

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

E-01891A

Garkane Energy Cooperative, Inc.
PO Box 465
Loa, UT 84747

RECEIVED

MAY 04 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

ANN 01	14
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5-4-15

5-4-15

COMPANY INFORMATION

Company Name (Business Name) <u>GARKANE ENERGY COOPERATIVE, Inc.</u>			
Mailing Address <u>120 WEST 300 SOUTH / PO BOX 465</u>			
<u>LOA</u>	<u>UTAH</u>	<u>84747</u>	
(City)	(State)	(Zip)	
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>mlewis@garkaneenergy.com</u>			
Local Office Mailing Address <u>SAME AS ABOVE</u>			
<small>(Street)</small>			
<small>(City)</small>			
<small>(State)</small>			
<small>(Zip)</small>			
Local Customer Service Phone No. (Include Area Code) <u>(1-800 or other long distance Customer Service Phone No.)</u>			
Email Address _____ Website address <u>www.garkaneenergy.com</u>			

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>MARCUS V LEWIS</u> <u>CFO</u>			
<small>(Name)</small> <small>(Title)</small>			
<u>120 WEST 300 SOUTH / PO BOX 465</u> <u>UTAH</u> <u>84747</u>			
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>mlewis@garkaneenergy.com</u>			
On Site Manager: <u>DAN MCCLENDON - CEO</u>			
<small>(Name)</small>			
<u>120 WEST 300 SOUTH / PO BOX 465 - LOA</u> <u>UTAH</u> <u>84747</u>			
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>dan@garkaneenergy.com</u>			

Statutory Agent: JENNIFER A. CRANSTON

(Name)

2575 E. CAMELBACK ROAD, SUITE 1100 - PHOENIX, AZ 85016

(Street)

(City)

(State)

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: JENNIFER A. CRANSTON

(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 _____

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

Retail Information

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	1,147	23,488,449
Commercial	221	13,743,992
Industrial		
Public Street and Highway Lighting	6	57,720
Irrigation	17	1,483,266
Total Retail	1,391	38,773,427

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	43	4,308,963
Short-term Sales (durations of less than one year)		
Total Wholesale	43	4,308,963

Total MWh Sold 43,082,390 _____ MWh

Maximum Peak Load 9.6 _____ MW

COMPANY NAME:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY		7	
FEBRUARY		0	
MARCH		4	
APRIL		10	
MAY		0	
JUNE		4	
JULY		17	
AUGUST		12	
SEPTEMBER		0	
OCTOBER		9	
NOVEMBER		2	
DECEMBER		1	
TOTALS <input type="checkbox"/>		66	

OTHER (description):

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

MAY 04 2015

VERIFICATION

STATE OF UTAH

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) WAYNE COUNTY	AZ CORP COMM Director - Utilities
NAME (OWNER OR OFFICIAL) TITLE MARCUS V LEWIS	
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	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 (\$) \$ 4,461,340

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 228,899
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

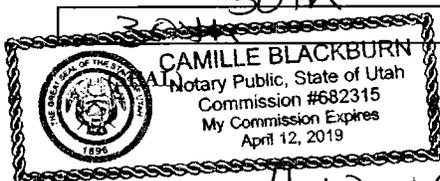
 SIGNATURE OF OWNER OR OFFICIAL
 (435) 836-2795

 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

Wayne
April 30th 2015

Camille Blackburn

 SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

4-12-19

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

RECEIVED
MAY 04 2015
AZ CORP COMM
Director - Utilities

UTAH
STATE OF ARIZONA

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

I, THE UNDERSIGNED
OF THE

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SWORN STATEMENT

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ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>2,615,633</u>
--

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 163,120 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 30th DAY OF

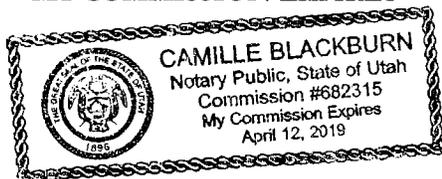
(SEAL)

MY COMMISSION EXPIRES 4-12-19

NOTARY PUBLIC NAME <i>Camille Blackburn</i>	
COUNTY NAME <i>Wayne</i>	
MONTH <i>Apr.</i>	YEAR <i>2015</i>

Camille Blackburn

SIGNATURE OF NOTARY PUBLIC



Garkane Energy Cooperative, Inc.
 120 W 300 S / PO Box 465
 Loa, UT 84747
 (435) 836-2795

FINANCIAL STATEMENTS ON ARIZONA-SPECIFIC

For the year Ending December 31, 2014

BALANCE SHEET

ELECTRIC PLANT

	<u>Total System</u>	<u>Utah</u>	<u>Arizona</u>
Plant in Service	\$ 100,318,625	\$ 91,976,764	\$ 8,341,861
Construction Work In Progress	8,037,382	8,074,996	(37,614)
Acc. Prov. For Depreciation	(40,669,233)	(37,822,508)	(2,846,725)
Net Electric Plant	<u>\$ 67,686,774</u>	<u>\$ 62,229,252</u>	<u>\$ 5,457,522</u>

INCOME STATEMENT

UTILITY OPERATING INCOME

	<u>Total System</u>	<u>Utah</u>	<u>Arizona</u>
Operating Revenue	<u>\$ 22,983,399</u>	<u>\$ 18,750,957</u>	<u>\$ 4,232,442</u>
Operating Expenses:			
Operation & Maintenance Expense	15,673,190	12,852,016	2,821,174
Depreciation Expense	2,894,754	2,731,213	163,541
Taxes	679,584	515,158	164,426
Total Operating Expenses	<u>\$ 19,247,528</u>	<u>\$ 16,098,387</u>	<u>\$ 3,149,141</u>
Net Operating Revenue	<u>\$ 3,735,871</u>	<u>\$ 2,652,570</u>	<u>\$ 1,083,301</u>
Miscellaneous Deductions	<u>25,590</u>		
Net Income before Interest	<u>\$ 3,710,281</u>		
Interest Expense	<u>1,400,061</u>		
Operating Margin	<u>\$ 2,310,220</u>		
Other Income			
Net Merchandising	3,366		
Interest Income	35,676		
Miscellaneous Non-operating Income	432,063		
Other Capital Credits & Dividends	151,523		
Extra-ordinary items	<u>1,025,579</u>		
Net Margins & Patronage Capital	<u>\$ 3,958,427</u>		

