

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

CLOUD NINE WATER COMPANY, INC
96 BEL AIRE PL, #140
SIERRA VISTA AZ 85635

WS-02672A

RECEIVED

APR 07 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water & Sewer

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04-05	13
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4-7-14

COMPANY INFORMATION

Company Name (Business Name) CLOUD NINE WATER COMPANY, INC

Mailing Address 96 BEL AIRE PL, #140
(Street)
SIERRA VISTA AZ 85635
(City) (State) (Zip)

602-458 1311 520-458 4532
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address as above
(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

Regulatory Contact:

Management Contact: ANDREW STOKES SECRETARY
(Name) (Title)

as above
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

On Site Manager: BOB JONLEWARD
(Name)
as above
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: EUGENE C. GIESELER
 (Name)

3040 E. SUNRISE DR, STE 200 TUCSON AZ 85718
 (Street) (City) (State) (Zip)

520-792 1181 520-792 2859
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: 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:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input checked="" 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 checked="" 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 type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

CLOUD NINE WATER COMPANY, INC.

WATER UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	50,000	27,604	22,396
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	41,062	24,996	16,066
311	Pumping Equipment	124,037	68,303	55,724
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	58,755	57,412	1,343
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	23,805	23,271	534
333	Services			
334	Meters and Meter Installations	315	294	21
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,485	1,447	38
340	Office Furniture and Equipment			
340.1	Computers & Software			
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			
	TOTALS	299,459	203,337	96,122

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

COMPANY NAME

CLOUD NINE WATER COMPANY, INC.

WATER CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	50,000	2.5%	1,250
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	41,062	4.5%	894
311	Pumping Equipment	124,027	2.5%/SL7	3,231
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	58,755	-	-
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	23,805	-	-
333	Services			
334	Meters and Meter Installations	315	-	-
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,485	-	-
340	Office Furniture and Equipment			
340.1	Computers & Software			
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			
	TOTALS			5,375

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



COMPANY NAME CLOUD NINE WATER COMPANY, INC

SEWER UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
390.1	Computers & Software			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	-	-	-

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



COMPANY NAME

CLOUD NINE WATER COMPANY, INC

SEWER CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
390.1	Computers & Software			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS			

This amount goes on the Comparative Statement of Income and Expense Acct. 403



COMPANY NAME

CLOUD NINE WATER COMPANY, INC

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 19,871	\$ 13,069
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,936	2,246
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 21,807	\$ 20,315
FIXED ASSETS			
101	Utility Plant in Service	\$ 299,459	\$ 299,459
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	<197,961 >	<203,337 >
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 101,498	\$ 96,122
	TOTAL ASSETS	\$ 123,305	\$ 116,437

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

COMPANY NAME CLOUD NINE WATER COMPANY, INC

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	223,059	259,989
235	Customer Deposits		
236	Accrued Taxes	58	74
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	25	35
	TOTAL CURRENT LIABILITIES	\$ 223,142	\$ 260,098
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		
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	\$ 223,142	\$ 260,098
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 200,000	\$ 200,000
211	Paid in Capital in Excess of Par Value	3,503	3,503
215	Retained Earnings	(303,340)	(347,164)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(99,837)	\$(143,661)
	TOTAL LIABILITIES AND CAPITAL	\$ 123,305	\$ 116,437

COMPANY NAME CLOUD NINE WATER COMPANY, INC

WATER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 19,271	\$ 12,157
460	Unmetered Water Revenue		
474	Other Water Revenues	938	712
	TOTAL REVENUES	\$ 14,209	\$ 12,869
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	16,391	15,374
618	Chemicals		
620	Repairs and Maintenance	1,642	1,091
621	Office Supplies and Expense	673	313
630	Outside Services		
635	Water Testing	3,697	4,051
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,801	2,374
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,515	1,599
403	Depreciation Expense	5,375	5,375
408	Taxes Other Than Income		
408.11	Property Taxes	1,569	1,624
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 33,663	\$ 31,801
	OPERATING INCOME/(LOSS)	\$ (19,454)	\$ (18,932)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ —	\$ —
	NET INCOME/(LOSS)	\$ (19,454)	\$ (18,932)

COMPANY NAME

CLOUD NINE WATER COMPANY, INC

SEWER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 6,089	\$ 5,918
522	Measured Revenues		
536	Other Wastewater Revenues		
	TOTAL REVENUES	\$ 6,089	\$ 5,918
	OPERATING EXPENSES		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment	35,913	30,810
711	Sludge Removal Expense		
715	Purchased Power		
716	Fuel for Power Production		
718	Chemicals		
720	Materials and Supplies		
731	Contractual Services – Professional		
735	Contractual Services – Testing		
736	Contractual Services – Other		
740	Rents		
750	Transportation Expense		
755	Insurance Expense		
765	Regulatory Commission Expense		
775	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 35,913	\$ 30,810
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE	\$ —	\$ —
	NET INCOME/(LOSS)	\$ (29,824)	\$ (24,892)

COMPANY NAME CLOUD NINE 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 \$

Meter Deposits Refunded During the Test Year \$

COMPANY NAME	CLOUD NINE WATER COMPANY, INC
Name of System: CLOUD NINE WATER	ADEQ Public Water System Number: AZ 0402009

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
	30			4"		
	40			4"		

* 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
5	1		
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000	1	5,000	2

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

COMPANY NAME	CLOUD NINE WATER COMPANY, INC
Name of System:	CLOUD NINE WATER ADEQ Public Water System Number: A20402009

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	4'	400
3		500
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	44
3/4	
1	
1 1/2	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:

 AUTO CHLORINATOR

STRUCTURES:

OTHER:

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

COMPANY NAME: <u>CLOUD NINE WATER COMPANY, INC</u>
Name of System: <u>CLOUD NINE WATER</u> ADEQ Public Water System Number: <u>AZ 0402009</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY			5012.9	
FEBRUARY			2,337.9	
MARCH			1800.9	
APRIL			3743.9	
MAY			1,763.0	
JUNE			1,747.9	
JULY			1,639.9	
AUGUST			1,590.7	
SEPTEMBER			781.5	
OCTOBER			1,498.5	
NOVEMBER			1,264.2	
DECEMBER			1,334.8	
TOTALS →			24,116.1	

What is the level of arsenic for each well on your system? < 0.001 mg/l
(If more than one well, please list each separately.)

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: CLOUD NINE WATER COMPANY, INC
 Name of System: CLOUD NINE WATER ADEQ Public Water System Number: 120402009

UTILITY SHUTOFFS / DISCONNECTS

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

OTHER (description):

CUSTOMER REQUESTED SHUT-OFF

COMPANY NAME	CLOUD NINE WATER COMPANY, INC	
Name of System:	CLOUD NINE WATER	Wastewater Inventory Number (if applicable): N/A

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	
DESIGN CAPACITY OF PLANT (Gallons Per Day)	

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)

FORCE MAINS

Size	Material	Length (Feet)
4-inch		
6-inch		

MANHOLES

Type	Quantity
Standard	
Drop	

CLEANOUTS

Quantity

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

COMPANY NAME	CLOUD NINE WATER COMPANY, INC	
Name of System:	CLOUD NINE WATER	Wastewater Inventory Number (if applicable): N/A

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

Size (in inches)	Material	Length (in feet)
4		
6		
8		
10		
12		
15		
18		
21		
24		
30		

Size (in inches)	Material	Quantity
4		
6		
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
STRUCTURES (Buildings, Fences, Etc.)	
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	

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

COMPANY NAME	CLOUD NINE WATER CAMPAM INC
Name of System:	CLOUD NINE WATER Wastewater Inventory Number (if applicable): N/A

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	
Groundwater Permit Number	
ADEQ Aquifer Protection Permit Number	
ADEQ Reuse Permit Number	
EPA NPDES Permit Number	

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

COMPANY NAME:	CLOUD NINE WATER COMPANY, INC
Name of System:	CLOUD NINE WATER Wastewater Inventory Number (if applicable): N/A

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			

OTHER (description):

COMPANY NAME CLOUD NINE WATER COMPANY INC YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 1,624

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 07 2014

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE <u>ANDREW STOKES, SECRETARY</u>
COMPANY NAME <u>CLOUD NINE WATER COMPANY, INC.</u>

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

FOR THE YEAR ENDING

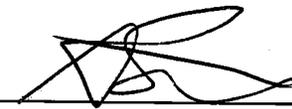
MONTH	DAY	YEAR
12	31	2013

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

520-458 1317

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

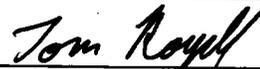
THIS

20th

DAY OF

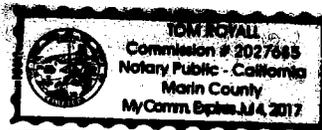
COUNTY NAME <u>Marin</u>	
MONTH <u>March</u>	<u>2014</u>

(SEAL)



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES July 4th, 2017



COMPANY NAME CLOUD NINE WATER COMPANY, INC

YEAR ENDING 12/31/2013

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported <13,324>
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported <13,324>
Estimated or Actual State Tax Liability _____

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.

Nicholas J. Novasic
SIGNATURE

3/24/14
DATE

NICHOLAS J. NOVASIC
PRINTED NAME

PRESIDENT
TITLE

**VERIFICATION
AND
SWORN STATEMENT (SEWER)
Intrastate Revenues Only**

RECEIVED
APR 07 2014
ACC UTILITIES DIRECTOR

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE <u>ANDREW SPOLIS, SECRETARY</u>
COMPANY NAME <u>CLOUD NINE WATER COMPANY, INC</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>5,913</u>
--

(THE AMOUNT IN BOX ABOVE INCLUDES \$ - 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
520-458-1311
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 20th DAY OF

(SEAL)

COUNTY NAME <u>Maricopa</u>	
MONTH <u>March</u>	YEAR <u>2014</u>


SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES July 4th, 2017

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE (SEWER)
Intrastate Revenues Only**

RECEIVED
APR 07 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Cochise</i>	
NAME (OWNER OR OFFICIAL) <i>ANDREW STICES</i>	TITLE <i>SECRETARY</i>
COMPANY NAME <i>CLOUD NINE WATER COMPANY, INC.</i>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<i>12</i>	<i>31</i>	<i>2013</i>

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <i>\$ 3,602</i>
--

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

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

[Signature]

SIGNATURE OF OWNER OR OFFICIAL

520-458 1317

TELEPHONE NUMBER

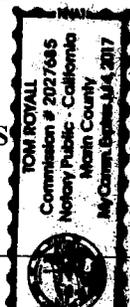
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS *20th* DAY OF

NOTARY PUBLIC NAME <i>Tom Royall</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>March</i>	YEAR <i>2014</i>

(SEAL)

MY COMMISSION EXPIRES

July 4th, 2017



[Signature]

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT (WATER)
Intrastate Revenues Only**

RECEIVED
(APR 07 2014)
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE <u>ANDREW SOLES</u>
COMPANY NAME <u>CLOUD NINE WATER COMPANY, INC</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>13,819</u>

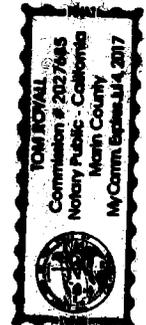
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 950
IN SALES TAXES BILLED, OR COLLECTED)

**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
520-4581311

TELEPHONE NUMBER



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 20th DAY OF

COUNTY NAME <u>Marin</u>
MONTH <u>March</u> , 20 <u>14</u>

(SEAL)
MY COMMISSION EXPIRES July 4th, 2017

Tom Royall

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT**

RECEIVED
APR 07 2014

RESIDENTIAL REVENUE (WATER) ACC UTILITIES DIRECTOR
INTRASTATE REVENUES ONLY

VERIFICATION
STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Cocaine</u>	
NAME (OWNER OR OFFICIAL) <u>ANDREW STILES</u>	TITLE <u>SECRETARY</u>
COMPANY NAME <u>CLOUD NINE WATER COMPANY, INC.</u>	

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

MONTH	DAY	YEAR
12	31	2013

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

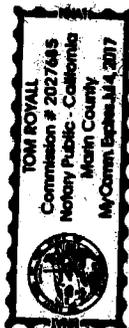
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2013 WAS:

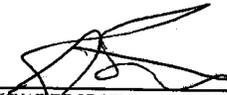
ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>9,243</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 653
IN SALES TAXES BILLED, OR COLLECTED)

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

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 20th DAY OF




SIGNATURE OF OWNER OR OFFICIAL
520-458-1311
TELEPHONE NUMBER

NOTARY PUBLIC NAME <u>Tom Royall</u>	
COUNTY NAME <u>Marin</u>	
MONTH <u>March</u>	20 <u>14</u>

(SEAL)

MY COMMISSION EXPIRES
July 4th, 2017


SIGNATURE OF NOTARY PUBLIC