

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

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

E-01891A  
GARKANE ENERGY COOPERATIVE, INC.  
P.O. BOX 465  
LOA, UT 84747

RECEIVED

APR 16 2013

AZ CORP COMM  
Director - Utilities

**ANNUAL REPORT**  
**Electric**

**FOR YEAR ENDING**

12	31	2012
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FOR COMMISSION USE

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4-17-13

## COMPANY INFORMATION

**Company Name (Business Name)** GARKANE ENERGY COOPERATIVE, INC.

**Mailing Address** 120 WEST 300 SOUTH/P.O. BOX 465

(Street)

LOA

UT

84747

(City)

(State)

(Zip)

(435) 836-2795

(435) 836-2497

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** calbrecht@garkaneenergy.com

**Local Office Mailing Address** 120 WEST 300 SOUTH / P.O. BOX 465

(Street)

LOA

UT

84747

(City)

(State)

(Zip)

(435) 836-2795

(435) 836-2497

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** calbrecht@garkaneenergy.com

## MANAGEMENT INFORMATION

**Regulatory Contact:**

**Management Contact:** CARL R. ALBRECHT

(Name)

CEO/GENERAL MANAGER

(Title)

120 WEST 300 SOUTH / P.O. BOX 465 LOA

UT

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(Street)

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**Email Address** calbrecht@garkaneenergy.com

**On Site Manager:** CARL R. ALBRECHT

(Name)

120 WEST 300 SOUTH / P.O. BOX 465 LOA

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Cell No. (Include Area Code)

**Email Address** calbrech@garkaneenergy.com

**Statutory Agent:** ROBERT T. JONES

(Name)

2210 SOUTH PRIEST DR.

TEMPE

AZ

85282

(Street)

(City)

(State)

(Zip)

(602) 286-6925

(602) 286-6932

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** MICHAEL GRANT

(Name)

2575 EAST CAMELBACK

PHOENIX

AZ

85016-9225

(Street)

(City)

(State)

(Zip)

(602) 530-8291

(602) 257-9459

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:

- |  |   |
|--|---|
| <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 checked="" 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 checked="" 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 checked="" type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL               |
| <input 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	1,118	
Commercial	237	
Industrial	-	
Public Street and Highway lighting	5	
Irrigation	10	
Resale	48	
 Total kilowatt-hours sold	 42,463,161	 kWh
Residential	22,577,644	
Commercial	14,977,016	
Industrial	-	
Public Street and Highway lighting	50,160	
Irrigation	491,639	
Resale	4,366,702	
 Maximum Peak Load	 9.6	 MW

**COMPANY NAME:** GARKANE ENERGY COOPERATIVE, INC.

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-211.B</b>	<b>Termination with Notice R14-2-211</b>	<b>OTHER</b>
<b>JANUARY</b>	0	13	
<b>FEBRUARY</b>	0	15	
<b>MARCH</b>	0	22	
<b>APRIL</b>	0	9	
<b>MAY</b>	0	8	
<b>JUNE</b>	0	8	
<b>JULY</b>	0	26	
<b>AUGUST</b>	0	25	
<b>SEPTEMBER</b>	0	18	
<b>OCTOBER</b>	0	9	
<b>NOVEMBER</b>	0	12	
<b>DECEMBER</b>	0	5	
<b>TOTALS →</b>	0	170	

OTHER (description):

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**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

APR 16 2013

AZ CORP COMM  
Director - Utilities

**VERIFICATION**

STATE OF UTAH

**I, THE UNDERSIGNED  
OF THE**

<small>COUNTY OF (COUNTY NAME)</small> WAYNE COUNTY
<small>NAME (OWNER OR OFFICIAL) TITLE</small> MARCUS V. LEWIS CFO
<small>COMPANY NAME</small> GARKANE ENERGY COOPERATIVE, INC.

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

**FOR THE YEAR ENDING**

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
12	31	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 STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2012 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)  \$ <u>4,360,223</u>
--

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 282,089  
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)**

*Marcus V. Lewis*  
 \_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
 (435) 836-2795  
 \_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

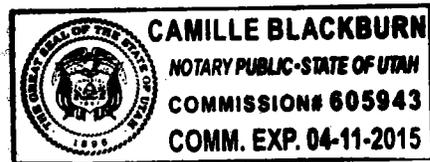
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 11th **DAY OF**  
(SEAL)

<small>COUNTY NAME</small> Wayne	
<small>MONTH</small> April	<small>YEAR</small> 2013

*Camille Blackburn*  
 \_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES** 4-11-15



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

**RECEIVED**

APR 16 2013

AZ CORP COMM  
Director - Utilities

STATE OF <sup>Utah</sup> ARIZONA

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) WAYNE COUNTY	
NAME (OWNER OR OFFICIAL) MARCUS V. LEWIS	TITLE CFO
COMPANY NAME GARKANE ENERGY COOPERATIVE, INC.	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	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 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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 2,445,554
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(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 156,781  
IN SALES TAXES BILLED, OR COLLECTED

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

*Marcus V. Lewis*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
(435) 836-2795  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11<sup>th</sup> DAY OF

(SEAL)

MY COMMISSION EXPIRES 4-11-15

NOTARY PUBLIC NAME <i>Camille Blackburn</i>	
COUNTY NAME <i>Wayne</i>	
MONTH <i>Apr. 1</i>	YEAR <i>2013</i>

*Camille Blackburn*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC  
**CAMILLE BLACKBURN**  
NOTARY PUBLIC-STATE OF UTAH  
COMMISSION# 605943  
COMM. EXP. 04-11-2015

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the Company year-end (Calendar Year 2012) 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.**

**Garkane Energy Cooperative, Inc.**  
**120 W 300 S PO Box 465**  
**Loa, UT 84747**  
**1-435-836-2975**

**FINANCIAL STATEMENTS ON ARIZONA-SPECIFIC**  
For Year Ending December 31, 2012

**BALANCE SHEET**

**ELECTRIC PLANT**

	<b>Total System</b>	<b>Utah</b>	<b>Arizona</b>
Plant in Service	\$ 93,949,823	\$ 88,483,234	\$ 5,466,589
Construction Work In Progress	\$ 1,789,534	\$ 1,432,522	\$ 357,012
Acc Prov For Depreciation	\$ (35,046,296)	\$ (32,476,918)	\$ (2,569,378)
<b>Net Electric Plant</b>	<b>\$ 60,693,061</b>	<b>\$ 57,438,838</b>	<b>\$ 3,254,223</b>

**INCOME STATEMENT**

	<b>Total System</b>	<b>Utah</b>	<b>Arizona</b>
<b>UTILITY OPERATING INCOME</b>			
Operating Revenue	\$ 22,053,574	\$ 17,841,273	\$ 4,212,301
Operating Expenses:			
Operation & Maintenance expense	\$ 15,189,604	\$ 12,357,052	\$ 2,832,552
Depreciation expense	\$ 2,676,561	\$ 2,527,032	\$ 149,529
Taxes	\$ 622,636	\$ 442,084	\$ 180,552
<b>Total Operating Expenses</b>	<b>\$ 18,488,801</b>	<b>\$ 15,326,168</b>	<b>\$ 3,162,633</b>
<b>Net Operating Revenue</b>	<b>\$ 3,564,773</b>	<b>\$ 2,515,105</b>	<b>\$ 1,049,668</b>
Miscellaneous Deductions	\$ 22,427		
<b>Net Income before Interest</b>	<b>\$ 3,542,346</b>		
Interest Expense	\$ 1,440,240		
<b>Operating Margin</b>	<b>\$ 2,102,106</b>		
<b>Other Income</b>			
Net Merchandising	\$ 15,602		
Interest Income	\$ 36,481		
Miscellaneous nonoperating income	\$ 355,305		
Other capital credits & dividends	\$ 143,192		
<b>Net margins &amp; patronage capital</b>	<b>\$ 2,652,686</b>		