ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02859A
~~W-02828A~~

DIVERSIFIED WATER UTILITIES, INC.
2850 E. CAMELBACK RD. SUITE 200
PHOENIX, AZ 85016

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006

FOR COMMISSION USE

ANN 04	06

PROCESSED BY:
4-23-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) DIVERSIFIED WATER UTILITIES, INC.

Mailing Address 2850 E. Camelback Road, Suite 200
(Street)

Phoenix (City) AZ (State) 85016-4316 (Zip)

(602) 840-9400 Telephone No. (Include Area Code) (602) 840-6030 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

Local Office Mailing Address 2850 E. Camelback Road, Suite 200
(Street)

Phoenix (City) AZ (State) 85016-4316 (Zip)

(602) 840-9400 Local Office Telephone No. (Include Area Code) (602) 840-6030 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

MANAGEMENT INFORMATION

Management Contact: Scott W. Gray (Name) President (Title)

2850 E. Camelback Road, Suite 200 (Street) Phoenix (City) AZ (State) 85016-4316 (Zip)

(602) 840-9400 Telephone No. (Include Area Code) (602) 840-6030 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

On Site Manager: David B. Dickinson (Name)

2850 E. Camelback Road, Suite 200 (Street) Phoenix (City) AZ (State) 85016-4316 (Zip)

(602) 840-9400 Telephone No. (Include Area Code) (602) 840-6030 Fax No. (Include Area Code) (480) 388-4892 Pager/Cell No. (Include Area Code)

Email Address ddickinson@dwuwater.com

[x] **Please mark this box if the above address(es) have changed or are updated since the last filing.**

Statutory Agent: Scott W. Gray
(Name)

2850 E. Camelback Road, Suite 200 | Phoenix | AZ | 85016-4316
(Street) | (City) | (State) | (Zip)

(602) 840-1140 | (602) 840-6030
Telephone No. (Include Area Code) | Fax No. (Include Area Code | Pager/Cell No. (Include Area Code)

Attorney: William P. Sullivan, Curtis Goodwin Sullivan Udall & Schwab, P.L.C.
(Name)

501 E. Thomas Road | Phoenix | AZ | 85012-3205
(Street) | (City) | (State) | (Zip)

(602) 393-1700 | (602) 393-1703
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

☒ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Partnership (P)**
- ☒ **Subchapter S Corporation (Z)**
- ☐ **Bankruptcy (B)**
- ☐ **Association/Co-op (A)**
- ☐ **Receivership (R)**
- ☐ **Limited Liability Company**
- ☐ **Other** (Describe)_____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**	☐ **COCHISE**	☐ **COCONINO**
☐ **GILA**	☐ **GRAHAM**	☐ **GREENLEE**
☐ **LA PAZ**	☐ **MARICOPA**	☐ **MOHAVE**
☐ **NAVAJO**	☐ **PIMA**	☒ **PINAL**
☐ **SANTA CRUZ**	☐ **YAVAPAI**	☐ **YUMA**
☐ **STATEWIDE**		

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,444		42,444
304	Structures and Improvements	47,955	7,927	40,028
307	Wells and Springs	304,830	57,291	247,539
311	Pumping Equipment	827,556	58,643	768,913
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	514,518	47,224	467,294
331	Transmission and Distribution Mains	1,255,065	162,294	1,092,771
333	Services	98,403	13,631	84,772
334	Meters and Meter Installations	159,627	19,982	139,645
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,235	1,320	8,915
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	48,178	9,375	38,803
	TOTALS	**3,308,811**	**377,687**	**2,931,124**

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

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,444		
304	Structures and Improvements	47,955	3.56%	1,707
307	Wells and Springs	304,830	3.56%	10,852
311	Pumping Equipment	827,556	3.56%	29,461
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	514,518	3.56%	18,317
331	Transmission and Distribution Mains	1,255,065	3.56%	44,680
333	Services	98,403	3.56%	3,503
334	Meters and Meter Installations	159,627	3.56%	5,683
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,235	3.56%	364
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	48,178	3.56%	1,715
	SUBTOTALS	3,308,811		116,282
	Less: Amortization of Contributions			(28,237)
	TOTALS	3,308,811		88,045

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

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To The Board of Directors of
Diversified Water Utilities, Inc.
Phoenix, Arizona

We have compiled the balance sheet of Diversified Water Utilities, Inc. as of December 31, 2006 and 2005, and the related comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Ullmann + Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

April 6, 2007

2400 East Arizona Biltmore Circle ▪ Suite 1220 ▪ Phoenix, Arizona 85016
Telephone: (602) 224-0166 ▪ FAX: (602) 224-6062 ▪ e-mail: CPA@ULLMANNCPA.com ▪ www.ULLMANNCPA.com

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 117,855	$ 349,960
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	5,583	26,384
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	**$ 123,438**	**$ 376,344**
	FIXED ASSETS		
101	Utility Plant in Service	$ 1,690,000	$ 3,308,811
103	Property Held for Future Use		
105	Construction Work in Progress	719,503	0
108	Accumulated Depreciation - Utility Plant	261,405	377,687
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	$ 2,148,098	$ 2,931,124
	TOTAL ASSETS	**$ 2,271,536**	**$ 3,307,468**

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

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ -	$ -
232	Notes Payable (Current Portion)	56,000	66,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	7,711	20,591
236	Accrued Taxes	8,144	10,293
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 71,855	$ 96,884
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 241,990	$ 222,030
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ -	$ -
252	Advances in Aid of Construction	1,237,203	1,726,322
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	451,520	1,134,844
272	Less: Amortization of Contributions	20,531	48,768
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$ 1,668,192	$ 2,812,398
	TOTAL LIABILITIES	$ 1,982,037	$ 3,131,312
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 2,000	$ 2,000
211	Paid in Capital in Excess of Par Value	198,261	198,261
215	Retained Earnings	89,238	(24,105)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 289,499	$ 176,156
	TOTAL LIABILITIES AND CAPITAL	**$ 2,271,536**	**$ 3,307,468**

See Accountants' Compilation Report

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 323,217	$ 476,369
460	Unmetered Water Revenue		
474	Other Water Revenues	875	16,355
	TOTAL REVENUES	$ 324,092	$ 492,724
	OPERATING EXPENSES		
601	Salaries and Wages	$ 72,790	$ 133,834
610	Purchased Water		
615	Purchased Power	16,221	27,619
618	Chemicals	5,651	4,308
620	Repairs and Maintenance	22,206	32,962
621	Office Supplies and Expense	6,561	5,419
630	Outside Services	75,813	97,839
635	Water Testing	1,210	7,945
641	Rents	12,065	23,260
650	Transportation Expenses	4,601	17,072
657	Insurance - General Liability	10,264	10,804
659	Insurance - Health and Life	3,531	28,476
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	31,235	12,029
403	Depreciation Expense	54,170	88,045
408	Taxes Other Than Income	4,046	12,781
408.11	Property Taxes	17,147	16,809
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 337,511	$ 519,202
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	$ 1,921	$ 6,141
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	13,740	13,097
	TOTAL OTHER INCOME/EXP	$ (11,819)	$ (6,956)
	NET INCOME/(LOSS)	$ (25,238)	$ (33,434)

See Accountants' Compilation Report

COMPANY NAME	DIVERSIFIED WATER UTILITIES, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	2002			
Source of Loan	WIFA NOTE			
ACC Decision No.				
Reason for Loan	PLANT IMPROVEMENT			
Dollar Amount Issued	$ 353,900	$	$	$
Amount Outstanding	$ 243,030	$	$	$
Date of Maturity				
Interest Rate	4.725%	%	%	%
Current Year Interest	$ 13,025	$	$	$
Current Year Principle	$ 20,346	$	$	$

Meter Deposit Balance at Test Year End $ 565,364

Meter Deposits Refunded During the Test Year $ 26,057

COMPANY NAME	DIVERSIFIED WATER UTILITIES, INC.
Name of System N/A	ADEQ Public Water System Number (if applicable) 11-043

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609350	30	200	1,000	20	6	1952
55-627093	250	1,200	913	20	12	1958
55-627092**	300	1,500	1,003	20	10	1962

* Arizona Department of Water Resources Identification Number
** Not yet in service

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 horsepower	2	88	None
30 horsepower	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	5,000	2
20,000	1	7,500	1
1,000,000	1		

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

COMPANY NAME	DIVERSIFIED WATER UTILITIES, INC.	
Name of System N/A		ADEQ Public Water System Number (if applicable) 11-043

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		884
3		
4		
5		
6		40,297
8		60,372
10		
12		16,163

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	362
3/4	345
1	95
1 1/2	1
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

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

TREATMENT EQUIPMENT:

Liquid Chlorine

STRUCTURES:

Storage Shed

Chlorine Shed

OTHER:

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

COMPANY NAME: DIVERSIFIED WATER UTILITIES, INC.	
Name of System N/A	ADEQ Public Water System Number (if applicable) 11-043

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	430	3,841	3,974	
FEBRUARY	480	3,648	3,786	
MARCH	593	4,091	4,221	
APRIL	623	5,179	5,241	
MAY	647	7,132	7,294	
JUNE	681	8,365	8,520	
JULY	664	7,605	7,842	
AUGUST	687	6,246	6,638	
SEPTEMBER	702	6,454	6,687	
OCTOBER	742	7,152	7,423	
NOVEMBER	799	6,390	6,507	
DECEMBER	809	6,005	6,384	
	TOTALS →	72,106	74,519	None

What is the level of arsenic for each well on your system? 0.0033 mg/l (55-609350)
(If more than one well, please list each separately.) 0.002 mg/l (55-627093)
0.0021 mg/l (55-627092)

If system has fire hydrants, what is the fire flow requirement? 1000 **GPM for** 2 **hrs**

If system has chlorination treatment, does this treatment system chlorinate continuously?
(x) Yes ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(x) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
( ) Yes (x) No

If yes, provide the GPCPD amount:_____

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

COMPANY NAME DIVERSIFIED WATER UTILITIES, INC. **YEAR ENDING 12/31/2006**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: $ **14,765**

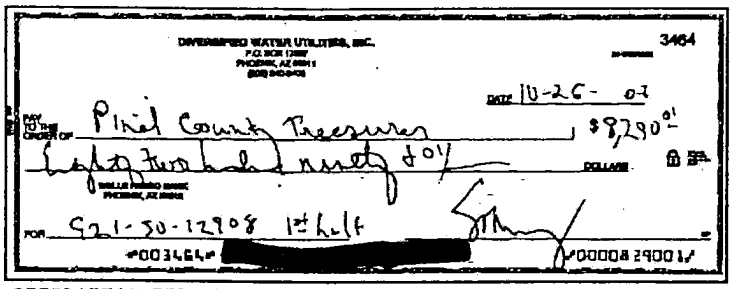
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

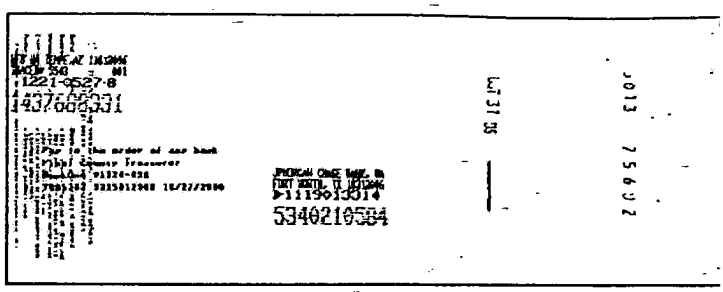
If no property taxes paid, explain why.

Check Images

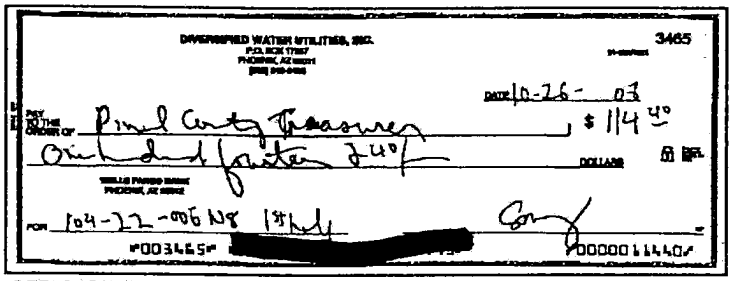
Statement period: Nov 01-Nov 30, 2006
Account number: [redacted]
Image page: 1 of 4

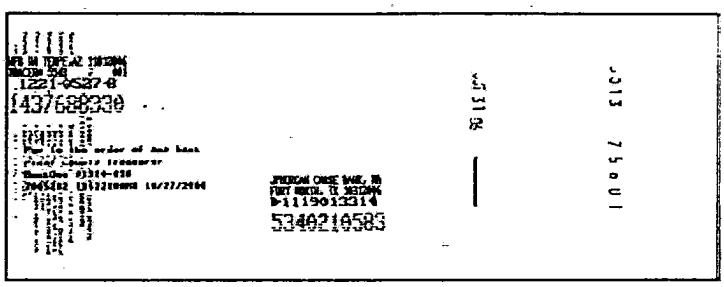
WELLS FARGO


DIVERSIFIED WATER UTILITIES, INC.
3464
DATE 10-26-07
PAY TO THE ORDER OF Pinal County Treasurer $8,290.01
Eighty two hundred ninety & 01/ DOLLARS
FOR 921-50-12908 1st half
⑈003464⑈ [redacted] ⑈0000829001⑈

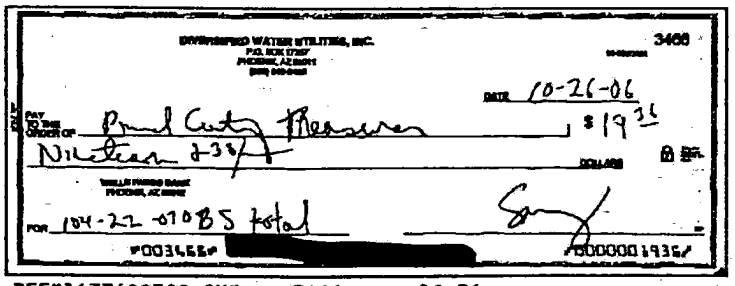

1221-0527-8
1437688331
5340210584

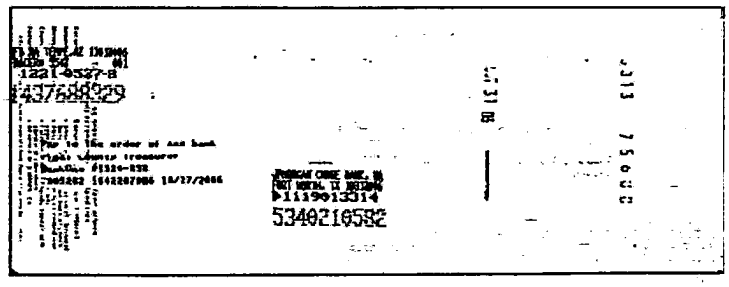
REF#1437688331 CK# 3464 8290.01


DIVERSIFIED WATER UTILITIES, INC.
3465
DATE 10-26-07
PAY TO THE ORDER OF Pinal County Treasurer $114.40
One hundred fourteen & 40/ DOLLARS
FOR 104-22-006 N8 1st half
⑈003465⑈ [redacted] ⑈0000011440⑈


1221-0527-8
1437688330
5340210583

REF#1437688330 CK# 3465 114.40


DIVERSIFIED WATER UTILITIES, INC.
3466
DATE 10-26-06
PAY TO THE ORDER OF Pinal County Treasurer $19.36
Nineteen & 36/ DOLLARS
FOR 104-22-070 B5 total
⑈003466⑈ [redacted] ⑈0000001936⑈


1221-0527-8
1437688329
5340210582

REF#1437688329 CK# 3466 19.36

VERIFICATION
AND
SWORN STATEMENT
Taxes

VERIFICATION

STATE OF ARIZONA	COUNTY OF (COUNTY NAME) MARICOPA
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) TITLE SCOTT W. GRAY, PRESIDENT
OF THE	COMPANY NAME DIVERSIFIED WATER UTILITIES, 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	2006

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

(602) 840-9400

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 16th **DAY OF**

COUNTY NAME	Maricopa	
MONTH	April	20 07

OFFICIAL SEAL
LYNN M. ENGLE
(SEAL) NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Nov. 6, 2009

Lynn M. Engle

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 11-6-09

COMPANY NAME DIVERSIFIED WATER UTILITIES, INC. **YEAR ENDING 12/31/2006**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	N/A-S Corporation
Estimated or Actual Federal Tax Liability	N/A-S Corporation
State Taxable Income Reported	N/A-S Corporation
Estimated or Actual State Tax Liability	N/A-S Corporation

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	0
Amount of Gross-Up Tax Collected	0
Total Grossed-Up Contributions/Advances	0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE	4/16/07 **DATE**
Scott W. Gray **PRINTED NAME**	President **TITLE**

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	SCOTT W. GRAY, PRESIDENT
COMPANY NAME	DIVERSIFIED WATER UTILITIES, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

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 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 522,889

(THE AMOUNT IN BOX ABOVE INCLUDES $ 30,165 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)**

SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Maricopa	
MONTH	April	2007

THIS 16th **DAY OF**

(SEAL)

OFFICIAL SEAL
LYNN M. ENGLE
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Nov. 6, 2009

MY COMMISSION EXPIRES Nov 6, 2009

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA		
NAME (OWNER OR OFFICIAL) SCOTT W. GRAY		TITLE PRESIDENT
COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

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 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 522,889

THE AMOUNT IN BOX AT LEFT INCLUDES $ 30,165 IN SALES TAXES BILLED, OR COLLECTED)

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

SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 16th **DAY OF**

NOTARY PUBLIC NAME	Lynn M. Engle	
COUNTY NAME	Maricopa	
MONTH	April	,20 07

(SEAL)

OFFICIAL SEAL
LYNN M. ENGLE
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Nov. 6, 2009

MY COMMISSION EXPIRES

11-6-09

X Lynn M. Engle
SIGNATURE OF NOTARY PUBLIC