ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-03481A
Serviceberry Water Company

P.O. Box 1270
Show Low, AZ 85902

RECEIVED
APR 17 2006
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005

FOR COMMISSION USE

ANN04	05

entered
4-17-06
RF

COMPANY INFORMATION

Company Name (Business Name) Serviceberry Water Co dba Vernon Valley Water Inc

Mailing Address Po Box 1270
(Street)

Show Low (City) | AZ (State) | 85902 (Zip)

928 - 537 - 8739 Telephone No. (Include Area Code) | 928 - 537 - 8739 Fax No. (Include Area Code) | N/A Pager/Cell No. (Include Area Code)

Email Address wtrcos@frontiernet.net

Local Office Mailing Address Po Box 1270
(Street)

Show Low (City) | AZ (State) | 85902 (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 wtrcos@frontiernet.net

MANAGEMENT INFORMATION

Management Contact: Thomas Grapp (Name) | Assistant Manager (Title)

Po Box 1270 (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 wtrcos@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: Mark Grapp
(Name)

Po Box 1270 (Street) | Show Low (City) | Az (State) | 85902 (Zip)

(928) 537-8739 Telephone No. (Include Area Code) | (928) 537-8739 Fax No. (Include Area Code | N/A Pager/Cell No. (Include Area Code)

Attorney: N/A
(Name)

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

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**		

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc.

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	20000	0	20000
304	Structures and Improvements	2590	1829	761
307	Wells and Springs	9490	6614	2876
311	Pumping Equipment	4942	3194	1748
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	2976	2084	892
331	Transmission and Distribution Mains	35076	16866	18210
333	Services	802	438	364
334	Meters and Meter Installations	759	680	79
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
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	76635	31705	44930

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

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc

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	20000	0	0
304	Structures and Improvements	2590	5.0	130
307	Wells and Springs	9490	5.0	475
311	Pumping Equipment	4942	5.0	247
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	2976	5.0	149
331	Transmission and Distribution Mains	35076	5.0	1754
333	Services	802	5.0	40
334	Meters and Meter Installations	759	5.0	38
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
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	76635		2833

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

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc.

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$	$
134	Working Funds	129	2033
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1370	667
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ 1499	$ 2700
	FIXED ASSETS		
101	Utility Plant in Service	$ 76635	$ 76635
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	28872	31705
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$ 47763	$ 44930
	TOTAL ASSETS	$ 49262	$ 47630

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

COMPANY NAME	Serviceberry Water Co dba Vernon Valley Water Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$	$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1700	1840
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 1700	$ 1840
	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	105	
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$ 105	$
	TOTAL LIABILITIES	$ 1805	$ 1840
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$	$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(1181)	45790
218	Proprietary Capital (Sole Props and Partnerships)	48638	
	TOTAL CAPITAL	$ 47457	$ 45790
	TOTAL LIABILITIES AND CAPITAL	$ 49262	$ 47630

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 11165	$ 11005
460	Unmetered Water Revenue		
474	Other Water Revenues	105	105
	TOTAL REVENUES	$ 11270	$ 11110
	OPERATING EXPENSES		
601	Salaries and Wages	$ 3260	$ 5947
610	Purchased Water		
615	Purchased Power	788	771
618	Chemicals		
620	Repairs and Maintenance	16	63
621	Office Supplies and Expense	597	1156
630	Outside Services	2236	183
635	Water Testing	1390	201
641	Rents	308	411
650	Transportation Expenses	13	442
657	Insurance – General Liability	60	68
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	52	
403	Depreciation Expense	2833	2833
408	Taxes Other Than Income	615	512
408.11	Property Taxes	266	358
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 12414	$ 12945
	OPERATING INCOME/(LOSS)	$ (1144)	$ (1835)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$	$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(37)	(20)
	TOTAL OTHER INCOME/(EXPENSE)	$ (37)	$ (20)
	NET INCOME/(LOSS)	$ (1181)	$ (1855)

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water 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 $ 0

Meter Deposits Refunded During the Test Year $ 0

COMPANY NAME	Serviceberry Water Co dba Vernon Valley Water Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-511289	3	25	400	6	N/A	1985

* 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
2	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10000	1	120	1

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	6600
3		
4	PVC	2880
5		
6	PVC	1495
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	21
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:

N/A

STRUCTURES:

8' x 12' Building

OTHER:

N/A

COMPANY NAME: Serviceberry Water Company dba Vernon Valley Water Co.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	19	154,110	N/A
FEBRUARY	18	110,910	N/A
MARCH	19	80,780	N/A
APRIL	19	78,650	N/A
MAY	19	128,580	N/A
JUNE	20	125,050	N/A
JULY	20	277,400	N/A
AUGUST	20	338,930	N/A
SEPTEMBER	19	115,830	N/A
OCTOBER	20	113,500	N/A
NOVEMBER	19	124,450	N/A
DECEMBER	21	121,060	N/A
	TOTAL	1,768,350	N/A

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. <.001 **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.

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: $ 358

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.

2005 TAX NOTICE JAN. 1, 2005 TO DEC. 31, 2005 COUNTY OF APACHE ARIZONA ADDRESS: P O BOX 699 ST JOHNS AZ 85936

LEGAL DESCRIPTION: SECTION TWN RNG ACRES USE 5500
TOTAL VALUE OF OPERATING PROPERTY

TAX ROLL NUMBER
52120
PARCEL IDENTIFICATION
941-80-900 1
TAX AREA CODE
0900

SB/all

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2005 TAX NOTICE AND PAYMENT INSTRUCTIONS.

941-80-900 1 52120

SERVICEBERRY WATER COMPANY
MARK GRAPP
P O BOX 1270
SHOW LOW AZ 85902

12/14/05 - pd $357.90 CK # 2322

06-5507

2005 TAX SUMMARY (3)	
PRIMARY AD VALOREM TAX	27706
LESS STATE AID TO EDUCATION	00
NET PRIMARY AD VALOREM TAX	27706
SECONDARY AD VALOREM TAX	8084
SPECIAL DISTRICT TAX	00

PAY TOTAL OR HALF TAX

TOTAL TAX DUE ➡	35790
HALF TAX ➡	17895

DELINQUENT DATES
1st HALF NOV. 1, 2005
2nd HALF MAY 1, 2006

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)

ITEM	LIMITED VALUE	ASSMT.%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND,BLDGS,ETC.	830	250	208	0	61556	1280
PERSONAL PROPERTY	17170	250	4293	0	61556	26426
TOTALS ➡	18000		4501	0		27706

SECONDARY PROPERTY TAX CALCULATION (2)

ITEM	FULL CASH VALUE	ASSMT.%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	0	250	0	0	18955	00
BLDGS,ETC.	830	250	208	0	18955	394
PERSONAL PROPERTY	17170	250	4293	0	17912	7690
TOTALS ➡	18000		4501	0		8084

2004-2005 TAX COMPARISON (4)

TAX CODE	TAX JURISDICTION	2005 PRIMARY	2005 SECONDARY	2005 TOTAL	2004 TOTAL	DIFFERENCE
02000	APACHE COUNTY	4031	5093	9124	7195	1929
05009	VERNON SD #9	23675	00	23675	16991	6684
11900	FIRE DISTRICT ASSISTANCE FUND	00	264	264	235	29
14900	APACHE COUNTY LIBRARY DISTRICT	00	1354	1354	1012	342
15000	APACHE FLOOD CONTROL DISTRICT	00	22	22	19	03
28000	APACHE COUNTY JAIL DISTRICT	00	901	901	800	101
28002	JUVENILE JAIL DISTRICT	00	450	450	390	60
	TOTALS ➡	27706	8084	35790	26642	9148

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
APR 17 2006
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Mark Gragg President / General Mgr
COMPANY NAME	Serviceberry Water Co. dba Vernon Valley Water Inc.

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	2006

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

(928) 537-8739
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF COUNTY NAME Navajo

THIS 13th **DAY OF** April, 06 MONTH 4-13- .20 06

(SEAL)

Jodi Amator
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8-1-09

OFFICIAL SEAL
JODI AMATOR
Notary Public - State of Arizona
NAVAJO COUNTY
My Comm. Expires August 1, 2009

COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc. **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 _____

State Taxable Income Reported _____
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.

SIGNATURE	4-13-06 **DATE**
Mark Gragg **PRINTED NAME**	President / General Mgr **TITLE**

RECEIVED
APR 17 2006
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Mark Gropp Owner
COMPANY NAME	Serviceberry Water Co dba Vernon Valley Water Inc.

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 ($)
$ 11110

(THE AMOUNT IN BOX ABOVE INCLUDES $ 512 **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]
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 13th **DAY OF**

COUNTY NAME	Navajo
MONTH	April 2006

(SEAL)

OFFICIAL SEAL
JODI AMATOR
Notary Public - State of Arizona
NAVAJO COUNTY
My Comm. Expires August 1, 2009

MY COMMISSION EXPIRES 8-1-09

Jodi Amator
SIGNATURE OF NOTARY PUBLIC

RECEIVED
APR 17 2006
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Apache	
NAME (OWNER OR OFFICIAL) Mark Grapp	TITLE Owner
COMPANY NAME Serviceberry Water Co dba Vernon Valley Water Inc.	

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
$ 11110

(THE AMOUNT IN BOX AT LEFT INCLUDES $ 512 IN SALES TAXES BILLED, OR COLLECTED)

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

[signature]
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 13th **DAY OF** April 2006

NOTARY PUBLIC NAME Jodi Amator	
COUNTY NAME Navajo	
MONTH 4-13-	,20 06

(SEAL)

MY COMMISSION EXPIRES

X Jodi Amator
SIGNATURE OF NOTARY PUBLIC

OFFICIAL SEAL
JODI AMATOR
Notary Public - State of Arizona
NAVAJO COUNTY
My Comm. Expires August 1, 2009