ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-01979A

WATCO

P.O. Box 1270
Show Low, AZ 85902

RECEIVED

MAR 29 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) WATCO

Mailing Address P.O. Box 1270 340A N. 9th Street
(Street)

Show Low (City) AZ (State) 85939 (Zip)

928-537-8739 Telephone No. (Include Area Code) 928-537-8739 Fax No. (Include Area Code) 928-532-6941 Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

Local Office Mailing Address P.O. Box 1270
(Street)

Show Low (City) AZ (State) 85939 (Zip)

928-537-8739 Local Office Telephone No. (Include Area Code) 928-537-8739 Fax No. (Include Area Code) 928-532-6941 Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

MANAGEMENT INFORMATION

Management Contact: Mark Grapp (Name) Owner (Title)

P.O. Box 1270 340A N. 9th St. (Street) Show Low (City) AZ (State) 85902 (Zip)

928-537-8739 Telephone No. (Include Area Code) 928-537-8739 Fax No. (Include Area Code) 928-532-6941 Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

On Site Manager: same as above
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) 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: NA
(Name)

(Street) (City) (State) (Zip)

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

Attorney: NA
(Name)

(Street) (City) (State) (Zip)

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

X 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:

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

COUNTIES SERVED

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

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

COMPANY NAME: WATCO

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1542	0	1542
302	Franchises	7	0	7
303	Land and Land Rights	27094	0	27094
304	Structures and Improvements	9135	6251	2884
307	Wells and Springs	19361	18640	721
311	Pumping Equipment	13023	8259	4764
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59016	27986	31030
331	Transmission and Distribution Mains	371619	296923	74696
333	Services	65044	43526	21518
334	Meters and Meter Installations	20438	14270	6168
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	**586279**	**415855**	**170424**

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

COMPANY NAME: WATCO

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27094	0	0
304	Structures and Improvements	9135	3.33	304
307	Wells and Springs	19361	3.33	645
311	Pumping Equipment	13023	12.5	1628
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59016	5	2951
331	Transmission and Distribution Mains	371619	2	7432
333	Services	65044	3.33	2166
334	Meters and Meter Installations	20438	8.33	1702
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	**586279**	0	**16828**

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

COMPANY NAME: WATCO

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	10780	0
134	Working Funds	0	7332
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	5000	6439
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	**15780**	**13771**
	FIXED ASSETS		
101	Utility Plant in Service	584539	586279
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(399028)	(415855)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	185511	170424
	TOTAL ASSETS	**201291**	**184195**

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

*Includes Main Extension Monies

COMPANY NAME: WATCO

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	0	0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	20458	20458
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	**20458**	**20458**
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	17853	20424
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	0	0
252	Advances in Aid of Construction	26177	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	192	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	**25985**	**0**
)			
	TOTAL LIABILITIES	**43838**	**40882**
)			
	CAPITAL ACCOUNTS		
201	Common Stock Issued	0	0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	201292	188336
218	Proprietary Capital (Sole Props and Partnerships)	0	(45023)
	TOTAL CAPITAL	201292	143313
	TOTAL LIABILITIES AND CAPITAL	**245130**	**184195**

COMPANY NAME: WATCO

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	75869	94296
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	805	840
	TOTAL REVENUES	76674	95136
	OPERATING EXPENSES		
601	Salaries and Wages	35270	48898
610	Purchased Water	0	0
615	Purchased Power	8054	10106
618	Chemicals	0	0
620	Repairs and Maintenance	0	345
621	Office Supplies and Expense	3677	5998
630	Outside Services	1682	3000
635	Water Testing	70	3432
641	Rents	0	1136
650	Transportation Expenses	5886	8628
657	Insurance – General Liability	704	2151
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	66	0
675	Miscellaneous Expense	0	45
403	Depreciation Expense	16770	16828
408	Taxes Other Than Income	4347	5526
408.11	Property Taxes	4980	1625
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	**81507**	**107718**
	OPERATING INCOME/(LOSS)	(4833)	(12582)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(146)	(374)
	TOTAL OTHER INCOME/(EXPENSE)	(146)	(374)
	NET INCOME/(LOSS)	**(4978)**	**(12956)**

COMPANY NAME: WATCO

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 $ 6,884.00

Meter Deposits Refunded During the Test Year $ 1,364.00

COMPANY NAME: WATCO

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	8	538	2	1964
55-506606	5	31	6	440	2	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NA		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	5	0	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	1
25,000	1	10,000	1

COMPANY NAME: WATCO

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	0	0
3	0	0
4	AC & PVC	33,992
5	0	0
6	PVC	8,746
8	0	0
10	0	0
12	0	0

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	276
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

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

TREATMENT EQUIPMENT:

NA

STRUCTURES:

12' x 30' building
20' x 20' building

OTHER:

NA

COMPANY NAME: WATCO

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	29	878,720	152,000
FEBRUARY	29	802,480	1,424,000
MARCH	29	1,109,090	1,089,000
APRIL	29	897,910	150,000
MAY	29	1,136,280	191,000
JUNE	29	1,827,720	350,000
JULY	29	2,234,500	295,000
AUGUST	29	2,074,570	298,000
SEPTEMBER	29	2,166,830	259,000
OCTOBER	29	1,660,310	185,000
NOVEMBER	29	1,310,150	143,000
DECEMBER	29	975,080	1,419,000
	TOTAL	N/A	5,955,000

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

( ) Yes **(X) No**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes **(X) No**

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. See Below____**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.

BR - .0046 04/28/00

COMPANY NAME: WATCO

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	245	878,720	1,376,000
FEBRUARY	245	802,480	2,216,000
MARCH	241	1,109,090	-37,000
APRIL	245	897,910	1,332,000
MAY	240	1,136,280	2,153,000
JUNE	245	1,827,720	2,006,000
JULY	248	2,234,500	1,988,000
AUGUST	247	2,074,570	2,066,000
SEPTEMBER	253	2,166,830	1,546,000
OCTOBER	250	1,660,310	1,131,000
NOVEMBER	247	1,310,150	972,000
DECEMBER	251	975,080	1,110,000
	TOTAL	N/A	17,859,000

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

( ) Yes **(X) No**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes **(X) No**

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. See Below____ **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.

SLE - .0030 10/14/03

COMPANY NAME WATCO **YEAR ENDING 12/31/2004**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: $ 3377

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.

Copies on following pages.

MARK E. GRAPP 11-96
BARBARA L. GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902

1956

Date 4-8-04

91-170/1221 AZ
8595

Pay to the order of Navajo County Treasurer $ 43.14

Forty three + 14/100 Dollars

Bank of America

Bank of America Advantage®

ACH R/T 122101706

For Parcel #204-27-027

⑆122101706⑆ 0002348261 65⑈ 1956 ⑈0000004314⑈

COMMUNITY FIRST BANK >091300038
FARGO, N. DAKOTA
400265196 04-20-04 13 8220140428

PAY TO THE ORDER OF
COMMUNITY FIRST BANK
HOLBROOK, AZ
FOR DEPOSIT ONLY
NAVAJO COUNTY TREASURER
8220140428

VS DATE 04/21/04
P23 E C 010 AZ

04/21/04 E3664 01 P01

3550231546

MARK E. GRAPP 11-96
BARBARA L. GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902

1958

Date 4-8-04

91-170/1221 AZ
8595

Pay to the order of Navajo County Treasurer $ 163.86

One hundred sixty three + 86/100 Dollars

Security features are available. Details on back.

Bank of America

Bank of America Advantage®

ACH R/T 122101706

For 926-81-005

MP

⑆122101706⑆ 0002348261 65⑈ 1958 ⑈0000016386⑈

PAY TO THE ORDER OF
COMMUNITY FIRST BANK
HOLBROOK, AZ
FOR DEPOSIT ONLY
NAVAJO COUNTY TREASURER
8220140428

COMMUNITY FIRST BANK >091300036<
FARGO, N. DAKOTA
4002319 99 04-13-04 13 8220140428

FARGO, ND
VS DATE 04/15/04
04/15/04 E2204 01 MPZE C 01M 02

Tax Roll = 767287

MARK E. GRAPP 11-96
BARBARA L. GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902

1957

Date 4-8-04

91-170/1221 AZ
8595

Pay to the order of Navajo County Treasurer $ 1,344.61

One thousand three hundred forty four 61/100 Dollars

Security features are included. Details on back.

Bank of America

Bank of America Advantage®

ACH R/T 122101706

For Parcel #926-81-008

MP

⑆122101706⑆ 0002348261 65⑈ 1957 ⑈0000134461⑈

COMMUNITY FIRST BANK >091300036
FARGO, N. DAKOTA
400232000 04-13-04 13 8220140428

PAY TO THE ORDER OF
COMMUNITY FIRST BANK
HOLBROOK, AZ
FOR DEPOSIT ONLY
NAVAJO COUNTY TREASURER
8220140428

FARGO, ND

VS DATE 04/15/04

04/15/04 E3284 01 P01P23 E C 010 AZ

3500036831

WATCO
MARK GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902-1270

2766

91-170/1221 AZ
8595

Date 11-1-04

Pay to the Order of Navajo Co Treasurer $1,033.45

One thousand thirty three & 45/100 Dollars

Bank of America

ACH R/T 122101706

For 926-81-008

⑆122101706⑆ 0002354419 53⑈ 2766 ⑈0000103345⑈

GUARDIAN® SAFETY YELLOW WYE

©Clarica American

COMMUNITY FIRST BANK >091300036<
FARGO, N. DAKOTA
400102600 12-03-04 13 8220140428

US DATE 12/06/04
12/06/04 E3564 01 P01 FWD E C 045 AZ

3150977867

COMMUNITY FIRST BANK >091300036<
FARGO, N. DAKOTA
400102601 12-03-04 13 8220140428

US DATE 12/06/04
12/06/04 E3564 01 P01 P08 E C 045 AZ
3150977068

WATCO
MARK GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902-1270

2765

Date 11-1-04

91-170/1221 AZ
8595

Pay to the Order of Navajo Co Treasurer $ 553.22

Five hundred fifty three & 22/100 Dollars

Bank of America

ACH R/T 122101706

For 926-81-005

⑆122101706⑆ 0002354419 53⑈ 2765 ⑈0000055322⑈

©Clarke American

GUARDIAN® SAFETY YELLOW WYE

WATCO
MARK GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902-1270

2764

Date 11-1-04

91-170/1221 AZ
8595

Pay to the Order of Navajo Co Treasurer $38.90

Thirty eight + 90/100 Dollars

Bank of America

ACH R/T 122101706

For 204-27-027

MP

⑆122101706⑆ 000235441953⑈ 2764 ⑈0000003890⑈

©Clarke American

GUARDIAN® SAFETY YELLOW WYE

BANK OF THE WEST >121100782<
400098059 12-08-04 07 8220140428

US DATE 12/09/04
P08 E C 045 AZ

12/09/04 E3881 01 P01

3550296701

For Deposit Only
0940096116

BANK OF AMERICA,NA TPE
12/17/04

WS DATE 12/17/04
PAR E C 045 AZ

WATCO
MARK GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902-1270

2817

Date 12-14-04

91-170/1221 AZ
8595

Pay to the order of Mark Grapp $ 200.00

Two hundred + 00/100 Dollars

Security features are included. Details on back.

Bank of America

ACH R/T 122101706

For Taxes-'03

MP

⑆122101706⑆ 0002354419 53⑈ 2817 ⑈0000020000⑈

COMPANY NAME WATCO **YEAR ENDING 12/31/2004**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	*NA-Sole Proprietorship
Estimated or Actual Federal Tax Liability	pays it's taxes based on Owners schedule C
State Taxable Income Reported	Income
Estimated or Actual State Tax Liability	*Silverwell Service Corp. Is defuct*

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.

SIGNATURE	3-28-05 **DATE**
Mark Grapp **PRINTED NAME**	owner / General Manager **TITLE**

RECEIVED

MAR 29 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	~~Apache~~ Navajo
NAME (OWNER OR OFFICIAL) TITLE	Mark Grapp
COMPANY NAME	Water / Silver Well Service

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 ($)
$ 95,136.00

(THE AMOUNT IN BOX ABOVE INCLUDES $ 5,526.005 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

928-537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th **DAY OF**

COUNTY NAME	Navajo
MONTH	March 2005

(SEAL) NOTARY PUBLIC STATE OF ARIZONA County of Navajo BETHANY G. SHERRER My Appointment Expires 07-31-07

Bethany G. Sherrer

Nee: Bethany G. Sherrer

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

VERIFICATION AND SWORN STATEMENT

RESIDENTIAL REVENUE

INTRASTATE REVENUES ONLY

RECEIVED

MAR 29 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Navajo	
NAME (OWNER OR OFFICIAL) Mark Grapp	TITLE owner
COMPANY NAME Watco / Silver Well Service	

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
$ 95,136.00

(THE AMOUNT IN BOX AT LEFT INCLUDES $ 5,526.00 IN SALES TAXES BILLED, OR COLLECTED)

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

SIGNATURE OF OWNER OR OFFICIAL

928-537-8739

TELEPHONE NUMBER

NOTARY PUBLIC STATE OF ARIZONA Coconino County BETHANY G. SHEARER My Appointment Expires 07-31-07

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th **DAY OF**

NOTARY PUBLIC NAME Bethany B. Francis	
COUNTY NAME Navajo	
MONTH March	20 05

(SEAL)

MY COMMISSION EXPIRES

7/31/07

X _____

SIGNATURE OF NOTARY PUBLIC

Nee: _____

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**