

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02747A

Los Cerros Water Company, Inc

4003 N. Flowing Wells Road - Suite 111

Tucson, AZ 85705

(520) 293-5500

RECEIVED

MAR 25 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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3-25-13

COMPANY INFORMATION

Company Name (Business Name):	<u>Los Cerros Water Company, Inc.</u>		
Mailing Address:	<u>4003 North Flowing Wells Road - Suite 111</u> (Street)		
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85705</u> (Zip Code)	
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)	
E-mail Address:	<u>loscerroswater@comcast.net</u>		
Local Office Mailing Address:	<u>4003 North Flowing Wells Road - Suite 111</u> (Street)		
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85705</u> (Zip Code)	
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)	
E-mail Address:	<u>loscerroswater@comcast.net</u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact:	<u>Jody Carlson</u> (Name)	<u>Manager</u> (Title)	
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)	
E-mail Address:	<u>loscerroswater@comcast.net</u>		
On Site Manager:	<u>Jody Carlson</u> (Name)	<u>Manager</u> (Title)	
<u>4003 N. Flowing Wells Rd - Ste 111</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85705</u> (Zip Code)
<u>(520) 293-5500</u> Telephone No (Include Area Code)	<u>(520) 293-3810</u> Fax No. (Include Area Code)	<u>(520) 401-0102</u> Cell No. (Include Area Code)	
E-mail Address:	<u>loscerroswater@comcast.net</u>		

Statutory Agent:	Richard A. Block, P.C.		
	(Name)		
1050 E River Rd, Suite 203	Tucson	AZ	85718-5736
(Street)	(City)	(State)	(Zip Code)
(520) 577-7575	(520) 577-7599	N/A	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney:	Richard A. Block		
	(Name)		
1050 E River Rd, Suite 203	Tucson	AZ	85718-5736
(Street)	(City)	(State)	(Zip Code)
(520) 577-7575	(520) 577-7599	N/A	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
E-mail Address:	N/A		

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (*S*)	<input type="checkbox"/> C Corporation (*C*) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (*P*)	<input checked="" type="checkbox"/> Subchapter S Corporation (*Z*)
<input type="checkbox"/> Bankruptcy (*B*)	<input type="checkbox"/> Association/Co-op (*A*)
<input type="checkbox"/> Receivership (*R*)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe)	_____

COUNTIES SERVED

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

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input checked="" type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

Company Name: Los Cerros Water Co., 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	\$ 5,650	\$ -	\$ 5,650
304	Structures and Improvements	\$ 11,126	\$ 11,126	\$ -
307	Wells and Springs	\$ 480,047	\$ 254,208	\$ 225,839
311	Pumping Equipment	\$ 135,957	\$ 135,957	\$ -
320	Water Treatment Equipment	\$ 2,691	\$ 1,540	\$ 1,151
330	Distribution Reservoirs and Standpipes	\$ 55,578	\$ 55,578	\$ -
331	Transmission and Distribution Mains	\$ 487,963	\$ 419,836	\$ 68,127
333	Services	\$ 118,871	\$ 104,258	\$ 14,613
334	Meters and Meter Installations	\$ 161,629	\$ 79,450	\$ 82,179
335	Hydrants	\$ 8,957	\$ 7,821	\$ 1,136
336	Backflow Prevention Devices	\$ -	\$ -	\$ -
339	Other Plant and Misc Equipment	\$ 2,547	\$ 511	\$ 2,036
340	Office Furniture and Equipment	\$ 17,698	\$ 4,883	\$ 12,815
341	Transportation Equipment	\$ -	\$ -	\$ -
343	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -
344	Laboratory Equipment	\$ -	\$ -	\$ -
345	Power Operated Equipment	\$ -	\$ -	\$ -
346	Communication Equipment	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	\$ 1,017	\$ 555	\$ 462
348	Other Tangible Plant	\$ -	\$ -	
	TOTALS	\$ 1,489,731	\$ 1,075,723	\$ 414,008

(AD) = This amount goes on the Balance Sheet Acct No 108

Company Name: Los Cerros Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct No	Description	Original Cost (OC) (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization	\$ -		\$ -
302	Franchises	\$ -		\$ -
303	Land and Land Rights	\$ 5,650		\$ -
304	Structures and Improvements	\$ 11,126	Final	\$ -
307	Wells and Springs	\$ 480,047	5%	\$ 24,002
311	Pumping Equipment	\$ 135,957	Final	\$ -
320	Water Treatment Equipment	\$ 2,691	5%	\$ 135
330	Distribution Reservoirs and Standpipes	\$ 55,578	Final	\$ -
331	Transmission and Distribution Mains	\$ 487,963	5%	\$ 24,398
333	Services	\$ 118,871	5%	\$ 5,944
334	Meters and Meter Installations	\$ 161,629	5%	\$ 8,081
335	Hydrants	\$ 8,957	5%	\$ 448
336	Backflow Prevention Devices	\$ -		\$ -
339	Other Plant and Misc Equipment	\$ 2,547	5%	\$ 127
340	Office Furniture and Equipment	\$ 17,698	5%	\$ 885
341	Transportation Equipment	\$ -	5%	\$ -
343	Tools, Shop and Garage Equipment	\$ -	5%	\$ -
344	Laboratory Equipment	\$ -	5%	\$ -
345	Power Operated Equipment	\$ -	5%	\$ -
346	Communication Equipment	\$ -	5%	\$ -
347	Miscellaneous Equipment	\$ 1,017	5%	\$ 51
348	Other Tangible Plant	\$ -	5%	\$ -
	TOTALS	\$ 1,489,731		\$ 64,071

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

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$46,007	\$46,688
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Recievable	\$16,415	\$17,341
146	Notes/Receivable from Associated Companies	\$0	\$0
151	Plant Material and Supplies		
162	Prepayments	\$302	\$699
174	Miscellaneous Current and Accrued Assets	\$0	\$0
	TOTAL CURRENT AND ACCRUED ASSETS	\$62,724	\$64,728

	FIXED ASSETS		
101	Utility Plant in Service	\$1,391,431	\$1,489,731
103	Property Held for Future Use		
105	Construction Work in Progress		\$32,027
108	Accumulated Depreciation - Utility Plant	(\$1,013,656)	(\$1,075,723)
121	Non-Utility Property		
122	Accumulated Depreciatin - Non Utility		
	TOTAL FIXED ASSETS	\$377,775	\$446,035
	TOTAL ASSETS	\$440,499	\$510,763

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

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	Balance at Beginning of Year	Balance at End of Year
	CURRENT LIABILITIES		
231	Accounts Payable	\$24	\$87
232	Notes Payable (Current Portion)		
234	Notes/Accts Payable to Associated Companies		
235	Customer Deposits	\$42,877	\$31,492
236	Accrued Taxes	\$1,088	\$2,585
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$43,989	\$34,164
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$353,052	\$429,908
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$195,807	\$195,807
272	Less: Amortization of Contributions	(\$142,287)	(\$152,077)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$406,572	\$473,638
	TOTAL LIABILITIES	\$450,561	\$507,802
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value	\$ 103,550	\$ 103,550
215	Retained Earnings	\$ (213,612)	\$ (200,589)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (10,062)	\$ 2,961
	TOTAL LIABILITIES AND CAPITAL	\$ 440,499	\$ 510,763

Company Name: Los Cerros Water Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	Prior Year	Current Year
461	Metered Water Revenue	\$355,779	\$347,078
460	Unmetered Water Revenue	\$0	\$0
474	Other Water Revenues	\$6,273	\$7,274
	TOTAL REVENUES	\$362,052	\$354,352
	OPERATING EXPENSES		
601	Salaries and Wages	\$86,310	\$88,233
610	Purchased Water	\$0	\$0
615	Purchased Power	\$33,357	\$33,868
618	Chemicals	\$940	\$2,408
620	Repairs and Maintenance	\$4,729	\$5,451
621	Office Supplies and Expense	\$22,841	\$23,222
630	Outside Services	\$21,938	\$26,351
635	Water Testing	\$5,298	\$2,480
641	Rents	\$0	\$0
650	Transportation Expenses	\$2,395	\$2,370
657	Insurance - General Liability	\$2,728	\$2,278
659	Insurance - Health and Life	\$8,394	\$7,297
666	Regulatory Commission Expense - Rate Case	\$0	\$0
675	Miscellaneous Expense	\$4,191	\$4,076
403	Depreciation Expense***	\$ 29,594	\$ 54,281
408	Taxes other Than Income	\$8,041	\$8,258
408.11	Property Taxes	\$ 19,107	\$ 19,616
409	Income Tax	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 249,863	\$ 280,189
	OPERATING INCOME (LOSS)	\$ 112,189	\$ 74,163
	OTHER INCOME (EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income	\$ -	\$ -
426	Miscellaneous Non-Utility Expenses	\$ (2,064)	\$ (790)
427	Interest Expense	\$ (384)	\$ (350)
	TOTAL OTHER INCOME (EXPENSE)	\$ (2,448)	\$ (1,140)
	NET INCOME (LOSS)	\$ 109,741	\$ 73,023
	*** Depreciation	\$ 39,384	\$ 64,071
	Less: A/A for CIAC	\$ (9,790)	\$ (9,790)
	Total	\$ 29,594	\$ 54,281

COMPANY NAME: LOS CERROS WATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
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 \$25,952.00

Meter Deposits Refunded During the Test Year \$11,260.00

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
Wilds 55-802342	30	250	518'	10"	3"	1971
Fiesta 55-805783	10	130	N/A	8"	3"	N/A
LDO 55-804734	30	400	396'	10"	3"	1974
Silver Buckle 55-591958	20	100	564'	12"	3"	2003
Golder Ranch 55-221487	CWIP					2012

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	2	52	
10	2		
7.5 (Silver Buckle)	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
60000 (LDO)	1	5000 (Fiesta/Wilds)	2
375000 (Silver Buckle)	1	20000 (Swan/LDO)	2
		5000 (Silver Buckle)	1

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co. Inc.	ADEQ PWS NUMBER: 10128

Water Company Plant Description (Continued)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	7360
3	PVC	2395
4	PVC	25611
5		
6	PVC	29141
8	PVC	19536
10		
12	PVC	588

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	832
3/4	5
1	16
1 1/2	
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp 5	
Turbo 6	

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

TREATMENT EQUIPMENT:

- LDO Chlorinator

- Wilds Road Chlorinator

- Chemical Pump

- 8 gpm Chemical Feed Pump

- Siver Buckle Well - Plusatron Chemical Feed Pump (20 gal 3/8" Line)

STRUCTURES:

- Existing Fences (Chainlink surrounding all 4 wells) Approx 29' x 20' area for each well site

- Shed @ Wilds Road Well Site

- Fence @ pumping stations

OTHER:

- None

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	827	5030	5331
FEBRUARY	827	5726	6133
MARCH	829	5444	5897
APRIL	830	6490	6928
MAY	832	8238	8644
JUNE	831	9527	10049
JULY	832	8930	9655
AUGUST	833	7958	8674
SEPTEMBER	833	6999	7442
OCTOBER	838	7468	8030
NOVEMBER	837	7787	8169
DECEMBER	835	6027	6392
TOTAL		85624	91344

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

	mg/l
Wilds Road Well	<0.001
Fiesta Wells	<0.001
Lago Del Oro Well	<0.001
Silver Buckle Well	<0.001

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?
 YES NO

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 YES NO

Does the Company have an ADWR Gallons Per Capital 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: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination w/o Notice R14-2-410.B	Termination w/ Notice R14-2-410.C	OTHER
JANUARY	0	5	0
FEBRUARY	0	10	0
MARCH	0	10	0
APRIL	0	13	0
MAY	0	7	0
JUNE	0	6	0
JULY	0	9	0
AUGUST	0	9	0
SEPTEMBER	0	12	0
OCTOBER	0	11	0
NOVEMBER	0	6	0
DECEMBER	0	6	0
TOTALS	0	104	0

OTHER (Description):

COMPANY NAME: Los Cerros Water Company, Inc.

YEAR ENDING: 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was \$19,616

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

If no property taxes paid, explain why:

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
MAR 25 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Alan R. Friedman, President
COMPANY NAME	Los C�rros Water Company, 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.

Alan R. Friedman Pres.

SIGNATURE OF OWNER OR OFFICIAL

(520) 293-5500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

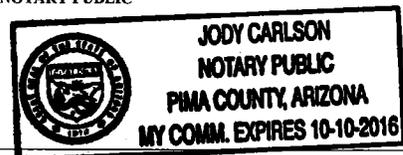
COUNTY NAME	Pima	
MONTH	March	, 20 <u>12</u>

(SEAL)

Jody Carlson

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES OCT 10, 2016



INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$ 89,697
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	\$ 89,697
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

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

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.

Alan R. Friedman
SIGNATURE

3/22/2013
DATE

Alan R. Friedman
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 25 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

<small>COUNTY OF (COUNTY NAME)</small>	Pima
<small>NAME (OWNER OR OFFICIAL) TITLE</small>	Alan R. Friedman, President
<small>COMPANY NAME</small>	Los Cerros Water Company, Inc

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

FOR THE YEAR ENDING

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
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 (\$)
\$ <u>381,147</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 26,795 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)**

Alan R. Friedman

SIGNATURE OF OWNER OR OFFICIAL
(520) 293-5500

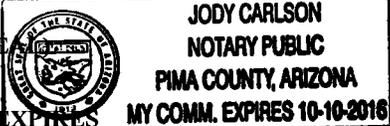
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

<small>COUNTY NAME</small>	Pima	
<small>MONTH</small>	March	<u>20</u> <u>13</u>

(S) 
JODY CARLSON
NOTARY PUBLIC
PIMA COUNTY, ARIZONA
MY COMM. EXPIRES 10-10-2016

Jody Carlson

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

OCT, 10, 2016

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

RECEIVED
MAR 25 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Alan R. Friedman	TITLE President
COMPANY NAME Los Cerros Water Company, Inc.	

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
\$ 353,544

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 23,937 IN SALES TAXES BILLED, OR COLLECTED)

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

Alan R. Friedman
SIGNATURE OF OWNER OR OFFICIAL

(520) 293-5500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

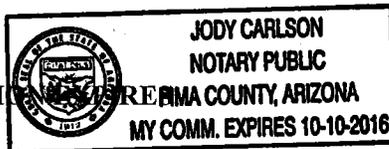
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd **DAY OF**

NOTARY PUBLIC NAME Jody Carlson	
COUNTY NAME Pima	
MONTH March	, 20 13

(SEAL)

MY COMMISSION



Jody Carlson
SIGNATURE OF NOTARY PUBLIC