

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01212A
Valencia Water Company, Inc. (Town Division)
c/o Global Water
21410 N. 19th Ave. Ste. 201
Phoenix, AZ 85027

RECEIVED

APR 16 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
-----------	-----------	-------------

FOR COMMISSION USE

ANN 04	12
---------------	-----------

4-22-13

COMPANY INFORMATION

Company Name (Business Name) <u>Valencia Water Company, Inc. (Town Division)</u>		
Mailing Address <u>21410 N. 19th Ave., Ste. 201</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	<u>A</u> Cell No. (Include Area Code)
Email Address <u>ron.fleming@gwresources.com</u>		
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 type="checkbox"/> Regulatory Contact: <u>Ron Fleming</u>			
<input type="checkbox"/> Management Contact: <u>Ron Fleming</u> <u>President, Regulated Utilities Division</u>			
(Name) (Title)			
<u>21410 N. 19th Ave. Ste. 210</u> (Street)	<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	<u>602-550-2717</u> Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			
On Site Manager: <u>Harold Thomas, West Valley Regional Manager</u>			
(Name)			
<u>201 East Coronado Street</u> (Street)	<u>Buckeye</u> (City)	<u>AZ</u> (State)	<u>85326</u> (Zip)
<u>623-386-4252</u> Telephone No. (Include Area Code)	<u>623-386-6638</u> Fax No. (Include Area Code)	<u>602-550-2717</u> Cell No. (Include Area Code)	
Email Address <u>harold.thomas@gwresources.com</u>			

Statutory Agent: <u>Cindy M. Liles</u>			
(Name)			
<u>21410 N. 19th Avenue, Suite 201</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Timothy J. Sabo, RoshkaDeWulf& Patten, PLC</u>			
(Name)			
<u>400 East Van Buren, Ste. 800</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>602-256-6100</u>	<u>602-256-6800</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>tsabo@rdp-law.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 checked="" 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 | | |

UTILITY PLANT IN SERVICE

Acct.No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	188,326	0	188,326
304	Structures and Improvements	1,041,040	172,171	868,869
307	Wells and Springs	1,859,615	329,574	1,530,040
309	Supply Mains	47,265	1,408	45,857
310	Power Generation Equipment	67,508	10,337	57,171
311	Pumping Equipment	8,235,528	4,329,351	3,906,177
320	Water Treatment Equipment	4,090,749	742,622	3,348,128
330	Distribution Reservoirs and Standpipes	4,789,766	789,675	4,000,091
331	Transmission and Distribution Mains	21,675,449	2,646,897	19,028,553
333	Services	3,233,328	563,651	2,669,677
334	Meters and Meter Installations	1,561,133	389,266	1,171,867
335	Hydrants	1,955,589	247,790	1,707,799
336	Backflow Prevention Devices	20,716	8,476	12,240
339	Other Plant and Misc. Equipment	122,369	44,527	77,842
340	Office Furniture and Equipment	51,641	2,6280	25,361
341	Transportation Equipment	317,199	286,181	31,019
343	Tools, Shop and Garage Equipment	76,367	26,151	50,217
344	Laboratory Equipment	42,598	18,569	24,029
345	Power Operated Equipment	61,431	1,6032	45,399
346	Communication Equipment	120,952	2,1561	99,391
347	Miscellaneous Equipment	1,6653	7,334	9,320
348	Other Tangible Plant	2,933,598	1,202,506	1,731,092
390	Office Furniture and Equipment	3,396	2,769	627
396	Communication Equipment	660,299	99,045	561,254

	TOTALS	\$53,172,515	\$11,982,171	\$41,190,344
--	---------------	--------------	--------------	--------------

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



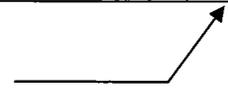
COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	188,326	0	0
304	Structures and Improvements	1,041,040	3.33%	36,246
307	Wells and Springs	1,859,615	3.33%	62,927
309	Supply Mains	47,265	2%	941
310	Power Generation Equipment	67,508	5%	3,342
311	Pumping Equipment	8,235,528	12.5%	1,334,571
320	Water Treatment Equipment	4,090,749	3.33% or 20%	133,437
330	Distribution Reservoirs and Standpipes	4,789,766	2.22% or 5%	125,759
331	Transmission and Distribution Mains	21,675,449	2%	431,917
333	Services	3,233,328	3.33%	112,277
334	Meters and Meter Installations	1,561,133	8.33%	167,804
335	Hydrants	1,955,589	2%	39,086
336	Backflow Prevention Devices	20,716	6.67%	1,297
339	Other Plant and Misc. Equipment	122,369	6.67%	26,543
340	Office Furniture and Equipment	51,641	6.67%	7,181
341	Transportation Equipment	317,199	20%	1,2229
343	Tools, Shop and Garage Equipment	7,6367	5%	8,843
344	Laboratory Equipment	42,598	10%	4,932
345	Power Operated Equipment	61,431	5%	2,579
346	Communication Equipment	120,952	10%	15,716
347	Miscellaneous Equipment	2,930,845	10%	272,818
348	Other Tangible Plant	2,933,598	0%	273,211
390	Office Furniture and Equipment	3,396	6.67% or 20%	2,072
396	Communication Equipment	660,299	10%	6,6030

	TOTALS	\$53,172,515	-	\$2,871,177
--	---------------	--------------	---	-------------

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



BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$550	\$550
132	Special Deposits	310,103	5,130
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	348,554	309,902
143	Accumulated Provision for Uncollectible Accounts	(42,796)	(34,218)
151	Plant Material and Supplies	31,193	29,924
162	Prepayments	18,745	20,250
174	Miscellaneous Current and Accrued Assets	238,017	258,606
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 904,366	\$590,144
	FIXED ASSETS		
101	Utility plant in service (All)	\$52,952,163	\$53,153,693
103	Property Held for Future Use	0	0
105	Construction Work-in-Progress	2,652,319	2,686,025
108	Accumulated Depreciation - Utility Plant	(9,419,952)	(11,987,819)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	TOTAL FIXED ASSETS	\$46,184,530	\$43,851,899
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	\$ 10,794,655	\$ 10,794,655
181	Unamortized Debt Discount & Expense	7,781	0
190	Accumulated Deferred Income Taxes	131,627	0
	TOTAL OTHER ASSETS	\$10,934,063	\$10,794,655
	TOTAL ASSETS	\$58,022,959	\$55,236,698

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	\$249,901	\$428,096
232	Notes Payable (Current Portion)	188,558	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	395,015	425,830
236	Accrued Taxes	83,536	110,761
237	Accrued Interest	50,051	47,286
241	Miscellaneous Current and Accrued Liabilities	189,389	201,283
253	Other Deferred Credits	14,115	12,589
	TOTAL CURRENT LIABILITIES	\$1,170,565	\$1,225,845
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$3,248,406	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	39,299,151	36,274,285
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	1,860,537	5,108,665
272	Less: Amortization of Contributions	(272,596)	(431,763)
281	Accumulated Deferred Income Tax	48,950	0
	TOTAL DEFERRED CREDITS	\$40,936,042	\$40,951,187
	TOTAL LIABILITIES	\$45,355,013	\$ 42,177,032
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0	\$ 0
211	Paid in Capital in Excess of Par Value	12,484,253	13,059,471
215	Retained Earnings	183,693	195
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$12,667,946	\$13,059,666
	TOTAL LIABILITIES AND CAPITAL	\$58,022,959	\$58,236,698

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$4,803,587	\$5,136,119
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	136,942	\$ 134,256
	TOTAL REVENUES	\$4,940,530	\$5,270,375
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 766,960	\$ 813,805
604	Employee Pensions and Benefits	789	5,037
610	Purchased Water	269	-
615	Purchased Power	361,524	436,153
616	Fuel for Power Production	2,887	2,490
618	Chemicals	33,220	28,321
620	Materials and Supplies	79,530	104,947
621	Office Supplies and Expense	62,733	50,093
631	Contractual Services – Eng.	-	-
632	Contractual Services – Acctg.	48,960	70,019
633	Contractual Services – Management Fees	221,165	230,188
635	Contractual Services – Testing	14,571	18,499
636	Contractual Services – Other	261,190	79,258
641	Rental of Building	43,323	44,021
642	Rental of Equipment	89	698
650	Transportation Expenses	88,775	83,235
657	Insurance – General Liability	24,698	24,336
658	Insurance – Workers Comp	5,460	4,641
659	Insurance – Other	82,921	80,272
660	Advertising Expense	3,595	2,091
666	Regulatory Commission Expense – Rate Case	18,667	18,667
667	Regulatory Commission Expense – Other	-	684
670	Bad Debt Expense	30,899	16,355
675	Miscellaneous Expense	80,602	78,430
403	Depreciation Expense	2,798,417	2,836,049
403	Depreciation Expense –CIAC Amortization	(63,825)	(100,661)
408	Taxes Other Than Income	64,615	71,879
408.11	Property Taxes	164,216	225,487
409	Income Tax	(184,029)	65,159
	TOTAL OPERATING EXPENSES	\$5,012,221	\$5,290,153
	OPERATING INCOME/(LOSS)	(\$71,691)	\$19,778

	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$0
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility Expenses	(14,347)	3,939
427	Interest Expense	(208,892)	(150,141)
	TOTAL OTHER INCOME/(EXPENSE)	(\$223,239)	(\$146,202)
	NET INCOME/(LOSS)	(\$294,930)	(165,980)

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	<u>\$425,830</u>
Meter Deposits Refunded During the Test Year	<u>\$137,520.13</u>

COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

Name of System:VWC-TD

ADEQ Public Water System Number: 07-078

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-201740 Sonoran Vista NE	150	700	645	11	6"	2004
55-202399 Riata Well #2	125	525	660	11	8"	2004
55-202400Bales SchoolWell	50	750	550	11	4"	
55-207806 4 th and Central	25	410	0	0	6"	2006
55-577508 4 th and Baseline Large Well #2	60	600	620	8	6"	2000
55-592220 Blue Hills Deep Well #2	60	350	580	11	6	
55-595258 Sonoran Vista SW	75	500	750	11	6"	2003
55-599204 Blue Hills Shallow Well #1	20	110	0	0	4"	
55-599950 7 th & Alarcon Well #2	50	250	0	0	4"	
55-203650 Evergreen Well #2		750	725	11		2004

* 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
	1	821	
1	1		
1.5	2		
100	2		

125	2		
15	6		
150	3		
2	4		
20	4		
200	2		
25	4		
30	3		
40	11		
5	4		
50	9		
60	2		
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 GAL	2	1,000 GAL	1
1,000,000 GAL	1	12,000 GAL	1
128,000 GAL	1	2,000 GAL	1
180,000 GAL	1	3,000 GAL	1
195,000 GAL	1	5,000 GAL	8
215,000 GAL	1	6,000 GAL	2
240,000 GAL	1		
25,000 GAL	2		
50,000 GAL	3		
500,000 GAL	2		
550,000 GAL	1		
750,000 GAL	1		
900,000 GAL	1		

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

COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

Name of System: VWC-TD **ADEQ Public Water System Number: 07-078**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
4	ACP	69
2	CU	3,030
4	DIP	163
6	DIP	399
8	DIP	7,260
10	DIP	2,874
12	DIP	20,795
16	DIP	45,852
18	DIP	8,026
8	DIP 350	196
12	DIP 350	11
16	DIP 350	5,250
1	PVC	79
2	PVC	1,483
3	PVC	2,626
4	PVC	17,646
6	PVC	30,980
8	PVC	317,356
10	PVC	4,104
12	PVC	49,032
16	PVC	7,269
6	PVCCL1	16
8	PVCCL1	67
4	PVCCL2	50
8	PVCCL2	223
10	PVCCL2	2,518
3	STEEL	27
6	STEEL	90
8	STEEL	200
10	STEEL	100
8	STL	14
-99	UNK	1818

CUSTOMER METERS

Size (in inches)	Quantity
5/8	5,272
3/4	389
1	140
1 1/2	30
2	139
3	1
4	2
6	2

2	UNK	50
4	UNK	10,305
6	UNK	25,073
8	UNK	7,387
10	UNK	30
12	UNK	9,224
16	UNK	2,084

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

TREATMENT EQUIPMENT:

ArsenX treatment systems and Chlorine Disinfection Systems

7TH & Alarcon

Bales

Blue Hills

4th & Baseline

4th & Central

Coagulation Filtration System

Sonoran Vista

STRUCTURES:

OTHER:

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

COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)	
Name of System: <u>VWC-TD</u>	ADEQ Public Water System Number: 07-078

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	5237	39052	45529	
FEBRUARY	5376	39270	44625	
MARCH	5377	45032	51704	
APRIL	5404	48006	59484	
MAY	5437	56875	79985	
JUNE	5465	86791	89702	
JULY	5474	83339	93482	
AUGUST	5536	80783	84652	
SEPTEMBER	5553	72212	77533	
OCTOBER	5582	65225	71873	
NOVEMBER	5599	60649	58299	
DECEMBER	5615	51114	47444	
TOTALS →		728,348	804,312	

What is the level of arsenic for each well on your system? _____ mg/l

- ADWR #55-599950 7th & Alarcon Well – 13.9 ppb
- ADWR #55-607657 4th & Central Well – 10 ppb
- ADWR #55-577508 4th & Baseline Well – 30 ppb
- ADWR #55-599204 Blue Hills #1 Well – 29 ppb
- ADWR #55-592220 Blue Hills #2 Well – 4.2 ppb
- ADWR #55-201740 Sonoran Vista NE – 6 ppb
- ADWR #55-595258 Sonoran Vista SW Well – 15 ppb
- ADWR #55-202399 Riata Well – 23 ppb
- ADWR #55-202400 Bales Well – 12 ppb

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?

(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) 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: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)		
Name of System:	07-078	ADEQ Public Water System Number: 07-078

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	45	
FEBRUARY	0	39	
MARCH	0	36	
APRIL	0	29	
MAY	0	45	
JUNE	0	44	
JULY	0	55	
AUGUST	0	43	
SEPTEMBER	0	45	
OCTOBER	0	47	
NOVEMBER	0	44	
DECEMBER	0	36	
TOTALS →	0	508	

OTHER (description):

**COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)
YEAR ENDING 12/31/2012**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: **\$86,966.50**

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. Certain additional property tax amounts are owing for 2012, which the company intends to pay when funds become available.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 16 2013

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA

I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION

OF THE VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

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

FOR THE YEAR ENDING

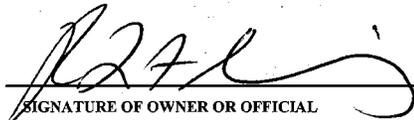
MONTH	DAY	YEAR
12	31	2012

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.~~ See explanation above.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



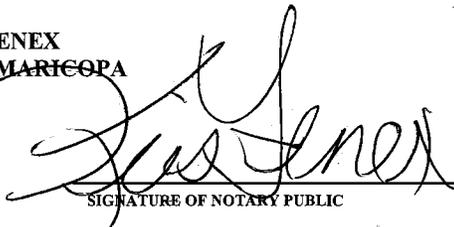
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.


KRIS FENEX
Notary Public, State of Arizona
Maricopa County
My Commission Expires
January 09, 2017



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**COMPANY NAME: VALENCIA WATER COMPANY, INC. (TOWN DIVISION)
YEAR ENDING 12/31/2012**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(\$103,864)</u>
Estimated or Actual Federal Tax Liability	<u>(\$33,273)</u>

State Taxable Income Reported	<u>(\$103,864)</u>
Estimated or Actual State Tax Liability	<u>(\$ 4,588)</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$271,045</u>
Amount of Gross-Up Tax Collected	<u>\$0</u>
Total Grossed-Up Contributions/Advances	<u>\$271,045</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

April 15, 2013

DATE

Ron Fleming

PRINTED NAME

President, Regulated Utilities Division

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2013

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA

I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION

OF THE VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

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>\$5,813,515</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$543,140
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)**

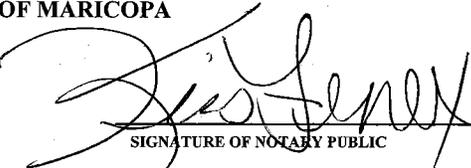


SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.


KRIS FENEX
Notary Public, State of Arizona
Maricopa County
MY COMMISSION EXPIRES January 09, 2017



SIGNATURE OF NOTARY PUBLIC

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

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION
OF THE VALENCIA WATER COMPANY, INC. (TOWN DIVISION)

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 \$2,912,987

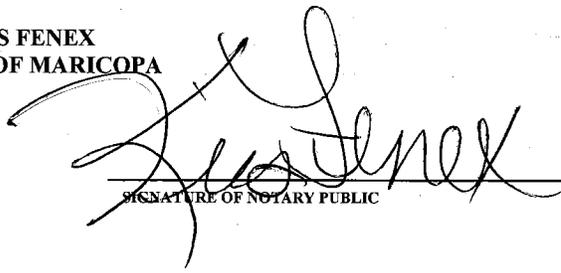
THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 299,230
IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.


SIGNATURE OF NOTARY PUBLIC

 KRIS FENEX Notary Public, State of Arizona Maricopa County My Commission Expires January 09, 2017
--

MY COMMISSION EXPIRES