

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**W-01651B**

Vail Water Company  
1010 N. Finance Center Dr., Ste. 200  
Tucson, AZ 85710

RECEIVED

MAR 26 2013

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2012</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>12</b>
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3-26-13

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>VAIL WATER COMPANY, INC.</u>		
<b>Mailing Address</b> <u>1010 N. FINANCE CENTER DR., #200</u> (Street)		
<u>TUCSON</u> (City)	<u>AZ</u> (State)	<u>85710</u> (Zip)
<u>520-571-1958</u>	<u>520-571-1961</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>1010 N. FINANCE CENTER DRIVE, #200</u> (Street)		
<u>TUCSON</u> (City)	<u>AZ</u> (State)	<u>85710</u> (Zip)
<u>520-571-1958</u>	<u>520-517-1961</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>KVOLPE@ESTESCO.NET</u>		

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b> <u>CHRISTOPHER VOLPE</u>			
<input type="checkbox"/> <b>Management Contact:</b> <u>CHRISTOPHER VOLPE</u>		<u>Vice President/Treasurer</u>	
<u>1010 N. FINANCE CENTER DRIVE</u> (Street)	<u>TUCSON</u> (City)	<u>AZ</u> (State)	<u>85710</u> (Zip)
<u>520-571-1958</u>	<u>520-571-1961</u>		
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No (Include Area Code)	
<b>Email Address</b> <u>KVOLPE@ESTESCO.NET</u>			
<b>On Site Manager:</b> <u>MANNY OROS</u> (Name)			
<u>14155 E. VIA RANCHO DEL LAGO</u> (Street)	<u>VAIL</u> (City)	<u>AZ</u> (State)	<u>85641</u> (Zip)
<u>520-647-3679</u>	<u>520-647-3825</u>	<u>520-730-4730</u>	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Cell No (Include Area Code)	
<b>Email Address</b> <u>OPERATOR@VAILWATER.COM</u>			

**Statutory Agent:** DAVID MCEVOY

4560 E CAMP LOWELL  
(Street)

(Name)  
TUCSON  
(City)

AZ  
(State)

85712  
(Zip)

520-326-0133

520-326-5938

Telephone No (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** MICHAEL T. HALLAM LEWIS & ROCA  
(Name)

40 N. CENTRAL AVE.  
(Street)

PHOENIX  
(City)

AZ  
(State)

85004  
(Zip)

602-262-5340

602-734-3886

Telephone No (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address MHALLAM@LRLAW.COM

## **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

## **COUNTIES SERVED**

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

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**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	17,750		17,750
304	Structures and Improvements	398,007	121,532	276,475
307	Wells and Springs	1,022,167	369,950	652,217
311	Pumping Equipment	1,502,346	544,109	958,237
320	Water Treatment Equipment			-
330	Distribution Reservoirs and Standpipes	1,590,904	316,096	1,274,808
331	Transmissions and Distribution Mains	14,008,069	2,852,829	11,155,240
333	Services	16,827	12,523	4,304
334	Meters and Meter Installations	936,087	222,917	713,170
335	Hydrants	492,908	99,725	393,183
336	Backflow Prevention Devices	7,901	6,790	1,111
339	Other Plant and Misc. Equipment	6,553	7,212	(659)
340	Office Furniture and Equipment	50,961	28,419	22,542
341	Transportation Equipment	67,027	42,372	24,655
343	Tools, Shop and Garage Equipment			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	<b>TOTALS</b>	<b>20,117,507</b>	<b>4,624,476</b>	<b>15,493,031</b>

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

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			
302	Franchises			
303	Land and Land Rights	17,750		-
304	Structures and Improvements	398,007	2.80%	11,163
307	Wells and Springs	1,022,167	3.20%	36,063
311	Pumping Equipment	1,502,346	3.60%	53,242
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	1,590,904	2.00%	32,421
331	Transmissions and Distribution Mains	14,008,069	2.00%	280,341
333	Services	16,827	3.30%	72
334	Meters and Meter Installations	936,087	3.60%	33,465
335	Hydrants	492,908	3.60%	17,745
336	Backflow Prevention Devices	7,901	3.60%	284
339	Other Plant and Misc. Equipment	6,553	3.60%	330
340	Office Furniture and Equipment	50,961	6.80%	3,273
341	Transportation Equipment	67,027	13.30%	9,565
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>20,117,507</b>		<b>477,964</b>

This amount goes on the Comparative Statement of Income and Expense

Acct. No. 403.

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 596,586	\$ 498,131
134	Working Funds		
135	Temporary Cash Investments	3,057,568	3,251,463
141	Customer Accounts Receivable	154,197	198,146
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	1,104,206	1,110,692
174	Miscellaneous Current and Accrued Assets	62,420	62,420
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 4,974,977</b>	<b>\$ 5,120,852</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 20,292,486	\$ 20,117,507
103	Property Held for Future Use		
105	Construction Work in Progress	69,613	121,674
108	Accumulated Depreciation - Utility Plant	(4,423,217)	(4,624,475)
121	Non-Utility Property	19,120	81,050
122	Accumulated Depreciation - Non Utility	(15,620)	(15,620)
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 15,942,382</b>	<b>\$ 15,680,136</b>
	<b>TOTAL ASSETS</b>	<b>\$ 20,917,359</b>	<b>\$ 20,800,988</b>

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

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 116,684	\$ 132,283
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	612,515	532,816
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 729,199</b>	<b>\$ 665,099</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds		
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	13,821,191	13,714,593
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 13,821,191</b>	<b>\$ 13,714,593</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 14,550,390</b>	<b>\$ 14,379,692</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 638,099	\$ 638,099
211	Paid in Capital in Excess of Par Value	2,445,314	2,445,314
215	Retained Earnings	3,283,556	3,337,884
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 6,366,969</b>	<b>\$ 6,421,297</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 20,917,359</b>	<b>\$ 20,800,988</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 2,090,185	\$ 2,109,644
460	Unmetered Water Revenue		
474	Other Water Revenues	292,308	206,663
	<b>TOTAL REVENUES</b>	<b>\$ 2,382,493</b>	<b>\$ 2,316,307</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 260,897	\$ 260,998
610	Purchased Water	-	
615	Purchased Power	215,373	245,803
618	Chemicals	1,732	1,712
620	Repairs and Maintenance	48,206	28,289
621	Office Supplies and Expense	73,300	72,475
630	Outside Services	440,196	478,487
635	Water Testing	3,906	26,203
641	Rents	16,234	13,893
650	Transportation Expenses	27,582	28,132
657	Insurance - General Liability	40,352	39,718
659	Insurance - Health and Life	12,757	12,609
666	Regulatory Commission Expense - Rate Case	11,946	12,395
675	Miscellaneous Expense	229,392	265,806
403	Depreciation Expense	478,236	477,964
408	Taxes Other Than Income		
408.11	Property Taxes	108,729	118,744
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,968,838</b>	<b>\$ 2,083,228</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 413,655</b>	<b>\$ 233,079</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 33,771	\$ 25,801
421	Non-Utility Income	156,462	50,485
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(4,981)	(5,037)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 185,252</b>	<b>\$ 71,249</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 598,907</b>	<b>\$ 304,328</b>

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
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 Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End      \$      532,816

Meter Deposits Refunded During the Test Year      \$      128,000

<b>COMPANY NAME</b>	Vail Water Company	2012
<b>Name of System:</b>	ADEQ Public Water System Number:	10-041

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (Gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-625703	100	600	614	12	8	1974
55-087817	200	700	759	14	8	1981
55-087816	300	1200	845	14	10	1981
55-087814	300	975	924	14	8	1981

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

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

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
10	3	442	
20	6		
25	4		
30	7		
50	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
600,000	1	5,000	13
550,000	1		
500,000	2		
290,000	1		
100,000	2		

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

<b>COMPANY NAME</b>	Vail Water Company	2012
<b>Name of System:</b>	ADEQ Public Water System Number:	10-041

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		8,456
3		
4		47,624
5		
6		160,624
8		165,148
10		16,609
12		109,217

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	3,783
3/4	110
1	25
1 1/2	22
2	40
Comp. 3	7
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
(TOTAL)	3,987

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

TREATMENT EQUIPMENT:

ACCUTAB TABLET PPG CHLORINATION SYSTEM WITH A .02 RESIDUAL  
OF CALCIUM HYPOCHLORIDE

STRUCTURES:

ADMINISTRATIVE OFFICE 57x35 1,995 SQ FT STEEL BUILDING

OTHER:

N/A

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

COMPANY NAME	Vail Water Company	2012
Name of System	ADEQ Public Water System Number:	10-041

**WATER USE DATA SHEET BY MONTH FOR CALENDER YEAR 2012**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	3,896	23,349	26,093	0
FEBRUARY	3,894	22,035	24,892	0
MARCH	3,924	23,558	25,865	0
APRIL	3,933	28,234	30,415	0
MAY	3,938	29,866	38,350	0
JUNE	3,944	37,101	40,961	0
JULY	3,954	35,451	40,595	0
AUGUST	3,961	29,833	35,515	0
SEPTEMBER	3,959	30,442	34,113	0
OCTOBER	3,975	30,280	33,494	0
NOVEMBER	4,000	28,949	32,911	0
DECEMBER	3,987	26,592	29,280	0
<b>TOTALS ---&gt;</b>		<b>345,690</b>	<b>392,484</b>	<b>0</b>

**What is the level of arsenic for each well in your system.**

*(If more than one well, please list each separately)*

Well 1	<u>          n/a          </u>	mg/1
Well 2	<u>          n/a          </u>	mg/1
Well 3	<u>          0.0018          </u>	mg/1
Well 5	<u>          0.0017          </u>	mg/1
Well 6	<u>          0.0017          </u>	mg/1
Well 8	<u>          0.0035          </u>	mg/1

**If system has fire hydrants, what is the fire flow requirement?**      1,000 GPM for 2 hrs

**If system has chlorination treatment, does this treatment system chlorinate continuously?**

Yes                                       No

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

Yes                                       No

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

Yes                                       No

**If yes, provide the GPCPD amount:**                                      120 GPCD

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

<b>COMPANY NAME:</b>	<b>VAIL WATER COMPANY</b>	<b>2012</b>
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>	<b>10-041</b>

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-410.B</b>	<b>Termination with Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>		13	
<b>FEBRUARY</b>		14	
<b>MARCH</b>		16	
<b>APRIL</b>		16	
<b>MAY</b>		20	
<b>JUNE</b>		14	
<b>JULY</b>		21	
<b>AUGUST</b>		21	
<b>SEPTEMBER</b>		17	
<b>OCTOBER</b>		33	
<b>NOVEMBER</b>		8	
<b>DECEMBER</b>		13	
<b>TOTALS →</b>		206	

OTHER (description):

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**Company Name** VAIL WATER COMPANY, INC. **YEAR ENDING 12/31/2012**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 113,821

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 below:

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**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED  
MAR 26 2013  
ACC UTILITIES DIRECTOR

VERIFICATION  
STATE OF AZ

COUNTY OF (COUNTY NAME)

PIMA

NAME (OWNER OR OFFICIAL) TITLE

KIP VOLPE, VP

COMPANY NAME

VAIL WATER COMPANY

I, THE UNDERSIGNED  
OF THE

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

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

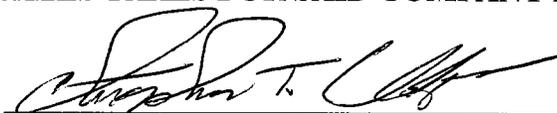
2012

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



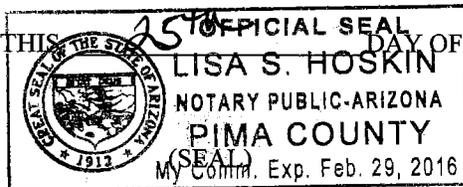
SIGNATURE OF OWNER OR OFFICIAL

520-571-1958

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

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



MONTH March

DAY 20 2013

Lisa S Hoskin

MY COMMISSION EXPIRES

2/29/2016

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$0</u>
Estimated or Actual Federal Tax Liability	<u>\$0</u>

State Taxable Income Reported	<u>\$0</u>
Estimated or Actual State Tax Liability	<u>\$0</u>

Amount of Grossed-Up Contributions/Advances:

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

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**

3/25/13  
 \_\_\_\_\_  
**DATE**

CHRISTOPHER T. VOLPE  
 \_\_\_\_\_  
**PRINTED NAME**

Vice President  
 \_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED  
MAR 26 2013  
ACC UTILITIES DIRECTOR

VERIFICATION  
STATE OF   AZ  

COUNTY OF (COUNTY NAME)

  PIMA  

NAME (OWNER OR OFFICIAL) TITLE

  KIP VOLPE, VP  

COMPANY NAME

  VAIL WATER COMPANY  

I, THE UNDERSIGNED  
OF THE

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

FOR THE YEAR ENDING

MONTH

  12  

DAY

  31  

YEAR

  2012  

**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 STATUES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDER YEAR 2012 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

\$   2,259,412  

(THE AMOUNT IN BOX ABOVE

INCLUDES \$   149,752  

IN SALES TAX BILLED, OR COLLECTED)

**\*\* REVENUE 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, ATTTACH THOSE STATEMENTS THAT RECONCLIE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL

  520-571-1958  

TELEPHONE NUMBER

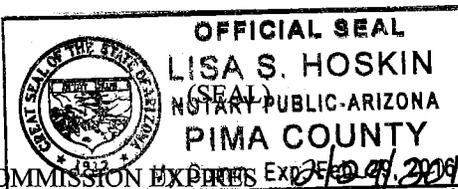
SUBSCRIBED AND SWORN TO BEFORE ME

A NORTARY PUBLIC IN AND FOR THE COUNTY OF   Pima   COUNTY NAME

THIS   25<sup>th</sup>   DAY OF

MONTH   March  

  2013  



*Lisa Hoskin*

MY COMMISSION EXPIRES   2/09/2016

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED  
**MAR 26 2013**  
ACC UTILITIES DIRECTOR

VERIFICATION  
STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)  
PIMA  
NAME (OWNER OR OFFICIAL)  
KIP VOLPE TITLE  
VP  
COMPANY NAME  
VAIL WATER COMPANY

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

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2012</u>

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 40-401.01, ARIZONA REVISED STATUES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDER YEAR 2012 WAS:

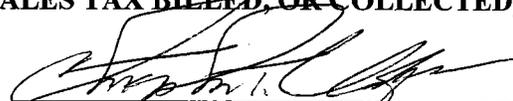
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,951,359

THE AMOUNT IN BOX ABOVE AT LEFT

INCLUDES \$ 129,330  
IN SALES TAX BILLED, OR COLLECTED)

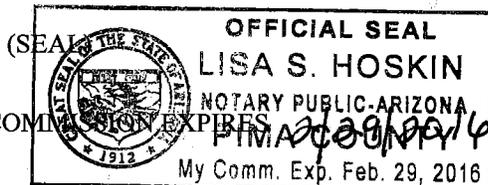
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

520-571-1958  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 25th DAY OF

NOTARY PUBLIC NAME  
Lisa S Hoskin Lisa S Hoskin  
COUNTY NAME  
Pima  
MONTH  
March 20 13



MY COMMISSION EXPIRES

Lisa S Hoskin  
SIGNATURE OF NOTORAY PUBLIC