

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01732A
Willow Valley Water Company, Inc.
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
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FOR COMMISSION USE

ANN 04	12
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A-22-13

COMPANY INFORMATION

Company Name (Business Name) <u>Willow Valley Water Company, Inc.</u>			
Mailing Address <u>21410 N. 19th Ave., Ste. 201</u>			
(Street)			
<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>	
(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)	
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 _____			

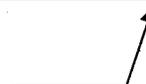
MANAGEMENT INFORMATION

<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>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	<u>602-550-2717</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	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>	<u>Buckeye</u>	<u>AZ</u>	<u>85326</u>
(Street)	(City)	(State)	(Zip)
<u>623-386-4252</u>	<u>623-386-6638</u>	<u>602-550-2717</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>harold.thomas@gwresources.com</u>			

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	18,293	0	18,293
304	Structures and Improvements	483,773	123,270	360,503
307	Wells and Springs	1,676,710	286,513	1,390,197
309	Raw Water Supply Mains	5,441	300	5,142
310	Power Generation Equipment	10,751	3,038	7,713
311	Pumping Equipment	572,996	446,150	126,846
320	Water Treatment Equipment	599,480	239,165	360,314
330	Distribution Reservoirs and Standpipes	265,900	121,427	144,473
331	Transmission and Distribution Mains	706,939	266,409	440,530
333	Services	96,681	58,495	38,186
334	Meters and Meter Installations	532,604	254,036	278,567
335	Hydrants	52,041	15,087	36,954
336	Backflow Prevention Devices	1,024	370	654
339	Other Plant and Misc. Equipment	9,272	3,260	6,012
340	Office Furniture and Equipment	15,624	9,294	6,331
341	Transportation Equipment	21,527	21,323	204
343	Tools, Shop and Garage Equipment	37,834	13,408	24,427
344	Laboratory Equipment	9,508	4,926	4,582
345	Power Operated Equipment	49,401	16,795	32,606
346	Communication Equipment	8,501	3,000	5,500
347	Miscellaneous Equipment	10,662	5,402	5,260
348	Other Tangible Plant	771	633	138
396	Communication Equipment	18,944	1,029	17,916
	TOTALS	\$5,204,677	\$1,893,330	\$3,311,347

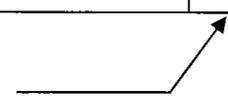
This amount goes on the Balance Sheet Acct. No. 108



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	18,293	0%	0
304	Structures and Improvements	483,772	3.33%	14,874
307	Wells and Springs	1,676,710	3.33%	54,489
309	Raw Water Supply Mains	5,441	2%	109
310	Power Generation Equipment	10,751	5%	535
311	Pumping Equipment	572,996	12.5%	31,225
320	Water Treatment Equipment	599,481	0%	63,224
330	Distribution Reservoirs and Standpipes	265,900	2.22 or 5%	6,072
331	Transmission and Distribution Mains	706,939	2%	12,324
333	Services	96,681	3.33%	3,345
334	Meters and Meter Installations	532,604	8.33%	33,048
335	Hydrants	52,041	2%	977
336	Backflow Prevention Devices	1,024	6.67%	68
339	Other Plant and Misc. Equipment	9,272	6.67%	4,260
340	Office Furniture and Equipment	15,624	6.67% or 33.33%	1,207
341	Transportation Equipment	21,527	20%	136
343	Tools, Shop and Garage Equipment	37,834	5%	2,507
344	Laboratory Equipment	9,508	10%	918
345	Power Operated Equipment	49,401	5%	2,362
346	Communication Equipment	8,501	10%	818
347	Miscellaneous Equipment	10,662	10%	1,034
348	Other Tangible Plant	771	0%	110
396	Communication Equipment	18,944	10%	807
	TOTALS	\$5,204,677		\$234,449

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



BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$42,113	\$111,127
134	Working Funds	35,133	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	32,923	24,578
143	Accumulated Provision for Uncollectible Accounts	(11,408)	(6,485)
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	10,648	22,205
162	Prepayments	4,368	4,363
173	Accrued Utility Revenues	48,131	48,450
174	Miscellaneous Current and Accrued Assets	15,420	11,575
	TOTAL CURRENT AND ACCRUED ASSETS	\$177,328	\$215,813
FIXED ASSETS			
101	Utility Plant in Service	\$5,033,102	\$5,079,172
103	Property Held for Future Use	0	0
105	Construction Work in Progress	(9,354)	3,286
108	Accumulated Depreciation – Utility Plant	(1,742,557)	(1,893,327)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$3,281,191	\$3,189,130
Other Assets			
114	Utility Plant Acquisition Adjustments	\$ 398,499	\$ 398,499
181	Unamortized Debt Discount & Expense	8,939	0
190	Accumulated Deferred Income Taxes	225,865	0
	TOTAL OTHER ASSETS	\$633,303	\$398,499
	TOTAL ASSETS	\$4,091,822	\$3,803,440

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

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$49,886	\$40,405
232	Notes Payable (Current Portion)	29,376	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	36,233	40,742
236	Accrued Taxes	11,375	13,435
237	Accrued Interest	3,287	2,505
241	Miscellaneous Current and Accrued Liabilities	54,587	49,939
	TOTAL CURRENT LIABILITIES	\$184,744	\$147,026
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$387,632	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	610,760	150,666
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	460,239
272	Less: Amortization of Contributions	0	(13,995)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$610,760	\$596,910
	TOTAL LIABILITIES	\$1,183,136	\$743,936
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0	\$0
211	Paid in Capital in Excess of Par Value	3,144,982	3,795,987
215	Retained Earnings	(236,296)	(736,483)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$2,908,686	\$3,059,504
	TOTAL LIABILITIES AND CAPITAL	\$4,091,822	\$3,803,440

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$703,852	\$685,057
460	Unmetered Water Revenue		
474	Other Water Revenues	13,378	10,420
	TOTAL REVENUES	\$717,230	\$695,477
	OPERATING EXPENSES		
601	Salaries and Wages	\$224,877	\$292,960
604	Employee Pension and Benefits	224	3,079
615	Purchased Power	38,853	45,657
616	Fuel for Power Production	1,632	0
618	Chemicals	18,800	41,812
620	Repairs and Maintenance	36,002	41,962
621	Office Supplies and Expense	7,025	23,885
632	Contractual Services – Accounting	13,984	19,916
633	Contractual Services – Legal	5,706	9,565
634	Contractual Services – Management	63,315	63,088
635	Contractual Services – Testing	20,993	13,713
636	Contractual Services - Other	14,495	18,471
641	Rental of Buildings	10,241	10,296
642	Rental Of Equipment	\$0	2,945
650	Transportation Expenses	24,173	22,625
657	Insurance – General Liability	7,125	7,488
659	Insurance - Other	22,930	24,197
667	Regulatory Commission Expense – Other	5,333	5,528
670	Bad Debt Expense	8,422	5,228
675	Miscellaneous Expense	\$25,040	19,826
403	Depreciation Expense	196,646	364,119
403	Depreciation Expense – CIAC	0	(143,227)
408	Taxes Other Than Income	1,624	2,413
408.11	Property Taxes	22,674	27,266
408.12	Payroll Taxes	18,824	22,864
409	Income Tax	43,147	154,688
	TOTAL OPERATING EXPENSES	\$765,133	\$1,100,345
	OPERATING INCOME/(LOSS)	(\$47,903)	(\$404,868)
	OTHER INCOME/(EXPENSE)		
427	Interest Expense	(\$21,882)	(\$24,140)
	TOTAL OTHER INCOME/(EXPENSE)	(\$24,138)	(\$24,140)
	NET INCOME/(LOSS)	(\$72,041)	(\$429,009)

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	\$40,742
Meter Deposits Refunded During the Test Year	\$7,262.21

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.

Name of System: Lake Cimarron **ADEQ Public Water System Number: AZ-04-08-129**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-604160 Lake Cimarron (Primary)	7.5	190	60	12	4"	1960
55-604161 Lake Cimarron (Secondary)	10	225	100	6		1967

* 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
20	2	19	
25	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
196,000 GAL	1	5,800 GAL	1

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

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.

Name of System: Lake Cimarron **ADEQ Public Water System Number: AZ-04-08-129**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
4	UNK	213
6	PVC	186
6	UNK	684
8	PVC	7,347
8	UNK	4,431
10	PVC	5,509
10	UNK	548
-99	UNK	887

CUSTOMER METERS

Size (in inches)	Quantity
5/8	130
3/4	1
2	1

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

TREATMENT EQUIPMENT:

- Chlorine Dioxide Injection System
- Sodium Permanganate Injection System
- Chlorine Gas Injection System
- Fe & Mn Removal System

STRUCTURES:

- Shed
- Fences around well sites

OTHER:

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

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.

Name of System: King Street

ADEQ Public Water System Number: AZ-04-08-040

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-208170 Unit 17 - Primary	30	500	120	9	6"	1970
55-603946 Center Street			100	8		1964
55-603947 King Street	15	300	120	8	4"	1959
55-603948 Meadowlark			100	8		1966
55-603949 Unit 17 - Secondary	15	300	100	8	4"	1969
55-603950 Commercial Well			100	8		1965
55-603951 Unit 1	15	250	100	24	4"	1960
55-603952 Riding Club Well			120	20		1960

* Arizona Department of Water Resources Identification Number

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	6	46	
30	1		
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
163,000 GAL	1	14,000 GAL	1
47,00 GAL	1	2,200 GAL	1
96,000 Gal	1	5,200 GAL	1

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

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.

Name of System: King Street

ADEQ Public Water System Number: AZ-04-08-040

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	ASWP	261
2	PVC	3,802
3	PVC	1,694
4	ABS	1,225
4	STEEL	34
4	UNK	2,479
4	ASWP	7,412
4	PVC	52,790
6	AC	2,164
6	DIP	154
6	PVC	26,277
6	UNK	446
8	PVC	4,301
8	STEEL	43
8	UNK	20
-99	UNK	242

CUSTOMER METERS

Size (in inches)	Quantity
5/8	1442
3/4	16
1	17
1 1/2	3
2	3
4	2
6	2
Fire Meter	1

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

TREATMENT EQUIPMENT:

- Chlorine Dioxide Injection System at Unit 17
- Sodium Permanganate Injection System at Unit 17
- Chlorine Gas Injection System at Unit 17
- Fe & Mn Removal System at Unit 17

STRUCTURES:

- Office Building
- Fences around well sites

OTHER:

- 1 x Backhoe
- 3 x Vehicles

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

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.

Name of System: Lake Cimarron

ADEQ Public Water System Number: AZ-04-08-129

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	128	584	741	
FEBRUARY	129	609	719	
MARCH	129	644	898	
APRIL	129	693	836	
MAY	129	681	967	
JUNE	129	816	910	
JULY	130	843	976	
AUGUST	130	713	960	
SEPTEMBER	129	782	836	
OCTOBER	129	641	740	
NOVEMBER	129	611	801	
DECEMBER	128	587	557	
TOTALS →		8,204	9,941	

What is the level of arsenic for each well on your system?

ADWR# 55-604161 (Lake Cimarron) 5 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?

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.

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.	
Name of System: King Street	ADEQ Public Water System Number: AZ-04-08-040

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1376	4,229	5,857	
FEBRUARY	1377	4,286	5,435	
MARCH	1377	4,048	5,973	
APRIL	1378	4,749	7,397	
MAY	1370	5,380	8,518	
JUNE	1373	6,494	8,508	
JULY	1372	7,398	9,475	
AUGUST	1374	6,957	8,939	
SEPTEMBER	1372	7,422	8,682	
OCTOBER	1375	5,934	6,562	
NOVEMBER	1366	4,878	6,394	
DECEMBER	1367	4,920	5,776	
TOTALS →		66,696	87,516	

What is the level of arsenic for each well on your system?

ADWR #55-063947 (King Street) 4.1 ppb ADWR #55-603949 (Unit 17) <3 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?

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.

COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.	
Name of System: Consolidated	ADEQ Public Water System Number: N/A

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	3	
FEBRUARY	0	10	
MARCH	0	3	
APRIL	0	4	
MAY	0	13	
JUNE	0	4	
JULY	0	11	
AUGUST	0	5	
SEPTEMBER	0	8	
OCTOBER	0	4	
NOVEMBER	0	10	
DECEMBER	0	7	
TOTALS →	0	82	

OTHER (description):

**COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.
YEAR ENDING 12/31/2012**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: **\$12,106.68**

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 WILLOW VALLEY 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.~~ See explanation above.

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

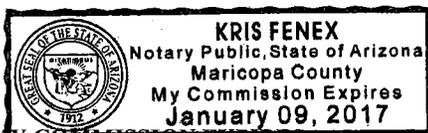


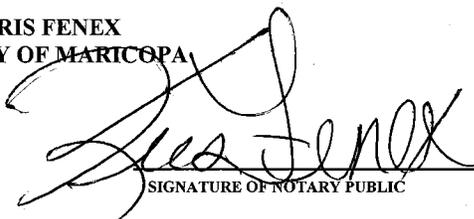
SIGNATURE OF OWNER OR OFFICIAL

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.





SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME: WILLOW VALLEY WATER COMPANY, INC.
YEAR ENDING 12/31/2012**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (\$273,838)
Estimated or Actual Federal Tax Liability (\$93,105)

State Taxable Income Reported (\$273,838)
Estimated or Actual State Tax Liability (\$12,838)

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$5,600
Amount of Gross-Up Tax Collected \$0
Total Grossed-Up Contributions/Advances \$5,600

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**

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION
OF THE WILLOW VALLEY WATER COMPANY, INC.

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

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 (\$)

\$739,620

(THE AMOUNT IN BOX ABOVE
INCLUDES \$44,143
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)

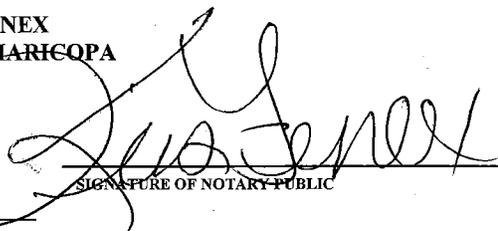


SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

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

MY COMMISSION EXPIRES

**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 WILLOW VALLEY 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 \$85,245
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THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 40,966
IN SALES TAXES BILLED, OR COLLECTED)

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

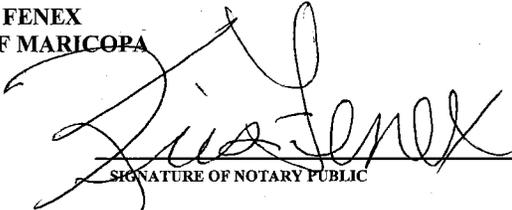


SIGNATURE OF OWNER OR OFFICIAL

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
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