

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-03782A
WILLIAM F. LESKO
dba: HECKETHORN WATER COMPANY
4400 E. BUTTON LANE
FLAGSTAFF, ARIZONA 86001

RECEIVED

APR 17 2013

AZ CORP COMM
Director Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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4-23-13

COMPANY INFORMATION

Company Name (Business Name) <u>HECKETHORN WATER COMPANY</u>		
Mailing Address <u>4400 E. BUTON LANE</u> <small>(Street)</small>		
<u>FLAGSTAFF</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>86001</u> <small>(Zip)</small>
<u>(928) 213-1778</u> <small>Telephone No. (Include Area Code)</small>	<u>(928) 213-1778</u> <small>Fax No. (Include Area Code)</small>	<u>-</u> <small>Cell No. (Include Area Code)</small>
Email Address _____		
Local Office Mailing Address <u>4400 E. BUTON LANE</u> <small>(Street)</small>		
<u>FLAGSTAFF</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>86001</u> <small>(Zip)</small>
<u>(928) 213-1778</u> <small>Local Office Telephone No. (Include Area Code)</small>	<u>(928) 213-1778</u> <small>Fax No. (Include Area Code)</small>	<u>-</u> <small>Cell No. (Include Area Code)</small>
Email Address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>WILLIAM F. LESKO</u> <u>OWNER</u> <small>(Name) (Title)</small>			
<u>5210 E. DAPHNE LANE</u> <small>(Street)</small>	<u>FLAGSTAFF</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>86001</u> <small>(Zip)</small>
<u>(928) 779-0543</u> <small>Telephone No. (Include Area Code)</small>	<u>(928) 213-1778</u> <small>Fax No. (Include Area Code)</small>	<u>(928) 380-8745</u> <small>Cell No. (Include Area Code)</small>	
Email Address _____			
On Site Manager: <u>WILLIAM F. LESKO</u> <small>(Name)</small>			
<u>5210 E. DAPHNE LANE</u> <small>(Street)</small>	<u>FLAGSTAFF</u> <small>(City)</small>	<u>ARIZONA</u> <small>(State)</small>	<u>86001</u> <small>(Zip)</small>
<u>(928) 779-0543</u> <small>Telephone No. (Include Area Code)</small>	<u>(928) 213-1778</u> <small>Fax No. (Include Area Code)</small>	<u>(928) 380-8745</u> <small>Cell No. (Include Area Code)</small>	
Email Address <u>N/A</u>			

Statutory Agent: N/A
 (Name)

(Street) (City) (State) (Zip)

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

Attorney: N/A
 (Name)

(Street) (City) (State) (Zip)

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

COUNTIES SERVED

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

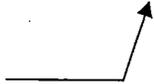
- APACHE
- GILA
- LA PAZ
- NAVAJO
- SANTA CRUZ
- STATEWIDE
- COCHISE
- GRAHAM
- MARICOPA
- PIMA
- YAVAPAI
- COCONINO
- GREENLEE
- MOHAVE
- PINAL
- YUMA

COMPANY NAME **HECKETHORW WATER COMPANY**

12-31-12

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	8000		8000
304	Structures and Improvements	4259	1077	3182
307	Wells and Springs	6976	3053	3923
311	Pumping Equipment	16090	11992	4098
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	32298	6102	26196
331	Transmission and Distribution Mains	9507	3083	6424
333	Services	1180	516	664
334	Meters and Meter Installations	886	502	384
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	2316	127
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	81639	28641	52998

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

COMPANY NAME HECKETHORN WATER COMPANYCALCULATION 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	8000		
304	Structures and Improvements	4259	2.47	105
307	Wells and Springs	6976	2.97	207
311	Pumping Equipment	16090	5.05	813
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	32298	1.08	581
331	Transmission and Distribution Mains	9507	2.20	209
333	Services	1180	2.96	35
334	Meters and Meter Installations	886	3.82	34
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	6.50	159
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	81639		2143

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

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ <i>33393</i>	\$ <i>51214</i>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ <i>33393</i>	\$ <i>51214</i>
	FIXED ASSETS		
101	Utility Plant in Service	\$ <i>81639</i>	\$ <i>81639</i>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<i>26498</i>	<i>28641</i>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ <i>55141</i>	\$ <i>52998</i>
	TOTAL ASSETS	\$ <i>88534</i>	\$ <i>104212</i>

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	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	<i>165</i>	<i>165</i>
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ <i>165</i>	\$ <i>165</i>
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
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	\$	\$
	TOTAL LIABILITIES	\$ <i>165</i>	\$ <i>165</i>
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	<i>88369</i>	<i>104047</i>
	TOTAL CAPITAL	\$ <i>88369</i>	\$ <i>104047</i>
	TOTAL LIABILITIES AND CAPITAL	\$ <i>88534</i>	\$ <i>104212</i>

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 23198	\$ 32044
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 23198	\$ 32044
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 244	\$ 881
610	Purchased Water		
615	Purchased Power	2866	3416
618	Chemicals		
620	Repairs and Maintenance	3414	1484
621	Office Supplies and Expense	3205	3070
630	Outside Services	920	612
635	Water Testing	270	270
641	Rents	53	41
650	Transportation Expenses		
657	Insurance - General Liability	1543	1576
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	1287	1303
403	Depreciation Expense	2143	2143
408	Taxes Other Than Income	1802	1893
408.11	Property Taxes		677
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 17747	\$ 16366
	OPERATING INCOME/(LOSS)	\$ 5451	\$ 15678
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ 5451	\$ 15678

COMPANY NAME HECKETHORN WATER COMPANY

12-31-12

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 165

Meter Deposits Refunded During the Test Year

\$ _____

COMPANY NAME	HECKETHORN WATER COMPANY	12-31-12
Name of System:	ADEQ Public Water System Number:	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
611228	2.5	55	200	12"	2	~59

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NDDE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,000	1	500	1
10,000	1		
40,000	1		

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

COMPANY NAME HECKETHORN WATER COMPANY	12-31-12
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	320
3	GAL.	1074
4	STEEL	4000 EST.
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	36
3/4	4
1	2
1 1/2	2
2	
Comp. 3	
Turbo 3	
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: N/A

STRUCTURES:

BOOSTER STATION - CONTAINS 6 Kg TANK, 500g PRESSURE TANK
WELL HEAD
TWO STORAGE TANKS (FENCED) 10,000 AND 40,000

OTHER:

DITCH WITCH TRENCHER
VARIOUS HAND TOOLS

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

COMPANY NAME: <u>HECKETHORO WATER COMPANY</u>	<u>12-31-12</u>
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	47			
FEBRUARY	47			
MARCH	47			
APRIL	47			
MAY	47			
JUNE	47			
JULY	47			
AUGUST	47			
SEPTEMBER	47			
OCTOBER	47			
NOVEMBER	47			
DECEMBER	47			
TOTALS →				

What is the level of arsenic for each well on your system? <0.005 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?
 Yes No - DNA -

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: HECKETHORN WATER COMPANY 12-31-12
 Name of System: _____ ADEQ Public Water System Number: _____

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY		<u>NONE</u>	<u>NONE</u>	
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 17 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>COCONINO COUNTY</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>WILLIAM F. LESKO</u>
COMPANY NAME	<u>HECKETHORN WATER COMPANY</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2012</u>

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.

William Lesko
SIGNATURE OF OWNER OR OFFICIAL

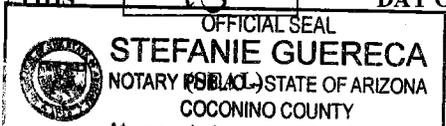
928-213-1778
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF

COUNTY NAME	<u>Coconino.</u>	
MONTH	<u>April</u>	<u>2013</u>



MY COMMISSION EXPIRES 10-28-15

Stefanie Guereca
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME HECKETHORN WATER COMPANY

YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
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 _____

*NOT A TAXABLE
ENTITY - BY MYSELF*

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

APR 17 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCONINO COUNTY</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>WILLIAM F. LESKO</u>
COMPANY NAME	<u>HECKETHORN WATER COMPANY</u>

DO SAY THAT THIS ANNUAL UTILITY 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

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 (\$)
\$ _____

(THE AMOUNT IN BOX ABOVE INCLUDES \$ _____ 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)**

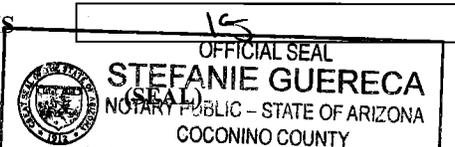
William Lesko
SIGNATURE OF OWNER OR OFFICIAL
928-213-1778
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF

COUNTY NAME	<u>Coconino</u>
MONTH	<u>April</u> .20 <u>13</u> .



Stefanie Guereca
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct 28, 2014

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

N/A
RECEIVED

APR 17 2013

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY 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

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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ _____

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

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

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS **DAY OF**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	, 20__

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF NOTARY PUBLIC