

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02255A
YARNELL WATER IMPROVEMENT ASSOCIATION
PO Box 727
YARNELL, AZ 85362

RECEIVED

MAY 28 2013

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

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

FOR COMMISSION USE

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

5-29-13

COMPANY INFORMATION

Company Name (Business Name) <u>YARNELL WATER IMPROVEMENT ASSOCIATION</u>		
Mailing Address <u>PO Box 727</u>		
<u>YARNELL</u> (City)	<u>AZ</u> (State)	<u>85362</u> (Zip)
<u>928 427 3321</u>	-	-
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>yarnellwater@yahoo.com</u>		
Local Office Mailing Address <u>PO Box 727</u>		
<u>YARNELL</u> (City)	<u>AZ</u> (State)	<u>85362</u> (Zip)
<u>928 427 3321</u>	-	-
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>yarnellwater@yahoo.com</u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact: <u>Dorman Olson</u>		
		<u>Treasurer</u>
<u>PO Box 727</u> (Street)	<u>YARNELL</u> (City)	<u>AZ 85362</u> (State) (Zip)
<u>928 427 3321</u>	-	-
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>yarnellwater@yahoo.com</u>		
On Site Manager: <u>Wendy Fostiak-Amos</u>		
		(Name)
<u>PO Box 727</u> (Street)	<u>YARNELL</u> (City)	<u>AZ 85362</u> (State) (Zip)
<u>928 427 3321</u>	-	-
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>yarnellwater@yahoo.com</u>		

Statutory Agent: Terri Denemy
(Name)

PO Box 727 Yarnell Az 85362
(Street) (City) (State) (Zip)

928 427 3321 - -
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: -
(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:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>NON PROFIT</u> | |

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 checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

YARNELL WATER IMPROVEMENT ASSOCIATION

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	24,471.00		
302	Franchises	34,884.00		
303	Land and Land Rights	28,732.00		
304	Structures and Improvements	775,348.26		
307	Wells and Springs	1,783.57		
311	Pumping Equipment	92,386.49		
320	Water Treatment Equipment	77,946.57		
330	Distribution Reservoirs and Standpipes	151,422.50		
331	Transmission and Distribution Mains	866,660.62		
333	Services	2,976.06		
334	Meters and Meter Installations	95,781.86		
335	Hydrants	57,788.96		
336	Backflow Prevention Devices	204.91		
339	Other Plant and Misc. Equipment	39,461.29		
340	Office Furniture and Equipment	7,459.99		
341	Transportation Equipment	26,773.04		
343	Tools, Shop and Garage Equipment	11,236.63		
344	Laboratory Equipment	-		
345	Power Operated Equipment	432.87		
346	Communication Equipment	-		
347	Miscellaneous Equipment	31,766.61		
348	Other Tangible Plant	249,277.49		
	TOTALS	2,571,794.73	1,334,513.76	1,237,280.97

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



COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	24,471.00		
302	Franchises	34,884.00		
303	Land and Land Rights	23,732.00		
304	Structures and Improvements	775,348.26	3.33%	
307	Wells and Springs	1,783.57	3.33%	
311	Pumping Equipment	92,386.49	12.50%	
320	Water Treatment Equipment	77,946.57	3.33%	
330	Distribution Reservoirs and Standpipes	151,422.50	2.22%	
331	Transmission and Distribution Mains	866,660.62	2.00%	
333	Services	2,976.06	3.33%	
334	Meters and Meter Installations	95,781.86	8.33%	
335	Hydrants	57,788.96	2.00%	
336	Backflow Prevention Devices	204.91	-	
339	Other Plant and Misc. Equipment	39,461.29	-	
340	Office Furniture and Equipment	7,459.99	6.67%	
341	Transportation Equipment	26,773.04	20.00%	
343	Tools, Shop and Garage Equipment	11,236.63	5.00%	
344	Laboratory Equipment	-	-	
345	Power Operated Equipment	432.87	20.00%	
346	Communication Equipment	-	-	
347	Miscellaneous Equipment	31,766.61	10.00%	
348	Other Tangible Plant	249,277.49	3.33%	
	TOTALS	2,571,794.73		66,000.00

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

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 819.27	\$ 877.22
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	29,891.64	22,040.06
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	-	-
162	Prepayments	357.09	357.09
174	Miscellaneous Current and Accrued Assets	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 31,068.00	\$ 23,274.37
FIXED ASSETS			
101	Utility Plant in Service	\$ 2,575,294.98	\$ 2,571,794.73
103	Property Held for Future Use	-	-
105	Construction Work in Progress	-	-
108	Accumulated Depreciation - Utility Plant	-1,268,513.76	-1,334,513.76
121	Non-Utility Property	-	-
122	Accumulated Depreciation - Non Utility	-	-
	TOTAL FIXED ASSETS	\$ 1,306,781.22	\$ 1,237,280.97
	TOTAL ASSETS	\$ 1,337,849.22	\$ 1,260,555.34

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

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITIES			
231	Accounts Payable	\$ 4,430.87	\$52,871.59
232	Notes Payable (Current Portion)	6,700.25	6,700.25
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5,872.83	6,495.53
236	Accrued Taxes	11,724.66	13,481.43
237	Accrued Interest	33,133.45	33,057.12
241	Miscellaneous Current and Accrued Liabilities	12,485.62	12,511.09
	TOTAL CURRENT LIABILITIES	\$ 74,347.68	\$125,117.01
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 1,402,046.36	\$ 752,344.82
DEFERRED CREDITS			
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		
	TOTAL DEFERRED CREDITS	\$ -	\$ -
	TOTAL LIABILITIES	\$1,476,394.04	\$ 877,461.83
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	594.00	594.00
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	- 139,139.02	382,499.51
	TOTAL CAPITAL	\$ 138,545.02	\$ 383,093.51
	TOTAL LIABILITIES AND CAPITAL	\$ 1,337,849.02	\$ 1,260,555.34

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 248,511.10	\$ 232,334.00
460	Unmetered Water Revenue		-
474	Other Water Revenues	7,247.96	7,150.15
	TOTAL REVENUES	\$ 255,759.06	\$ 239,484.15
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 151,409.37	\$ 148,713.89
610	Purchased Water	-	
615	Purchased Power	13,261.19	14,588.81
618	Chemicals	827.82	910.98
620	Repairs and Maintenance	9,699.15	20,477.85
621	Office Supplies and Expense	15,646.67	11,949.19
630	Outside Services	9,568.83	27,246.43
635	Water Testing	1,790.00	3,161.96
641	Rents	-	1,093.21
650	Transportation Expenses	5,150.16	8,226.59
657	Insurance - General Liability	12,391.02	9,868.26
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	48.98	1,656.05
403	Depreciation Expense	72,000.00	66,000.00
408	Taxes Other Than Income	3.04	- 10.05
408.11	Property Taxes	5,361.38	9,080.66
409	Income Tax	-	-
	TOTAL OPERATING EXPENSES	\$ 297,157.31	\$ 322,963.83
	OPERATING INCOME/(LOSS)	\$ - 41,398.25	\$ - 83,479.68
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$ -
421	Non-Utility Income	24,655.96	4,997.00
426	Miscellaneous Non-Utility Expenses	-	1,954.20
427	Interest Expense	52,974.98	33,388.69
	TOTAL OTHER INCOME/(EXPENSE)	\$ - 28,319.02	\$ - 29,345.89
	NET INCOME/(LOSS)	\$ - 69,717.27	\$ - 112,825.57

COMPANY NAME	YARNELL WATER IMPROVEMENT ASSOCIATION
Name of System:	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
55-616-736	5	230	180	6	3	
55-616-737	7	240	220	6	3	

* 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
25	2	77-6	7-2

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250,000	2		
40,000	1		
10,000	1		

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

COMPANY NAME	YARNELL WATER IMPROVEMENT ASSOCIATION
Name of System:	ADEQ Public Water System Number: 13-057

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		-
3		-
4		7,180
5		-
6		62,920
8		18,480
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	611
3/4	-
1	10
1 1/2	1
2	-
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
Standpipe	1
	623

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

TREATMENT EQUIPMENT:

liquid chlorine

STRUCTURES:

OTHER:

Fire hydrants - 6" - 77
 Fire hydrants - 2" - 6

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

COMPANY NAME:	<u>FARNELL WATER IMPROVEMENT ASSOCIATION</u>
Name of System:	ADEQ Public Water System Number: <u>13-057</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	508	955,000	1,124,000	0
FEBRUARY	498	954,300	1,107,000	0
MARCH	509	1,282,100	1,479,000	0
APRIL	510	1,274,000	1,492,000	0
MAY	512	2,234,900	2,536,300	0
JUNE	516	2,414,100	2,616,000	0
JULY	517	2,619,100	2,855,000	0
AUGUST	513	1,879,800	2,062,000	0
SEPTEMBER	510	1,563,300	2,797,000	0
OCTOBER	511	1,475,800	1,710,000	0
NOVEMBER	510	1,343,900	1,509,000	0
DECEMBER	511	1,034,000	1,222,100	
TOTALS →		19,030,300	22,509,800	

What is the level of arsenic for each well on your system? .0030 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 5 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: **YARNEU WATER IMPROVEMENT ASSOCIATION**
 Name of System: _____ ADEQ Public Water System Number: **13-057**

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		1	0
FEBRUARY		0	0
MARCH		0	3
APRIL		1	0
MAY		0	0
JUNE		0	0
JULY		0	1
AUGUST		0	3
SEPTEMBER		0	2
OCTOBER		0	2
NOVEMBER		1	0
DECEMBER		0	1
TOTALS →		3	12

OTHER (description):

COMPANY NAME Yarnell Water Improvement Assn YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 9,080.66

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 29 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>DORMAN OLSON, TREASURER</u>
COMPANY NAME	<u>YARNELL WATER IMPROVEMENT ASSOCIATION</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2012</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

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

928 427 3321
TELEPHONE NUMBER

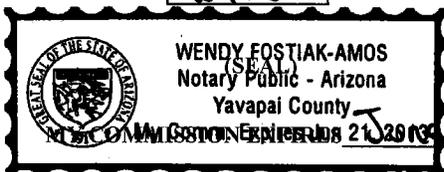
SUBSCRIBED AND SWORN TO BEFORE ME

Wendy Fostiak-Amos

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	<u>YAVAPAI</u>	
MONTH	<u>April</u>	<u>2013</u>

THIS 24th DAY OF April



[Signature]
SIGNATURE OF NOTARY PUBLIC

21, 2013

COMPANY NAME YARNELL WATER IMPROVEMENT ASSN YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

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

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

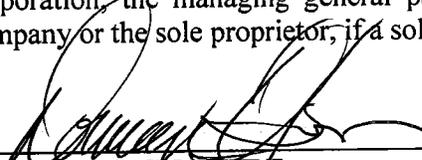
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5/23/2013
DATE

DORMAN OLSON
PRINTED NAME

TREASURER
TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT IntraState Revenues Only

APR 29 2013 AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) YAVAPAI, NAME (OWNER OR OFFICIAL) TITLE DORMAN OLSON, TREASURER, COMPANY NAME YARNER WATER IMPROVEMENT ASSOCIATION

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

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 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 (\$) \$ 262,804

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 18,350 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)

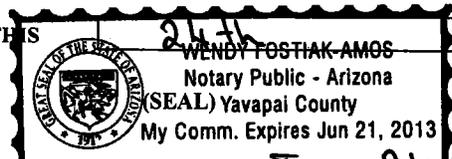
Signature of Dorman Olson, TREASURER, Telephone Number 928 427 3321

SUBSCRIBED AND SWORN TO BEFORE ME WENDY FOSTIAK-AMOS

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

Form with fields: COUNTY NAME YAVAPAI, MONTH April, YEAR 2013

THIS 21th DAY OF



Signature of Wendy Fostiak-Amos, Notary Public

MY COMMISSION EXPIRES June 21, 2013

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

RECEIVED

APR 29 2013

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) YAVAPAI	AZ CORP COMM Director - Utilities
NAME (OWNER OR OFFICIAL) DORMAN OLSON	TITLE TREASURER
COMPANY NAME YARWELL WATER IMPROVEMENT ASSOCIATION	

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 \$ 262,804
--

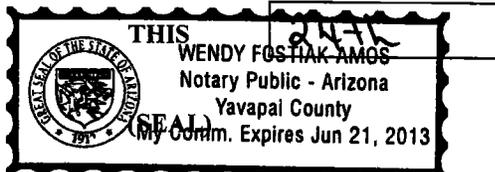
THE AMOUNT IN BOX AT LEFT INCLUDES \$ **18,350** IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL
928 427 3321
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME WENDY FOSTIAK-AMOS	
COUNTY NAME YAVAPAI	
MONTH April	. 2013

MY COMMISSION EXPIRES

June 21, 2013

SIGNATURE OF NOTARY PUBLIC