ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

H

W-02169A HARRISBURG UTILITY CO INC
FKA Keaton Development Company
PO Box 905
Salome, AZ 85348

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009

FOR COMMISSION USE

ANN 04	09

3-24-11

COMPANY INFORMATION

Company Name (Business Name) Harrisburg Utility Company Inc

Mailing Address PO Box 905
(Street)

Salome | AZ | 85348
(City) | (State) | (Zip)

928-859-3982 | 928-859-3984
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code)

Email Address Keatonwater@msn.com

Local Office Mailing Address same as above
(Street)

(City) | (State) | (Zip)

Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☐ **Management Contact:** William S Scott President
(Name) (Title)

PO Box 905 | Salome | AZ | 85348
(Street) | (City) | (State) | (Zip)

928-859-3982 | 928-859-3984
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code)

Email Address Keatonwater@msn.com

On Site Manager: William S Scott
(Name)

same as above
(Street) | (City) | (State) | (Zip)

Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code)

Email Address

Statutory Agent: Larna Mesenbrink
(Name)

125 E Apache St	Wickenburg	AZ	85390
(Street)	(City)	(State)	(Zip)

928-684-2247	928-684-0066	928-231-4543
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Cell No. (Include Area Code)

Attorney: Richard L Sallquist
(Name)

2525 E Arizona Biltmore Cir #117	Phoenix	AZ	85016
(Street)	(City)	(State)	(Zip)

602-224-9222	602-224-9366	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address_____

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 Harrisburg Utility Company Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1250		
302	Franchises			
303	Land and Land Rights	8200		
304	Structures and Improvements	35608		
307	Wells and Springs	82495		
311	Pumping Equipment	92630		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	45102		
331	Transmission and Distribution Mains	468509		
333	Services			
334	Meters and Meter Installations	10687		
335	Hydrants	26856		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25694		
340	Office Furniture and Equipment	5152		
341	Transportation Equipment	3000.		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	805183	451806	353377

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

COMPANY NAME Harrisburg Utility Company Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1250		
302	Franchises			
303	Land and Land Rights	8200		
304	Structures and Improvements	35608		
307	Wells and Springs	82495		
311	Pumping Equipment	92630		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	45102		
331	Transmission and Distribution Mains	468509		
333	Services			
334	Meters and Meter Installations	10687		
335	Hydrants	26856		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25694		
340	Office Furniture and Equipment	5152		
341	Transportation Equipment	3000		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	805183		31358

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

COMPANY NAME Harrisburg Utility Company Inc

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ – 2779	$ - 597
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2743	0
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		3222
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ - 36	$ 2625
	FIXED ASSETS		
101	Utility Plant in Service	$ 631091	$ 805183
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	420448	451806
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$	$
	TOTAL ASSETS	**$ 210607**	**$ 356002**

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

COMPANY NAME Harrisburg Utility Company 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)	23610	
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	6431	6754
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	-151	
	TOTAL CURRENT LIABILITIES	$ 29890	$ 6754
	LONG-TERM DEBT (Over 12 Months)	133766	30018
224	Long-Term Notes and Bonds	$	$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$	$
252	Advances in Aid of Construction		190875
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$	$
		163656	227647
	TOTAL LIABILITIES	$	$
	CAPITAL ACCOUNTS	252005	184224
201	Common Stock Issued	$ 50000	$ 50000
211	Paid in Capital ~~in Excess of Par Value~~	25000	25000
215	Retained Earnings	-10768	-19151
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 316237	$ 128375
	TOTAL LIABILITIES AND CAPITAL	$479903	$356002

COMPANY NAME Harrisburg Utility Company Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 187806	$ 207416
460	~~Unmetered Water Revenue~~ LESS SALES TAX	-11365	-14331
474	Other Water Revenues	4204	4858
	TOTAL REVENUES	$ 180644	$ 197943
	OPERATING EXPENSES		
601	Salaries and Wages	$ 803	$ 0
610	Purchased Water		
615	Purchased Power	19190	17938
618	Chemicals		
620	Repairs and Maintenance	7290	14087
621	Office Supplies and Expense	12789	16533
630	Outside Services	98489	67976
635	Water Testing	7055	6889
641	Rents	600	
650	Transportation Expenses	20068	12806
657	Insurance – General Liability	5315	5802
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1356	468
403	Depreciation Expense		31358
408	Taxes Other Than Income		
408.11	Property Taxes	10304	10617
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 182335	$ 184474
	OPERATING INCOME/(LOSS)	$ — 1690	$ 13469
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$	$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	1967	1824
	TOTAL OTHER INCOME/(EXPENSE)	$	$
	NET INCOME/(LOSS)	$ -3657	$ 11644

COMPANY NAME Harrisburg Utility Company Inc

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/23/1999			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan	Business			
Dollar Amount Issued	$ 48121	$	$	$
Amount Outstanding	$ 30018	$	$	$
Date of Maturity				
Interest Rate	8 %	%	%	%
Current Year Interest	$ 1824	$	$	$
Current Year Principle	$ 2532	$	$	$

Meter Deposit Balance at Test Year End $ _____

Meter Deposits Refunded During the Test Year $ _____

COMPANY NAME Harrisburg Utility Company Inc	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Sustained Well Production w/ Presently Installed Pump (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
B-5-1328-A	20	145		16 in	N/A	
B-5-1221 dde	30	110		16 in	N/A	

* Arizona Department of Water Resources Identification Number

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 hp	2	None	
15 hp	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20000	1	5000	1
14000	2		

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

COMPANY NAME Harrisburg Utility Company Inc	
Name of System: HARRISBURG	ADEQ Public Water System Number: 15-029

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	880
3	PVC	3280
4	PVC	4455
5		
6	PVC	21615
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	500
3/4	
1	
1 1/2	1
2	
Comp. 3	
Turbo 3	1
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:

chlorination system

STRUCTURES:

pump house booster

OTHER:

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

COMPANY NAME: Harrisburg Utility Company Inc	
Name of System: HARRISBURG	ADEQ Public Water System Number: 15-029

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	497	2079120	2100900	
FEBRUARY	496	2021600	2148900	
MARCH	494	2072074	3149500	
APRIL	492	2017590	2118400	
MAY	490	2213600	2467100	
JUNE	490	2332880	2556800	
JULY	489	2119660	2387600	
AUGUST	488	2230760	2653300	
SEPTEMBER	488	2368040	2583500	
OCTOBER	488	1983897	2174400	
NOVEMBER	487	2477928	2695100	
DECEMBER	489	1759870	1921900	
	TOTALS →	25737019	28957400	00

What is the level of arsenic for each well on your system? .0056 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____GPM for ____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)?
( ) 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:_____

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

COMPANY NAME: Harrisburg Utility Company Inc	
Name of System: HARRISBURG	ADEQ Public Water System Number: 15-029

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

COMPANY NAME Harrisburg Utility Company Inc YEAR ENDING 12/31/2009

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: $ 10617

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.

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	La Paz
NAME (OWNER OR OFFICIAL) TITLE	William S Scott, President
COMPANY NAME	Harrisburg Utility Co Inc fka Keaton Development Co

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	2009

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

928-859-3982

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF La Paz

THIS 14 **DAY OF** April 20 10

(SEAL)

Linda M Darlal

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 7-31-11

COMPANY NAME Harrisburg Utility Company Inc **YEAR ENDING 12/31/2009**

INCOME TAXES

For this reporting period, provide the following:

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

Amount of Grossed-Up Contributions/Advances:

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

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	**DATE**
PRINTED NAME	**TITLE**

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF _____AZ_____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) La Paz
NAME (OWNER OR OFFICIAL) TITLE William S Scott, President
COMPANY NAME Harrisburg Utility Co Inc fka Keaton Development Co

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

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 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$_____207416_____

(THE AMOUNT IN BOX ABOVE INCLUDES $_____12376___ 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

928-859-3982

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 **DAY OF**

COUNTY NAME La Paz	
MONTH April	20 10

(SEAL)

Linda M Dadant

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 7-31-11

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) La Paz	
NAME (OWNER OR OFFICIAL) William S Scott	TITLE President
COMPANY NAME Harrisburg Utility Co Inc. fka Keaton Development Co	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

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 ~~2008~~ 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 207416

THE AMOUNT IN BOX AT LEFT INCLUDES $ 12376 IN SALES TAXES BILLED, OR COLLECTED)

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

SIGNATURE OF OWNER OR OFFICIAL

928-859-3982

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 **DAY OF**

NOTARY PUBLIC NAME Linda M Darland	
COUNTY NAME La Paz	
MONTH April	,20 10

(SEAL)

MY COMMISSION EXPIRES 7-31-11

X Linda M Darland

SIGNATURE OF NOTARY PUBLIC