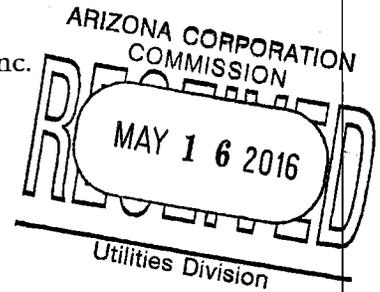


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

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

E-01773A

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



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	2015
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FOR COMMISSION USE

ANN 01	15
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5-16-16

## COMPANY INFORMATION

Company Name (Business Name) Arizona Electric Power Cooperative, Inc.

Mailing Address P.O. Box 670

(Street)

Benson

(City)

AZ

(State)

85602-0670

(Zip)

502-586-3631

Telephone No. (Include Area Code)

520-586-5343

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address www.azgt.coop

Local Office Mailing Address 1000 South Highway 80

(Street)

Benson

(City)

AZ

(State)

85602-0670

(Zip)

Same as above

Local Customer Service Phone No. (Include Area Code)

(1-800 or other long distance Customer Service Phone No.)

Email Address \_\_\_\_\_ Website address www.azgt.coop

## MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: Joe King Sr. Financial Analyst

(Name)

(Title)

1000 South Hwy. 80

(Street)

Benson

(City)

AZ

(State)

85602-0670

(Zip)

520-586-5129

Telephone No. (Include Area Code)

520-586-5199

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address jking@ssw.coop

On Site Manager: Patrick Ledger, CEO

(Name)

Same as above

(Street)

(City)

(State)

(Zip)

520-586-5008

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address pledger@aepco.coop

Statutory Agent: Rusing Lopez & Lizardi, P.L.L.C.

(Name)

6363 N. Swan Rd. Suite 151

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

520-529-4278

Telephone No. (Include Area Code)

520-529-4262

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Patricio Lopez

(Name)

Same as above

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address plopez@rllaz.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		
<b>Total Retail</b>		

**Wholesale Information**

	Number of Customers	Number of kWh Sold
Resale	6	2,242,343,043
Short-term Sales (durations of less than one year)	46	819,567,448
<b>Total Wholesale</b>	<b>52</b>	<b>3,061,910,491</b>

Total MWh Sold                      3,061,910.491 MWh

Maximum Peak Load                      794.8 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**

ARIZONA CORPORATION  
COMMISSION  
**RECEIVED**  
MAY 16 2016

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>Cochise</b>	Utilities Division
NAME (OWNER OR OFFICIAL) TITLE <b>Peter F. Scott, CFO</b>	
COMPANY NAME <b>Arizona Electric Power Cooperative, Inc.</b>	

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

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2015

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 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  \$ <u>146,287,102.29</u>
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(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)**



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

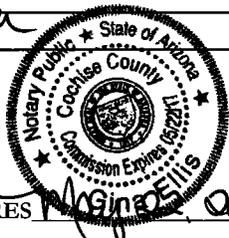
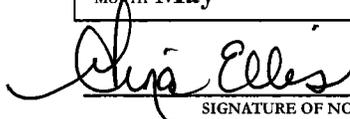
THIS

14 <sup>th</sup>
------------------

DAY OF

COUNTY NAME <b>Cochise</b>
MONTH <b>May</b>
2016

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/31/2017

## FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2015) 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  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC POWER SUPPLY</b> <b>PART A - FINANCIAL</b>		BORROWER DESIGNATION		
		AZ0028		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED		
		December, 2015		
<b>SECTION A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	171,563,189	157,007,669		12,726,603
2. Income From Leased Property (Net)		0		0
3. Other Operating Revenue and Income	9,960,877	9,663,490		917,045
<b>4. Total Operation Revenues &amp; Patronage Capital (1 thru 3)</b>	<b>181,524,066</b>	<b>166,671,159</b>		<b>13,643,648</b>
5. Operating Expense - Production - Excluding Fuel	13,810,655	12,839,958		1,347,046
6. Operating Expense - Production - Fuel	77,551,942	62,554,276		5,254,926
7. Operating Expense - Other Power Supply	26,522,957	27,827,699		2,200,946
8. Operating Expense - Transmission	14,866,436	14,877,754		1,253,224
9. Operating Expense - RTO/ISO				
10. Operating Expense - Distribution		0		0
11. Operating Expense - Customer Accounts	493,549	415,385		41,287
12. Operating Expense - Customer Service & Information		0		0
13. Operating Expense - Sales		0		0
14. Operating Expense - Administrative & General	8,251,615	8,560,631		840,908
<b>15. Total Operation Expense (5 thru 14)</b>	<b>141,497,154</b>	<b>127,075,703</b>		<b>10,938,337</b>
16. Maintenance Expense - Production	12,470,350	13,464,267		1,263,754
17. Maintenance Expense - Transmission	32,823	7,993		160
18. Maintenance Expense - RTO/ISO				
19. Maintenance Expense - Distribution		0		0
20. Maintenance Expense - General Plant	1,004,262	822,263		(212,165)
<b>21. Total Maintenance Expense (16 thru 20)</b>	<b>13,507,435</b>	<b>14,294,523</b>		<b>1,051,749</b>
22. Depreciation and Amortization Expense	13,073,564	12,926,654		1,095,475
23. Taxes		0		0
24. Interest on Long-Term Debt	8,470,699	7,256,784		594,479
25. Interest Charged to Construction - Credit	(12,388)	(24,343)		(2,113)
26. Other Interest Expense	72,353	121,597		6,517
27. Asset Retirement Obligations		0		0
28. Other Deductions	87,514	116,539		9,846
<b>29. Total Cost Of Electric Service (15 + 21 thru 28)</b>	<b>176,696,331</b>	<b>161,767,457</b>		<b>13,694,290</b>
<b>30. Operating Margins (4 less 29)</b>	<b>4,827,735</b>	<b>4,903,702</b>		<b>(50,642)</b>
31. Interest Income	1,194,576	1,196,926		228,286
32. Allowance For Funds Used During Construction		0		0
33. Income (Loss) from Equity Investments		0		0
34. Other Non-operating Income (Net)	(871,675)	(922,248)		(670,056)
35. Generation & Transmission Capital Credits		0		0
36. Other Capital Credits and Patronage Dividends	1,114,540	1,850,009		239
37. Extraordinary Items				
<b>38. Net Patronage Capital Or Margins (30 thru 37)</b>	<b>6,265,176</b>	<b>7,028,389</b>		<b>(492,173)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC POWER SUPPLY</b> <b>PART A - FINANCIAL</b>	BORROWER DESIGNATION  AZ0028
INSTRUCTIONS – See help in the online application.	PERIOD ENDED  December, 2015

**SECTION B. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	482,950,906	33. Memberships	530
2. Construction Work in Progress	5,026,065	34. Patronage Capital	
<b>3. Total Utility Plant (1 + 2)</b>	<b>487,976,971</b>	a. Assigned and Assignable	118,182,534
4. Accum. Provision for Depreciation and Amortization	247,402,563	b. Retired This year	783,147
<b>5. Net Utility Plant (3 - 4)</b>	<b>240,574,408</b>	c. Retired Prior years	1,342,122
6. Non-Utility Property (Net)	0	<b>d. Net Patronage Capital (a - b - c)</b>	<b>116,057,265</b>
7. Investments in Subsidiary Companies	0	35. Operating Margins - Prior Years	(1)
8. Invest. in Assoc. Org. - Patronage Capital	11,477,606	36. Operating Margin - Current Year	6,423,500
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Non-Operating Margins	604,890
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	5,922,878	38. Other Margins and Equities	0
11. Investments in Economic Development Projects	487,080	<b>39. Total Margins &amp; Equities</b>	<b>123,086,184</b>
12. Other Investments	0	<b>(33 + 34d thru 38)</b>	
13. Special Funds	3,042,058	40. Long-Term Debt - RUS (Net)	0
<b>14. Total Other Property And Investments</b>	<b>20,929,622</b>	41. Long-Term Debt - FFB - RUS Guaranteed	150,825,296
<b>(6 thru 13)</b>		42. Long-Term Debt - Other - RUS Guaranteed	0
15. Cash - General Funds	3,451,800	43. Long-Term Debt - Other (Net)	19,491,941
16. Cash - Construction Funds - Trustee	45,000	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0
17. Special Deposits	1,280,013	45. Payments – Unapplied	12,565,517
18. Temporary Investments	17,651,402	<b>46. Total Long-Term Debt (40 thru 44 - 45)</b>	<b>157,751,720</b>
19. Notes Receivable (Net)	0	47. Obligations Under Capital Leases Noncurrent	186,133
20. Accounts Receivable - Sales of Energy (Net)	17,751,640	48. Accumulated Operating Provisions and Asset Retirement Obligations	19,384,404
21. Accounts Receivable - Other (Net)	4,361,153	<b>49. Total Other NonCurrent Liabilities</b>	<b>19,570,537</b>
22. Fuel Stock	20,071,051	<b>(47 + 48)</b>	
23. Renewable Energy Credits	0	50. Notes Payable	18,751,044
24. Materials and Supplies - Other	9,017,081	51. Accounts Payable	7,365,948
25. Prepayments	1,745,818	52. Current Maturities Long-Term Debt	12,883,856
26. Other Current and Accrued Assets	84,047	53. Current Maturities Long-Term Debt - Rural Devel.	0
<b>27. Total Current And Accrued Assets</b>	<b>75,459,005</b>	54. Current Maturities Capital Leases	71,238
<b>(15 thru 26)</b>		55. Taxes Accrued	1,606,255
28. Unamortized Debt Discount & Extraordinary Property Losses	342,748	56. Interest Accrued	22,764
29. Regulatory Assets	0	57. Other Current and Accrued Liabilities	471,030
30. Other Deferred Debits	12,772,463	<b>58. Total Current &amp; Accrued Liabilities</b>	<b>41,172,135</b>
31. Accumulated Deferred Income Taxes	0	<b>(50 thru 57)</b>	
<b>32. Total Assets and Other Debits</b>	<b>350,078,246</b>	59. Deferred Credits	8,497,670
<b>(5+14+27 thru 31)</b>		60. Accumulated Deferred Income Taxes	0
		<b>61. Total Liabilities and Other Credits</b>	<b>350,078,246</b>
		<b>(39 + 46 + 49 + 58 thru 60)</b>	