ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02860A
Naco Water Company, LLC
PO Box 85160
Tucson, AZ 85754

RECEIVED

APR 15 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013

FOR COMMISSION USE

ANN 04	13

4-25-14

COMPANY INFORMATION

Company Name (Business Name) Naco Water Company, LLC

Mailing Address P.O. Box 85160
(Street)

Tucson (City) | AZ (State) | 85754 (Zip)

(520) 623-5172 (Telephone No. (Include Area Code)) | (520) 792-0377 (Fax No. (Include Area Code)) | (Cell No. (Include Area Code))

Email Address info@southwesternutility.com

Local Office Mailing Address P.O. Box 85160
(Street)

Tucson (City) | AZ (State) | 85754 (Zip)

(520) 623-5172 (Local Office Telephone No. (Incl Area Code)) | (520) 792-0377 (Fax No. (Include Area Code)) | (Cell No. (Include Area Code))

Email Address info@southwesternutility.com

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:** Southwestern Utility Management, Inc.
(Name) (Title)

P.O. Box 85160 (Street) | Tucson (City) | AZ (State) | 85754 (Zip)

(520) 623-5172 (Telephone No. (Include Area Code)) | (520) 792-0377 (Fax No. (Include Area Code)) | (Cell No. (Include Area Code))

Email Address info@southwesternutility.com

On Site Manager: Gary Newman
(Name)

P.O. Box 85160 (Street) | Tucson (City) | AZ (State) | 85754 (Zip)

(520) 623-5172 (Telephone No. (Include Area Code)) | (520) 792-0377 (Fax No. (Include Area Code)) | (Cell No. (Include Area Code))

Email Address info@southwesternutility.com

Statutory Agent: Martin F. Ryan
(Name)

6262 N Swan Rd #290	Tucson	AZ	85718
(Street)	(City)	(State)	(Zip)

(520) 299-8117	(520) 299-7860	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Attorney: Martin F. Ryan
(Name)

6262 N Swan Rd #290	Tucson	AZ	85718
(Street)	(City)	(State)	(Zip)

(520) 299-8117	(520) 299-7860	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

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

COUNTIES SERVED

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

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

Company Name: Naco Water Company, L.L.C.

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization			$ -
302	Franchises	198		198
303	Land & Land Rights	4,345		4,345
304	Structures & Improvements	14,101	3,524	10,577
307	Wells & Springs	453,520	39,005	414,515
311	Pumping Equipment	222,384	153,759	68,625
320	Water Treatment Equipment	1,824	1,257	567
330	Distribution Reservoirs & Standpipes	443,353	68,338	375,014
331	Transmission & Distrib. Mains	1,971,986	302,880	1,669,106
333	Services	136,839	40,475	96,364
334	Meters & Meter Installations	48,380	34,942	13,438
335	Hydrants	34,717	16,054	18,663
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment	9,202	9,202	-
340.1	Computers & Software			-
341	Transportation Equipment	20,298	20,298	-
343	Tools, Shop & Garage Equip.	128	103	25
344	Laboratory Equipment			-
345	Power Operated Equipment	2,818	2,818	-
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	TOTALS	**$ 3,364,093**	**$ 692,656**	**$ 2,671,437**

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Naco Water Company, L.L.C.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	$ -		$ -
302	Franchises	198		-
303	Land & Land Rights	4,345	N/A	-
304	Structures & Improvements	14,101	3.33%	333
307	Wells & Springs	453,520	3.33%	10,026
311	Pumping Equipment [1]	222,384	12.5000%	10,829
320	Water Treatment Equipment	1,824	3.33%	61
330	Distribution Reservoirs & Standpipes	443,353	2.2200%	6,685
331	Transmission & Distrib. Mains	1,971,986	2.0000%	34,710
333	Services	136,839	3.33%	4,557
334	Meters & Meter Installations [2]	48,380	8.3300%	1,627
335	Hydrants	34,717	2.0000%	694
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	9,202	6.6700%	-
340.1	Computers & Software	-	33.3300%	-
341	Transportation Equipment	20,298	20.0000%	2,030
343	Tools, Shop & Garage Equip.	128	5.0000%	6
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	2,818	5.0000%	-
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant		10.0000%	-
	TOTALS	**$ 3,364,093**		**$ 71,559**
			CIAC Amortization	(18,799)
			2013 Depreciation Expense	**$ 52,760**

[1] $119,079 of the amount in this category is fully depreciated.

[2] $28,061 of the amount in this category is fully depreciated.

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

Company Name: Naco Water Company, L.L.C.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 209,941	$ 17,036
134	Working Funds		
135	Temporary Cash Investments		191,879
141	Customer Accounts Receivable	20,179	17,310
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ 230,120	$ 226,225
	FIXED ASSETS		
101	Utility Plant in Service	$ 2,222,903	$ 3,364,093
103	Property Held for Future Use		
105	Construction Work In Progress	378,346	
108	Accumulated Depreciation - Utility Plant	(670,808)	(692,656)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	$ 1,930,440	$ 2,671,437
	TOTAL ASSETS	**$ 2,160,561**	**$ 2,897,662**

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

Company Name: Naco Water Company, L.L.C.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	$ 141,197	$ 44,442
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	8,950	7,951
236	Accrued Taxes	1,474	1,875
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	779	
	TOTAL CURRENT LIABILITIES	$ 152,398	$ 54,268
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 1,208,258	$ 1,141,766
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	$ 20,753	$ 21,016
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	342,574	1,226,466
272	Less: Amortization of contributions	(25,992)	(44,791)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	$ 337,335	$ 1,202,691
	TOTAL LIABILITIES	$ 1,697,991	$ 2,398,725
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	$ 302,746	$ 339,112
218	Partners Surviving Trust	159,824	159,824
	TOTAL CAPITAL	$ 462,570	$ 498,936
	TOTAL LIABILITIES AND CAPITAL	**$ 2,160,561**	**$ 2,897,662**

Company Name: Naco Water Company, L.L.C.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 235,327	$ 253,504
462	Surcharge Revenue		
474	Other Water Revenues	6,924	7,630
	TOTAL REVENUES	$ 242,251	$ 261,134
	OPERATING EXPENSES		
601	Salaries and Wages	$ 16,712	$ 16,802
610	Purchased Water		
615	Purchased Power	8,999	11,423
618	Chemicals	684	1,300
620	Repairs and Maintenance	8,127	6,461
621	Office Supplies & Expense	33,446	37,967
630	Outside Services	58,374	57,914
635	Water Testing	3,596	2,094
641	Rents	2,200	2,400
650	Transportation Expenses	6,073	4,677
657	Insurance - General Liability	5,165	6,537
659	Insurance - Health and Life	3,170	1,478
665	Regulatory Expenses	63	3,692
675	Miscellaneous Expense		
403	Depreciation Expense	54,560	52,760
408	Taxes Other Than Income	1,229	1,162
408.11	Property Taxes	7,555	13,733
409	Income Tax	-	2,659
427.2	Customer Security Deposit Interest		291
	TOTAL OPERATING EXPENSES	$ 209,952	$ 223,350
	OPERATING INCOME/(LOSS)	$ 32,299	$ 37,784
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$ 6	$ 8
421	Non-Utility Income		
427	Interest Expense	(2,023)	(1,425)
434	Extraordinary Deductions	(87,582)	
	TOTAL OTHER INCOME/(EXPENSE)	$ (89,599)	$ (1,417)
	NET INCOME/(LOSS)	**$ (57,300)**	**$ 36,367**

Company Name: Naco Water Company, L.L.C.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/1/2000	4/1/2008		
Source of Loan	WIFA	WIFA		
ACC Decision No.	61070	69393		
Reason for Loan	improvements	improvements		
Dollar Amount Issued	$ 671,000	$ 1,160,000	$ -	$ -
Amount Outstanding	$ 171,832	$ 969,934	$ -	$ -
Date of Maturity	1/1/2020	1/1/2041		
Interest Rate	0.7350%	0.0000%	%	%
Current Year Interest	$ 1,425	$ -	$ -	$ -
Current Year Principal	$ 40,436	$ 26,056	$ -	$ -

Meter Deposit Balance at Test Year End $ 19,572

Meter Deposits Refunded During the Test Year $ 555

Company Name: Naco Water Company, L.L.C.	
Name of System: Well Site 4	ADEQ Public Water System Number: 02-112

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-551849	15	85	450	8	4	1995

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS	
Horsepower	Quantity
7.5	2

FIRE HYDRANTS	
Quantity Standard	Quantity Other
N/A	

STORAGE TANKS	
20,000	1

PRESSURE TANKS	
Capacity	Quantity
2,000	1

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

Company Name: Naco Water Company, L.L.C.		
Name of System: Well Site 4	ADEQ Public Water System Number:	02-112

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC (Airport line)	5,500
3		
4	PVC C-900	5,985
5		
6		
8		
10		
12		
2	PVC SCH 80	1,755
1	PVC/STEEL	6,180
	(Goat Ranch line)	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	72
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:
1 Chlorinator

STRUCTURES:
1,100' of 6' Chain Link Fence

OTHER:

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

Company Name: Naco Water Company, L.L.C.	
Name of System: Township	ADEQ Public Water System Number: 02-024

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-575700	15	182	410	10	4	1999
55-562944	10	80	312	8	3	1997

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS	
Horsepower	Quantity
5.0	2
25.0	2

FIRE HYDRANTS	
Quantity Standard	Quantity Other
18	

STORAGE TANKS	
20,000	2
50,000	1
100,000	1

PRESSURE TANKS	
Capacity	Quantity
2,000	1
2,500	1
5,000	1

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

Company Name: Naco Water Company, L.L.C.		
Name of System: Township	ADEQ Public Water System Number:	02-024

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC/STEEL	1,470
3		
4	PVC	10,711
5		
6	PVC	17,220
8	PVC	330
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	287
3/4	1
1	4
1 1/2	1
2	9
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:
Two Chlorinators - Township system
One Chlorinator - Old Well Site 3

STRUCTURES:
600' of 6' Chain Link Fence
1,100' of 6' chain link fence - Old Well Site 3
1 6x6 chlorinator shed - Old Well Site 3

OTHER:
Altitude valve installed in 4'x6' vault - Old Well Site 3

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

Company Name: Naco Water Company, L.L.C.	
Name of System: Well Site 4	ADEQ Public Water System Number: 02-112

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	60	248	321	-
FEBRUARY	59	298	345	-
MARCH	60	192	262	-
APRIL	60	235	351	-
MAY	60	408	389	-
JUNE	60	507	451	-
JULY	59	383	292	-
AUGUST	57	283	281	-
SEPTEMBER	57	243	317	-
OCTOBER	56	268	404	-
NOVEMBER	56	266	113	-
DECEMBER	58	175	100	-
	TOTALS	3,506	3,626	-

What is the level of arsenic for each well on your system? 0.0026 mg/l

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

If system has fire hydrants, what is the fire flow requirement? _500_ GPM for _2_hours

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

YES NO N/A

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, please provide the GPCPD amount: _____

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

Company Name: Naco Water Company, L.L.C.		
Name of System: Township	ADEQ Public Water System Number:	02-024

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	245	1,073	1,256	-
FEBRUARY	242	1,395	1,649	-
MARCH	245	1,111	1,362	-
APRIL	257	1,255	1,417	-
MAY	258	1,488	1,677	-
JUNE	256	1,843	2,254	-
JULY	257	1,607	1,951	-
AUGUST	260	1,358	1,643	-
SEPTEMBER	257	1,264	1,555	-
OCTOBER	253	1,144	1,477	-
NOVEMBER	256	1,138	1,326	-
DECEMBER	254	1,078	1,232	-
	TOTALS	15,754	18,799	-

What is the level of arsenic for each well on your system? 0.0050 &0.0058 mg/l

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

If system has fire hydrants, what is the fire flow requirement? _500_ GPM for __2__hours

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

YES NO N/A

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, please provide the GPCPD amount: _____

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

Company Name: Naco Water Company, L.L.C.	
Name of System: Well Site 3	ADEQ Public Water System Number: 02-133

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	12	36	35	-
FEBRUARY	12	44	38	-
MARCH	12	58	60	-
APRIL	*During 2013, well 3 was abandoned and the Well Site 3 system was interconnected with the Township system (02-024). The customers, usage and plant associated with Well Site 3 (02-033) then became part of the Township system, and 02-033 has ceased to exist.*			
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
	TOTALS	138	133	-

What is the level of arsenic for each well on your system? abandoned mg/l

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

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hours

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

YES NO N/A

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, please provide the GPCPD amount: _____

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

Company Name: Naco Water Company, L.L.C.	
Name of System: Well Site 4	ADEQ Public Water System Number: 02-112

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		2	
FEBRUARY		-	
MARCH		-	
APRIL		1	
MAY		-	
JUNE		-	
JULY		1	
AUGUST		1	
SEPTEMBER		-	
OCTOBER		-	
NOVEMBER		1	
DECEMBER		-	
TOTALS	-	6	-

OTHER (description):

Company Name: Naco Water Company, L.L.C.	
Name of System: Township	ADEQ Public Water System Number: 02-024

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		16	
FEBRUARY		19	
MARCH		11	
APRIL		11	
MAY		2	
JUNE		-	
JULY		11	
AUGUST		9	
SEPTEMBER		14	
OCTOBER		8	
NOVEMBER		13	
DECEMBER		-	
TOTALS	-	114	-

OTHER (description):

COMPANY NAME Naco Water Company, L.L.C. **YEAR ENDING 12/31/13**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2013 was: $ 13,733

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 15 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ___Arizona___

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Bonnie O'Connor, Manager
COMPANY NAME Naco Water Company, LLC

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	2013

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.

Notary Public State of Arizona
Pima County
Paul Juhl
My Commission Expires 05/27/2015

Manager

SIGNATURE OF OWNER OR OFFICIAL

520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME Pima
MONTH April .2014

THIS 11th **DAY OF**

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15

COMPANY NAME Naco Water Company, L.L.C. **YEAR ENDING 12/31/13**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	LLC
Estimated or Actual Federal Tax Liability	$ -
State Taxable Income Reported	LLC
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 certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years 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	**DATE**
PRINTED NAME	**TITLE**

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

APR 15 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Bonnie O'Connor, Manager
COMPANY NAME Naco Water Company, LLC

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 278,301

(THE AMOUNT IN BOX ABOVE INCLUDES $ 17,167 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

520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Pima

THIS 11th **DAY OF** April **20** 14

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15

Notary Public State of Arizona
Pima County
Paul Juhl
My Commission Expires 05/27/2015

RECEIVED

APR 15 2014

ACC UTILITIES DIRECTOR

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) **Cochise**	
NAME (OWNER OR OFFICIAL) **Bonnie O'Connor**	TITLE **Manager**
COMPANY NAME **Naco Water Company, LLC**	

I, THE UNDERSIGNED

OF THE

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
$ 225,287

THE AMOUNT IN BOX AT LEFT INCLUDES $ 14,821 IN SALES TAXES BILLED, OR COLLECTED)

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

SIGNATURE OF OWNER OR OFFICIAL

520-624-1460
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11th **DAY OF**

NOTARY PUBLIC NAME Paul Juhl	
COUNTY NAME Pima	
MONTH April	,2014

(SEAL)

MY COMMISSION EXPIRES
5/27/15

SIGNATURE OF NOTARY PUBLIC

Notary Public State of Arizona
Pima County
Paul Juhl
My Commission Expires 05/27/2015