

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

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

E-01703A

Duncan Valley Electric Cooperative, Inc.  
379597 Az 75  
PO Box 440  
Duncan AZ 85534

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APR 25 2016

AZ CORP COMM  
Director - Utilities

**ANNUAL REPORT**  
**Electric**

**FOR YEAR ENDING**

12	31	<del>2013</del>
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2015

FOR COMMISSION USE

ANN 01	<del>13</del>
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15

4-25-16

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.</u>			
Mailing Address <u>PO BOX 440</u>			
(Street)			
<u>DUNCAN</u>	<u>AZ</u>	<u>85534</u>	
(City)	(State)	(Zip)	
<u>928-359-2503</u>	<u>928-359-2370</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
<b>Local Office Mailing Address</b> <u>SAME AS ABOVE</u>			
(Street)			
(City)			
(State)			
(Zip)			
Local Office Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
Email Address <u>kimberly@dvec.org</u>			

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input type="checkbox"/> <b>Management Contact:</b> <u>Steve Lunt</u> <u>Interim CEO</u>			
(Name) (Title)			
<u>PO Box 440</u>	<u>Duncan</u>	<u>AZ</u>	<u>85534</u>
(Street)	(City)	(State)	(Zip)
<u>928-359-2503</u>	<u>928-359-2370</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>stevel@dvec.org</u>			
<b>On Site Manager:</b> _____			
(Name)			
(Street)			
(City)			
(State)			
(Zip)			
Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
Email Address _____			

**Statutory Agent:** J. Grant Walker, PLLC

1124 W Thatcher Blvd (Street) (Name) Safford (City) AZ (State) 85546 (Zip)

928-428-2728 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**

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- Sole Proprietor (S)
- Partnership (P)
- Bankruptcy (B)
- Receivership (R)
- Other (Describe) \_\_\_\_\_
- C Corporation (C) (Other than Association/Co-op)
- Subchapter S Corporation (Z)
- Association/Co-op (A)
- Limited Liability Company

**COUNTIES SERVED**

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

- APACHE
- GILA
- LA PAZ
- NAVAJO
- SANTA CRUZ
- STATEWIDE
- COCHISE
- GRAHAM
- MARICOPA
- PIMA
- YAVAPAI
- COCONINO
- GREENLEE
- MOHAVE
- PINAL
- YUMA

**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	1747	16,211,510
Commercial	295	6,179,731
Industrial	0	0
Public Street and Highway Lighting	1	110,230
Irrigation	61	1,444,221
<b>Total Retail</b>	2104	23,945,692

**Wholesale Information**

	Number of Customers	Number of kWh Sold
Resale		
Short-term Sales (durations of less than one year)		
<b>Total Wholesale</b>		

Total MWh Sold	<u>23,945</u>	MWh
Maximum Peak Load	<u>7,744</u>	MW

COMPANY NAME:

**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>		4	
<b>FEBRUARY</b>		10	
<b>MARCH</b>		11	
<b>APRIL</b>		7	
<b>MAY</b>		10	
<b>JUNE</b>		7	
<b>JULY</b>		3	
<b>AUGUST</b>		9	
<b>SEPTEMBER</b>		8	
<b>OCTOBER</b>		8	
<b>NOVEMBER</b>		5	
<b>DECEMBER</b>		6	
<b>TOTALS →</b>		<b>88</b>	

OTHER (description):

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VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

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APR 25 2016

AZ CORP COMM  
Director - Utilities

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Greenlee
NAME (OWNER OR OFFICIAL) TITLE	Steve Lunt, CEO
COMPANY NAME	Duncan Valley Electric Cooperative, Inc.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	<del>2013</del> 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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,095,943.71

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 202,747.06  
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)

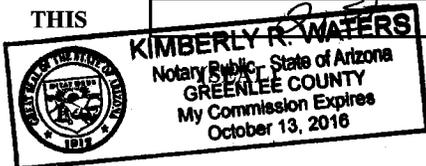
*Steve Lunt*  
 \_\_\_\_\_  
 SIGNATURE OF OWNER OR OFFICIAL  
 928-359-2503  
 \_\_\_\_\_  
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS \_\_\_\_\_ DAY OF

COUNTY NAME	Greenlee
MONTH	April 2014 2015



*Kimberly R. Waters*  
 \_\_\_\_\_  
 SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10/13/2016

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

**RECEIVED**

APR 25 2016

AZ CORP COMM  
Director - Utilities

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>Greenlee</b>	
NAME (OWNER OR OFFICIAL) <b>Steve Lunt</b>	TITLE <b>CEO</b>
COMPANY NAME <b>Duncan Valley Electric Cooperative, Inc.</b>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	<del>2013</del> <b>2015</b>

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>2,123,306.02</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 136,025.62 IN SALES TAXES BILLED, OR COLLECTED)

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

*Steve Lunt*

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SIGNATURE OF OWNER OR OFFICIAL

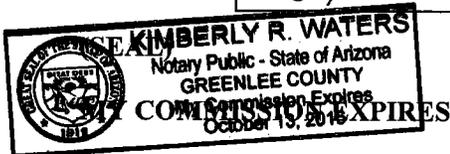
**928-359-2503**

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TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 01<sup>st</sup> DAY OF

NOTARY PUBLIC NAME <i>Kimberly R. Waters</i>	
COUNTY NAME <i>Greenlee</i>	
MONTH <i>April</i>	<del>2014</del> <i>2016</i>



*10/13/2016*

*Kimberly R. Waters*

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SIGNATURE OF NOTARY PUBLIC

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.  
 This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 seq.) and is not confidential.

<b>USDA-REA</b>	<b>BORROWER DESIGNATION</b> ARIZONA 23 GREENLEE	
<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME AND ADDRESS</b> DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. DUNCAN, AZ 85534	
INSTRUCTIONS-Submit an original and 2 copies to REA. Round all amounts to nearest dollar. See REA Bulletin 1717B-2	<b>YEAR ENDING</b> December 31, 2015	REA USE ONLY

<b>CERTIFICATION</b>	
<i>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.</i>	
<b>ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>	
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT _____	DATE _____
SIGNATURE OF MANAGER _____	DATE _____

<b>PART A. STATEMENT OF OPERATIONS</b>				December
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	(d)
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	3,363,814	3,327,481	3,723,910	265,242
2. Cost of Purchased Power	2,144,757	2,038,800	2,449,996	156,846
3. Revenue Less Cost of Power	1,219,057	1,288,681	1,273,914	108,396
4. Transmission Expense	-	-	-	-
5. Distribution Expense-Operation	388,489	369,541	360,177	41,891
6. Distribution Expense-Maintenance	206,552	163,744	174,452	13,330
7. Consumer Accounts Expense	280,146	301,745	294,507	30,810
8. Customer Service and Informational Expense	16,876	19,607	20,799	2,688
9. Sales Expense	-	-	-	-
10. Administrative and General Expense	280,952	280,233	275,725	26,635
11. Total Operation & Maintenance Expense (4 - 10)	1,173,016	1,134,869	1,125,659	115,354
12. Depreciation and Amortization Expense	262,248	260,190	256,399	22,109
13. Tax Expense - Property & Gross Receipts	-	-	-	-
14. Tax Expense - Other	-	-	-	-
15. Interest on Long-Term Debt	22,689	20,420	21,786	1,615
16. Interest Charged to Construction - Credit	-	-	-	-
17. Interest Expense - Other	136	164	114	20
18. Other Deductions	-	-	-	-
19. Total Cost of Electric Service (11 - 18)	1,458,089	1,415,643	1,403,959	139,099
20. Patronage Capital & Operating Margins (3 - 19)	(239,033)	(126,962)	(130,045)	(30,703)
21. Non Operating Margins - Interest	68,885	116,415	54,321	72,638
22. Allowance for Funds Used During Construction	-	-	-	-
23. Income (Loss) from Equity Investments	58,433	56,235	-	56,235
24. Non Operating Margins - Other	(948)	1,521	-	-
25. Generation & Transmission Capital Credits	230,106	119,556	-	-
26. Other Capital Credits and Patronage Dividends	13,386	11,774	-	-
27. Extraordinary Items	-	-	-	-
28. Patronage Capital or Margins (20 - 27)	130,830	178,541	(75,724)	98,170

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>						
ITEM	Month	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
		LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connect	5	53	60	5. Miles Transmission	-	-
2. Services Retired	3	25	34	6. Miles Distribution-Overhead	454	454
3. Total Services in Place	2,588	2,562	2,588	7. Miles Distribution-Underground	3	3
4. Idle Services (Exclude Seasonal)	176	126	176	8. Total Miles Energized (5 + 6 + 7)	457	457

<b>USDA - REA</b>	<b>BORROWER DESIGNATION</b>	
<b>FINANCIAL AND STATISTICAL REPORT</b>	ARIZONA 23 GREENLEE	
<b>INSTRUCTIONS - See REA EOM-2.</b>	<b>MONTH ENDING</b>	<b>REA USE ONLY</b>
	December 31, 2015	

**PART C. BALANCE SHEET**

<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service	8,532,219	29. Membership	-
2. Construction Work in Progress	26,264	30. Patronage Capital	7,541,833
3. Total Utility Plant (1 + 2)	8,558,482	31. Operating Margins - Prior Years	-
4. Accum. Provision for Depreciation & Amort	5,216,501	32. Operating Margins - Current Year	(126,962)
5. Net Utility Plant (3 - 4)	3,341,981	33. Non Operating Margins	305,502
6. Nonutility Property - Net	22,728	34. Other Margins and Equities	557,538
7. Investment in Subsidiary Companies	106,235	35. Total Margins & Equities (29 thru 34)	8,277,911
8. Invest in Assoc Org - Patronage Capital	1,741,951	36. Long-Term Debt RUS (Net)	
9. Invest in Assoc Org - General Funds	684,417	37. Long-Term Debt-RUS-Econ Dev	
10. Invest in Gas Division	1,285,336	38. Long-Term Debt-FFB-RUS Guaranteed	
11. Investment in Economic Development		39. Long-Term Debt-Other-RUS Guaranteed	
12. Other Investments	36,848	40. Long-Term Debt-Other (Net)	456,497
13. Special Funds	47,147	41. Total Long-Term Debt (36 thru 40)	456,497
14. Total Other Property & Invest. (6 thru 13)	3,924,661	42. Obligation under Capital Leases	
15. Cash - General Funds	72,648	43. Accumulated Operating Provisions	
16. Cash - Construction Funds - Trustee		44. Total Other Noncurrent Liabilities (42 + 43)	-
17. Special Deposits		45. Notes Payable	
18. Temporary Investments	1,294,602	46. Accounts Payable	232,886
19. Notes Receivable - Net		47. Consumers Deposits	44,185
20. Accounts Receivable - Net Sales of Energy	271,921	48. Current Maturities Long-Term Debt	64,089
21. Accounts Receivable - Net Other	(251)	49. Current Maturities Long-Term Debt-Econ Dev	
22. Materials & Supplies - Electric & Other	150,761	50. Current Maturities Capital Leases	
23. Prepayments	16,747	51. Other Current & Accrued Liabilities	199,815
24. Other Current & Accrued Assets	19,729	52. Total Current & Accr, Liabilities (45 thru 51)	540,976
25. Total Current & Accrued Assets (15 thru 24)	1,826,156	53. Regulatory Liabilities	
26. Regulatory Assets		54. Deferred Credits	198,906
27. Deferred Debits	381,491	55. Total Liabilities & Credits (35+41+44+52 thru 54)	9,474,289
28. Total Assets & Other Debits (5+14+25 thru 27)	9,474,289	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
		56. Balance Beginning of Year	757,592
		57. Amounts Received This Year (Net)	27,804
		58. TOTAL Contributions in Aid of Construction	785,396

**PART D. 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 SEPARATE SHEET.)