

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

E-01773A

Arizona Electric Power Cooperative, Inc.
PO Box 670
Benson, AZ 85602

RECEIVED

MAY 13 2015

AZ CORP COMM
Director - Utilities

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT
Electric

FOR YEAR ENDING

12	31	2014
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FOR COMMISSION USE

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5-14-15

COMPANY INFORMATION

Company Name (Business Name) <u>Arizona Electric Power Cooperative, Inc.</u>			
Mailing Address <u>P.O. Box 670</u>			
(Street)			
<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>	
(City)	(State)	(Zip)	
<u>502-586-3631</u>	<u>520-586-5343</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>www.azgt.coop</u>			
Local Office Mailing Address <u>1000 South Highway 80</u>			
(Street)			
<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>	
(City)	(State)	(Zip)	
<u>Same as above</u>			
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)	
Email Address _____		Website address <u>www.azgt.coop</u>	

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact:			
<u>Joe King</u>		<u>Sr. Financial Analyst</u>	
(Name)		(Title)	
<u>1000 South Hwy. 80</u>	<u>Benson</u>	<u>AZ</u>	<u>85602-0670</u>
(Street)	(City)	(State)	(Zip)
<u>520-586-5129</u>	<u>520-586-5199</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>jking@ssw.coop</u>			
On Site Manager: <u>Patrick Ledger, CEO</u>			
(Name)			
<u>Same as above</u>			
(Street)	(City)	(State)	(Zip)
<u>520-586-5008</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>pledger@aepco.coop</u>			

Statutory Agent: Rusing and Lopez, PLLC

(Name)

6262 N. Swan Rd. Suite 200

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

520-792-4800

Telephone No. (Include Area Code)

520-529-4262

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Pat Lopez

(Name)

Same as above

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

EmailAddress plopez@rusingandlopez.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 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 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 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 checked="" 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

Retail Information

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential		
Commercial		
Industrial		
Public Street and Highway Lighting		
Irrigation		
Total Retail		

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	6	2,696,957,000
Short-term Sales (durations of less than one year)	37	495,261,000
Total Wholesale	43	3,192,218,000

Total MWh Sold 3,192,218 MWh

Maximum Peak Load 676 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):

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED
MAY 13 2015
AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Cochise
NAME (OWNER OR OFFICIAL) TITLE	Peter F. Scott, CFO
COMPANY NAME	Arizona Electric Power Cooperative, Inc.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$160,526,523

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-
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)**

[Handwritten Signature]

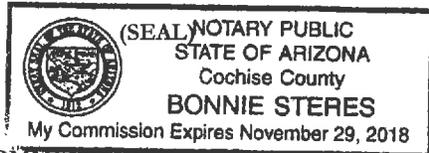
SIGNATURE OF OWNER OR OFFICIAL
520-586-5319
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

COUNTY NAME Cochise	
MONTH May	2015



[Handwritten Signature]

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 11-29-18

FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2014) 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.**

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION AZ0028		
		PERIOD ENDED December, 2014		
INSTRUCTIONS - See help in the online application.				
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1	Electric Energy Revenues	160,625,676	171,563,189	13,515,263
2	Income From Leased Property (Net)			
3	Other Operating Revenue and Income	9,366,449	9,960,877	775,801
4	Total Operation Revenues & Patronage Capital (1 thru 3)	169,992,125	181,524,066	14,290,764
5	Operating Expense - Production - Excluding Fuel	14,144,948	13,810,655	1,550,840
6	Operating Expense - Production - Fuel	73,249,176	77,551,942	6,123,331
7	Operating Expense - Other Power Supply	18,465,233	26,522,957	1,951,544
8	Operating Expense - Transmission	10,822,463	14,866,436	1,206,830
9	Operating Expense - RTO/ISO			
10	Operating Expense - Distribution			
11	Operating Expense - Customer Accounts	639,150	493,549	239,758
12	Operating Expense - Customer Service & Information			
13	Operating Expense - Sales			
14	Operating Expense - Administrative & General	8,842,344	8,251,615	667,217
15	Total Operation Expense (5 thru 14)	126,167,314	141,497,154	11,739,520
16	Maintenance Expense - Production	14,337,999	12,470,350	1,315,800
17	Maintenance Expense - Transmission	29,541	32,823	8,075
18	Maintenance Expense - RTO/ISO			
19	Maintenance Expense - Distribution			
20	Maintenance Expense - General Plant	839,694	1,004,262	236,626
21	Total Maintenance Expense (16 thru 20)	15,207,234	13,507,435	1,560,501
22	Depreciation and Amortization Expense	10,183,997	13,073,564	1,123,857
23	Taxes			
24	Interest on Long-Term Debt	8,795,452	8,470,699	704,536
25	Interest Charged to Construction - Credit	(7,163)	(12,388)	(1,116)
26	Other Interest Expense	182,715	72,353	7,357
27	Asset Retirement Obligations	160,704		
28	Other Deductions	60,334	87,514	13,900
29	Total Cost Of Electric Service (15 + 21 thru 28)	160,250,587	176,696,331	15,148,555
30	Operating Margins (4 less 29)	9,241,538	4,827,735	(857,791)
31	Interest Income	1,035,469	1,194,576	195,581
32	Allowance For Funds Used During Construction			
33	Income (Loss) from Equity Investments			
34	Other Non-operating Income (Net)	(616,435)	(871,675)	(71,366)
35	Generation & Transmission Capital Credits			
36	Other Capital Credits and Patronage Dividends	1,881,160	1,114,540	3,319
37	Extraordinary Items			
38	Net Patronage Capital Or Margins (30 thru 37)	11,541,733	6,265,176	(730,257)

RUS Financial and Operating Report Electric Power Supply - Part A - Financial

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		AZ0028	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED	
		December, 2014	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	480,004,178	33. Memberships	430
2. Construction Work in Progress	1,442,661	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	481,446,839	a. Assigned and Assignable	111,917,357
4. Accum. Provision for Depreciation and Amortization	237,458,915	b. Retired This year	721,358
5. Net Utility Plant (3 - 4)	243,987,924	c. Retired Prior years	620,764
6. Non-Utility Property (Net)	0	d. Net Patronage Capital (a - b - c)	110,575,235
7. Investments in Subsidiary Companies	0	35. Operating Margins - Prior Years	0
8. Invest. in Assoc. Org. - Patronage Capital	9,680,719	36. Operating Margin - Current Year	5,942,275
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Non-Operating Margins	322,901
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	6,433,061	38. Other Margins and Equities	0
11. Investments in Economic Development Projects	254,068	39. Total Margins & Equities (33 + 34d thru 38)	116,840,841
12. Other Investments	0	40. Long-Term Debt - RUS (Net)	0
13. Special Funds	3,068,733	41. Long-Term Debt - FFB - RUS Guaranteed	150,859,361
14. Total Other Property And Investments (6 thru 13)	19,436,581	42. Long-Term Debt - Other - RUS Guaranteed	0
15. Cash - General Funds	2,486,574	43. Long-Term Debt - Other (Net)	23,770,139
16. Cash - Construction Funds - Trustee	43,494	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0
17. Special Deposits	278,683	45. Payments - Unapplied	15,528,800
18. Temporary Investments	18,641,133	46. Total Long-Term Debt (40 thru 44 - 45)	159,100,700
19. Notes Receivable (Net)	0	47. Obligations Under Capital Leases Noncurrent	211,763
20. Accounts Receivable - Sales of Energy (Net)	14,900,096	48. Accumulated Operating Provisions and Asset Retirement Obligations	17,271,519
21. Accounts Receivable - Other (Net)	5,112,837	49. Total Other NonCurrent Liabilities (47 + 48)	17,483,282
22. Fuel Stock	6,227,522	50. Notes Payable	5,113,026
23. Renewable Energy Credits	0	51. Accounts Payable	12,364,916
24. Materials and Supplies - Other	8,965,860	52. Current Maturities Long-Term Debt	11,637,723
25. Prepayments	1,631,063	53. Current Maturities Long-Term Debt - Rural Devel.	0
26. Other Current and Accrued Assets	88,385	54. Current Maturities Capital Leases	59,525
27. Total Current And Accrued Assets (15 thru 26)	58,375,647	55. Taxes Accrued	1,711,576
28. Unamortized Debt Discount & Extraordinary Property Losses	435,711	56. Interest Accrued	21,073
29. Regulatory Assets	0	57. Other Current and Accrued Liabilities	226,586
30. Other Deferred Debits	11,493,725	58. Total Current & Accrued Liabilities (50 thru 57)	31,134,425
31. Accumulated Deferred Income Taxes	0	59. Deferred Credits	9,170,340
32. Total Assets and Other Debits (5+14+27 thru 31)	333,729,588	60. Accumulated Deferred Income Taxes	0
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	333,729,588