

**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  
Benson, AZ 85602

**ANNUAL REPORT**  
**Electric**

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 01	09
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5-4-10

COMPANY INFORMATION

Company Name (Business Name) <u>Southwest Transmission Cooperative, Inc.</u>		
Mailing Address <u>PO Box 2195</u>		
<u>Benson</u> (City)	<u>AZ</u> (State)	<u>85602</u> (Zip)
<u>520-586-5566</u> Telephone No. (Include Area Code)	<u>520-586-5279</u> Fax No. (Include Area Code)	<u>                    </u> Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>1000 So/Hwy 80</u>		
<u>Benson</u> (City)	<u>AZ</u> (State)	<u>85602</u> (Zip)
<u>Same as above</u> Local Office Telephone No. (Include Area Code)	<u>                    </u> Fax No. (Include Area Code)	<u>                    </u> Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:		
<input type="checkbox"/> Management Contact: <u>Joe King</u> <u>Sr. Financial Analyst</u>		
<u>1000 So. Hwy 80</u> (Street)	<u>Benson</u> (City)	<u>AZ</u> <u>85602</u> (State) (Zip)
<u>520-586-5129</u> Telephone No. (Include Area Code)	<u>                    </u> Fax No. (Include Area Code)	<u>                    </u> Cell No. (Include Area Code)
Email Address <u>jking@ssw.coop</u>		
On Site Manager: <u>Patrick Ledger</u>		
<u>1000 So. Hwy 80</u> (Street)	<u>Benson, AZ</u> (City) (State)	<u>85602</u> (Zip)
<u>520-586-5210</u> Telephone No. (Include Area Code)	<u>                    </u> Fax No. (Include Area Code)	<u>                    </u> Cell No. (Include Area Code)
Email Address _____		

Statutory Agent: Roy Kyle Lewis & Roca LLP  
(Name)

One Church #700 Tucson AZ 85701  
(Street) (City) (State) (Zip)

520-629-4466 520-879-4730  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Same as above  
(Name)

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

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address kyle@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 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 checked="" type="checkbox"/> Other (Describe) <u>Cooperative Corporation IRC 501 9c) 12</u> |   |

**COUNTIES SERVED**

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

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

SERVICES AUTHORIZED TO PROVIDE

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

- Electric**
  - Investor Owned Electric
  - Rural Electric Cooperative
  - Utility Distribution Company
  - Electric Service Provider
  - Transmission Service Provider
  - Meter Service Provider
  - Meter Reading Service Provider
  - Billing and Collection
  - Ancillary Services
  - Generation Provider
  - Aggregator/Broker

**Other** (Specify) \_\_\_\_\_

STATISTICAL INFORMATION

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

COMPANY NAME:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			

OTHER (description):

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VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

MAY 9 8 2010

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>Cochise</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Donald W. Kimball</b>
COMPANY NAME <b>Southwest Transmission Cooperative, Inc.</b>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

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 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>0</u>

(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)

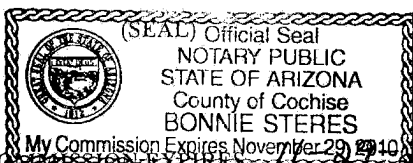
  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
**520-586-3631**  
\_\_\_\_\_  
TELEPHONE NUMBER

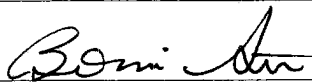
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29<sup>th</sup> DAY OF

COUNTY NAME <u>Cochise</u>
MONTH <u>April</u> .20 <u>10</u>



  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES NOVEMBER 29, 2010

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

MAY 0 8 2010

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) <b>Cochise</b>	
NAME (OWNER OR OFFICIAL) <b>Donald W. Kimball</b>	TITLE <b>President &amp; CEO</b>
COMPANY NAME <b>Southwest Transmission Cooperative, Inc.</b>	

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	2009

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 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>0</u>

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

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

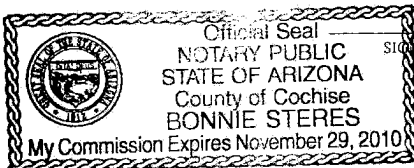
*Donald W. Kimball*  
SIGNATURE OF OWNER OR OFFICIAL

**520-586-3631**  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 29<sup>th</sup> DAY OF  
(SEAL)

NOTARY PUBLIC NAME <i>Bonnie Steres</i>	
COUNTY NAME <i>Cochise</i>	
MONTH <i>April</i>	, 20 <u>10</u>

MY COMMISSION EXPIRES  
*11-29-2010*



*Bonnie Steres*  
SIGNATURE OF NOTARY PUBLIC

## FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2009) 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.**

**OPERATING REPORT - FINANCIAL**

ARIZONA 31

Southwest Transmission Cooperative Inc

MONTH ENDING

31-Dec-09

**SECTION B. BALANCE SHEET**

**CONFIDENTIAL**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service .....	174,181,789	32. Memberships .....	900
2. Construction Work in Progress .....	7,722,775	33. Patronage Capital	
3. Total Utility Plant (1 + 2) .....	181,904,564	a. Assigned and Assignable .....	9,397,778
4. Accum. Provision for Depreciation & Amort. ....	-71,768,362	b. Retired This Year .....	0
<b>5. Net Utility Plant (3 - 4) .....</b>	<b>110,136,202</b>	c. Retired Prior Years .....	0
6. Non-Utility Property - Net .....	0	d. Net Patronage Capital .....	9,397,778
7. Investment in Subsidiary Companies .....	0	34. Operating Margins - Prior Years .....	-34,676
8. Invest. in Assoc. Org. - Patronage Capital .....	34,565	35. Operating Margins - Current Year .....	-139,003
9. Invest. in Assoc. Org. - Other - General Funds .....	0	36. Non-Operating Margins .....	96,186
10. Invest. in Assoc. Org. - Other - Non-Gen. Funds .....	2,333,505	37. Other Margins and Equities .....	0
11. Investments in Economic Development Projects .....	0	<b>38. Total Margins &amp; Equities (32 + 33d thru 37) .....</b>	<b>9,321,185</b>
12. Other Investments .....	0	39. Long-Term Debt - REA (Net) .....	52,794
13. Special Funds .....	90,522	(Payments-Unapplied \$ ) .....	-57,153
<b>14. Total Other Property &amp; Investment (6 thru 13) .....</b>	<b>2,458,593</b>	40. Long-Term Debt - REA - Econ. Devel.(Net) .....	0
15. Cash - General Funds .....	185,904	41. Long-Term Debt - FFB - REA Guaranteed .....	95,317,210
16. Cash - Construction Funds - Trustee .....	0	42. Total Long-Term Debt - Other - REA Guaranteed .....	
17. Special Deposits .....	0	43. Total Long-Term Debt - Other (Net) .....	16,836,308
18. Temporary Investments .....	2,956,824	<b>44. Total Long-Term Debt (39 thru 43) .....</b>	<b>112,149,159</b>
19. Notes Receivable - Net .....	0	45. Obligations Under Capital Leases - Noncurrent .....	0
20. Accounts Receivable - Sales of Energy (Net) .....	2,786,100	46. Accumulated Operating Provisions .....	0
21. Accounts Receivable - Net .....	392,950	<b>47. Total Other Non-current Liabilities (45 + 46) .....</b>	<b>0</b>
22. Fuel Stock .....	0	48. Notes Payable .....	0
23. Materials and Supplies - Other .....	2,175,468	49. Accounts Payable .....	1,223,393
24. Prepayments .....	2,439,975	50. Taxes Accrued .....	849,815
25. Other Current and Accrued Assets .....	16,175	51. Interest Accrued .....	339,988
<b>26. Total Current and Accrued Assets (15 thru 25) .....</b>	<b>10,953,397</b>	52. Other Current & Accrued Liabilities .....	1,760,688
27. Unamortized Debt Disc. & Extraord. Prop. Losses .....	922,764	<b>53. Total Current &amp; Accrued Liabilities (48 thru 52) .....</b>	<b>4,173,884</b>
28. Regulatory Assets .....		54. Deferred Credits .....	519,854
29. Other Deferred Debits .....	1,693,126	55. Accumulated Deferred Income Taxes .....	0
30. Accumulated Deferred Income Tax .....	0	<b>56. Total Liabilities and Other Credits</b>	
<b>31. Total Assets &amp; Other Debits (5 + 14 + 26 Thru 30) .....</b>	<b>126,164,081</b>	(38 + 44 + 47 + 53 thru 55) .....	<b>126,164,081</b>

**SECTION C. NOTES TO FINANCIAL STATEMENTS**

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPERATE SHEET.)

**OPERATING REPORT - FINANCIAL**

ARIZONA 31

BORROWER NAME AND ADDRESS

SOUTHWEST TRANSMISSION COOPERATIVE, INC.  
P.O. BOX 2195  
BENSON, ARIZONA 85602

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-3

PERIOD ENDING  
31-Dec-09

RUS USE ONLY

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	0	0	0	0
2. Income From Leased Property - Net	0	0	0	0
3. Other Operating Revenue and Income	37,491,510	35,256,945		2,834,227
<b>4. Total Oper. Revenues &amp; Patronage Capital (1 thru 3)</b>	<b>37,491,510</b>	<b>35,256,945</b>	<b>0</b>	<b>2,834,227</b>
5. Operation Expense - Production - Excluding Fuel	0	0	0	0
6. Operation Expense - Production - Fuel	0	0	0	0
7. Operation Expense - Other Power Supply	4,651,554	4,799,509		349,906
8. Operation Expense - Transmission	10,545,589	10,886,904		815,902
9. Operation Expense - Distribution	0	0	0	0
10. Operation Expense - Consumer Accounts	0	0	0	0
11. Operation Expense - Consumer Service & Information	0	0	0	0
12. Operation Expense - Sales	0	0	0	0
13. Operation Expense - Administrative & General	4,156,150	4,295,706		452,056
<b>14. Total Operation Expense (5 thru 13)</b>	<b>19,353,293</b>	<b>19,982,119</b>	<b>0</b>	<b>1,617,864</b>
15. Maintenance Expense - Production	0	0	0	0
16. Maintenance Expense - Transmission	4,172,411	4,732,531	0	503,649
17. Maintenance Expense - Distribution	0	0	0	0
18. Maintenance Expense - General Plant	281,333	274,206	0	26,276
<b>19. Total Maintenance Expense (15 thru 18)</b>	<b>4,453,744</b>	<b>5,006,738</b>	<b>0</b>	<b>529,925</b>
20. Depreciation & Amortization Expense	4,347,789	4,864,223		642,290
21. Taxes	0	0	0	0
22. Interest on Long-Term Debt	4,934,059	5,222,239		473,572
23. Interest Charged to Construction - Credit	-594,037	-114,987		-702
24. Other Interest Expense	80,187	56,056		318
25. Other Deductions	156,380	388,051		455,304
<b>26. Total Cost of Electric Service (14 + 19 thru 25)</b>	<b>32,731,415</b>	<b>35,404,439</b>	<b>0</b>	<b>3,718,571</b>
<b>27. Operating Margins (4 - 26)</b>	<b>4,760,095</b>	<b>-147,494</b>	<b>0</b>	<b>-884,344</b>
28. Interest Income	128,523	72,362		5,615
29. Allowance for Funds Used During Construction	0	0	0	0
30. Income (Loss) from Equity Investments	0	0	0	0
31. Other Nonoperating Income - Net	47,159	23,824		-78,141
32. Generation & Transmission Capital Credits	351	8,492	0	0
33. Other Capital Credits & Patronage Dividends	0	0	0	0
34. Extraordinary Items	0	0	0	0
<b>35. Net Patronage Capital or Margins (27 thru 33)</b>	<b>4,936,128</b>	<b>-42,817</b>	<b>0</b>	<b>-956,870</b>
ITEM	Mills/kWh (Optional Use by Borrower)			
36. Electric Energy Revenue Per kWh Sold		0.00		
37. Total Operation & Maintenance Expense Per kWh Sold		0.00		
38. Total Cost of Electric Service Per kWh Sold		0.00		
39. Purchased Power Cost Per kWh		0.00		