quinn; CFO and Treasurer, Kirk Michael; Vice President & Managing Director, Charles Profilet; V.P. General Counsel & Secretary, William K. Dix

11 If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.

12 Date the utility was formed or incorporated: Merged into SWWC Utilities, Inc. 10/14/2008

13 Is the utility under common ownership or control by another corporation? Y If yes, by whom? SWWC Utilities, Inc.

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

14 Name and Title: George Freitag, Regional Regulatory Manager

15 Address: 12535 Reed Road

16 City: Sugar Land, Texas 77478

17 Telephone Number with Area Code: 281-207-5800

18 Cell Phone Number with Area Code: n/a

19 Fax Number with Area Code: 281-207-5940

20 e-mail address: gf Freitag@swwc.com

21 If not an officer, owner or employee, give name of firm employed by: n/a

1. Balance Sheet

Name of Utility:

SWWC Utilities, Inc. dba Huntington Utility Company, LLC

Line #	<u>ASSETS</u>	End of Year 12/31/2015	End of Prior Year 12/31/2014
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$ 711,940	\$ 634,884
2	105 Construction Work In Progress	\$ 5,932	\$ 609
		\$ -	\$ -
3	TOTAL UTILITY PLANT	\$ 717,872	\$ 635,493
4	108 Less: Accumulated Depreciation	\$ 301,006	\$ 284,957
5	110 Less: Accumulated Amortization	\$ -	\$ -
6	NET UTILITY PLANT	\$ 416,866	\$ 350,536
7	<u>CURRENT ASSETS</u>	xxxx	xxxx
8	131-135 Cash	\$ 19,257	\$ 2,847
9	141-143 Accounts Receivable	\$ 10,194	\$ 11,602
10	144-145 Accounts Receivable-Affiliates/Common Ownership	\$ -	\$ 26,911
11	151 Plant Materials and Supplies (not previously expensed)	\$ -	\$ -
12	162 Prepayments	\$ 175	\$ 175
13	171-174 Other Current Assets	\$ -	\$ -
14	TOTAL CURRENT ASSETS	\$ 29,626	\$ 41,535
15	<u>TOTAL ASSETS</u>	\$ 446,492	\$ 392,071

LIABILITIES & EQUITY

EQUITY

16	201 Common Stock	\$ -	
17	211 Other paid in capital	\$ 190,000	\$ 190,000
18	215 Retained Earnings	\$ 171,584	\$ 162,647
19	218 Proprietary Capital		
20	TOTAL STOCKHOLDERS' EQUITY	\$ 361,584	\$ 352,647

LONG-TERM DEBT

21	224 Long-term debt (more than 1 year)	\$ -	\$ -
----	---------------------------------------	------	------

CURRENT LIABILITIES (less than 1 year)

22	231 Accounts Payable	\$ 1,355	\$ 797
23	232 Notes Payable	\$ -	\$ -
24	233, 234 Payables to Affiliates/Common Ownership	\$ 40,688	\$ -
24	235 Customer Deposits	\$ 1,903	\$ 2,104
25	236 Accrued Taxes	\$ 2,092	\$ 2,437
26	237 Accrued Interest on Other Liabilities	\$ 11	\$ 4
27	241.0 Other Current Liabilities	\$ 19,287	\$ 14,485
	TOTAL CURRENT LIABILITIES	\$ 65,336	\$ 19,827

OTHER LIABILITIES and DEFERRED CREDITS

28	253 Other Deferred Credits	\$ 5,376	\$ 5,067
29	271-272 Net Contributions in Aid of Construction	\$ 14,196	\$ 14,530
30	282 Accumulated Deferred Income Taxes	\$ -	\$ -
31	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 19,572	\$ 19,597
32	<u>TOTAL LIABILITIES & EQUITY</u>	\$ 446,492	\$ 392,071

2. Statements of Income

Name of Utility: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

Line #				
	Water		Sewer	
	Report Year		Report Year	
	A		B	
			C=A+B	
1	Total Revenue:		\$ 105,186	\$ 105,186
	Operating Expenses:			
2	601 O & M Salaried Labor	\$ 5,534		\$ 5,534
3	604 Employee Benefits	-		-
4	631, 636 O & M Contract labor	8,355		8,355
5	620 Operating/Maint Supplies	13,851		13,851
6	610 Purchased Water	2,345		2,345
7	615 Purchased Power	3,486		3,486
8	635 Testing Expense	1,148		1,148
9	618 Chemicals	396		396
10	656-659 Insurance	-		-
11	601 General Office Salaries	-		
12	675 General Office Expenses	-		-
13	632 Contract Accounting	-		
14	633 Legal	-		
15	634 Management	-		
16	666 Amortization- Rate Case Expense	-		
17	403 Depreciation Expense	15,716		15,716
18	667-675 Other Misc. Expenses	40,374		40,374
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes	\$ 4,812		\$ 4,812
20	409.0 State Franchise Taxes/Reg Assess.			-
21	408 All Other Taxes	2,891		2,891
22	Total Expenses	98,908	\$ -	\$ 98,908
23	Net Operating Income	\$ 6,278	\$ -	\$ 6,278
24	421, 433 Non-Operating Income			
	Non-Operating Deductions:			
25	426 Other			
26	427 Interest	\$ (2,659)		(2,659)
27	Net Income	\$ 8,937	\$ -	\$ 8,937

3. Water Plant-in-Service - changes since the last Annual Report

Name of Utility: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

Date Plant Installed/Retired mm/yyyy	Plant Additions		Plant Retirements		Plant Adjustments	Total Change the Last Annual Report
	List Major Items by Class	Amounts	List Major Items by Class	Amounts		
Various	307 - Wells and Springs	\$ 4,969				\$4,969
Various	311 - Pumping Equipment.	\$ 72,087				\$72,087
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
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						\$0
						\$0
						\$0
TOTALS		\$77,056		\$0	\$0	\$77,056

3-S. Sewer Plant-in-Service - Changes since the last Annual Report

Name of Utility: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

[illegible]

Name of Utility: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

Attachment 4a - Entities Under Common Control

Entity	Water CCN	Sewer CCN
--------	--------------	--------------

SouthWest Water Company

Utilities:

Monarch Utilities, Inc.	12983	20899
Windermere Utility Company	11471	20542
Diamond Water Company	12865	
Hornsby Bend Utility Company, Inc.	11978	20650
Water Services, Inc.	11106	
Mid-Tex Utilities, Inc.	12914	20865
Huntington Utility Company, LLC	11971	
Inverness Utility Company, Inc.	11170	
SW Utility Company	12284	

Oklahoma:

Tenkiller Utility Company

Non-Regulated:

Metro-H2O, Utilities, Inc.

Name of Utility: SWWC Utilities, Inc. dba Huntington Utility Company, LLC

Attachment 4b - Capital Improvement/Replacement Plan

Line #	PROJECTS/DESCRIPTION	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	FY 2018
1	Annual Maintenance	484	484	484	484	484	484	484	484	484	484	484	484	5,803
2														-
3														-
4														-
5														-
6														-
7														-
8														-
9														-
10	TOTAL CAPEX	484	484	484	484	484	484	484	484	484	484	484	484	5,803

Name: **SWWC Utilities, Inc. dba Huntington Utility Company, LLC** Year End: **2015**

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: SouthWest Water Company

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
675/775	Miscellaneous Expenses	\$ 15,869		\$ 15,869

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: SWWC Utilities, Inc.

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
See Attachment 5a. Charges by an Affiliate to the Reporting Utility			\$ 24,496	\$ 24,496

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: N/A

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

5a. Charges by an Affiliate to the Reporting Utility**Charges by an Affiliate to the Reporting Utility**Name of Affiliated company: Southwest Water Company

NARUC Account and/or type of service		Total Texas
Account #	Account name or type of service	(Dollars transacted)
	Administrative & Pass Thru Costs	0
	Employee Costs	10,907
	General & Administrative - Other	2,250
	Insurance Expense	156
	Lease Expense	404
	Materials & Supplies	0
	Other Operating Expenses	130
	Production & Treatment	-
	Professional Fees	1,351
	Repairs & Maintenance	304
	Taxes - Other	97
	Travel & Entertainment	247
	Vehicle Expense	(66)
	Depreciation and Amortization	89
		\$ 15,869

Name of Affiliated company: SWWC Utilities, Inc.

NARUC Account and/or type of service		Total Texas
Account #	Account name or type of service	(Dollars transacted)
403	Depreciation Expense	508
408	Taxes Other than Income	1,081
414	Gains/Losses from Disposition of Utility Property	(151)
601	Salaries and Wages - Employees	12,359
604	Employee Pensions and Benefits	3,286
615	Purchased Power	-
620	Materials and Supplies	1,840
632	Contractual Services - Accounting	4
633	Contractual Services - Legal	173
636	Contractual Services - Other	1,609
641	Rental of Building/Real Property	1,130
642	Rental of Equipment	188
650	Transportation Expense	799
656	Insurance - Vehicle	51
657	Insurance - General Liability	316
658	Insurance - Workman's Compensation	300
659	Insurance - Other	630
660	Advertising Expense	155
667	Regulatory Commission Expense - Other	17
670	Bad Debt Expense	2
675	Miscellaneous Expenses	199
		\$ 24,496

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Texas

as

County of Fort Bend

Charles W. Profilet, Jr. makes oath and says that he/she is
(Name of affiant)

Managing Director - Texas Utilities
(Official title of affiant)

of SWWC Utilities, Inc dba Huntington Utility Company, LLC
(Exact legal title or name of the respondent)

The signed officer has reviewed the report

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2015 to and including December 31, 2015

Subscribed and sworn to and before me, a NOTARY
in and for the State and County above-named, this 20th day of Nov 2017

Charles W. Profilet, Jr.

(Signature of affiant)

My commission expires Joan Glover
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Texas

as:

County of Fort Bend

Charles W. Profilet, Jr.
(Name of affiant)

Managing Director - Texas Utilities
(Official title of affiant)

of SWWC Utilities, Inc dba Huntington Utility Company, LLC

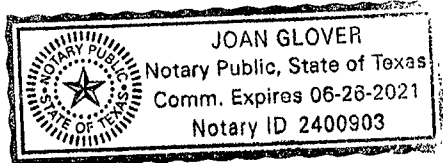
that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2015, to and including December 31, 2015

Subscribed and sworn to before me, a NOTARY
in and for the State and County above-named, this 20th day of Nov 2017

Charles W. Profilet, Jr.

(Signature of affiant)

My commission expires Joan Glover
(Signature of officer authorized to administer oaths)



SouthWest Water Company
Balance Sheet for Texas Utility Operations
at December 31, 2015
- UNAUDITED -

	2015	2014
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	329,915	93,831
Accounts Receivable - Net	4,801,871	4,819,544
Prepaid Expenses & Other Current Assets -Inventory	929,125	786,757
Total Current Assets	<u>6,060,911</u>	<u>5,700,132</u>
Property, Plant and Equipment		
PP&E Cost	238,277,390	232,522,838
Construction Work in Progress	4,319,666	5,064,231
Total Plant and Equipment	<u>242,597,056</u>	<u>237,587,069</u>
PP&E Accumulated Depreciation	(91,843,330)	(87,552,246)
Total Property, Plant and Equipment, net	<u>150,753,726</u>	<u>150,034,823</u>
Other Non-Current Assets		
Goodwill	-	-
Intangible Assets	20,774,405	18,359,019
Other Assets	2,152,532	1,886,727
Total Other Non-Current Assets	<u>22,926,937</u>	<u>20,245,746</u>
TOTAL ASSETS:	<u>179,741,574</u>	<u>175,980,701</u>
LIABILITIES AND EQUITY:		
Current Liabilities:		
Accounts Payable	1,307,558	1,092,255
Long Term Debt, Current Portion	1,213,606	1,128,598
Accrued Interest Payable	140,483	146,893
Accrued Taxes	1,446,357	1,118,701
Deposit Liabilities - ST	1,417,231	1,333,629
Other Short Term Liabilities	1,186,321	970,115
Payroll & Related Payable	910,471	820,039
	<u>7,622,027</u>	<u>6,610,230</u>
Non-Current Liabilities		
Contributions in Aid of Construction (CIAC)	33,672,580	30,617,895
Deferred Income Taxes	5,410,354	5,410,354
Long Term Debt, Less Current Portion	25,335,782	26,015,478
Deposit Liabilities - Non-Current	728,743	1,708,523
Other Liabilities and Deferred Credits	11,096,481	21,932,952
Total Non-Current Liabilities	<u>76,243,940</u>	<u>85,685,202</u>
Total Liabilities	<u>83,865,967</u>	<u>92,295,432</u>
Equity		
Additional Paid in Capital	78,576,902	78,576,902
Retained Earnings (Accumulated Deficit)	5,108,368	(389,802)
Profit/Loss Current Year	12,190,337	5,498,169
Total Equity	<u>95,875,607</u>	<u>83,685,269</u>
TOTAL LIABILITIES AND EQUITY	<u>179,741,574</u>	<u>175,980,701</u>

NOTE These financial statements are presented in accordance with generally accepted accounting principles, i.e. per book. They have not been prepared according to the NARUC chart of accounts and no adjustments have been made to the amounts presented

SouthWest Water Company
Statement of Operations
for the Year Ended December 31, 2015
- UNAUDITED -

	2015	2014
Operating Revenue	48,651,893	46,539,730
Operations and Maintenance		
Employee Costs - Salaries & Wages	7,792,707	7,639,968.00
Employee Costs - Payroll Taxes	611,015	584,456.00
Employee Costs - Employee Benefits	1,791,518	1,789,248.00
Employee Costs - Other Employee Costs	498,140	475,929.00
Repairs & Maintenance	1,478,693	1,449,188.00
Vehicle Expense	428,000	774,261.00
Subcontract	317,453	357,520.00
Materials & Supplies	1,160,536	1,130,581.00
Production & Treatment	8,652,956	8,238,029.00
Travel & Entertainment	81,617	152,267.00
Insurance Expense	509,448	449,513.00
Lease Expense	651,098	733,714.00
Professional Fees	521,179	630,686.00
Taxes - Other	1,593,191	1,472,750.00
General & Administrative - Other	(2,559,543)	2,137,612.00
Administrative & Pass Thru Costs	33,522	3,964.00
Other Operating Expenses	554,910	509,046.00
Allocated Expenses	5,538,212	5,877,491.00
Total Operations and Maintenance	29,654,652	34,406,223
Depreciation and Amortization	5,375,255	5,296,524
Other Income/Expense		
Interest Income	(788)	(4,846)
Interest Expense	1,283,287	1,320,660
Other, Net	-	(38,000)
Total Other Income/Expense, net	1,282,499	1,277,814
Provision/(Benefit) From Income Taxes	149,150	61,000
Net Income/Expense	12,190,337	5,498,169

NOTE: These financial statements are presented in accordance with generally accepted accounting principles, i.e. per book. They have not been prepared according to the NARUC chart of accounts and no adjustments have been made to the amounts presented.