

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

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-02327A  
Antelope Run Water Company  
2102 N. Forbes, #107  
Tucson, AZ 85745

**ANNUAL REPORT**  
**WATER**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2008</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>08</b>
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PROCESSED BY:

4-9-09

SCANNED

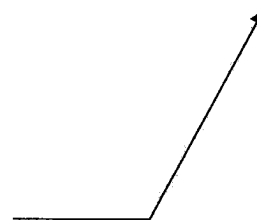




**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	350	---	350
304	Structures and Improvements	2014	1931	83
307	Wells and Springs	29915	15203	14712
311	Pumping Equipment	77486	21325	56161
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3167	2502	665
331	Transmission and Distribution Mains	124556	95827	28729
333	Services			
334	Meters and Meter Installations	4520	3673	847
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			
	<b>TOTALS</b>	<b>242008</b>	<b>140461</b>	<b>101547</b>

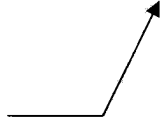
This amount goes on the Balance Sheet Acct. No. 108



See Accountants' Report.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)*</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	350		---
304	Structures and Improvements	2014	5%	33
307	Wells and Springs	29915	4% & 5%	851
311	Pumping Equipment	77486	Various	3861
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3167		---
331	Transmission and Distribution Mains	124556	Various	6015
333	Services			
334	Meters and Meter Installations	4520	Various	113
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			
	<b>TOTALS</b>	242008		10873

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

Depreciation for 2008 is calculated on O.C.L.D.

See Accountants' Report.

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 634	\$ 3683
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	92	92
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 726	\$ 3775
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 216971	\$ 242008
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(129588 )	(140461 )
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 87383	\$ 101547
	<b>TOTAL ASSETS</b>	\$ 88109	\$ 105322

**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	\$ 4558	\$ 38442
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	14114	15114
235	Customer Deposits		5740
236	Accrued Taxes	576	416
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 19248</b>	<b>\$ 59712</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	47950	41660
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>\$</b>	<b>\$</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 67198</b>	<b>\$ 101372</b>
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value*		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	20911	3950
	<b>TOTAL CAPITAL</b>	<b>\$ 20911</b>	<b>\$ 3950</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 88109</b>	<b>\$ 105322</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	\$ 52528	\$ 48329
460	Unmetered Water Revenue		
474	Other Water Revenue	480	151
	<b>TOTAL REVENUES</b>	\$ 53008	\$ 48480
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 7200	\$ 5400
610	Purchased Water		
615	Purchased Power	16104	15296
618	Chemicals		
620	Repairs and Maintenance	4606	12747
621	Office Supplies and Expense	1210	12332
630	Outside Services	1401	2847
635	Water Testing	630	1485
641	Rents	1200	900
650	Transportation Expense	1500	1572
657	Insurance – General Liability		
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	132	374
403	Depreciation Expense	11573	10873
408	Taxes Other Than Income	1031	457
408.11	Property Taxes	3058	1167
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 49645	\$ 65450
	<b>OPERATING INCOME/(LOSS)</b>	\$ 3363	\$ (16970 )
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		9
426	Miscellaneous Non-Utility Income	450	
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 450	\$ 9
	<b>NET INCOME/(LOSS)</b>	\$ 2913	\$ (16961 )

**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 \$ 5660

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Meter Deposits Refunded During the Test Year \$ 1340

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**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>
55-632904	20	180	140	10	3	1979
55-632905	N/A	N/A	950	8	N/A	1979
55-632906	1	15	100	8	N/A	1979

\*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>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
5	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
17000	1	6000	1
3000	1	1500	1
		85	1

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	1000
3		
4	PVC	13500
5		
6	PVC	15500
8	PVC	100
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	163
3/4	
1	4
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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<b>COMPANY NAME:</b> Antelope Run Water Company
<b>Name of System:</b> ADEQ Public Water System Number:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	164	1,482	1,482	0
FEBRUARY	164	1,290	1,290	0
MARCH	164	1,791	1,791	0
APRIL	164	2,567	2,567	0
MAY	164	3,542	3,542	0
JUNE	166	3,777	3,777	0
JULY	166	2,199	2,199	0
AUGUST	167	1,305	1,305	0
SEPTEMBER	167	2,174	2,174	0
OCTOBER	167	2,192	2,192	0
NOVEMBER	168	1,965	1,965	0
DECEMBER	168	1,823	1,823	0
<b>TOTALS →</b>		<b>26,107</b>	26,107	0

What is the level of arsenic for each well on your system? <0.001 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? N/A GPM for \_\_\_ 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: \_\_\_\_\_

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

<b>COMPANY NAME:</b>	Antelope Run Water Company
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	1	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
<b>TOTALS →</b>	<b>0</b>	<b>0</b>	<b>0</b>

OTHER (description):

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**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar year 2008 was \$ -0-

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 tax paid, explain why. Taxes of \$1107 were accrued, but not paid in 2008.

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

(COUNTY OF (COUNTY NAME)) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Antelope Run Water Company	

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

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2008

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.**

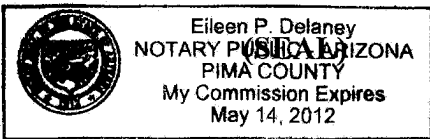
**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
SIGNATURE OF OWNER OR OFFICIAL

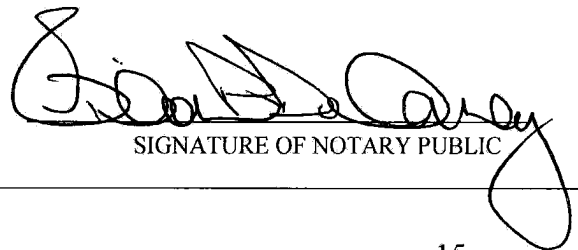
520-623-0772  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS** 6 **DAY OF**

COUNTY NAME	PIMA
MONTH	April 2009



**MY COMMISSION EXPIRES** May 14, 2012

  
SIGNATURE OF NOTARY PUBLIC

**INCOME TAXES**

For this reporting period, please provide the following:

Federal Taxable Income Reported	Loss
Estimated or Actual Federal Tax Liability	---

State Taxable Income Reported	Loss
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**

\_\_\_\_\_  
 4/6/09  
**DATE**

\_\_\_\_\_  
 Bonnie O'Connor  
**PRINTED NAME**

\_\_\_\_\_  
 Manager  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF**

Arizona

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Bonnie O'Connor, Manager
COMPANY NAME	Antelope Run Water Company

**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	2008

**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 2008 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 51199

**(THE AMOUNT IN THE BOX ABOVE INCLUDES \$ 2719 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)**

*Bonnie O'Connor*  
SIGNATURE OF OWNER OR OFFICIAL

520-623-5172  
TELEPHONE NUMBER

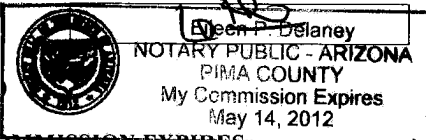
**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

COUNTY NAME	PIMA
MONTH	April 20 09

**THIS** \_\_\_\_\_ **DAY OF**

**(SEAL)**



**MY COMMISSION EXPIRES** May 14, 2012

*Stephen P. Delaney*  
SIGNATURE OF NOTARY PUBLIC

**See Accountants' Report.**

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

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Antelope Run Water Company	

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

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2008

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 2008 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 50670

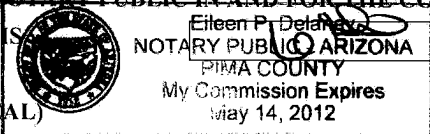
(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2686 IN SALES TAXES BILLED, OR COLLECTED)

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

*B. O'Connor*  
SIGNATURE OF OWNER OR OFFICIAL

520-623-5172  
TELEPHONE NUMBER

<i>Eileen P Delaney</i> NOTARY PUBLIC NAME	
PIMA COUNTY NAME	
APRIL MONTH	2009 YEAR

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS  DAY OF   
  
(SEAL)

*Eileen P Delaney*  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES *May 14, 2012*

HOLM, HESTAND & VALENZUELA, CPAs, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
3131 NORTH COUNTRY CLUB ROAD, SUITE 109  
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA  
EMMA K. HESTAND, CPA  
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483  
FAX: (520) 795-5191  
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Antelope Run Water Company as of December 31, 2008 and 2007, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Holm, Hestand, Valenzuela CPAs P.C.*

March 27, 2009