

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

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

E-01575A

Sulphur Springs Valley Electric Cooperative, Inc.  
350 N. Haskell Ave.  
Willcox, AZ 85643

RECEIVED

APR 15 2015

ACC UTILITIES DIRECTOR

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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A-22-15

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Sulphur Springs Valley Electric Cooperative, Inc.</u>			
<b>Mailing Address</b> <u>350 N Haskell</u>			
(Street)			
<u>Willcox</u>	<u>AZ</u>	<u>85643</u>	
(City)	(State)	(Zip)	
<u>(520) 384-2221</u>	<u>(520) 384-5223</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email</b>			
Address <u>chuber@ssvec.com</u>			
<b>Local Office Mailing Address</b> <u>350 N Haskell</u>			
(Street)			
<u>Willcox</u>	<u>AZ</u>	<u>85643</u>	
(City)	(State)	(Zip)	
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)	
Email Address _____		Website address _____	

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input checked="" type="checkbox"/> <b>Management Contact:</b>			
<u>Creden W Huber</u>		<u>Chief Executive Officer</u>	
(Name)		(Title)	
<u>350 N Haskell</u>	<u>Willcox</u>	<u>AZ</u>	<u>85643</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 384-2221</u>	<u>(520) 384-5223</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email</b>			
Address <u>chuber@ssvec.com</u>			
<b>On Site Manager:</b>			
(Name)			
_____			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Cell No. (Include Area Code)	
_____		_____	
<b>Email Address</b> _____			

**Statutory Agent:** Christopher Hitchcock  
(Name)

PO Box AT, 1 Copper Queen Plaza Bisbee AZ 85603-0115  
(Street) (City) (State) (Zip)

(520) 439-2279  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** Same as Statutory Agent  
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** lawyers@bisbeelaw.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 checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA                  | <input checked="" 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 checked="" type="checkbox"/> PIMA    | <input type="checkbox"/> PINAL    |
| <input checked="" 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:

**X 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	41,190	337,035,283
Commercial	8,921	236,383,984
Industrial	4	47,715,560
Public Street and Highway Lighting	46	2,202,888
Irrigation	852	169,708,486
<b>Total Retail</b>	<b>51,013</b>	<b>793,046,201</b>

### Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	24	131,184,000
Short-term Sales (durations of less than one year)		
<b>Total Wholesale</b>	<b>24</b>	<b>131,184,000</b>

Total MWh Sold                      924,230 \_\_\_\_\_ MWh

Maximum Peak Load                199 \_\_\_\_\_ MW

COMPANY NAME: Sulphur Springs Valley Electric Cooperative, Inc.

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY	2	263	
FEBRUARY	1	283	
MARCH	0	287	
APRIL	2	204	
MAY	2	295	
JUNE	2	297	
JULY	2	354	
AUGUST	0	506	
SEPTEMBER	1	501	
OCTOBER	0	444	
NOVEMBER	2	446	
DECEMBER	1	619	
<b>TOTALS →</b>	<b>15</b>	<b>4499</b>	

OTHER (description):

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**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

APR 15 2015

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Creston W Huber</u>
COMPANY NAME	<u>Sulphur Springs Valley Electric Cooperative</u>

ACC UTILITIES DIRECTOR

**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 (\$)
\$ <u>101,965,774</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,605,692 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)**

*Creston W Huber*

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SIGNATURE OF OWNER OR OFFICIAL

(520) 384-0221

---

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3 DAY OF

(SEAL)



Rebekah N. Knaub  
Notary Public  
Cochise County, Arizona  
My Comm. Expires 05-01-18

COUNTY NAME	<u>Cochise</u>	
MONTH	<u>April</u>	<u>2015</u>

*Rebekah N Knaub*

---

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 05-01-18

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

RECEIVED  
APR 15 2015  
ACC UTILITIES DIRECTOR

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Cochise</u>	
NAME (OWNER OR OFFICIAL) <u>Creden W. Weber</u>	TITLE <u>Chief Executive Officer</u>
COMPANY NAME <u>Sulphur Springs Valley Electric Cooperative, Inc.</u>	

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.

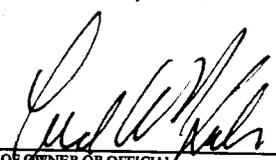
**SWORN STATEMENT**

IN ACCORDANCE WITH THE 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 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>45,077,129</u>
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(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2,920,251  
IN SALES TAXES BILLED, OR COLLECTED

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

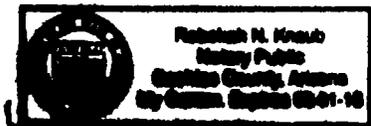
  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 384-2221  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 3 DAY OF  
(SEAL)

NOTARY PUBLIC NAME	
COUNTY NAME <u>Cochise</u>	
MONTH <u>April</u>	<u>2015</u>

MY COMMISSION EXPIRES 05-01-18

  
SIGNATURE OF NOTARY PUBLIC



## 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.**

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Sulphur Springs Valley Electric Cooper
	<b>BORROWER DESIGNATION</b>	
	<b>ENDING DATE</b>	AZ014 12/31/2014

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

<b>CERTIFICATION</b>		<b>BALANCE CHECK RESULTS</b>	<b>AUTHORIZATION CHOICES</b>
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.			<b>A. NRCA uses rural electric system data for legislative, regulatory and other purposes. May we use the 110621 data on your system to NRCA?</b> <input type="radio"/> Yes <input checked="" type="radio"/> No
Signature of Office Manager or Accountant  Date: 3/3/15	Signature of Manager  Date: 3/4/15		

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue and Patronage Capital	106,272,294	101,965,774	107,825,757	7,913,004
2 Power Production Expense	0	0	0	0
3 Cost of Purchased Power	62,412,496	56,681,170	60,694,255	4,204,556
4 Transmission Expense	615,184	777,392	575,030	77,650
5 Regional Market Operations Expense	0	0	0	0
6 Distribution Expense - Operation	10,825,713	10,680,268	10,220,637	1,045,537
7 Distribution Expense - Maintenance	3,519,855	3,710,179	3,371,816	297,992
8 Consumer Accounts Expense	3,042,286	3,146,814	3,181,887	266,759
9 Customer Service and Informational Expense	997,786	765,415	899,413	62,205
10 Sales Expense	391,078	385,273	334,342	27,961
11 Administrative and General Expense	5,328,206	5,705,545	5,266,716	554,545
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>87,132,604</b>	<b>81,852,056</b>	<b>84,544,094</b>	<b>6,637,204</b>
13 Depreciation & Amortization Expense	10,249,609	10,692,934	10,306,636	902,244
14 Tax Expense - Property & Gross Receipts	0	0	0	0
15 Tax Expense - Other	1,186,612	366,804	1,341,550	1,130
16 Interest on Long-Term Debt	6,303,001	5,044,256	6,481,632	560,007
17 Interest Charged to Construction (Credit)	0	0	0	0
18 Interest Expense - Other	45,633	8,823	59,600	8
19 Other Deductions	296,622	364,017	315,347	77,981
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>105,214,081</b>	<b>98,328,890</b>	<b>103,049,259</b>	<b>8,178,575</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,058,212</b>	<b>3,636,884</b>	<b>4,776,498</b>	<b>(265,571)</b>
22 Non Operating Margins - Interest	175,934	171,224	237,149	14,533
23 Allowance for Funds Used During Construction	0	0	0	0
24 Income (Loss) from Equity Investments	0	0	0	0
25 Non Operating Margins - Other	168,186	85,333	67,073	(31,877)
26 Generation & Transmission Capital Credits	3,018,234	4,026,166	4,600,000	0
27 Other Capital Credits & Patronage Dividends	952,510	294,675	1,173,355	21,251
28 Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>5,373,075</b>	<b>8,214,283</b>	<b>10,854,775</b>	<b>(261,664)</b>

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1 New Services Connected	377	382	5 Miles Transmission	32	318
2 Services Retired	133	154	6 Miles Distribution Overhead	3,040	3,044
3 Total Services In Place	58,359	58,505	7 Miles Distribution Underground	59	762
4 Idle Services (Exclude Seasonal)	7,546	7,458	<b>8. Total Miles Energized (5+6+7)</b>	<b>4,131</b>	<b>4,124</b>

<b>NATIONAL RURAL UTILITIES</b> <b>COOPERATIVE FINANCE CORPORATION</b> <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Sulphur Springs
	<b>BORROWER DESIGNATION</b>	AZ014
	<b>ENDING DATE</b>	12/31/2014

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	328,798,905	29. Memberships	192,740
2. Construction Work in Progress	9,161,117	30. Patronage Capital	91,796,502
<b>3. Total Utility Plant (1+2)</b>	<b>337,960,022</b>	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	121,553,067	32. Operating Margins - Current Year	7,957,726
<b>5. Net Utility Plant (3-4)</b>	<b>216,406,955</b>	33. Non-Operating Margins	256,557
6. Nonutility Property - Net	6,667,562	34. Other Margins & Equities	(3,087,623)
7. Investment in Subsidiary Companies	0	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>97,115,902</b>
8. Invest. in Assoc. Org. - Patronage Capital	43,208,048	36. Long-Term Debt CFC (Net)	58,447,832
9. Invest. in Assoc. Org. - Other - General Funds	191,360	37. Long-Term Debt - Other (Net)	103,495,930
10. Invest in Assoc. Org. - Other - Nongeneral Funds	3,976,932	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>161,943,762</b>
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	135,098	40. Accumulated Operating Provisions - Asset Retirement Obligations	2,502,954
13. Special Funds	1,210,062	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>2,502,954</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>55,389,062</b>	42. Notes Payable	784,070
15. Cash-General Funds	2,195,491	43. Accounts Payable	5,122,468
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	2,481,299
17. Special Deposits	82,342	45. Current Maturities Long-Term Debt	6,987,062
18. Temporary Investments	2,322,373	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	4,599,992	48. Other Current & Accrued Liabilities	7,962,426
21. Accounts Receivable - Net Other	1,834,689	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>23,337,326</b>
22. Renewable Energy Credits	0	50. Deferred Credits	3,146,964
23. Materials & Supplies - Electric and Other	3,174,247	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>288,046,908</b>
24. Prepayments	633,972	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	77,288	Balance Beginning of Year	39,074,424
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>14,920,394</b>	Amounts Received This Year (Net)	4,779,534
27. Deferred Debits	1,330,197		
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>288,046,908</b>	<b>TOTAL Contributions In-Aid-Of-Construction</b>	<b>43,853,957</b>

**PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.**

Prepayments long term right of way leases amortized 10 years 182,296
Deferred credit lump sum ISAC payments amortized 25 years 97,325
Deferred credit patronage capital uncashed checks 62,488
Deferred credit fuel adjustment balance 809,517
Deferred credit joint use rent amortized over terms of lease 267,381
Deferred credit cost of removal 47,238
Deferred Fort Huachuca 1,191,426
AR Other includes Fort Huachuca 999,057
CWIP includes Fort Huachuca 211,520
CREB's Bond Deposit 354,694
Long Term Debt CFC includes CREB's Bonds 6,055,283
Long Term Debt CoBank includes CREB's Bonds 5,181,818
Deferred credit demand side management 797,541
Deferred credit Sun Watts 143,274
Unbilled revenue AR estimate 2,142,231
Accrued self insurance health care costs 268,901
Cash received from retirements Assoc. Orgs 1,030,422
Change in accounting principle current portion of capital credit retirements applied as expense reduction