ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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E-04100A
Southwest Transmission Cooperative, Inc
PO Box 2195
1000 South Hwy 80
Benson, AZ 85602

RECEIVED
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Z Corporation Commissic
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005

FOR COMMISSION USE

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PROCESSED BY:
4-12-06 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Southwest Transmission Cooperative, Inc.

Mailing Address P.O. Box 2195
(Street)

Benson, Arizona 85602
(City) (State) (Zip)

520-586-5599 520-586-5279
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Local Office Mailing Address Same as Above
(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: Larry Huff Senior Vice President & COO
(Name) (Title)

P.O. Box 2195 Benson, Arizona 85602
(Street) (City) (State) (Zip)

520-586-5210 520-586-5279
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address lhuff@swtransco.coop

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: Roy Kyle Lewis & Roca, LLP
(Name)

One South Church - #700 Tucson, Arizona 85701
(Street) (City) (State) (Zip)

520-622-2090
Telephone No. (Include Area Code) Fax No. (Include Area Code Pager/Cell No. (Include Area Code)

Attorney: Same as Above
(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)**
☐ **C Corporation (C) (Other than Association/Co-op)**
☐ **Partnership (P)**
☐ **Subchapter S Corporation (Z)**
☐ **Bankruptcy (B)**
☐ **Association/Co-op (A)**
☐ **Receivership (R)**
☐ **Limited Liability Company**
☒ **Other (Describe)** Cooperative Corporation IRC 501 (C) 12

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**

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

- [XX] **Electric**
  - [ ] Investor Owned Electric
  - [XX] Rural Electric Cooperative
  - [ ] Utility Distribution Company
  - [ ] Electric Service Provider
    - [X] Transmission Service Provider
    - [ ] Meter Service Provider
    - [ ] Meter Reading Service Provider
    - [X] Billing and Collection
    - [X] Ancillary Services
    - [ ] Generation Provider
    - [ ] Aggregator/Broker
- [ ] **Telecommunications**
  - [ ] Incumbent Local Exchange Carrier
  - [ ] Interexchange Carrier
  - [ ] Competitive Local Exchange Carrier
  - [ ] Reseller
  - [ ] Alternative Operator Service Provider
- [ ] **Gas**
  - [ ] Natural Gas
  - [ ] Propane
- [ ] **Other** (Specify)_____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	$_____
Total income from Arizona operations	$_____
Value of assets used to serve Arizona customers	$_____
Accumulated depreciation associated with those assets	$_____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers _____
- Residential _____
- Commercial _____
- Industrial _____
- Public street and highway lighting _____
- Irrigation _____
- Resale _____

Total kilowatt-hours sold _____ kWh
- Residential _____
- Commercial _____
- Industrial _____
- Public street and highway lighting _____
- Irrigation _____
- Resale _____

Maximum Peak Load _____ MW

GAS UTILITIES ONLY

Total number of customers _____
- Residential _____
- Commercial _____
- Industrial _____
- Irrigation _____
- Resale _____

Total therms sold _____ therms
- Residential _____
- Commercial _____
- Industrial _____
- Irrigation _____
- Resale _____

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

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Director of Utilities

VERIFICATION

STATE OF _____ COUNTY OF (COUNTY NAME): Cochise

I, THE UNDERSIGNED NAME (OWNER OR OFFICIAL) TITLE: Donald Kimball President & CEO

OF THE COMPANY NAME: Southwest Transmission Cooperative, 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 ($)
$ -0-

(THE AMOUNT IN BOX ABOVE INCLUDES $_____ 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)**

Donald W Kimball
SIGNATURE OF OWNER OR OFFICIAL

520-586-5599
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF COUNTY NAME: Cochise

THIS 7th **DAY OF** MONTH: April .2006

CHERYL R.TRUJILLO
Notary Public - Arizona
Cochise County
My Comm. Expires Oct 4, 2006

Cheryl R Trujillo
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct. 4, 2006

RECEIVED

APR 12 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION AND SWORN STATEMENT

RESIDENTIAL REVENUE

INTRASTATE REVENUES ONLY

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) Cochise	
NAME (OWNER OR OFFICIAL) Donald Kimball	TITLE President & CEO
COMPANY NAME Southwest Transmission Cooperative, Inc.	

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	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
$ -0-

(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.**

X Donald Kimball
SIGNATURE OF OWNER OR OFFICIAL

520-586-5599
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9th **DAY OF**

(SEAL)

CHERYL R.TRUJILLO
Notary Public - Arizona
Cochise County
My Comm. Expires Oct 4, 2006

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME Cheryl R. Trujillo	
COUNTY NAME Cochise	
MONTH April	20 06

X Cheryl R. Trujillo
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2005) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Southwest Transmission Cooperative
RUS Reporting - Form 12a
Balance Sheet
As of December 31, 2005

Southwest Transmission Elect

Account Description	This Year Balance	Last Year Date	Variance
ASSETS AND OTHER DEBITS			
1. Total Plant in Service	132,557,708.11	133,574,061.56	<1,016,353.45>
2. Construction Work in Progress	4,669,992.68	2,970,714.77	1,699,277.91
3. Total Plant	137,227,700.79	136,544,776.33	682,924.46
4. Accum. Provision for Depr & Amort.	<59,839,227.99>	<59,577,132.66>	<262,095.33>
5. NET PLANT	77,388,472.80	76,967,643.67	420,829.13
6. Non-Utility Property - Net			
7. Invest. Assoc. in Subsidiary			
8. Invest. Assoc.Org Patronage Capital	18,262.24	13,408.51	4,853.73
9. Invest.in Assoc.Org-Other Gen Funds			
10. Invest. Assoc.Org- Other Non Gen Fnd	2,355,651.51	2,355,651.51	
11. Investment in Econ Dvlpmt Projects			
12. Other Investments			
13. Specials Funds			
14. TOTAL OTHER PROPERTY & INVEWTMENTS	2,373,913.75	2,369,060.02	4,853.73
15. Cash - General Fund	181,717.26	267,838.01	<86,120.75>
16. Cash - Construction Funds			
17. Specials Deposits	116.67	13,113.48	<12,996.81>
18. Temporary Investments	8,085,537.52	5,367,787.02	2,717,750.50
19. Notes Receivable - Net	48,819.84	51,706.32	<2,886.48>
20. Accounts Receivable Sales of Energy	2,866,476.39	2,309,408.11	557,068.28
21. Accounts Receivable - Net	837,790.28	76,641.52	761,148.76
22. Fuel Stock			
23. Materials & Supplies - Other	1,102,760.68	876,741.95	226,018.73
24. Prepayments	955,314.24	966,351.57	<11,037.33>
25. Other Current and Accrued Assets	25,095.27	19,649.40	5,445.87
26. TOTAL CURRENT and ACCRUED ASSETS	14,103,628.15	9,949,237.38	4,154,390.77
27. Unamortized Debt Discount	1,814,249.26	2,074,373.36	<260,124.10>
28. Regulatory Assets	5,906,707.77	8,740,263.62	<2,833,555.85>
29a. Prelim Surveys	68,318.45	357.74	67,960.71
29b. Clearing & Misc Def Debits	75,874.54	81,864.69	<5,990.15>
29c. Overhauls & Mktg			
29d. Job Tickets	118,657.72	72,563.71	46,094.01
29. TOTAL OTHER DEFERRED DEBITS	7,983,807.74	10,969,423.12	<2,985,615.38>
30. Accum Deferred Income Tax			
31. TOTAL ASSETS & OTHER DEBITS	101,849,822.44	100,255,364.19	1,594,458.25

Southwest Transmission Cooperative
RUS Reporting - Form 12a
Balance Sheet
As of December 31, 2005

Southwest Transmission Elect

Account Description	This Year Balance	Last Year Date	Variance
LIABILITIES AND OTHER DEBITS			
32. Memberships	900.00	900.00	
33. Patronage Capital			
a. Assigned and Assignable	5,024,713.94	4,239,279.94	785,434.00
b. Retired This Year			
c. Retired Prior Years			
d. Net Patronage Capital	5,024,713.94	4,239,279.94	785,434.00
34. Operating Margins - Prior Years	.24	<.46>	.70
35. Operating Margins - Current Year	<4,397,175.78>	439,410.44	<4,836,586.22>
36. Non-Operating Margin	607,403.55	346,023.80	261,379.75
37. Other Margins & Equities			
38. TOTAL MARGINS & EQUITIES	1,235,841.95	5,025,613.72	<3,789,771.77>
39. Long-Term Debt - REA (Payments - Unapplied $)	1,532,814.09	1,941,419.67	<408,605.58>
40. Long-Term Debt-REA-Econ Dvlpmt (Net)			
41. Long-Term Debt -FFB- REA Guaranteed	71,903,600.36	65,784,788.28	6,118,812.08
42. Long-Term Debt-Other-REA Guaranteed			
43. Long-Term Debt --Other-- (Net)	22,645,383.47	24,329,252.62	<1,683,869.15>
44. TOTAL LONG-TERM DEBT	96,081,797.92	92,055,460.57	4,026,337.35
45. Obligations Under Capital Lease			
46. Accum Operating Reserves			
47. TOTAL OTHER NONCURRENT LIABIL			
48. Notes Payable			
49. Accounts Payable	2,609,896.46	1,035,049.86	1,574,846.60
50. Taxes Accrued	901,028.57	927,556.78	<26,528.21>
51. Interest Accrued	426,153.15	410,453.90	15,699.25
52. Other Current & Accrued Liabilities	407,003.09	541,178.86	<134,175.77>
53. TOTAL CURRENT & ACCRUED LIABILITIES	4,344,081.27	2,914,239.40	1,429,841.87
54. Deferred Credits	188,101.30	260,050.50	<71,949.20>
55. Accumulated Deferred Income Taxes			
56. TOTAL LIABILITIES and OTHER CREDITS	101,849,822.44	100,255,364.19	1,594,458.25

Southwest Transmission Cooperati
RUS Form 12a, Operating Report Financial
Section A. Statement of Operations
For the Twelve Months Ending December 31, 2005

Southwest Transmission Elect

ITEM	This Year YTD (a)	Plan YTD (b)	Last Year YTD (c)	December 2005	December Plan
1. Electric Energy Revenues					
2. Income From Leased Property - Net					
3. Other Operating Revenue & Income	31,025,795.30		32,857,625.65	2,726,614.00	
4. TOTAL OPER. REVENUES & PATRONAGE CAP	31,025,795.30		32,857,625.65	2,726,614.00	
7. Operation Exp - Other Power Supply	3,858,628.45		3,455,789.89	261,228.72	
8. Operation Exp - Transmission	10,040,147.89		11,216,943.11	792,141.25	
13. Operation Exp - Admin & Gen	3,837,645.65		3,763,536.76	343,614.31	
14. TOTAL OPERATION EXPENSE	17,736,421.99		18,436,269.76	1,396,984.28	
16. Maintenance Exp - Transmission	2,449,827.27		2,162,550.02	406,292.14	
18. Maintenance Exp - General Plant	88,629.38		86,942.70	5,842.32	
19. TOTAL MAINTENANCE EXPENSE	2,538,456.65		2,249,492.72	412,134.46	
20. Depreciation & Amortization Expense	9,573,459.66		7,021,967.96	572,418.20	
21. Taxes	967.00		<2,202.65>		
22. Interest on Long-Term Debt	4,956,796.74		4,413,385.52	418,806.95	
23. Interest Charged to Construction-Cr	<88,075.59>		<52,479.83>	<20,803.49>	
24. Other Interest Expense	33,772.17		7,432.15	24,384.35	
25. Other Deductions	676,414.66		360,886.16	451,528.94	
26. TOTAL COST OF ELECTRIC SERVICE	35,428,213.28		32,434,751.79	3,255,453.69	
27. OPERATING MARGIN	<4,402,417.98>		422,873.86	<528,839.69>	
28. Interest Income	515,828.97		227,341.87	45,619.30	
29. Allowance for Funds Used During Cnst					
30. Income (Loss) from Equity Investment					
31. Other Non-Operating Income - Net	91,574.58		129,160.93	9,234.75	
32. Generation & Transmission Cre					
33. Other Capital Cr & Patronage Div	5,242.20		6,057.58	1,120.20	
34. Extraordinary Items					
35. NET PATRONAGE CAPITAL OR MARGINS	<3,789,772.23>		785,434.24	<472,865.44>	