ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

SW-03575A
Palo Verde Utilities Company
~~22601 N. 19th Ave, Ste 210~~ 21410 N. 19th Ave, Ste 201
Phoenix, AZ 85027

RECEIVED
APR 17 2006
Z Corporation Commissic
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005

FOR COMMISSION USE

ANN05	05

Entered
4-18-06
RF

Scanned
5-1-06 RF

COMPANY INFORMATION

Company Name (Business Name) Palo Verde Utilities Company

Mailing Address 21410 N. 19th Ave Ste 201
(Street)

Phoenix (City) Az (State) 85027 (Zip)

623-580-9600 (Telephone No. (Include Area Code)) 623-580-9659 (Fax No. (Include Area Code)) Pager/Cell No. (Include Area Code)

Email Address www.gwresources.com

Local Office Mailing Address SAME
(Street)

(City) (State) (Zip)

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

Email Address

MANAGEMENT INFORMATION

Management Contact: CINDY LILES (Name) SVP Growth + CFO (Title)

21410 N. 19th Ave Ste 201 Phoenix Az 85027
(Street) (City) (State) (Zip)

623-580-9600 (Telephone No. (Include Area Code)) 623-580-9659 (Fax No. (Include Area Code)) Pager/Cell No. (Include Area Code)

Email Address cindy.liles@gwresources.com

On Site Manager: GRAHAM SYMMONDS
(Name)

21410 N. 19th Ave Ste 201 Phoenix Az 85027
(Street) (City) (State) (Zip)

623-580-9600 (Telephone No. (Include Area Code)) 623-580-9654 (Fax No. (Include Area Code)) Pager/Cell No. (Include Area Code)

Email Address graham.symmonds@gwresources.com

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

Statutory Agent: Roshka, DeWulf, Patten
(Name)

400 E. Van Buren Ste 800 Phoenix Az 85004
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800
Telephone No. (Include Area Code) Fax No. (Include Area Code Pager/Cell No. (Include Area Code)

Attorney: Roshka, DeWulf, Patten
(Name)

400 E. Van Buren Ste 800 Phoenix Az 85004
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800
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)**
- ☐ **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:

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

PALO VERDE UTILITY COMPANY

UTILITY PLANT IN SERVICE

ACCT. NO.	DESCRIPTION	ORIGINAL COST (OC)	ACCUMULATED DEPRECIATION (AD)	O.C.L.D. (OC LESS AD)
351	Organization	$ 88,723		$ 88,723
352	Franchises			
353	Land and Land Rights	164,670		164,670
354	Structures and Improvements	13,369,572	(814,866)	12,554,706
355	Power Generation Equipment	195,255	(18,799)	176,456
360	Collection Sewers – Force	2,441,960	(251,078)	2,190,882
361	Collection Sewers – Gravity	12,642,958	(382,564)	12,260,394
362	Special Collecting Structures			
363	Services to Customers	842,967	(40,457)	802,510
364	Flow Measuring Devices	23,636	(1,182)	22,454
365	Flow Measuring Installations			
370	Receiving Wells	104,019	(16,435)	87,584
371	Pumping Equipment	1,600,562	(76,694)	1,523,868
375	Reuse Trans & Dist Systems	3,767,704	(83,849)	3,683,855
380	Treatment and Disposal Equip.	4,913,900	(295,860)	4,618,040
381	Plant Sewers	75,068	(10,510)	64,558
382	Outfall Sewer Lines	350,837	(43,153)	307,684
389	Other Plant and Misc. Equipment	263,431	(11,733)	251,698
390	Office Furniture and Equipment	230,777	(34,009)	196,768
391	Transportation Equipment	136,495	(18,316)	118,179
393	Tools, Shop and Garage Equip.	7,324	(319)	7,005
394	Laboratory Equipment	19,687	(2,669)	17,018
395	Power Operated Equipment			
396	Communication Equipment	27,021	(2,668)	24,353
398	Other Tangible Plant	318,421	(15,484)	302,937
	TOTALS	**$ 41,584,987**	**$ (2,120,645)**	**$ 39,464,342**

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

PALO VERDE UTILITY COMPANY

CALCULATION OF DEPRECIATION EXPENSE

ACCT. NO.	DESCRIPTION	ORIGINAL COST (1)	DEPRECIATION PERCENTAGE (2)	DEPRECIATION EXPENSE (1X2)
351	Organization	$ 88,723		
352	Franchises			
353	Land and Land Rights	164,670		
354	Structures and Improvements	13,369,572	3.33%	308,005
355	Power Generation Equipment	195,255	5%	4,173
360	Collection Sewers – Force	2,441,960	3.6%	62,662
361	Collection Sewers – Gravity	12,642,958	3.6%	282,698
362	Special Collecting Structures			
363	Services to Customers	842,967	2%	14,978
364	Flow Measuring Devices	23,636	10%	1,182
365	Flow Measuring Installations			
370	Receiving Wells	104,019	5%	3,433
371	Pumping Equipment	1,600,562	5%	51,258
375	Reuse Trans & Dist Systems	3,767,704	2.5%	60,781
380	Treatment and Disposal Equip.	4,913,900	5%	166,719
381	Plant Sewers	75,068	4%	3,003
382	Outfall Sewer Lines	350,837	3.6%	11,578
389	Other Plant and Misc. Equipment	263,431	6.67%	10,729
390	Office Furniture and Equipment	230,777	6.8% & 20%	18,074
391	Transportation Equipment	136,495	20%	17,840
393	Tools, Shop and Garage Equip.	7,324	6.3%	319
394	Laboratory Equipment	19,687	5%	968
395	Power Operated Equipment			
396	Communication Equipment	27,021	10%	2,668
398	Other Tangible Plant	318,421	10%	15,484
	TOTALS	**$ 41,584,987**		**$ 1,036,552**

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

PALO VERDE UTILITY COMPANY

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ -	$ -
132	Special Deposits	91,442	92,732
135	Temporary Cash Investments		
141	Customer Accounts Receivable	135,084	425,496
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		26,498
174	Miscellaneous Current and Accrued Assets	16,825	
	TOTAL CURRENT AND ACCRUED ASSETS	$ 243,351	$ 544,726
	FIXED ASSETS		
101	Utility Plant in Service	$15,403,361	$ 41,584,987
103	Property Held for Future Use		
105	Construction Work in Progress	5,348,088	8,050,798
108	Accumulated Depreciation – Utility Plant	(1,084,092)	(2,123,171)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$ 19,667,357	$ 47,512,614
	TOTAL ASSETS	**$ 19,910,708**	**$ 48,057,340**

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

PALO VERDE UTILITY COMPANY

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ 991,008	$ 2,590,999
232	Notes Payable (Current Portion)		0
234	Notes/Accounts Payable to Associated Companies	112,116	0
235	Customer Deposits		0
236	Accrued Taxes		0
237	Accrued Interest		0
241	Miscellaneous Current and Accrued Liabilities	407,641	1,295,601
	TOTAL CURRENT LIABILITIES	$ 1,510,765	$ 3,886,600
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$	$
	DEFERRED CREDITS		
252	Advances in Aid of Construction	$ 3,142,297	$ 5,076,085
253	Other Deferred Credits		
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	$ 3,142,297	$ 5,076,085
	TOTAL LIABILITIES	$ 4,653,062	$ 8,962,685
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 15,403,594	$ 38,660,609
211	Other Paid in Capital		
215	Retained Earnings	(145,948)	434,046
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 15,257,646	$ 39,094,655
	TOTAL LIABILITIES AND CAPITAL	**$ 19,910,708**	**$ 48,057,340**

PALO VERDE UTILITY COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	$ 1,064,811	$ 2,694,696
522	Measured Revenues		37,607
536	Other Wastewater Revenues	105,325	256,319
	TOTAL REVENUES	$ 1,170,136	$ 2,988,622
	OPERATING EXPENSES		
701	Salaries and Wages	$	$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	11,271	
715	Purchased Power	91,179	140,137
716	Fuel for Power Production	1,827	3,861
718	Chemicals		22,876
720	Materials and Supplies	32,664	40,889
731	Contractual Services – Professional	300,423	711,807
735	Contractual Services – Testing		29,337
736	Contractual Services – Other		72,899
740	Rents	20,500	29,044
750	Transportation Expense		
755	Insurance Expense	9,158	61,026
765	Regulatory Commission Expense		1,406
775	Miscellaneous Expense	96,149	135,645
403	Depreciation Expense	507,994	1,036,552
408	Taxes Other Than Income		
408.11	Property Taxes	18,229	51,573
409	Income Taxes		
	TOTAL OPERATING EXPENSES	$ 1,089,394	$ 2,337,051
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	$ 889	$ 1,290
421	Non-Utility Income	302	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE	$ 1,191	$ 1,290
	NET INCOME/(LOSS)	**$ 81,933**	**$ 652,861**

PALO VERDE UTILITY COMPANY

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
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	$	$	$	$

COMPANY NAME: PALO VERDE UTILITIES COMPANY

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.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 0.3 MGD Facultative Lagoon (not in use)
DESIGN CAPACITY OF PLANT (Gallons per Day)	3.0 MGD Permitted Capacity = 9.0 MGD (per APP 105228)

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower per Pump	Capacity per Pump (GPM)	Wet Well Capacity (gal)
Influent Lift Station	2	35 HP	2100	5,140
Rancho El Dorado L/S	3	20 HP	1000	4,710
Reclaimed Water Delivery System	3	50 HP	2100	78,800
Cobblestone Lift Station	2	18 HP	800	8,500
McDavid L/S	2	70 HP	650	8,900
Maricopa Groves L/S	2	40 HP	750	15,600
Alterra L/S	2	15 HP	800 (no head)	13,200
Tortosa L/S	2	5 HP	300 (no head)	10,300
New Influent L/S	2		2100	240,000

FORCEMAINS

Size	Material	Length
8-inch	PVC	520
10-inch	PVC	6552
14-inch	PVC	2406
Reclaimed Water Pipe	8" C-900	20
	10" C-900	6260
	12" C-900	130
	16" C-905	5320
	18" C-905	10810
	24" C-905	20536
	24" C-900	4420
	10" DIP	30
	16" DIP	710
	18" DIP	240
	24" DIP	1935

COMPANY NAME: PALO VERDE UTILITIES COMPANY

MANHOLES

Type	Quantity
Standard	940
Drop	3
Discharge	1

CLEANOUTS

Quantity
33

COMPANY NAME: PALO VERDE UTILITIES COMPANY

WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
6	PVC	115
8	PVC	169181
10	PVC	14314
12	PVC	13553
14	PVC	5080
15	PVC	12500
18	PVC	2570
24	PVC	7740
36	PVC	7200
8	DIP	440
10	DIP	490
12	DIP	300
14	DIP	480
18	DIP	110
24	DIP	520
30	DIP	2275
24	HDPE	10914
27	HDPE	1679
30	HDPE	8741
36	HDPE	180
42	HDPE	6011
48	HDPE	4474
18	RGR Concrete	140
24	RIB	100
30	RIB	4260

SERVICES

Size (in inches)	Material	Quantity
4	PVC	9528

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

SOLIDS PROCESSING AND HANDLING FACILITIES	1 x 1.5 m Filter Belt Press 1 x Conveyor System for Biosolids 2 x ¼-in Influent Trash Removal Auger 1 x Grit Classifier 1 x Conveyor for Grit/Trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Low Pressure High Intensity UV 1 x Chlorination System 1 x Dechlorination System
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	4 x 1.0 MGD sand filters (gravity, traveling bridge)
STRUCTURES (Buildings, Fences, Etc)	Office/Lab/Storage = 1500 sq ft SBR Blower Building = 1400 sq ft Headworks Building = 2800 sq ft Blower/Solids Handling = 2400 sq ft Masonry Walls (Filtration + Odor Control) = 600 ft Chain Link Fence: Lagoon = 2450 ft, SBR = 800 ft

COMPANY NAME: PALO VERDE UTILITIES COMPANY

OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor Scrubbers: 1 x Lift Station; 2 x SBR Systems 1 x Polymer Injection System 1 x 1500 kW D/G 1 x 350 kVA D/G 1 x 80 kVA D/G 1 x 60 kW D/G HACH Portable Water Test Kit (DR2000) 2 x ¾ Ton Vehicle – Service Body 2 x ½ Ton Pick-up Truck

COMPANY NAME: PALO VERDE UTILITIES COMPANY

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	4228	12,730,812	489,900
February	4526	11,930,881	609,330
March	4786	13,166,847	506,000
April	5061	13,782,711	543,226
May	5371	15,068,518	590,406
June	5781	14,134,466	538,615
July	6579	15,753,166	639,675
August	7141	18,831,064	677,356
September	8059	18,654,369	725,217
October	8872	20,175,184	880,145
November	9308	22,456,429	938,815
December	9528	26,178,280	948,729

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (Leach Field, Surface Water Discharge, Reuse, Injection Well, Groundwater Recharge, Evaporation Ponds, Etc)	Re-Use to agricultural fields AzPDES Re-Use to Type 2 Reclaimed
Wastewater Inventory Number (All wastewater systems are assigned an inventory number)	Facility ID 5048
Groundwater Permit Number	
ADEQ Aquifer Protection Permit	APP 105228 APP 103558
ADEQ Reuse Permit Number	R103558 R105393 R105394 R105395 R105392 R105228
EPA NPDES Permit Number (AzPDES)	AZ0025071

COMPANY NAME: PALO VERDE UTILITIES COMPANY

STATISTICAL INFORMATION

Total number of Customers 9,528

Total number of gallons treated 202,862,727 gallons

COMPANY NAME PALO VERDE UTILITIES COMPANY YEAR ENDING 12/31/2005

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.

Cindy Liles
SIGNATURE

4-16-06
DATE

CINDY LILES
PRINTED NAME

SVP Growth + CFO
TITLE

COMPANY NAME PALO VERDE UTILITIES COMPANY YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: $ 34231.18

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 17 2006
Z Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	CINDY LILES SVP Growth + CFO
COMPANY NAME	PALO VERDE UTILITIES COMPANY

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	2005

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.

Jennie L. Critchfield
Notary Public - Arizona
Maricopa County
My Commission Expires
April 18, 2009

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 17 DAY OF April

COUNTY NAME	MARICOPA
MONTH	2006

(SEAL)

Jennie L. Critchfield
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 4/18/09

RECEIVED

MAY 03 2006

AZ CORP COMM
Director Utilities

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pinal County	
NAME (OWNER OR OFFICIAL) TITLE Cindy Liles	CFO, VP of Growth Mgmt
COMPANY NAME Palo Verde Utility Company	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 2,424,604 *

*Excludes unregulated revenue of $564,018.

(THE AMOUNT IN BOX ABOVE INCLUDES $ 0 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)

Cindy L Liles
SIGNATURE OF OWNER OR OFFICIAL

623 580 9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

Jennie L. Critchfield

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME Maricopa	
MONTH May	, 2006

THIS 2nd **DAY OF**

Jennie L Critchfield
SIGNATURE OF NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES 4/18/09

Jennie L Critchfield
Notary Public - Arizona
Maricopa County
My Commission Expires
April 18, 2009

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED
MAY 03 2006
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pinal		
NAME (OWNER OR OFFICIAL)	Cindy R Liles	TITLE	SVP & CFO
COMPANY NAME	Palo Verde Utilities Co		

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
$ 2,086,695

(THE AMOUNT IN BOX AT LEFT INCLUDES$ 0 IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**
****Excludes unregulated revenue of $563,467.**

X Cindy R Liles
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 2nd **DAY OF**

NOTARY PUBLIC NAME	Jennie L. Critchfield
COUNTY NAME	Maricopa
MONTH May	20 06

(SEAL)

MY COMMISSION EXPIRES 4/18/09

X Jennie Critchfield
SIGNATURE OF NOTARY PUBLIC

Jennie L Critchfield
Notary Public - Arizona
Maricopa County
My Commission Expires
April 18, 2009

Palo Verde Utilities Co., LLC

001850

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
008283	954-32-01900	12/8/2005	25,660.84	25,660.84	0.00	0.00
008284	512-05-892C8	12/8/2005	125.80	125.80	0.00	25,786.64

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Palo Verde Utilities Co., LLC
22601 N. 19th Avenue, Suite 210
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

56-382/412

001850

DATE	CHECK NO.	AMOUNT
12/9/2005	001850	$*****25,786.64

PAY Twenty-Five Thousand Seven Hundred Eighty-Six and 64/100---------- Dollars

TO THE ORDER OF
Pinal County Treasurer
P O Box 729
Florence, AZ 85232
United States

BORDER CONTAINS MICROPRINTING

⑈001850⑈ ⑆041203824⑆9600056231⑈

Palo Verde Utilities Co., LLC

001850

Vendor PINCO3 Check Date 12/9/2005 Check Number 001850

Ref Nbr	Invc Nbr	Invc Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
008283	954-32-01900	12/8/2005	25,660.84	25,660.84	0.00	
008284	512-05-892C8	12/8/2005	125.80	125.80	0.00	25,786.64

NOTICE OF PAST DUE TAXES

The properties described below have delinquent taxes for the years and amounts listed.

PALO VERDE UTILITY COMPANY

Parcel	From	To	Tax/Cert	Int/Fee	Total	Notes *
954-32-01900	2005		24,994.33	666.51	25,660.84	[6,7]
TOTAL VALUE OF OPERATING PROPERTY			---	---	---	
					25,660.84	

Company ID 202 Post Pd 12-05

Account Code 93994 Sub 00 - 00

Signature

Date 12/8/05

Approved by

ENTERED

If paid by **12/31/2005**

Notes *

RECEIVED
DEC 0 2 2005

NOTICE OF PAST DUE TAXES

The properties described below have delinquent taxes for the years and amounts listed.

PALO VERDE UTILITIES CO LLC

Parcel	From	To	Tax/Cert	Int/Fee	Total	Notes *
512-05-892C8	2005		122.54	3.26	125.80	[6,7]
TRACT H OF COBBLESTONE FARMS AS RECORDED IN CAB D SLD 1			+			
			---	---	---	
					125.80	

Company ID 202 Post Pd 12-05

Account No. 93974 Sub 00 - 00

Signature

Date 12/2/05

Approved by

ENTERED

If paid by 12/31/2005

Notes *

Palo Verde Utilities Company
22601 N. 19th Avenue Suite 210
Phoenix, AZ 85027
(623) 580-9600

WELLS FARGO BANK
NATIONAL ASSOCIATION
SANTA ROSA, CA 95409
11-24/1210

2282

3/11/2005

PAY TO THE ORDER OF Pinal County Treasurer $ **9,114.31

Nine Thousand One Hundred Fourteen and 31/100********** DOLLARS

Pinal County Treasurer
P O Box 729
Florence, AZ 85232

MEMO 954-32-01900 Paid Under Protest

COPY NOT NEGOTIABLE

⑈002282⑈ ⑆121000248⑆4100070689⑈

Palo Verde Utilities Company

2282

Pinal County Treasurer 3/11/2005

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/25/2004	Bill	954-32-01900 May1	9,114.31	9,114.31		9,114.31
					Check Amount	9,114.31

Wells Fargo Bank - checki 954-32-01900 Paid Under Protest 9,114.31

Palo Verde Utilities Company

2282

Pinal County Treasurer 3/11/2005

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/25/2004	Bill	954-32-01900 May1	9,114.31	9,114.31		9,114.31
					Check Amount	9,114.31

Wells Fargo Bank - checki 954-32-01900 Paid Under Protest 9,114.31

PAID RECORD

506125 (5/04)

2004 PINAL COUNTY

THIS IS THE ONLY TAX NOTICE YOU WILL RECEIVE.

The Office of County Treasurer has elected to send individual property tax statements to the owner of record to enable the property owner to examine the manner in which valuation of taxable properties has effected assessments. IF PROPERTY TAXES ARE PAID THROUGH MORTGAGE IMPOUNDMENTS (MONTHLY PAYMENTS TO FINANCIAL INSTITUTIONS, BANKS, SAVINGS AND LOAN ETC.) PLEASE FORWARD THIS TAX STATEMENT TO THE FINANCIAL INSTITUTION TO WHICH IMPOUND PAYMENTS ARE REGULARLY MADE.

2004 PINAL COUNTY TAX STATEMENT

LEVY TYPE: PRM = Primary Value, SEC = Secondary Value

PINAL CO		AREA CODE
11	954-32-01900	20198

AUTHORITY NUMBER	TAX AUTHORITY	LEVY TYPE	PURPOSE	2004 TAX DISTRIBUTION	2003 TAX DISTRIBUTION	INCREASE OR DECREASE	TAX RATE
00300	MCOB Accom/Altern School	PRM		141.68	.00	141.68	.1431
02000	Pinal County	PRM		4,408.66	.00	4,408.66	4.4532
02010	School Equalization	PRM		451.44	.00	451.44	.4560
07020	Maricopa USD School #020	PRM		5,343.12	.00	5,343.12	5.3971
07020	Maricopa USD School #020	PRM	Adj Ways	701.42	.00	701.42	.7085
07020	Maricopa USD School #020	SEC	"A" Bonds	1,062.46	.00	1,062.46	1.0732
07020	Maricopa USD School #020	SEC	"B" Bonds	216.52	.00	216.52	.2187
08150	Pinal County Jr College	PRM		2,128.52	.00	2,128.52	2.1500
08150	Pinal County Jr College	SEC	Bonds	.00	.00	.00	.0000
10250	Hospital District #001	SEC		.00	.00	.00	.0000
11648	Maricopa Volunteer Fire	SEC		1,980.00	.00	1,980.00	2.0000
11900	Fire Dist Assistance Tax	SEC		85.34	.00	85.34	.0862
12663	Electrical District #3	SEC		.00	.00	.00	.0000
14613	Central AZ Water Conservation	SEC		118.80	.00	118.80	.1200
14900	Pinal County Library	SEC		56.42	.00	56.42	.0570
15625	Pinal County Flood	SEC		24.78	.00	24.78	.0900
15630	Maricopa Flood	SEC		.00	.00	.00	.0000
20000	Maricopa Road CID	SEC		1,459.96	.00	1,459.96	1.4747
30002	Central AZ Vocational Inst of	SEC		49.50	.00	49.50	.0500
	TOTAL			18,228.62	.00	18,228.62	

0003515 01 AV 0.2

PRIMARY

FULL CASH VALUE	RATIO
396,000	.2500
EXEMPTION	
NET ASSESSED	
99,000	
TAX RATE	
13.307900	
REDUCTION RATE	
3.307900	

GROSS PRIMARY TAXES
13,174.84
LESS STATE AID
.00
2004 PRIMARY TAXES
13,174.84

SECONDARY

FULL CASH VALUE	RATIO
396,000	.2500
EXEMPTION	
NET ASSESSED	
99,000	
TAX RATE	
5.169800	

2004 SECONDARY TAXES
5,053.78

TAX

2004 TOTAL TAXES	FIRST HALF TAXES	SECOND HALF TAXES	DELINQUENT TAXES AS OF August 23, 2004	TOTAL TAXES DUE
18,228.62	9,114.31	9,114.31	.00 If paid by November 1, 2004	18,228.62

TOTAL VALUE OF OPERATING PROPERTY

LEGALS

INSTRUCTIONS

1. To pay full year taxes send full year coupon.
2. To pay 1st half ONLY send 1st half coupon ONLY with your payment. FIRST HALF IS DUE NOT LATER THAN NOV 1, 2004 UNLESS THE FULL YEAR TAX BILL EXCEEDS $100.00 AND THE FULL YEAR IS PAID BY DEC 31, 2004 (EXCLUDING DELINQUENCIES THAT ARE DUE NOV 1, 2004). Arizona Revised Statute 42-18052 requires that all tax of $100.00 or less becomes due and payable in full and becomes delinquent on the date shown on the 1st half coupon.
3. To pay 2nd half ONLY send the 2nd half coupon ONLY with your payment. SECOND HALF IS DUE NOT LATER THAN MAY 2, 2005.
4. If you wish to use your credit card or "e-check" to pay your taxes, please call 1-888-2PAY-TAX (1-888-272-9829) Jurisdiction Code 1302 or payments can be made through www.officialpayments.com. Please note: Our credit card processor, (Official Payments), requires a convenience fee for each transaction.

DISCOVER VISA MasterCard e-check

PLEASE MAKE CERTAIN THE PROPERTY DESCRIBED ON THIS TAX BILL IS THE PROPERTY ON WHICH YOU INTEND TO PAY TAXES. A fee of $25.00 will be charged for any reversal of any payment.

DELINQUENT DATES

1st Half Year Taxes become delinquent on - November 1, 2004 at 5:00 P.M., unless the full year tax bill exceeds $100.00 and the full year is paid by December 31, 2004 (excluding delinquencies that are due November 1, 2004).

2nd Half Year Taxes become delinquent on May 2, 2005 at 5:00 P.M.

Penalty for late payment is 16% interest per year prorated monthly as of the 1st day of the month. (Arizona Revised Statutes 42-18053)

IF YOU HAVE QUESTIONS CONCERNING YOUR TAX STATEMENT, IT CAN BEST BE HANDLED BY REQUESTING THE INFORMATION FROM THE CORRECT DEPARTMENT.

1. **VALUATION, CLASSIFICATION OR CHANGE OF ADDRESS: Pinal County Assessor 520-866-6361**
2. **TAX RATES: Contact The Specific Taxing Authority**
3. **TITLE RECORDINGS: Pinal County Recorder 520-866-7100**
4. **TAX PAYMENTS, DELINQUENT TAXES: Pinal County Treasurer 520-866-6412**

0003515 01 AV 0.2

This tax statement reflects taxes set by **several** taxing authorities. The Treasurer's office does not set tax rates. The Treasurer's office oversees the collection of taxes.

- The State Legislature, through statutes, sets the rates for School Equalization and Fire District Assistance Tax.
- The Board of Supervisors sets the tax rates for ONLY Pinal County, Pinal County Library District and Pinal County Flood Control District.
- The County School Superintendent sets the rate for the Mary C. O'Brien Accommodation School.
- **Each** city or town, school district, special district and Central Arizona Water Conservation District independently sets its own tax rates.
- Central Arizona College sets the rate for Pinal County Jr College.
- Bond amounts represent amounts previously determined and voted on by area residents.

Please refer questions regarding a tax line item to the taxing authority responsible for that portion of your tax bill. Thank you.

2004 taxes are for the period January 1, 2004 - December 31, 2004.

Pinal County Treasurer

Choose a destination below

Treasurer's Office Website

Treasurer Search - Parcel Details

New Search

The Parcel Number shows the following information:

Parcel Number: 954-32-01900

Legal Information:

TOTAL VALUE OF OPERATING PROPERTY

Name: PALO VERDE UTILITY COMPANY (WASTEWATER D

Attn: CINDY LILES/CFO-VP

Address:

Address: 22601 N 19TH AVENUE, SUITE 210

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: **06/13/2006**

Interest Calculated Through: **06/30/2006**

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2004	$9,114.31	$9,114.31			
	$9,114.31	$9,114.31			$0.00
	Value:	$396,000.00			
2005	$24,994.33	$24,994.33			
	$24,994.33	$24,994.33			$0.00
	Value:	$1,081,000.00			

TOTAL DUE: **$0.00**

Click on the current year above for a list of specific tax information for this parcel.

New Search

If you wish to print this page, please set your printer to "LandScape" for best results.

Pinal County Treasurer

Choose a destination below

Treasurer's Office Website

Treasurer Search - Parcel Details

Back To List New Search

The Parcel Number shows the following information:

Parcel Number: 512-05-892C8

Legal Information:

TRACT H OF COBBLESTONE FARMS AS RECORDED IN CAB D SLD 153 SEC 15-4S-3E .258 AC

Name: PALO VERDE UTILITIES COMPANY LLC

Attn:

Address:

Address: 22601 N 19TH AVE #210

City: PHOENIX

State: AZ

Zip: 85027

Last Updated: **06/13/2006**

Interest Calculated Through: **06/30/2006**

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due
2005	$122.54 $122.54	$122.54 $122.54			$0.00
	Value:	$12,000.00			

TOTAL DUE: $0.00

Click on the current year above for a list of specific tax information for this parcel.

New Search | Back To List

If you wish to print this page, please set your printer to "LandScape" for best results.

Pinal County Treasurer

Choose a destination below

Treasurer's Office Website

Treasurer Search - Parcel Specifics

New Search

Last Updated: **06/13/2006**

Interest Calculated Through: **06/30/2006**

The Parcel Number **954-32-01900** for year **2005** provides the following:

Auth	Description	Levt	Purpose	Taxes	Rate
300	MCOB Accom/Altern School	PRM		$359.70	0.133100
2000	Pinal County	PRM		$12,034.78	4.453200
2010	School Equalization	PRM		$1,177.74	0.435800
7020	Maricopa USD School #020	SEC	"A" Bonds	$1,916.88	0.709300
7020	Maricopa USD School #020	SEC	"B" Bonds	$278.62	0.103100
7020	Maricopa USD School #020	PRM		$13,976.52	5.171700
7020	Maricopa USD School #020	PRM	Adj Ways	$2,564.96	0.949100
7020	Maricopa USD School #020	SEC	Override	$2,737.90	1.013100
8150	Pinal County Jr College	PRM		$5,675.24	2.100000
8150	Pinal County Jr College	SEC	Bonds	$0.00	0.000000
10250	Hospital District #001	SEC		$0.00	0.000000
11648	Maricopa Volunteer Fire	SEC		$5,405.00	2.000000
11900	Fire Dist Assistance Tax	SEC		$231.06	0.085500
12663	Electrical District #3	SEC		$0.00	0.000000
14613	Central AZ Water Conservation	SEC		$324.30	0.120000
14900	Pinal County Library	SEC		$154.04	0.057000
15625	Pinal County Flood	SEC		$97.28	0.090000
15630	Maricopa Flood	SEC		$0.00	0.000000
20000	Maricopa Road CID	SEC		$2,919.52	1.080300
30002	Central AZ Vocational Inst of Technology (CAVIT)	SEC		$135.12	0.050000
			TOTAL:	**$49,988.66**	

New Search

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