

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

MAY 25 2016

AZ CORP COM
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	2015
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FOR COMMISSION USE

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5-25-16

COMPANY INFORMATION

Company Name (Business Name) Sulphur Springs Valley Electric Cooperative, Inc.

Mailing Address 350 N Haskell
(Street)

Willcox AZ 85643
(City) (State) (Zip)

(520) 384-2221 (520) 384-5223
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address chuber@ssvec.com

Local Office Mailing Address 350 N Haskell
(Street)

Willcox AZ 85643
(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

Regulatory Contact:

Management Contact: Creden W Huber Chief Executive Officer
(Name) (Title)

350 N Haskell Willcox AZ 85643
(Street) (City) (State) (Zip)

(520) 384-2221 (520) 384-5223
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address chuber@ssvec.com

On Site Manager: _____
(Name)

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

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

Email Address _____

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 _____

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	41,438	339,499,008
Commercial	8,906	232,626,198
Industrial	4	53,538,200
Public Street and Highway Lighting	46	2,195,832
Irrigation	874	165,106,665
Total Retail	51,268	792,965,903

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	12	23,719,050
Short-term Sales (durations of less than one year)		
Total Wholesale		

Total MWh Sold 816,865 _____ MWh

Maximum Peak Load 203 _____ 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	0	147	
FEBRUARY	0	174	
MARCH	0	205	
APRIL	2	141	
MAY	0	158	
JUNE	0	173	
JULY	1	143	
AUGUST	0	158	
SEPTEMBER	0	219	
OCTOBER	0	186	
NOVEMBER	0	176	
DECEMBER	0	228	
TOTALS →	3	2108	

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 25 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Creden W Huber
COMPANY NAME Sulphur Springs 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	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.

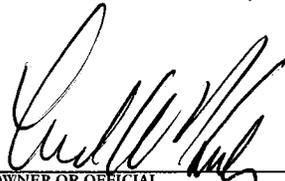
SWORN STATEMENT

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>95,989,367</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,556,163
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)**



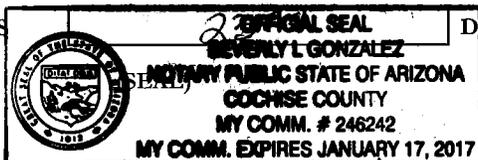
SIGNATURE OF OWNER OR OFFICIAL
(520) 384-2221

TELEPHONE NUMBER

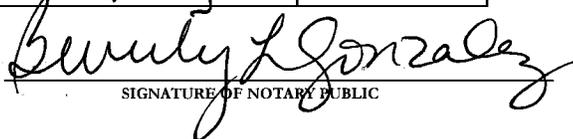
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF



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



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 1/17/2017

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

RECEIVED

MAY 25 2016

AZ CORP COM
Director - Utilities

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) COCHISE	
NAME (OWNER OR OFFICIAL) CREDEN W HUBER	TITLE CHIEF EXECUTIVE OFFICER
COMPANY NAME SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	

I, THE UNDERSIGNED

OF THE

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 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 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>44,923,677</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 3,068,329 IN SALES TAXES BILLED, OR COLLECTED)

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

Creden W Huber

SIGNATURE OF OWNER OR OFFICIAL

(520) 384-2221

TELEPHONE NUMBER

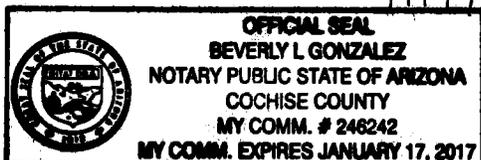
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 23rd DAY OF
(SEAL)

NOTARY PUBLIC NAME BEVERLY L. GONZALEZ	
COUNTY NAME Cochise	
MONTH May	.2016

Beverly L Gonzalez

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 1/17/2017



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.**

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Sulphur Springs Valley Electric Cooper
	BORROWER DESIGNATION	AZ014
	ENDING DATE	12/31/2015

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

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
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.		A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? <input type="checkbox"/> <input type="checkbox"/>
Signature of Office Manager or Accountant: <i>[Signature]</i> 3/3/16 Date: _____ Signature of Manager: <i>[Signature]</i> 3/4/16 Date: _____		

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	101,965,774	95,989,367	106,939,896	7,598,469
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	56,681,170	50,677,303	63,139,628	4,053,482
4. Transmission Expense	777,392	601,345	509,368	49,927
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	10,680,268	9,253,275	9,124,105	814,639
7. Distribution Expense - Maintenance	3,710,179	3,692,553	3,842,487	281,627
8. Consumer Accounts Expense	3,146,814	3,180,783	3,169,727	274,030
9. Customer Service and Informational Expense	765,415	820,386	921,935	57,162
10. Sales Expense	385,273	297,287	343,870	23,192
11. Administrative and General Expense	5,705,545	6,040,078	5,122,589	561,623
12. Total Operation & Maintenance Expense (2 thru 11)	81,852,056	74,563,010	86,173,709	6,115,682
13. Depreciation & Amortization Expense	10,692,934	11,085,162	10,762,075	938,240
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	366,804	8,474	1,007	1,077
16. Interest on Long-Term Debt	5,044,256	5,670,543	6,343,130	528,198
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	8,823	942	12,705	6
19. Other Deductions	364,017	298,230	247,506	70,856
20. Total Cost of Electric Service (12 thru 19)	98,328,890	91,626,361	103,540,133	7,654,059
21. Patronage Capital & Operating Margins (1 minus 20)	3,636,884	4,363,006	3,399,763	(55,590)
22. Non Operating Margins - Interest	171,224	121,635	96,000	11,125
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	85,333	146,354	37,095	26,285
26. Generation & Transmission Capital Credits	4,026,166	2,608,933	2,365,000	0
27. Other Capital Credits & Patronage Dividends	294,675	480,167	511,908	14,926
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	8,214,283	7,720,096	6,409,766	(3,254)

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	382	409	5. Miles Transmission	318	320
2. Services Retired	154	138	6. Miles Distribution Overhead	3,044	3,049
3. Total Services In Place	58,505	58,743	7. Miles Distribution Underground	762	767
4. Idle Services (Exclude Seasonal)	7,458	7,188	8. Total Miles Energized (5+6+7)	4,124	4,136

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Sulphur Springs
	BORROWER DESIGNATION	AZ014
	ENDING DATE	12/31/2015

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	337,763,945	29. Memberships	192,950
2. Construction Work in Progress	7,027,314	30. Patronage Capital	99,448,610
3. Total Utility Plant (1+2)	344,791,258	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	127,756,979	32. Operating Margins - Current Year	7,452,107
5. Net Utility Plant (3-4)	217,034,279	33. Non-Operating Margins	267,989
6. Nonutility Property - Net	5,984,687	34. Other Margins & Equities	(2,790,878)
7. Investment in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	104,570,778
8. Invest. in Assoc. Org. - Patronage Capital	46,041,525	36. Long-Term Debt CFC (Net)	37,428,332
9. Invest. in Assoc. Org. - Other - General Funds	183,891	37. Long-Term Debt - Other (Net)	121,130,572
10. Invest in Assoc. Org. - Other - Nongeneral Funds	3,608,732	38. Total Long-Term Debt (36 + 37)	158,558,904
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	110,038	40. Accumulated Operating Provisions - Asset Retirement Obligations	2,639,544
13. Special Funds	1,256,664	41. Total Other Noncurrent Liabilities (39+40)	2,639,544
14. Total Other Property & Investments (6 thru 13)	57,185,537	42. Notes Payable	618,481
15. Cash-General Funds	1,056,486	43. Accounts Payable	4,855,971
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	2,207,378
17. Special Deposits	53,951	45. Current Maturities Long-Term Debt	6,669,204
18. Temporary Investments	3,010,585	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	4,800,318	48. Other Current & Accrued Liabilities	7,834,892
21. Accounts Receivable - Net Other	2,009,944	49. Total Current & Accrued Liabilities (42 thru 48)	22,185,927
22. Renewable Energy Credits	0	50. Deferred Credits	1,739,257
23. Materials & Supplies - Electric and Other	2,538,829	51. Total Liabilities & Other Credits (35+38+41+49+50)	289,694,409
24. Prepayments	608,330		
25. Other Current & Accrued Assets	62,887	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
26. Total Current & Accrued Assets (15 thru 25)	14,141,330	Balance Beginning of Year	43,853,957
27. Deferred Debits	1,333,263	Amounts Received This Year (Net)	3,747,635
28. Total Assets & Other Debits (5+14+26+27)	289,694,409	TOTAL Contributions-In-Aid-Of-Construction	47,601,592

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 254,441
 Deferred credit lump sum ISAC payments amortized 25 years 72,400
 Deferred credit patronage capital uncashed checks 71,390
 Deferred credit fuel adjustment balance (605,892)
 Deferred credit joint use rent amortized over terms of lease 267,095
 Deferred credit cost of removal 43,809
 Deferred credit Fort Huachuca 1,585,432
 AR Other includes Ft Huachuca 1,443,674 of which 1,188,106 is in dispute
 CWIP includes Ft Huachuca 2,008
 CREB's Bond Deposit (315,285)
 Long Term Debt CFC includes CREB's Bonds 5,298,373
 Long Term Debt CoBank includes CREB's Bonds 4,660,830
 Deferred credit Demand Side Management 581,791
 Deferred Credit Sun Watts 1,580,288
 Unbilled Revenue AR estimate 1,999,069
 Accrued self insurance health care and dental cost (20,292)
 Cash received from retirements Assoc Orgs 1,115,189