

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02076A

TIERRA BUENA WATER COMPANY
12540 WEST BETHANY HOME
LITCHFIELD PARK, AZ 85340

RECEIVED
APR 10 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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4-11-13

COMPANY INFORMATION

Company Name (Business Name) <u>TIERRA BUENA WATER COMPANY, INC.</u>			
Mailing Address <u>12540 WEST BETHANY HOME</u>			
(Street)			
<u>LITCHFIELD PARK</u>	<u>AZ</u>	<u>85340</u>	
(City)	(State)	(Zip)	
<u>(623) 935-1100</u>	<u>(623) 935-7321</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>SAME AS ABOVE</u>			
(Street)			
(City)		(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact			
<input checked="" type="checkbox"/> Management Contact: <u>ROBERT L. PRINCE</u> <u>PRESIDENT</u>			
(Name)		(Title)	
<u>12540 WEST BETHANY HOME</u>	<u>LITCHFIELD PARK</u>	<u>AZ</u>	<u>85340</u>
(Street)	(City)	(State)	(Zip)
<u>(623) 935-1100</u>	<u>(623) 935-7321</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>SAME AS ABOVE.</u>			
(Name)			
(Street)		(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: PATRICK BLACK

(Name)

2394 E CAMELBACK RD, SUITE 600

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602) 916-5400

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(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)

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	TIERRA BUENA WATER COMPANY
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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			
304	Structures and Improvements			
307	Wells and Springs	87,928	70,240	17,688
311	Pumping Equipment	36,147	36,147	0
320	Water Treatment Equipment	376	85	291
330	Distribution Reservoirs and Standpipes	157,369	115,793	41,576
331	Transmission and Distribution Mains	220,508	172,593	47,915
333	Services	7,279	2,620	4,659
334	Meters and Meter Installations	30,715	22,746	7,969
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	2,990	1,833	1,157
340	Office Furniture and Equipment	3,513	1,868	1,645
341	Transportation Equipment	6,176	154	6,022
343	Tools, Shop and Garage Equipment	506	13	493
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	553,507	424,092	129,415

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

COMPANY NAME	TIERRA BUENA WATER COMPANY
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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	87,928	5%	4,396
311	Pumping Equipment	36,147	5%	0
320	Water Treatment Equipment	376	5%	19
330	Distribution Reservoirs and Standpipes	157,369	5%	7,868
331	Transmission and Distribution Mains	220,508	5%	11,025
333	Services	7,279	5%	364
334	Meters and Meter Installations	30,715	5%	1,498
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	2,990	5%	149
340	Office Furniture and Equipment	3,513	5%	176
341	Transportation Equipment	6,176	5%	154
343	Tools, Shop and Garage Equipment	506	5%	13
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	553,507		25,662

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

COMPANY NAME	TIERRA BUENA WATER COMPANY
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BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 16,947	\$ 12,200
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,545	4,706
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	1,095	1,045
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 21,587	\$ 17,951
	FIXED ASSETS		
101	Utility Plant in Service	\$ 545,327	\$ 553,507
103	Property Held for Future Use		
105	Construction Work in Progress	28,571	28,571
108	Accumulated Depreciation - Utility Plant	398,430	424,092
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 175,468	\$ 157,986
	TOTAL ASSETS	\$ 197,055	\$ 175,937

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

COMPANY NAME	TIERRA BUENA WATER COMPANY
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BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2,761	\$ 1,845
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	2,354	2,348
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 5,115	\$ 4,193
	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	360,202	353,801
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	19,841	19,841
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 380,043	\$ 373,642
	TOTAL LIABILITIES	\$ 385,158	\$ 377,835
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 50,000	\$ 50,000
211	Paid in Capital in Excess of Par Value	21,650	21,650
215	Retained Earnings	(259,753)	(273,548)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (188,103)	\$ (201,898)
	TOTAL LIABILITIES AND CAPITAL	\$ 197,055	\$ 175,937

COMPANY NAME	TIERRA BUENA WATER COMPANY
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COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 87,902	\$ 90,343
460	Unmetered Water Revenue		
474	Other Water Revenues	566	1,021
	TOTAL REVENUES	\$ 88,468	\$ 91,364
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 48,501	\$ 44,976
610	Purchased Water		
615	Purchased Power	10,968	11,689
618	Chemicals	1,030	782
620	Repairs and Maintenance	881	1,005
621	Office Supplies and Expense	337	504
630	Outside Services	3,177	2,434
635	Water Testing	1,282	1,180
641	Rents		
650	Transportation Expenses	260	2,576
657	Insurance - General Liability	5,785	7,114
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	1,899	2,124
403	Depreciation Expense	26,000	25,662
408	Taxes Other Than Income	4,063	3,823
408.11	Property Taxes	3,827	1,333
409	Income Tax	45	50
	TOTAL OPERATING EXPENSES	\$ 108,055	\$ 105,252
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 4	\$ 93
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	2	
	TOTAL OTHER INCOME/EXP	\$ 2	\$ 93
	NET INCOME/(LOSS)	\$ (19,585)	\$ (13,795)

COMPANY NAME TIERRA BUENA WATER COMPANY, INC.

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 \$ 240

Meter Deposits Refunded During the Test Year \$ 416

COMPANY NAME	TIERRA BUENA WATER COMPANY, INC.
Name of System: 07-073	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
55-564891	15	165	680	12"	4"	1998
55-801249	10	50	450	8"	1 ½"	1965

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Inter Connection w/VUWCO	200	0

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	15	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	5,000	2

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

COMPANY NAME	TIERRA BUENA WATER COMPANY, INC.	
Name of System:	07-073	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	DIP/ACP	12,000
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	127
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:

Liquid chlorinator, 50 gal, with pulse feed PD pump

STRUCTURES:

N/A

OTHER:

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

COMPANY NAME:	TIERRA BUENA WATER COMPANY, INC.	
Name of System:	07-073	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		1	
FEBRUARY			
MARCH			
APRIL		1	
MAY			
JUNE			
JULY		1	
AUGUST			
SEPTEMBER			
OCTOBER		4	
NOVEMBER			
DECEMBER			
TOTALS →		7	

OTHER (description):

COMPANY NAME TIERRA BUENA WATER COMPANY, INC. YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 3,578.65

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 10 2013
ACC UTILITIES DIRECTOR

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL), TITLE	ROBERT L. PRINCE, PRESIDENT
COMPANY NAME	TIERRA BUENA WATER COMPANY, INC.

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

FOR THE YEAR ENDING

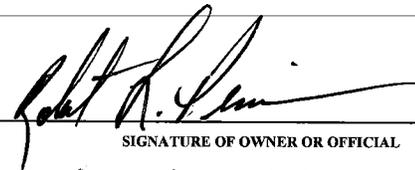
MONTH	DAY	YEAR
12	31	2012

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.



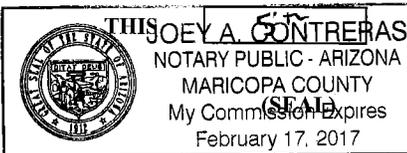
SIGNATURE OF OWNER OR OFFICIAL
623-935-1100

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

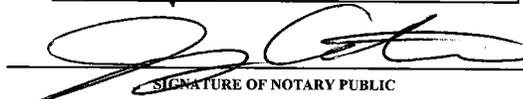
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Maricopa	
MONTH	April	2013



DAY OF

MY COMMISSION EXPIRES 2-17-17



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME TIERRA BUENA WATER COMPANY, INC. YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>(57)</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</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.


SIGNATURE

4-5-13
DATE

Robert G. Pince
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 10 2013
ACC UTILITIES DIRECTOR

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	ROBERT L. PRINCE, PRESIDENT
COMPANY NAME	TIERRA BUENA 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.

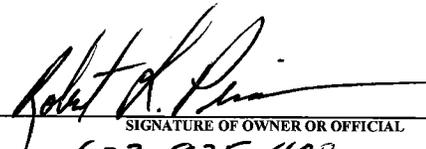
SWORN STATEMENT

IN ACCORDANCE WITH THE 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>98,132</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,768
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)**

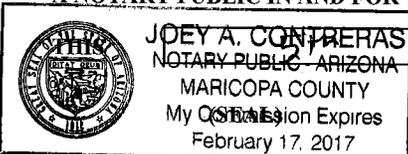


SIGNATURE OF OWNER OR OFFICIAL
623-935-1100

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

COUNTY NAME	Maricopa	
MONTH	April	.2013



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 2-17-17

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

RECEIVED
APR 10 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	ROBERT L. PRINCE	TITLE PRESIDENT
COMPANY NAME	TIERRA BUENA 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
\$ <u>98,132</u>

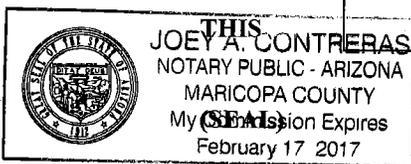
THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,768
IN SALES TAXES BILLED, OR COLLECTED)

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

Robert L. Prince
SIGNATURE OF OWNER OR OFFICIAL
623-935-1100
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



THIS JOEY A. CONTRERAS
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
February 17 2017

5th

DAY OF

NOTARY PUBLIC NAME	Joey Contreras	
COUNTY NAME	Maricopa	
MONTH	April	.2013

MY COMMISSION EXPIRES 2-17-17

X *[Signature]*
SIGNATURE OF NOTARY PUBLIC