

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02658A

McNeal Water Company
P.O. Box 12776
Ft. Huachuca, AZ 85670-2776

RECEIVED

MAY 15 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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5-16-13

COMPANY INFORMATION

Company Name (Business Name) _____ <u>McNeal Water Company</u> _____		
Mailing Address _____ <u>P.O. Box 12776</u> _____		
(Street)		
<u>Ft. Huachuca</u>	<u>AZ</u>	<u>85670-2776</u>
(City)	(State)	(Zip)
<u>520-405-9368</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____ <u>neil.public@cox.net</u> _____		
Local Office Mailing Address _____ (Same) _____		
(Same)	(Same)	(Same)
(City)	(State)	(Zip)
<u>520-405-9368</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____ (Same) _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact: _____ <u>Neil Petersen</u> _____		
	(Name)	(Title)
<u>P.O. Box 12776</u>		
(Street)	<u>Ft. Huachuca</u>	<u>AZ</u>
	(City)	(State)
		<u>85670-2776</u>
		(Zip)
<u>520-405-9368</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____ <u>neil.public@cox.net</u> _____		
On Site Manager: _____ (None) _____		
	(Name)	
<u>P.O. Box 12776</u>		
(Street)	<u>Ft. Huachuca</u>	<u>AZ</u>
(City)	(State)	(Zip)
		<u>85670</u>
<u>520-405-9368</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____ <u>neil.public@cox.net</u> _____		

Statutory Agent: _____			
(Name)			
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
_____	_____	_____	_____
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Richard Block</u> _____			
(Name)			
1660 E. River Road Ste. 180	Tucson	AZ	85717
(Street)	(City)	(State)	(Zip)
_____	_____	_____	_____
520-577-7512	520-577-7599	Cell No. (Include Area Code)	
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:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input 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 checked="" type="checkbox"/> Other (Describe) <u>Trust</u>	

COUNTIES SERVED

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

<input type="checkbox"/> APACHE	<input checked="" 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 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 **McNeal Water Company**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0		
302	Franchises	0		
303	Land and Land Rights	1,325		
304	Structures and Improvements	615		
307	Wells and Springs	15,137		
311	Pumping Equipment	17,973		
320	Water Treatment Equipment	566		
330	Distribution Reservoirs and Standpipes	6,647		
331	Transmission and Distribution Mains	12,086		
333	Services	1,583		
334	Meters and Meter Installations	1,627		
335	Hydrants	100		
336	Backflow Prevention Devices	0		
339	Other Plant and Misc. Equipment	0		
340	Office Furniture and Equipment	1,480		
341	Transportation Equipment	0		
343	Tools, Shop and Garage Equipment	565		
344	Laboratory Equipment	0		
345	Power Operated Equipment	0		
346	Communication Equipment	276		
347	Miscellaneous Equipment	277		
348	Other Tangible Plant	0		
	TOTALS	60,257	59,255	1,002

Based on a reading of AZ Corp Commission Jan 28, 1991 Depreciation Rule A.A. C. R14-2-102 Docket No. R-000-90-367, water companies with less than \$250,000 in annual revenues don't have to maintain depreciation records by separate accounts but shall make composite accruals to accumulated depreciation for total depreciable plant.

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



COMPANY NAME McNeal Water Company

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			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	7,166	12.5	896
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	350	3.6	13
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,480	6.8	101
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	276	7.7	21
347	Miscellaneous Equipment	277	7.7	21
348	Other Tangible Plant			
	TOTALS	9,549		1,052

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



COMPANY NAME McNeal Water Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$4,090	\$7,295
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	4,133	4,557
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	50	50
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$8,273	\$11,902
	FIXED ASSETS		
101	Utility Plant in Service	\$60,035	\$60,257
103	Property Held for Future Use	0	0
105	Construction Work in Progress	5,055	18,100
108	Accumulated Depreciation – Utility Plant	58,203	59,255
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$6,887	\$19,102
	TOTAL ASSETS	\$15,160	\$31,004

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

COMPANY NAME McNeal Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$0	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	660	800
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$660	\$800
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	5,055	15,000
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$5,055	\$15,000
	TOTAL LIABILITIES	\$5,715	\$15,800
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0	\$0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	0	0
218	Proprietary Capital (Sole Props and Partnerships)	9,445	15,204
	TOTAL CAPITAL	\$9,445	\$15,204
	TOTAL LIABILITIES AND CAPITAL	\$15,160	\$31,004

COMPANY NAME McNeal Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$10,637	\$14,130
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	238	270
	TOTAL REVENUES	\$10,875	\$14,400
	OPERATING EXPENSES		
601	Salaries and Wages	\$0	\$0
610	Purchased Water	0	0
615	Purchased Power	1,060	1,215
618	Chemicals	0	0
620	Repairs and Maintenance	0	0
621	Office Supplies and Expense	1,509	660
630	Outside Services	1,507	2,043
635	Water Testing	780	1,547
641	Rents	0	0
650	Transportation Expenses	382	271
657	Insurance – General Liability	1,387	1,124
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	475	364
403	Depreciation Expense	1,037	1,052
408	Taxes Other Than Income	0	0
408.11	Property Taxes	486	517
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$8,623	\$8,793
	OPERATING INCOME/(LOSS)	\$2,252	\$5,607
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$78	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	(3,505)	(1,796)
427	Interest Expense	0	0
	TOTAL OTHER INCOME/(EXPENSE)	\$(3,427)	\$(1,796)
	NET INCOME/(LOSS)	\$(1,175)	\$3,811

COMPANY NAME McNeal Water Company

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 \$800

Meter Deposits Refunded During the Test Year \$70

COMPANY NAME McNeal Water Company
Name of System: McNeal Water Company ADEQ Public Water System Number: 02016

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-632576	5	30	290	14	5/8	1956

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		0	4

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		1000	1

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

COMPANY NAME McNeal Water Company	
Name of System: McNeal Water Company	ADEQ Public Water System Number: 02016

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2,500
3	PVC/Steel	10,500
4	Steel	2,000
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	29
3/4	
1	
1 1/2	
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:

STRUCTURES:

Link Fencing

OTHER:

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

COMPANY NAME: McNeal Water Company	
Name of System: McNeal Water Company	ADEQ Public Water System Number: 02016

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 →	0	0	0

OTHER (description):

COMPANY NAME McNeal Water Company YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 516.66

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

MAY 02 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) COCHISE
NAME (OWNER OR OFFICIAL) TITLE Neil Petersen, Trustee, Petersen Trust UTD 7-21-98
COMPANY NAME McNeal Water Company

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.

Neil Petersen

SIGNATURE OF OWNER OR OFFICIAL

520-405-9368

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF May,

Ellen Bolduc

COUNTY NAME	<u>Cochise</u>	
MONTH	<u>May</u>	<u>2013</u>

Ellen Bolduc

SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES

14 Sept. 2016

COMPANY NAME McNeal Water Company YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

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

5/15/2013
DATE

Neil Petersen
PRINTED NAME

Trustee, Petersen Trust UTD 7-21-98
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 02 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Neil Petersen, Trustee, Petersen Trust UTD 7-21-98</u>
COMPANY NAME <u>McNeal 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 (\$)
\$ <u>14,400</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 862
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)**

Neil Petersen

SIGNATURE OF OWNER OR OFFICIAL
520-405-9368

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1st **DAY OF**

Ellen Bolduc

COUNTY NAME Cochise
MONTH May 2013



Ellen Bolduc

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 17 Sept. 2016

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

RECEIVED

MAY 02 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Cochise</u>	
NAME (OWNER OR OFFICIAL) <u>Neil Petersen</u>	TITLE <u>Trustee, Petersen Trust UTD 7-21-98</u>
COMPANY NAME <u>McNeal Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY 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

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
\$ <u>14,400</u>

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 862
IN SALES TAXES BILLED, OR COLLECTED)**

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

Neil Petersen

SIGNATURE OF OWNER OR OFFICIAL

520-405-9368

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF

(SEAL)



NOTARY PUBLIC NAME <u>Ellen Bolduc</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>May</u>	<u>2013</u>

MY COMMISSION EXPIRES

14 Sept. 2016

Ellen Bolduc

SIGNATURE OF NOTARY PUBLIC