ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

L

W-01427A
Litchfield Park Service Company – Water
111 W. Wigwam Blvd, Suite B
Litchfield Park, AZ 85340

RECEIVED

APR 14 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004

FOR COMMISSION USE

ANN04	04

COMPANY INFORMATION

Company Name (Business Name) Litchfield Park Service Company

Mailing Address 111 W. Wigwam Blvd., Suite B
(Street)

Litchfield Park (City) | Arizona (State) | 85340 (Zip)

(623) 935-9367 Telephone No. (Include Area Code) | (623) 935-1020 Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

Local Office Mailing Address 111 W. Wigwam Blvd., Suite B
(Street)

Litchfield Park (City) | Arizona (State) | 85340 (Zip)

(623) 935-9367 Local Office Telephone No. (Include Area Code) | (623) 935-1020 Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: Peter Kampian (Name) | Chief Financial Officer (Title)

2845 Bristol Circle (Street) | Oakvile, Ontario (City) | Canada (State) | L6H 7H7 (Zip)

(905) 465-4500 Telephone No. (Include Area Code) | (905) 465-4514 Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

On Site Manager: Mike Weber (Name) | General Manger

111 W. Wigwam Blvd., Suite B (Street) | Litchfield Park (City) | Arizona (State) | 85340 (Zip)

(623) 935-9367 Telephone No. (Include Area Code) | (623) 935-1020 Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

Statutory Agent: C T Corporation System
(Name)

3225 N Central Ave	Phoenix	AZ	85012
(Street)	(City)	(State)	(Zip)

(602) 277-4792		
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Pager/Cell No. (Include Area Code)

Attorney: Richard Sallquist @ Sallquist & Drummond, P.C.
(Name)

4500 South Lake Shore Drive, Suite 339	Tempe,	AZ	85282
(Street)	(City)	(State)	(Zip)

(602) 224-9222	(480) 345-0412	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☒ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Partnership (P)**
- ☐ **Subchapter S Corporation (Z)**
- ☐ **Bankruptcy (B)**
- ☐ **Association/Co-op (A)**
- ☐ **Receivership (R)**
- ☐ **Limited Liability Company**
- ☐ **Other (Describe)**_____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**	☐ **COCHISE**	☐ **COCONINO**
☐ **GILA**	☐ **GRAHAM**	☐ **GREENLEE**
☐ **LA PAZ**	☒ **MARICOPA**	☐ **MOHAVE**
☐ **NAVAJO**	☐ **PIMA**	☐ **PINAL**
☐ **SANTA CRUZ**	☐ **YAVAPAI**	☐ **YUMA**
☐ **STATEWIDE**		

COMPANY NAME
Litchfield Park Service Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	681,103		681,103
304	Structures and Improvements	546,528	35,934	510,594
307	Wells and Springs	1,956,263	371,347	1,584,916
311	Pumping Equipment	799,783	231,193	568,590
320	Water Treatment Equipment	175,443	94,220	81,223
330	Distribution Reservoirs and Standpipes	405,165	58,440	346,724
331	Transmission and Distribution Mains	19,833,779	1,696,498	18,137,280
333	Services	2,658,716	503,656	2,155,060
334	Meters and Meter Installations	2,835,918	646,921	2,188,997
335	Hydrants	1,328,058	232,038	1,096,020
336	Backflow Prevention Devices	13,898	3,100	10,799
339	Other Plant and Misc. Equipment	8,226	215	8,012
340	Office Furniture and Equipment	259,653	39,742	219,911
341	Transportation Equipment	73,889	37,238	36,651
343	Tools, Shop and Garage Equipment	17,340	3,010	14,329
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	34,239	6,638	27,601
347	Miscellaneous Equipment			
348	Other Tangible Plant			
				0
	TOTALS	31,628,001	3,960,190	27,667,811

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

COMPANY NAME
Litchfield Park Service Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	681,103		
304	Structures and Improvements	546,528		12,075
307	Wells and Springs	1,956,263		65,151
311	Pumping Equipment	799,783		83,068
320	Water Treatment Equipment	175,443		35,089
330	Distribution Reservoirs and Standpipes	405,165		7,624
331	Transmission and Distribution Mains	19,833,779		336,091
333	Services	2,658,716		85,718
334	Meters and Meter Installations	2,835,918		218,045
335	Hydrants	1,328,058		26,555
336	Backflow Prevention Devices	13,898		930
339	Other Plant and Misc. Equipment	8,226		215
340	Office Furniture and Equipment	259,653		13,543
341	Transportation Equipment	73,889		5,834
343	Tools, Shop and Garage Equipment	17,340		837
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	34,239		2,864
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	Less: CIAC Amortization			(68,177)
	TOTALS	31,628,001		825,462

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

Half-year convention used on asset additions.

COMPANY NAME
Litchfield Park Service Company

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 296,840	$ 717,794
134	Working Funds		
135	Temporary Cash Investments	1,156,305	1,123,763
141	Customer Accounts Receivable	849,366	767,181
146	Notes/Receivables from Associated Companies	61,230	49,500
151	Plant Material and Supplies		
162	Prepayments	60,720	64,826
174	Miscellaneous Current and Accrued Assets	7,637,729	10,685,271
	TOTAL CURRENT AND ACCRUED ASSETS	**$ 10,062,190**	**$ 13,408,334**
	FIXED ASSETS		
101	Utility Plant in Service	$ 21,632,552	$ 31,628,001
103	Property Held for Future Use		
105	Construction Work in Progress	1,425,404	2,343,546
108	Accumulated Depreciation - Utility Plant	3,066,551	3,960,190
121	Non-Utility Property	29,681,423	36,485,366
122	Accumulated Depreciation - Non Utility	2,295,574	3,392,490
	TOTAL FIXED ASSETS	$ 47,377,254	$ 63,104,234
	TOTAL ASSETS	**$ 57,439,444**	**$ 76,512,568**

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

COMPANY NAME
Litchfield Park Service Company

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ 586,693	$ 315,981
232	Notes Payable (Current Portion)	140,000	195,000
234	Notes/Accounts Payable to Associated Companies	4,482,113	8,909,278
235	Customer Deposits	220,870	236,210
236	Accrued Taxes	321,296	128,149
237	Accrued Interest	266,054	195,012
241	Miscellaneous Current and Accrued Liabilities	103,778	47,846
	TOTAL CURRENT LIABILITIES	$ 6,120,804	$ 10,027,475
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 12,327,420	$ 12,161,759
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	15,203,825	22,552,904
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	7,507,671	13,646,610
272	Less: Amortization of Contributions	1,283,303	1,529,632
281	Accumulated Deferred Income Tax	474,436	474,436
	TOTAL DEFERRED CREDITS	$ 21,902,630	$ 35,144,318
	TOTAL LIABILITIES	$ 40,350,854	$ 57,333,552
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 78,200	$ 78,200
211	Paid in Capital in Excess of Par Value	14,118,180	14,118,180
215	Retained Earnings	2,892,209	4,982,635
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 17,088,590	$ 19,179,015
	TOTAL LIABILITIES AND CAPITAL	**$ 57,439,444**	**$ 76,512,568**

COMPANY NAME
Litchfield Park Service Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 3,906,371	$ 4,980,146
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	$ 3,906,371	$ 4,980,146
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	442,479	452,148
618	Chemicals	4,612	3,540
620	Repairs and Maintenance	39,649	71,718
621	Office Supplies and Expense	75,820	18,171
630	Outside Services	1,243,546	1,635,170
635	Water Testing	11,582	4,217
641	Rents	54,834	37,869
650	Transportation Expenses	17,482	30,106
657	Insurance - General Liability	50,133	65,005
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	35,052	24,471
675	Miscellaneous Expense	53,302	315,188
403	Depreciation Expense	662,838	825,462
408	Taxes Other Than Income		
408.11	Property Taxes	104,397	199,146
409	Income Tax	39,555	288,000
	TOTAL OPERATING EXPENSES	$ 2,835,281	$ 3,970,208
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	$ 263,567	$ 116,717
421	Non-Utility Income	4,050,298	4,973,659
426	Miscellaneous Non-Utility Expenses	2,654,516	2,960,734
427	Interest Expense	894,664	1,039,154
	TOTAL OTHER INCOME/EXP	$ 764,685	$ 1,090,488
	NET INCOME/(LOSS)	$ 1,835,775	$ 2,100,426

COMPANY NAME	Litchfield Park Service Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	04/01/1999	06/01/2001		
Source of Loan	IDA	IDA		
ACC Decision No.	61655	63775		
Reason for Loan	Capital Expansion	Capital Expansion		
Dollar Amount Issued	$5,335,000	$7,500,000	$	$
Amount Outstanding	$4,815,000	$7,500,000	$	$
Date of Maturity	10/01/2023	10/01/2031		
Interest Rate	5.88%	6.70%	%	%
Current Year Interest	$262,887	$435,402	$	$
Current Year Principle	$140,000	$0.00	$	$

Meter Deposit Balance at Test Year End $2,045,395

Meter Deposits Refunded During the Test Year $133,784

COMPANY NAME	Litchfield Park Service Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-583454	200	1000	740	16"	12"	2001
55-611680	75	612	503	12"	12"	1961
55-611678	150	1050	685	16"	12"	1966
55-611677	150	1480	850	16"	12"	1972
55-533836	200	1580	650	16"	12"	1992
55-611727	300	1500	810	16"	12"	1965
55-611729	350	2000	997	20"	12"	1960
55-611717	200	1190	1100	20"	12"	1962

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
BP-1 200hp	1	3300	
BP-2 150hp	1		
BP-3 200hp	1		
BP-4 200hp	1		
BP-5 200hp	1		
BP-6 25hp	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6.3 MGD	1	N/A	

COMPANY NAME	Litchfield Park Service Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	DIP	842
3	DIP	1,739
4	DIP	19,100
6	DIP	366,242
8	DIP	238,037
10	DIP	3,165
12	DIP	77,193
16	DIP	35,739
24	DIP	49,556
30	DIP	5,290
36	DIP	255
42	DIP	325

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	122
3/4	8,428
1	3,274
1 1/2	107
2"	325
4"	13
6"	1
10"	1

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

TREATMENT EQUIPMENT:
Water Treatment –Sodium Hypochloride Generation

STRUCTURES:
Booster Pump Building, Fence, Walls for Wells

OTHER:
N/A

COMPANY NAME	Litchfield Park Service Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	10,869	180,640,592	181,376,010
FEBRUARY	10,966	126,487,568	156,763,560
MARCH	11,078	166,838,480	190,056,480
APRIL	11,142	155,989,816	208,125,860
MAY	11,244	193,297,528	291,257,233
JUNE	11,358	313,937,088	321,250,687
JULY	11,479	280,215,464	350,294,518
AUGUST	11,545	335,839,396	327,272,470
SEPTEMBER	11,611	264,633,160	303,760,300
OCTOBER	11,708	211,363,320	243,940,430
NOVEMBER	11,798	204,578,048	172,709,704
DECEMBER	11,902	134,229,904	148,578,254
	TOTAL	N/A	

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?

(x) Yes ( ) No

If yes, provide the GPCPD amount: 7,489 AF per 3rd Mgmt Plan (ADWR)

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

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

Litchfield Park Service Company

Arsenic results on all systems

Well	Results
TW1A	16 PPD
TW2	19 PPD
TW4	2 PPD
TW5	5 PPD
TW6	20 PPD
9AL	40 PPD
5AL	45 PPD
4AL-FUTURE	<4 PPD
20B	18 PPD

COMPANY NAME Litchfield Park Service Company **YEAR ENDING 12/31/2004**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: $ **264,898.21**

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.

LITCHFIELD PARK SERVICE COMPANY INC.
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340
(623) 935-9367 X 0Fax: (623) 935-1020 X 0000

Bank One
1370 N. Litchfield Road
Goodyear, AZ 85338

000980

DATE
February 18, 2004

AMOUNT
US$117,420.51
U.S. Funds

One Hundred Seventeen Thousand Four Hundred Twenty Dollars and 51 Cents

PAY TO THE ORDER OF
Maricopa County Treasurer
PO Box 78574
Phoenix, AZ 85062-8574

Litchfield Park Service Company Inc.

⑈000980⑈ ⑆122100024⑆ 00529182⑈ ⑈0011742051⑈

⑈000980⑈ ⑆122100024⑆ 00529182⑈ ⑈0011742051⑈

022504 056 780 277 10314 65257900 5 0850022504

0097181784 02/25/2004 3887 0 1
BANK ONE, NA-ARIZONA

BANK ONE, NA
▶111901331◀
02252004

0097181784 WEIGHTED 462 51839292

FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

LITCHFIELD PARK SERVICE COMPANY INC.
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340
(623) 935-9367 X 0Fax: (623) 935-1020 X 0000

Bank One
1370 N. Litchfield Road
Goodyear, AZ 85338

001820

DATE
September 17, 2004

AMOUNT
US$137,609.35
U.S. Funds

One Hundred Thirty Seven Thousand Six Hundred Nine Dollars and 35 Cents

PAY TO THE ORDER OF
Maricopa County Treasurer
PO Box 78574
Phoenix, AZ 85062-8574

Litchfield Park Service Company Inc.

Robert Dodds

⑈001820⑈ ⑆122100024⑆ 00529182⑈ ⑈0013760935⑈

072404 268 700 120 043 4 61507782 8 0549072404CMP

BANK ONE, NA
▶1119013314
09242004
5140257543

DO NOT WRITE

CREDIT TO ACCT OF NAMED PAYEE WITHOUT PREJUDICE ABSENCE OF ENDORSEMENT GUARANTEED BY BANK ONE, NA

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence	Customer Data	Bank #
CD	529182	1820	$137,609.35		9/24/2004	5140257543		601

GL Category	CD VolID/CIMS Key	CD Label
000000000000	20040930523301	20040930523301

LITCHFIELD PARK SERVICE COMPANY INC.
111 W. Wigwam Blvd., Suite B
Litchfield Park, Arizona 85340
(623) 935-9367 X 0Fax: (623) 935-1020 X 0000

Bank One
1370 N. Litchfield Road
Goodyear, AZ 85338

001823

DATE
September 21, 2004

AMOUNT
US$9,868.35
U.S. Funds

Nine Thousand Eight Hundred Sixty Eight Dollars and 35 Cents

PAY TO THE ORDER OF
Maricopa County Treasurer
PO Box 78574
Phoenix, AZ 85062-8574

Litchfield Park Service Company Inc.

⑈001823⑈ ⑆122100024⑆ 00529182⑈ ⑈0000986835⑈

022804 272 714 112 656 4 58175822 4 05190228040CMI

BANK ONE, NA
▶1119013314◀
09282004
5240315478

DO NOT WRITE OR SIGN BELOW THIS LINE

CREDIT TO ACCT OF NAMED PAYEE WITHOUT PREJUDICE ABSENCE OF ENDORSEMENT GUARANTEED BY BANK ONE, NA

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence	Customer Data	Bank #
CD	529182	1823	$9,868.35		9/28/2004	5240315478		601

GL Category	CD VolID/CIMS Key	CD Label
000000000000	20040930523301	20040930523301

COMPANY NAME Litchfield Park Service Company **YEAR ENDING 12/31/2004**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	Unable to isolate due to Consolidated Return filed
Estimated or Actual Federal Tax Liability	
State Taxable Income Reported	Unable to isolate due to Consolidated Return filed
Estimated or Actual State Tax Liability	

Amount of Grossed-Up Contributions/Advances:

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

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	Apr 11/05 **DATE**
Peter Kampian **PRINTED NAME**	CFO **TITLE**

VERIFICATION
AND
SWORN STATEMENT

APR 14 2005

Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA	**COUNTY OF MARICOPA**
	NAME (OWNER OR OFFICIAL) TITLE
I, THE UNDERSIGNED	**Peter Kampian, Chief Financial Officer**
	COMPANY NAME
OF THE	**Litchfield Park Service Company**

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 5,324,041

(THE AMOUNT IN BOX ABOVE INCLUDES $ 343,895 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

905-465-4523
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Halton

THIS 11th **DAY OF** April **20** 05

(SEAL)

ANNE ELIZABETH READE
A COMMISSIONER OF OATHS,
REGIONAL MUNICIPALITY OF HALTON,
FOR ALGONQUIN POWER INCOME FUND.
EXPIRES FEBRUARY 25, 2008.

Reade

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE

INTRASTATE REVENUES ONLY

RECEIVED

APR 14 2005

AZ. CORPORATION COMMISSION
Director Of Utilities

VERIFICATION

STATE OF ARIZONA | **COUNTY OF MARICOPA**

I, THE UNDERSIGNED | NAME (OWNER OR OFFICIAL) **Peter Kampian** | TITLE **Chief Financial Officer**

OF THE | COMPANY NAME **Litchfield Park Service Company**

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 3,346,476

(THE AMOUNT IN BOX AT LEFT INCLUDES $ 216,158 IN SALES TAXES BILLED, OR COLLECTED)

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

SIGNATURE OF OWNER OR OFFICIAL

905-465-4523
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th. **DAY OF**

NOTARY PUBLIC NAME	Anne Reade.
COUNTY NAME	Halton.
MONTH	April, 20 05

(SEAL)

X

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

ANNE ELIZABETH READE
A COMMISSIONER OF OATHS,
REGIONAL MUNICIPALITY OF HALTON,
FOR ALGONQUIN POWER INCOME FUND.
EXPIRES FEBRUARY 25, 2008.

AWRA Bal Sheet

LPSCO Consolidated Statement
BALANCE SHEET
AS AT December 31, 2004

	Actual	Prior Year
ASSETS		
Current Assets		
Cash - Operating	$707,794	$286,840
Cash - Capacity	10,000	10,000
Short Term Investments	1,123,763	1,156,305
Accounts Receivable	3,377,368	3,032,941
Accounts Receivable - Interco	49,500	61,230
Prepaids	64,826	60,720
Total Current Assets	**5,333,251**	**4,608,036**
Intercompany	(1,111,410)	226,933
Long Term Assets		
Fixed Assets		
Land	2,464,529	2,423,503
Generating Facility	65,648,839	48,890,473
Less Accum Depreciation	(7,352,680)	(5,362,125)
Water Treatment Plant	2,343,546	
Contribution in Aid of Construction	(13,646,610)	(7,507,671)
Accum Depreciation - CIAC	1,529,632	1,283,303
Net Fixed Assets	**50,987,256**	**39,727,483**
Other Assets		
Construction in Process		1,425,404
Intangible Asset - Net	8,021,830	5,370,471
Deferred Costs	382,553	428,282
Total Other Assets	**8,404,383**	**7,224,157**
Total Assets	**63,613,480**	**51,786,609**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	3,683,576	1,715,606
Inter group	188,067	
Current Taxes Payable	26,900	204,078
Franchise Tax Payable		
Current Portion of Long Term Debt	195,000	140,000
Total Current Liabilities	**4,093,543**	**2,059,684**
Long Term Liabilities		
Intercompany Notes Payable	4,589,469	4,055,000
Third Party Loans	12,491,059	12,672,019
Customer Meter Deposits	2,045,395	2,216,514
Customer Advances in Aid of Construction	20,507,510	12,987,312
Deferred Income Tax	474,436	474,436
Total Long Term Liabilities	**40,107,869**	**32,405,281**
Total Liabilities	**44,201,412**	**34,464,965**
SHAREHOLDERS EQUITY		
Contributed Capital	14,118,180	14,118,180
Common Shares	78,200	78,200
Total Contributed Capital	**14,196,380**	**14,196,380**
Earnings		

AWRA Bal Sheet

LPSCO Consolidated Statement
BALANCE SHEET
AS AT December 31, 2004

	Actual	Prior Year
Retained Earnings	$5,134,450	$3,298,675
Year to Date Income	2,100,426	1,835,776
Dividends Paid	(2,019,188)	(2,009,188)
Total Earnings	**5,215,688**	**3,125,263**
Total Shareholders' Equity	**19,412,068**	**17,321,643**
Total Liabilities and Equity	**63,613,480**	**51,786,608**

LPSCO Consolidated Statement
INCOME STATEMENT
For the Twelve Months Ending December 31, 2004

CURRENT MONTH						YEAR TO DATE				
Actual	Budget	Prior	% Change Budget	% Change Prior		Actual	Budget	Prior	% Change Budget	% Change Prior
					Revenue					
					Water Sales					
$341,601	$505,542	$223,769	-32.43%	52.66%	Metered Sales - Residential Customers	$3,130,317	$5,055.833	$2,467,517	-38.09%	26.86%
63,069	0	77,072	0.00%	-18.17%	Metered Sales - Commercial Custome	779,867	0	601,854	0.00%	29.58%
77,014	0	57,062	0.00%	34.97%	Metered Sales - Industrial Customers/	877,647	0	670,363	0.00%	30.92%
6,517	0	7,793	0.00%	-16.37%	Fire Protection Revenue	192,315	0	166,636	0.00%	15.41%
488,201	505,542	365,696	-3.43%	33.50%		4,980,146	5,055.833	3,906,370	-1.50%	27.49%
					Waste Water Sales					
544,799	414,629	332,275	31.39%	63.96%	Residential Revenues	4,179,317	4,669.742	3,207,548	-10.50%	30.30%
77,280	0	46,513	0.00%	66.15%	Commercial Revenues	547,718	0	503,943	0.00%	8.69%
13,247	0	8,477	0.00%	56.27%	Industrial Revenues	106,201	0	16,954	0.00%	526.41%
635,326	414,629	387,265	53.23%	64.05%		4,833,236	4,669.742	3,728,445	3.50%	29.63%
					Reclaimed Water Sales (Effluent)					
9,151	3,365	3,650	171.95%	150.71%	Commercial Effluent Revenues	67,401	40.383	50,643	66.90%	33.09%
					Other Revenues					
3,243	0	39,015	0.00%	-91.69%	Other Revenues	183,619	0	496,633	0.00%	-63.03%
3,243	0	39,015	0.00%	-91.69%		183,619	0	496,633	0.00%	-63.03%
1,135,921	**923,536**	**795,626**	**23.00%**	**42.77%**	**Total Revenue**	**10,064,402**	**9,765,958**	**8,182,091**	**3.06%**	**23.01%**
					Operating Costs					
					Sources of Supply, Collections & Expenses					
359	0	0	0.00%	0.00%	Purchases Water	1,585	0	81,185	0.00%	-98.05%
2,760	0	40,447	0.00%	-93.18%	Purchased Power	300,538	0	361,581	0.00%	-16.88%
0	0	21	0.00%	-100.00%	Fuel for Power Production	0	0	265	0.00%	-100.00%
1,263	0	0	0.00%	0.00%	Chemicals	5,569	0	1,880	0.00%	196.22%
823	0	619	0.00%	32.96%	Materials & Suppplies	21,481	0	12,131	0.00%	77.08%
80,369	50,000	54,693	60.74%	46.95%	Contractual Services	996,784	600.003	460,286	66.13%	116.56%
0	0	0	0.00%	0.00%	Equipment Rental	6,097	0	0	0.00%	0.00%
686	0	0	0.00%	0.00%	Transportation Expenses	8,988	0	0	0.00%	0.00%
86,260	50,000	95,780	72.52%	-9.94%		1,341,042	600.003	917,328	123.51%	46.19%
					Water Treatment & Pumping Expenses					
0	0	0	0.00%	0.00%	Chemicals	0	0	1,971	0.00%	-100.00%
0	0	0	0.00%	0.00%	Materials & Suppplies	7,029	0	726	0.00%	868.18%
0	0	0	0.00%	0.00%	Contractual Services	0	0	1,871	0.00%	-100.00%
0	0	0	0.00%	0.00%	Equipment Rental	1,647	0	0	0.00%	0.00%
0	0	0	0.00%	0.00%		8,676	0	4,568	0.00%	89.93%
					Transportation & Distr, Treatment & Disposal Exp					
89,870	42,577	0	111.08%	0.00%	Purchased Power	741,561	510.928	27	45.14%	**********
22	0	0	0.00%	0.00%	Fuel for Power Production	233	0	0	0.00%	0.00%
10,666	0	0	0.00%	0.00%	Chemicals	141,352	0	3,734	0.00%	3685.54%
8,565	2,990	1,575	186.45%	443.81%	Materials & Suppplies	157,476	35.875	28,454	338.96%	453.44%
18,448	42,079	1,944	-56.16%	848.97%	Contractual Services	393,209	504.947	32,491	-22.13%	1110.21%

LPSCO Consolidated Statement
INCOME STATEMENT
For the Twelve Months Ending December 31, 2004

CURRENT MONTH						YEAR TO DATE				
Actual	Budget	Prior	% Change Budget	% Change Prior		Actual	Budget	Prior	% Change Budget	% Change Prior
$10,240	$0	$5,611	0.00%	82.50%	Sludge & Removal Expense	$92,193	$0	$58,959	0.00%	56.37%
1,719	0	0	0.00%	0.00%	Equipment Rental	34,104	0	0	0.00%	0.00%
139,530	87,646	9,130	59.20%	1428.26%		1,560,128	1,051,750	123,665	48.34%	1161.58%
					Effluent Water Treatment Expenses					
0	0	39,228	0.00%	-100.00%	Purchased Power	0	0	425,022	0.00%	-100.00%
0	0	13,983	0.00%	-100.00%	Chemicals	0	0	142,043	0.00%	-100.00%
0	2,990	4,261	-100.00%	-100.00%	Materials & Suppplies	349	35,875	29,468	-99.03%	-98.82%
0	0	41,607	0.00%	-100.00%	Contractual Services-Other	0	0	397,537	0.00%	-100.00%
0	0	822	0.00%	-100.00%	Equipment Rental	0	0	8,987	0.00%	-100.00%
0	2,990	99,901	-100.00%	-100.00%		349	35,875	1,003,057	-99.03%	-99.97%
					Effluent Water Distribution Expenses					
0	0	0	0.00%	0.00%	Contractual Services-Other	910	0	6,876	0.00%	-86.77%
0	0	0	0.00%	0.00%		910	0	6,876	0.00%	-86.77%
225,790	**140,636**	**204,811**	**60.55%**	**10.24%**	**Total Operating Costs**	**2,911,105**	**1,687,628**	**2,055,494**	**72.50%**	**41.63%**
					Maintenance Costs					
					Sources of Supply, Collections & Expenses					
318	2,733	1,404	-88.36%	-77.35%	Materials & Suppplies	32,235	32,800	1,894	-1.72%	1601.95%
0	0	1,435	0.00%	-100.00%	Contractual Services	3,939	0	41,185	0.00%	-90.44%
0	0	334	0.00%	-100.00%	Equipment Rental	103	0	334	0.00%	-69.16%
318	2,733	3,173	-88.36%	-89.98%		36,277	32,800	43,413	10.60%	-16.44%
					Water Treatment & Pumping Expenses					
0	0	0	0.00%	0.00%	Chemicals	0	0	488	0.00%	-100.00%
0	0	0	0.00%	0.00%	Contractual Services-Other	1,395	0	1,105	0.00%	26.24%
0	0	0	0.00%	0.00%		1,395	0	1,593	0.00%	-12.43%
					Transportation & Distr, Treatment & Disposal Exp					
0	2,733	0	-100.00%	0.00%	Materials & Suppplies	6,826	32,800	3,657	-79.19%	86.66%
1,093	0	2,669	0.00%	-59.05%	Contractual Services-Other	1,220	0	10,887	0.00%	-88.79%
0	0	0	0.00%	0.00%	Equipment Rental	2,226	0	0	0.00%	0.00%
1,093	2,733	2,669	-60.01%	-59.05%		10,272	32,800	14,544	-68.68%	-29.37%
					Effluent Water Treatment Expenses					
0	0	0	0.00%	0.00%	Materials & Suppplies	0	0	4,104	0.00%	-100.00%
0	0	0	0.00%	0.00%	Contractual Services-Other	0	0	3,917	0.00%	-100.00%
0	0	0	0.00%	0.00%		0	0	8,021	0.00%	-100.00%
					Effluent Water Distribution Expenses					
0	0	0	0.00%	0.00%	Contractual Services-Other	0	0	17,924	0.00%	-100.00%
0	0	0	0.00%	0.00%		0	0	17,924	0.00%	-100.00%
1,411	**5,466**	**5,842**	**-74.19%**	**-75.85%**	**Total Maintenance Costs**	**47,944**	**65,600**	**85,495**	**-26.91%**	**-43.92%**

LPSCO Consolidated Statement
INCOME STATEMENT
For the Twelve Months Ending December 31, 2004

CURRENT MONTH						YEAR TO DATE				
Actual	Budget	Prior	% Change Budget	% Change Prior		Actual	Budget	Prior	% Change Budget	% Change Prior
					Administrative & General Costs					
$2,070	$0	$1,861	0.00%	11.23%	Telephone	$12,017	$0	$20,662	0.00%	-41.84%
664	14,350	7,695	-95.37%	-91.37%	Materials & Supplies	17,783	172 200	70,805	-89.67%	-74.88%
78,695	104,125	203,158	-24.42%	-61.26%	Contractual Services	1,059,601	1,249.495	1,086,651	-15.20%	-2.49%
3,588	6,013	6,842	-40.33%	-47.56%	Rentals-Building & Equipment	27,259	72 160	66,674	-62.22%	-59.12%
0	0	0	0.00%	0.00%	Security	874	0	113	0.00%	673.45%
1,984	0	(1,669)	0.00%	-218.87%	Transportation Expenses	23,242	0	20,507	0.00%	13.34%
0	0	2,316	0.00%	-100.00%	Meals & Enterainment	0	0	5,379	0.00%	-100.00%
6,967	171	7,446	3974.27%	-6.43%	Licences & Fees	71,968	2 050	22,756	3410.63%	216.26%
0	0	120	0.00%	-100.00%	Public Relations	805	0	5,750	0.00%	-86.00%
0	0	0	0.00%	0.00%	Charitable Donations	235	0	350	0.00%	-32.86%
6,256	6,200	13,241	0.90%	-52.75%	Insurance	81,256	74 400	65,837	9.22%	23.42%
23,067	20,073	19,580	14.92%	17.81%	Property Taxes	248,932	240 875	234,754	3.34%	6.04%
2,519	0	0	0.00%	0.00%	Central Office Costs	41,561	0	0	0.00%	0.00%
1,095	0	1,331	0.00%	-17.73%	Bank Charges	29,491	0	28,827	0.00%	2.30%
0	0	0	0.00%	0.00%	Capacity Costs	0	0	35,836	0.00%	-100.00%
126,905	**150,932**	**261,921**	**-15.92%**	**-51.55%**	**Total Administrative & General Costs**	**1,615,024**	**1,811,180**	**1,664,901**	**-10.83%**	**-3.00%**
781,815	**626,502**	**323,052**	**24.79%**	**142.01%**	**Net Income Before Depn, Interest & Tax**	**5,490,329**	**6,201,550**	**4,376,201**	**-11.47%**	**25.46%**
					Interest					
92,211	65,222	91,626	41.38%	0.64%	Interest	1,040,009	782 665	829,691	32.88%	25.35%
92,211	**65,222**	**91,626**	**41.38%**	**0.64%**	**Total Interest**	**1,040,009**	**782,665**	**829,691**	**32.88%**	**25.35%**
					Depreciation / Amortization					
178,238	144,799	134,325	23.09%	32.69%	Amortization	1,978,366	1,737 590	1,633,199	13.86%	21.13%
178,238	**144,799**	**134,325**	**23.09%**	**32.69%**	**Total Depreciation & Amortization**	**1,978,366**	**1,737,590**	**1,633,199**	**13.86%**	**21.13%**
					Income Taxes					
30,000	0	(221,434)	0.00%	-113.55%	Income Taxes	360,000	0	77,430	0.00%	364.94%
30,000	**0**	**(221,434)**	**0.00%**	**-113.55%**	**Total Income Taxes**	**360,000**	**0**	**77,430**	**0.00%**	**364.94%**
					Other Income and Expense					
(2,378)	0	0	0.00%	0.00%	Other Income and Expense	11,526	0	111	0.00%	**********
(2,378)	**0**	**0**	**0.00%**	**0.00%**	**Total Other Income and Expense**	**11,526**	**0**	**111**	**0.00%**	**10283.78%**
483,744	**416,481**	**318,535**	**16.15%**	**51.87%**	**Net Income**	**2,100,428**	**3,68[illegible],295**	**1,835,770**	**-42.94%**	**14.42%**