

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02234A

H2O, Inc.
41502 N. Schnepf Rd.
San Tan Valley, AZ 85140

RECEIVED

APR 12 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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4-12-13

COMPANY INFORMATION

Company Name (Business Name) <u>H2O Inc.</u>		
Mailing Address <u>41502 N Schnepf Road</u>		
<u>San Tan Valley</u> (City)	<u>Arizona</u> (State)	<u>85140</u> (Zip)
<u>(480) 491-6971</u> Telephone No. (Include Area Code)	<u>(480) 491-6739</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>41502 N. Schnepf Road</u>		
<u>San Tan Valley</u> (City)	<u>Arizona</u> (State)	<u>85140</u> (Zip)
<u>(480) 491-6971</u> Local Office Telephone No. (Include Area Code)	<u>(480) 491-6739</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Doug Odom</u> <u>President</u>			
<u>41502 N Schnepf Road</u> (Street)		<u>San Tan Valley</u> (City)	<u>Arizona</u> (State)
<u>480-491-6971 ext 110</u> Telephone No. (Include Area Code)		<u>480-491-6739</u> Fax No. (Include Area Code)	<u>85140</u> (Zip)
Email Address <u>doug@h2oincwater.com</u>			
On Site Manager: <u>Doug Odom</u>			
<u>41502 N Schnepf Road</u> (Street)		<u>San Tan Valley</u> (City)	<u>Arizona</u> (State)
<u>480-491-6971</u> Telephone No. (Include Area Code)		<u>480-491-6739</u> Fax No. (Include Area Code)	<u>85140</u> (Zip)
Email Address <u>doug@h2oincwater.com</u>		<u>(480) 789-1315</u> Cell No. (Include Area Code)	

Statutory Agent: Matt Schnepf

(Name)

7427 E De La O

Scottsdale

Arizona

85255

(Street)

(City)

(State)

(Zip)

480-491-6971

480-491-6739

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Patrick Black - Fennemore Craig

(Name)

3003 N Central Avenue #2600

Phoenix

Arizona

85012-2913

(Street)

(City)

(State)

(Zip)

602-916-5000

602-916-5600

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

H2O 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	136,839.00	0.00	136,839.00
303	Land and Land Rights	7,954.00	0.00	7,954.00
304	Structures and Improvements	2,756,037.65	355,558.46	2,400,479.19
307	Wells and Springs	1,080,796.76	192,834.13	887,962.63
311	Pumping Equipment	6,076,163.29	4,470,079.49	1,606,083.80
320	Water Treatment Equipment	78,467.90	19,659.29	58,808.61
330	Distribution Reservoirs and Standpipes	4,899,111.73	737,465.60	4,161,646.13
331	Transmission and Distribution Mains	14,146,058.52	1,728,003.65	12,418,054.87
333	Services	293,730.94	98,259.80	195,471.14
334	Meters and Meter Installations	3,176,981.11	1,625,813.69	1,551,167.42
335	Hydrants	121,409.97	20,714.46	100,695.51
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	172,839.65	77,697.62	95,142.03
341	Transportation Equipment	321,066.31	226,057.93	95,008.38
343	Tools, Shop and Garage Equipment	93,323.33	30,355.74	62,967.59
344	Laboratory Equipment			
345	Power Operated Equipment	38,611.35	28,608.04	10,003.31
346	Communication Equipment	245,455.20	165,050.17	80,405.03
347	Miscellaneous Equipment			
348	Other Tangible Plant	159,880.41	51,275.03	108,605.38
	TOTALS	33,804,727.12	9,827,433.10	23,977,294.02

Less Retired Plant (61,282.87)
 This amount goes on the Balance Sheet Acct. No. 108 \rightarrow 9,766,150.23

COMPANY NAME

H2O Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	136,839.00		
303	Land and Land Rights	7954.00		
304	Structures and Improvements	2,756,037.65	3.33%	90,058.89
307	Wells and Springs	1,080,796.76	3.33%	35,990.53
311	Pumping Equipment	6,076,163.29	12.50%	756,908.73
320	Water Treatment Equipment	78,467.90	3.33%	2,612.98
330	Distribution Reservoirs and Standpipes	4,899,111.73	2.22%	108,760.28
331	Transmission and Distribution Mains	14,146,058.52	2.00%	277,731.65
333	Services	293,730.94	3.33%	9,781.24
334	Meters and Meter Installations	3,176,981.11	8.33%	258,226.97
335	Hydrants	121,409.97	2.00%	2,428.20
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	172,839.65	6.67%	11,156.86
341	Transportation Equipment	321,066.31	20.00%	60,950.56
343	Tools, Shop and Garage Equipment	93,323.33	5.00%	4,666.17
344	Laboratory Equipment			
345	Power Operated Equipment	38,611.35	5.00%	1,930.57
346	Communication Equipment	245,455.20	10.00%	24,545.52
347	Miscellaneous Equipment			
348	Other Tangible Plant	159,880.41	5.00%	7,994.02
	TOTALS	33,804,727.12		1,653,743.17

272

Less CIAC amortization

(342,563.48)

403

Current Year Retired Meters

7727.08

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

—————
↘ 1,318,906.77

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	829,050.17	715,309.82
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	351,492.09	331,535.52
146	Notes/Receivables from Associated Companies	2,500.00	2,958.33
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,744,141.05	1,909,447.78
	TOTAL CURRENT AND ACCRUED ASSETS	2,927,183.31	2,959,251.45
	FIXED ASSETS		
101	Utility Plant in Service	32,943,052.56	33,804,727.12
103	Property Held for Future Use	1,236.00	1,236.00
105	Construction Work in Progress	673.47	673.47
108	Accumulated Depreciation – Utility Plant	-8,117,666.15	-9,766,150.23
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	24,827,295.88	24,040,486.36
	TOTAL ASSETS	27,754,479.19	26,999,737.81

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

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	54,215.46	36,655.07
232	Notes Payable (Current Portion)	12,950.47	13,727.34
234	Notes/Accounts Payable to Associated Companies	32,443.96	32,443.96
235	Customer Deposits	213,769.98	229,269.61
236	Accrued Taxes	65,795.46	39,885.67
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		600,000.00
	TOTAL CURRENT LIABILITIES	379,175.33	951,981.65
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	118,887.33	105,160.00
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	12,710,316.67	12,167,074.01
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	16,798,221.94	17,458,125.69
272	Less: Amortization of Contributions	-2,112,483.34	-2,455,046.82
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	27,396,055.27	27,170,152.88
	TOTAL LIABILITIES	27,894,117.93	28,227,294.53
	CAPITAL ACCOUNTS		
201	Common Stock Issued	38,785.47	38,785.47
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	-178,424.21	-1,266,342.19
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	-139,638.74	-1,227,556.72
	TOTAL LIABILITIES AND CAPITAL	\$27,754,479.19	\$26,999,737.81

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	4,441,496.66	4,806,595.61
460	Unmetered Water Revenue		
474	Other Water Revenues	193,255.31	169,561.10
	TOTAL REVENUES	4,634,751.97	4,976,156.71
	OPERATING EXPENSES		
601	Salaries and Wages	1,633,022.88	1,945,401.69
610	Purchased Water	81,714.38	65,535.65
615	Purchased Power	408,793.57	419,633.54
618	Chemicals	17,326.57	10,710.45
620	Repairs and Maintenance	122,788.06	88,331.94
621	Office Supplies and Expense	53,079.45	45,996.74
630	Outside Services	179,115.06	27,697.81
635	Water Testing	41,198.59	12,703.08
641	Rents	350,118.24	345,492.39
650	Transportation Expenses	88,995.89	93,070.17
657	Insurance – General Liability	54,544.75	39,930.00
659	Insurance - Health and Life	140,881.25	109,418.15
666	Regulatory Commission Expense – Rate Case	22,659.04	21,025.66
675	Miscellaneous Expense	183,326.26	329,749.00
403	Depreciation Expense	1,281,306.67	1,318,906.77
408	Taxes Other Than Income	101,622.84	106,950.75
408.11	Property Taxes	213,679.34	227,811.04
409	Income Tax	-78,414.00	0.00
	TOTAL OPERATING EXPENSES	4,895,758.84	5,208,364.83
	OPERATING INCOME/(LOSS)	-261,006.87	-232,208.12
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	17,756.07	2,779.02
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	-9,290.30	-8488.88
	TOTAL OTHER INCOME/(EXPENSE)	8465.77	-5,709.86
	NET INCOME/(LOSS)	-252,541.10	-237,917.98

COMPANY NAME H2O Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1985	1999		
Source of Loan	Well & Pump Purchase	WIFA		
ACC Decision No.	56327	62620		
Reason for Loan	Backup Source Well	New Source Pump & Storage		
Dollar Amount Issued	\$40,000.00	\$ 254,117.00	\$	\$
Amount Outstanding	\$32,443.96	\$140,453.75	\$	\$
Date of Maturity	OPEN	2021		
Interest Rate	9.0%	5.84%	%	%
Current Year Interest	\$	\$4,189.89	\$	\$
Current Year Principle	\$	\$12,950.46	\$	\$

Meter Deposit Balance at Test Year End \$1,114,872.22

Meter Deposits Refunded During the Test Year \$ 257,924.39

COMPANY NAME	H2O Inc.
Name of System:	ADEQ Public Water System Number: 11-060

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-605835 (1)	200	1100	1200'	20/16	6"	1950
55-605837 (3)	200		1200'	16/14	8"	1966
55-605834 (4)	300	1,390	1200'	16/14	10"	1966
55-605836 (2)	N/A	N/A	1200'	20/16	N/A	1950
55-625006 (CG)	300	1400	940'	16	10"	1972
55-609158 (PCN)	300	1,200	878'	16	10"	1946
55-609159 (PCS)	300	1,400	906	12	10"	1946
55-086441 (SheaT.)	400	2000	1285	18	10"	1981
55-618025 (Gantzel)	300	1,500	1136	20	10"	1978
55-214521 (Barnes)	300	1,350	1000	18	10"	2008

*Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Town of Queen Creek Water Co.	N/A	1,324.937

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
100	11	857	
50	29		
20	3		
15	3		
60	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
See Attached Table -1		5000 gal	12

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

H2O INC. STORAGE TANK CAPACITY

	Total Gal
Main 1	869,337
Main 2	568,717
CG 1	869,337
CG 2	869,337
Barnes	2,203,189
Shea	2,203,189
PCS 1	857,869
PCS 2	857,869
Gantzel	2,203,189
PCN 1	869,337
PCN 2	869,337
Links 1	331,642
Links 2	<u>869,337</u>
Total	14,441,687 ✓

COMPANY NAME	H2O Inc.
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	DIP	4403
4	PVC	7,663
5		
6	DIP	25240
6	PVC	264,005
8	DIP	329
8	PVC	333,833
10	DIP	82
10	PVC	11,453
12	DIP	847
12	HDPE	1,888
12	PVC	144,546

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	240
3/4	8737
1	274
1 1/2	48
2	131
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
Hydrants	11

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

TREATMENT EQUIPMENT:

1 - Capital Control Gas Chlorinator

14 - Regal Gas Chlorinator

STRUCTURE:

Electric Service Entrances on Wells: 1,3,4, Castlegate, Pecan Creek North, Pecan Creek South, Shea T., Gantzel & Barnes

Electric Service Entrances on Booster Plants: Main, Links, Castlegate, Pecan Creek N., Pecan Creek S., Shea T., Gantzel & Barnes

Chlorine enclosures at: Main, Well #4, Castlegate, Links, Pecan Creek N., Pecan Creek S., Shea T., Gantzel & Barnes

Steel Shade over Pumps & Elect. Equipmt at: Main, Links, Castlegate, Pecan Creek N., Pecan Creek S., Shea T., Gantzel & Barnes

8' Block Walls at: Main, Well #4, Links, Castlegate, Pecan Creek N., Pecan Creek S., Shea T., Gantzel & Barnes

Chain Link Fence at Well #3

OTHER:

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

COMPANY NAME:	H2O Inc.
Name of System:	ADEQ Public Water System Number: 11-060

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	9,014	77,393	77,012	78
FEBRUARY	9,030	70,671	88,816	47
MARCH	9,079	82,600	87,878	46
APRIL	9,112	103,313	115,286	92
MAY	9,141	131,270	151,693	110
JUNE	9,169	168,142	177,753	291
JULY	9,262	162,967	184,742	182
AUGUST	9,308	140,778	171,757	123
SEPTEMBER	9,339	112,954	156,266	89
OCTOBER	9,389	138,021	124,774	106
NOVEMBER	9,425	107,174	117,529	51
DECEMBER	9,441	77,865	82,116	48
TOTALS →		1,373,148	1,535,622	1,263

What is the level of arsenic for each well on your system? Well 001 & 002 = .003,
Wells 003,004,005,006 & 007 = .002
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

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

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

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes 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:	H2O Inc.
Name of System:	ADEQ Public Water System Number: 11-060

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		32	
FEBRUARY		27	
MARCH		42	
APRIL		48	
MAY		0	
JUNE		89	
JULY		103	
AUGUST		106	
SEPTEMBER		113	
OCTOBER		119	
NOVEMBER		0	
DECEMBER		0	
TOTALS →		679	

OTHER (description):

COMPANY NAME H2O Inc. **YEAR ENDING 12/31/2012**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 227,811.04

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
APR 12 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pinal
NAME (OWNER OR OFFICIAL) TITLE	Doug Odom - President
COMPANY NAME	H2O 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	2012

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

480-491-6971

TELEPHONE NUMBER

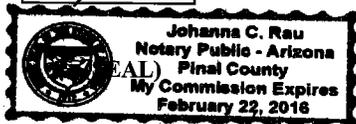
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9th

COUNTY NAME	PINAL	
MONTH	April	2013



MY COMMISSION EXPIRES Feb. 22, 2016


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 12 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pinal
NAME (OWNER OR OFFICIAL) TITLE	Doug Odom – President
COMPANY NAME	H2O Inc.

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FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 5,360,278.11

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 384,121.40
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)**



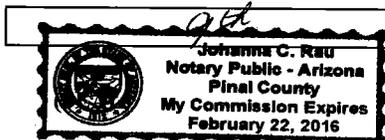
SIGNATURE OF OWNER OR OFFICIAL
480-491-6971

TELEPHONE NUMBER

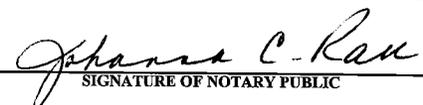
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF



COUNTY NAME	Pinal	
MONTH	April	2013



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Feb. 22, 2016

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
APR 12 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pinal	
NAME (OWNER OR OFFICIAL) Doug Odom	TITLE President
COMPANY NAME H2O Inc.	

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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 2011 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>3,866,445.16</u>
--

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 276,431.08
IN SALES TAXES BILLED, OR COLLECTED)**

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


SIGNATURE OF OWNER OR OFFICIAL

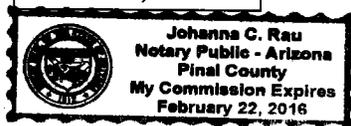
480-491-6971
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS *9th* **DAY OF**

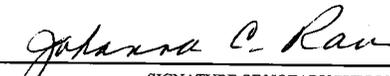
(SEAL)



MY COMMISSION EXPIRES

Feb. 22, 2016

NOTARY PUBLIC NAME <i>Johanna C. Rau</i>	
COUNTY NAME <i>Pinal</i>	
MONTH <i>April</i>	YEAR <i>2013</i>

X 
SIGNATURE OF NOTARY PUBLIC