

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-01537A

Shepard Water Company  
10430 N. Martinez Lake Road  
Yuma, AZ 85365

 RECEIVED

**MAY 16 2013**

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2012</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>12</b>
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5-16-13

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Shepard Water Company</u>		
<b>Mailing Address</b> <u>10430 N. Martinez Lake Road</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u>	<u>928-782-3360</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>info@martinezlake.com</u>		
<b>Local Office Mailing Address</b> <u>10430 N. Martinez Lake Road</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u>	<u>928-782-3360</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>info@martinezlake.com</u>		

## MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> <b>Regulatory Contact:</b>		
<input checked="" type="checkbox"/> <b>Management Contact:</b> <u>Laura Guth</u> <span style="float: right;"><b>Secretary</b></span>		
<u>10430 N. Martinez Lake Road</u> (Street)		<u>Yuma</u> (City)
<u>928-783-9589</u>		<u>928-782-3360</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>info@martinezlake.com</u>		
<b>On Site Manager:</b> <u>Laura Guth</u>		
<u>10430 N. Martinez Lake Road</u> (Street)		<u>Yuma</u> (City)
<u>928-783-9589</u>		<u>928-782-3360</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>info@martinezlake.com</u>		

<b>Statutory Agent:</b> <u>Wade Noble</u>			
(Name)			
<u>1405 W. 16th St.</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928-343-9947</u>	<u>928-343-9483</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Wade Noble</u>			
(Name)			
<u>1405 W. 16th St.</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928-343-9947</u>	<u>928-343-9483</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b>	<u>wade@noblelaw.com</u>		

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" 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 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 type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input checked="" type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

Shepard Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	708		708
302	Franchises	2,708		2,708
303	Land and Land Rights	250		250
304	Structures and Improvements	59,265	5,333	53,932
307	Wells and Springs	4,424	4,424	-
311	Pumping Equipment	83,003	10,192	72,811
320	Water Treatment Equipment	205,981	18,540	187,441
330	Distribution Reservoirs and Standpipes	43,682	3,933	39,749
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	16,890	1,521	15,369
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	509	498	11
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>417,420</b>	<b>44,441</b>	<b>372,979</b>

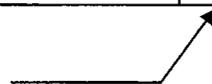
This amount goes on the Balance Sheet Acct. No. 108 

**COMPANY NAME**      Shepard Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	708		
302	Franchises	2,708		
303	Land and Land Rights	250		
304	Structures and Improvements	59,265	2.0	1,185
307	Wells and Springs	4,424		
311	Pumping Equipment	3,069 79,934	- 2.0	- 1,598
320	Water Treatment Equipment	205,981	2.0	4,120
330	Distribution Reservoirs and Standpipes	43,682	2.0	874
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	16,890	2.0	338
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	509		
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>417,420</b>		<b>8,115</b>

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



# WILLIAM M. CLEMENTS

CERTIFIED PUBLIC ACCOUNTANT

1421 S. Fifth Avenue  
Yuma, Arizona 85364  
(928) 782-7503  
FAX (928) 782-6845  
wmccpa@c2i2.com

## ACCOUNTANT' S COMPILATION REPORT

To the Board of Directors  
Shepard Water Company  
Yuma, AZ

May 9, 2013

I have compiled the balance sheet of Shepard Water Company (a corporation) as of December 31, 2012 and 2011, and the related statements of income and expense for the years then ended included in the accompanying prescribed form. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Arizona Corporation Commission Utilities Division.

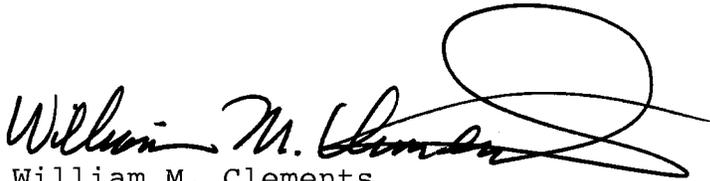
Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Arizona Corporation Commission Utilities Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Shepard Water Company  
Page 2  
May 9, 2013

These financial statements (including related disclosures) are presented in accordance with the requirements of the Arizona Corporation Commission Utilities Division which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission Utilities Division and is not intended to be and should not be used by anyone other than this specified party.

I am not independent with respect to Shepard Water Company.



William M. Clements  
Certified Public Accountant

**COMPANY NAME** Shepard Water Company

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 2,543	\$ 1,875
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	47,497	57,327
146	Notes/Receivables from Associated Companies	108,439	108,439
151	Plant Material and Supplies		
162	Prepayments	250	250
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 158,729	\$ 167,891
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 417,420	\$ 417,420
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(36,326)	(44,441)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 381,094	\$ 372,979
	<b>Other Assets</b>	54,221	59,112
	<b>TOTAL ASSETS</b>	\$ 594,044	\$ 599,982

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

**COMPANY NAME**      Shepard Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 15,204	\$ 17,482
232	Notes Payable (Current Portion)	23,001	24,482
234	Notes/Accounts Payable to Associated Companies	12,405	22,355
235	Customer Deposits		
236	Accrued Taxes	45	50
237	Utility Plant Equipment Payable	430,628	462,294
241	Miscellaneous Current and Accrued Liabilities	3,556	4,176
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 484,839	\$ 530,839
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 45,369	\$ 20,887
	<b>DEFERRED CREDITS</b>		
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	6,403	8,229
	<b>TOTAL DEFERRED CREDITS</b>	\$ 6,403	\$ 8,229
	<b>TOTAL LIABILITIES</b>	\$ 536,611	\$ 559,955
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	6,096	6,096
215	Retained Earnings	50,337	32,931
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 57,433	\$ 40,027
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 594,044	\$ 599,982

COMPANY NAME Shepard Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 33,099	\$ 19,779
460	Unmetered Water Revenue	8,530	8,959
474	Other Water Revenues	9,260	7,835
	<b>TOTAL REVENUES</b>	<b>\$ 50,889</b>	<b>\$ 36,573</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	4,556	4,609
618	Chemicals		
620	Repairs and Maintenance	1,282	159
621	Office Supplies and Expense	92	-
630	Outside Services		
635	Water Testing	4,945	3,486
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	8,714	5,410
403	Depreciation Expense	8,389	8,115
408	Taxes Other Than Income		
408.11	Property Taxes	2,099	1,547
409	Income Tax	(1,642)	(3,015)
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 28,435</b>	<b>\$ 20,311</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 22,454</b>	<b>\$ 16,262</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	32,034	33,668
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 32,034</b>	<b>\$ 33,668</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (9,580)</b>	<b>\$ (17,406)</b>



<b>COMPANY NAME</b>	Shepard Water Company
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-616951	5HP	75		8	2	

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**      N/A

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
7 1/2 HP	4	12	

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
55,000	1	44 gallon	1

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

<b>COMPANY NAME</b>	Shepard Water Company
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	200
3		
4		
5		
6	PVC	5,800
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	71
3/4	
1	1
1 1/2	
2	1
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:**

Arsenic treatment system	\$ 141,385
Chlorination	5,096
Arsenic engineering	5,000
Water system engineering	54,500

**STRUCTURES:**

Retaining wall	\$ 36,598
Concrete slab	4,951
Chain link fence	10,484
Block wall	1,019
Gravel	6,213

**OTHER:**

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

COMPANY NAME: Shepard Water Company	
Name of System:	ADEQ Public Water System Number:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012**

MONTH	Number of Users	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	207	171	763,000	763,100	
FEBRUARY	207	171	371,800	371,900	
MARCH	207	171	618,800	618,900	
APRIL	207	171	633,200	633,300	
MAY	207	171	451,900	452,000	
JUNE	207	171	550,900	551,000	
JULY	207	171	669,900	670,000	
AUGUST	207	171	774,900	775,000	
SEPTEMBER	207	171	570,300	570,400	
OCTOBER	207	171	739,000	739,100	
NOVEMBER	207	171	934,400	934,500	
DECEMBER	207	171	560,600	560,700	
<b>TOTALS →</b>			<b>7,638,700</b>	<b>7,639,900</b>	

What is the level of arsenic for each well on your system? .00867 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 500 GPM for 1 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.***

<b>COMPANY NAME:</b> Shepard Water Company
<b>Name of System:</b> ADEQ Public Water System Number:

**UTILITY SHUTOFFS / DISCONNECTS**

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

OTHER (description):

Shepard Water Company did not have any shut-offs or

disconnects in 2012.

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 1,547.16

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. 2012 property taxes were paid on April 29, 2013, attached is a Yuma County Treasurer's paid receipt.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

MAY 03 2013  
AZ CORP COM  
Director - Utilities

VERIFICATION

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Yuma
NAME (OWNER OR OFFICIAL) TITLE	John W. Guth, President
COMPANY NAME	Shepard Water Company

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

FOR THE YEAR ENDING

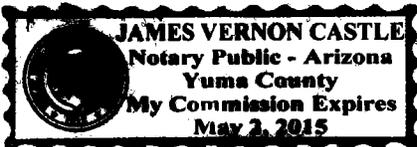
MONTH	DAY	YEAR
12	31	2012

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.



[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
928-783-9589  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 DAY OF

COUNTY NAME	
MONTH	4 2013

(SEAL)

[Signature]  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5-2-2015

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

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported ( 32,609 )  
Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported ( 32,559 )  
Estimated or Actual State Tax Liability 50

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.

*Laura Jean Guth*

\_\_\_\_\_  
**SIGNATURE**

*5/14/2013*

\_\_\_\_\_  
**DATE**

*Laura Jean Guth*

\_\_\_\_\_  
**PRINTED NAME**

*Acting Officer*

\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

MAY 03 2013

AZ CORP COMM  
Director - Utilities

VERIFICATION  
STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Yuma
NAME (OWNER OR OFFICIAL) TITLE	John W. Guth, President
COMPANY NAME	Shepard Water Company

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

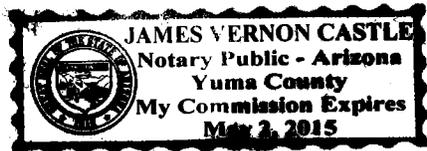
FOR THE YEAR ENDING

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>38,800</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2,227  
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  
928-783-9589  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 DAY OF

(SEAL)

COUNTY NAME
MONTH <u>4</u> 20 <u>13</u>

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5.2.2015

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

**RECEIVED**

**MAY 03 2013**

AZ CORP COMM  
Director - Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Yuma	
NAME (OWNER OR OFFICIAL) John W. Guth	TITLE President
COMPANY NAME Shepard Water Company	

**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
\$ 26,874

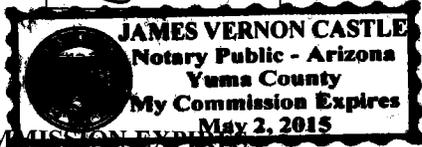
THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1,421  
IN SALES TAXES BILLED, OR COLLECTED)

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

*[Signature]*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
928-783-9589  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 30 DAY OF

NOTARY PUBLIC NAME James V Castle	
COUNTY NAME Yuma	
MONTH 4	2013

(SEAL)   
MY COMMISSION EXPIRES  
MAY 2, 2015

*[Signature]*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC