

September 9, 2016

Marian Sheppard, Clerk  
Gila County Board of Supervisors  
1400 E. Ash Street  
Globe, AZ 85501

**RE: Gila County Franchise Renewal Application**

Dear Ms. Sheppard:

As a follow up to our email correspondence, Arizona Electric Power Cooperative, Inc. (AEPCO) hereby submits its formal application to renew its Franchise Agreement with Gila County. In response to Section 4 of the draft resolution that addresses utility franchises, AEPCO's answers to each item are as follows:

- (1) *The name, address and telephone number of the applicant. If the applicant is a partnership or joint venture, the home and business address of at least two partners shall be set forth. If the applicant is a corporation, the application shall include a copy of the most recent annual report filed with the Arizona Corporation Commission.*

Arizona Electric Power Cooperative, Inc.  
1000 S. Highway 80, Benson, AZ 85602  
(520) 586-3631

AEPCO is a cooperative corporation organized under the laws of the State of Arizona. Please find enclosed with this letter a copy of AEPCO's 2016 annual report filed with the Arizona Corporation Commission.

- (2) *A statement setting forth in its entirety any and all agreements existing or proposed between the applicant and any Person who proposes to have an ownership interest with respect to the proposed License or to the proposed Licensee. If such information is not disclosed in the application, the License shall be deemed void and of no force and effect.*

There are no proposed or existing agreements between AEPCO and any person or entity who proposes to have an ownership interest with respect to the proposed license or the proposed licensee.

- (3) *Financial statements, as determined by the Board of Supervisors, prepared by a certified public accountant, or person otherwise satisfactory to the Board of Supervisors, showing applicant's financial status and financial ability to complete the construction and installation, and operate the business.*

Please find enclosed with this letter a financial statement showing AEPCO's financial status and financial ability continue to operate its transmission facilities in Gila County.

- (4) *A map and legal description satisfactory to the Board of Supervisors indicating the proposed Service Area within the unincorporated area of the County that will be served, unless service will be countywide which shall be noted on the application. Water company applicants shall include the location of existing wells and pipelines, and shall prove a legal right to use said wells. Sewer company applicants shall include the location of existing treatment facilities and pipelines and prove a legal right to use said facilities.*

Please find enclosed with this letter a map and legal description indicating the location of AEPCO's transmission assets located in Gila County.

- (5) *A proposed line extension policy in accordance with Section 13 hereof, attached and made a part of the licensing resolution, stating the terms and conditions under which services will be provided.*

Not applicable. AEPCO provides generation and transmission services to its six Class A distribution Member cooperative owners (Anza Electric Cooperative, Inc., Duncan Valley Electric Cooperative, Inc., Graham Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc. and Trico Electric Cooperative, Inc.). Since AEPCO does not directly serve retail or commercial customers, it does not have a line extension policy.

- (6) *A proposed construction time schedule (for new applications only), satisfactory to the Board of Supervisors related or similar fields.*

Not applicable. AEPCO does not currently have any plans to construct any new transmission facilities in Gila County.

- (7) *A statement describing the type and specifying the type and capacity of the business proposed to be constructed, installed, maintained or operated by the applicant.*

AEPCO plans to continue to operate its transmission facilities located in Gila County, as indicated on the enclosed map.

- (8) *A description of all previous experience of the applicant in providing service and in related or similar fields.*

AEPCO has provided electric generation and transmission services to its Class A distribution Member cooperative owners since incorporation in 1961. In 2001, AEPCO was restructured into three separate cooperatives for regulatory reasons: a generation cooperative (retaining the AEPCO name), a transmission cooperative (Southwest Transmission Cooperative) and a staffing cooperative (Sierra Southwest Cooperative Services). On March 1, 2016, Southwest Transmission Cooperative merged with and back into AEPCO. AEPCO's previous franchise agreement with Gila County is dated June 3, 1991 and had a term of 25 years.

Marian Sheppard, Clerk

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September 9, 2016

- (9) *Any other details, statements, information or references pertinent to the subject matter of such application which shall be required or requested by the Board of Supervisors, or by any provision of any other resolution of the County.*

No additional information.

- (10) *Applicant shall pay to Gila County a non-refundable application fee in the amount of Three Hundred Fifty Dollars (\$350.) Such fee shall be submitted with the application.*

Please find enclosed with this letter a check in the amount of three-hundred and fifty dollars (\$350) as AEPCO's non-refundable application fee.

Please advise me if any of the above information is not in the proper form if you have any questions about this information or AEPCO's application. Thank you for your assistance facilitating the renewal of AEPCO's Franchise Agreement with Gila County.

Sincerely,



Charles Alves  
Senior Attorney

Enclosures.



WEB FORM COPY

STATE OF ARIZONA CORPORATION COMMISSION CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE



DUE ON OR BEFORE 4/20/2016

FILING FEE \$10.00

PLEASE READ ALL INSTRUCTIONS. The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§ 10-121(A) & 10-3121(A). YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation.

00574189

- 1. ARIZONA ELECTRIC POWER COOPERATIVE, INC. 1000 S HIGHWAY 80

BENSON, AZ 85602

Business Phone: \_\_\_\_\_ State of Domicile: ARIZONA

(Business phone is optional.) Type of Corporation: CO-OP

- 2. Statutory Agent: RUSING LOPEZ & LIZARDI PLLC Mailing Address: 6363 N SWAN ROAD SUITE 151 City, State, Zip: TUCSON, AZ 85718 Statutory Agent's Street or Physical Address, If Different.

ACC USE ONLY Fee \$ \_\_\_\_\_ Penalty \$ \_\_\_\_\_ Reinstatement \$ \_\_\_\_\_ Expedite \$ \_\_\_\_\_ Resubmit \$ \_\_\_\_\_

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below. Note that the agent address must be in Arizona. I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law. Signature of new Statutory Agent Printed Name of new Statutory Agent

3. Secondary Address:

(Foreign Corporations are REQUIRED to complete this section).

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

- 1. Accounting 20. Manufacturing 2. Advertising 21. Mining 3. Aerospace 22. News Media 4. Agriculture 23. Pharmaceutical 5. Architecture 24. Publishing/Printing 6. Banking/Finance 25. Ranching/Livestock 7. Barbers/Cosmetology 26. Real Estate 8. Construction 27. Restaurant/Bar 9. Contractor 28. Retail Sales 10. Credit/Collection 29. Science/Research 11. Education 30. Sports/Sporting Events 12. Engineering 31. Technology(Computers) 13. Entertainment 32. Technology(General) 14. General Consulting 33. Television/Radio 15. Health Care 34. Tourism/Convention Services 16. Hotel/Motel 35. Transportation 17. Import/Export 36. Utilities 18. Insurance 37. Veterinary Medicine/Animal Care 19. Legal Services 38. Other \_\_\_\_\_

NON-PROFIT CORPORATIONS

- 1. Charitable 2. Benevolent 3. Educational 4. Civic 5. Political 6. Religious 7. Social 8. Literary 9. Cultural 10. Athletic 11. Science/Research 12. Hospital/Health Care 13. Agricultural 14. Cooperative Marketing Association 15. Animal Husbandry 16. Homeowner's Association 17. Professional, commercial industrial or trade association 18. Other Electricity generation

9. **FINANCIAL DISCLOSURE (A.R.S. §10-11622(A)(9))**

**Nonprofits** – financial disclosure is no longer required. **Cooperative marketing associations** – must submit a financial statement. All other types of corporations are not required to file a financial statement.

**ONLY NONPROFIT CORPORATIONS MUST ANSWER THIS QUESTION:**

9A. **MEMBERS (A.R.S. §10-11622(A)(6))** This corporation **DOES**  **DOES NOT**  have members.

10. **CERTIFICATE OF DISCLOSURE (A.R.S. §§ 10-202(D), 10-3202(D), 10-1622(A)(8) & 10-11622(A)(7))**

A. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
  - (a) fraud or registration provisions of the securities laws of that jurisdiction, or
  - (b) the consumer fraud laws of that jurisdiction, or
  - (c) the antitrust or restraint of trade laws of that jurisdiction?

**One box must be marked: YES**  **NO**

If "YES" to A, the following information **must be submitted** as an attachment to this report for each person subject to one or more of the actions stated in Items 1 through 3 above.

- |   |   |
|---|---|
| 1. Full birth name.   | 5. Date and location of birth.  |
| 2. Full present name and prior names used.                      | 6. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved; and the file or cause number of the case. |
| 3. Present home address.  |   |
| 4. All prior addresses for immediately preceding 7 year period. |   |

B. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a 20% interest in any other corporation on the bankruptcy or receivership of that other corporation?

**One box must be marked: YES**  **NO**

If "YES" to B, the following information **must be submitted** as an attachment to this report for each corporation subject to the statement above.

- (a) Name and address of each corporation and the persons involved.
- (b) State(s) in which it: (i) was incorporated and (ii) transacted business.
- (c) Dates of corporate operation.

11. **STATEMENT OF BANKRUPTCY OR RECEIVERSHIP (A.R.S. §§ 10-1623 & 10-11623)**

A. Has the **corporation** filed a petition for bankruptcy or appointed a receiver? **One box must be marked: YES**  **NO**

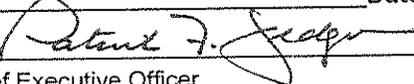
If "Yes" to A, the following information **must be submitted** as an attachment to this report:

1. All officers, directors, trustees and major stockholders of the corporation within one year of filing the petition for bankruptcy or the appointment of a receiver. If a major stockholder is a corporation, the statement shall list the current president, chairman of the board of directors and major stockholders of such corporate stockholder. "Major stockholder" means a shareholder possessing or controlling twenty per cent of the issued and outstanding shares or twenty per cent of any proprietary, beneficial or membership interest in the corporation.
2. Whether any such person has been an officer, director, trustee or major stockholder of any other corporation within one year of the bankruptcy or receivership of the other corporation. If so, for each such corporation give:
  - (a) Name and address of each corporation;
  - (b) States in which it: (i) was incorporated and (ii) transacted business.
  - (c) Dates of operation.

12. **SIGNATURES:** Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of perjury, that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of perjury that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name Patrick F. Ledger Date 4/6/16 Name \_\_\_\_\_ Date \_\_\_\_\_

Signature  Signature \_\_\_\_\_

Title Chief Executive Officer Title \_\_\_\_\_

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

5. CAPITALIZATION:

(For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized.
Number of Shares/Certificates Authorized Class Series Within Class (if any)

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of shares issued.

Number of Shares/Certificates Issued Class Series Within Class (if any)

6. SHAREHOLDERS:

(For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE [ ] Name: Name: Name: Name:

7. OFFICERS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: PATRICK F. LEDGER Name: PETER F. SCOTT
Title: CHIEF EXECUTIVE OFFICER Title: Chief Financial Officer
Address: 1000 S. Highway 80 Address: 1000 S. Highway 80

BENSON, AZ 85602 BENSON, AZ 85602

Date taking office: 03/01/2011 Date taking office: 01/01/2013

Name: Title: Address: Name: Title: Address:

Date taking office: Date taking office:

8. DIRECTORS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: DAN BARRERA Name: BILLY L. ADAMS
Address: 1050 S. GREASEWOOD ST. Address: PO BOX 390476

BENSON, AZ 85602 ANZA, CA 92539

Date taking office: 6/1/2013 Date taking office: 7/1/2014

Name: GENE ROBERT LARSON Name: JOHNNIE FRIE
Address: 3649 E. HIGHWAY 70 Address: 29 DOWSER RD.

SAFFORD, AZ 85546 VIRDEN, NM 88045

Date taking office: 4/1/1998 Date taking office: 02/19/2016

5. CAPITALIZATION:

(For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized.
Number of Shares/Certificates Authorized Class Series Within Class (if any)

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of shares issued.

Number of Shares/Certificates Issued Class Series Within Class (if any)

6. SHAREHOLDERS:

(For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE [ ] Name: Name: Name: Name:

7. OFFICERS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: Name: Title: Title: Address: Address: Date taking office: Date taking office: Name: Name: Title: Title: Address: Address: Date taking office: Date taking office:

8. DIRECTORS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: Lyn R. Opalka Name: William H. Stacy Address: PO Box 6319 Address: 41630 W. Louis Johnson Drive Mohave Valley, AZ 86446 Maricopa, AZ 85138 Date taking office: 8/1/1996 Date taking office: 1/1/2016 Name: Ryall Stewart Name: Judy McKinley Address: PO Box 391640 Address: 255 Willow Creek Lane Anza, CA 92539 Duncan, AZ 85534 Date taking office: 12/1/1999 Date taking office: 5/1/2010

5. CAPITALIZATION: (For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized.
Number of Shares/Certificates Authorized Class Series Within Class (if any)

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of shares issued.
Number of Shares/Certificates Issued Class Series Within Class (if any)

6. SHAREHOLDERS: (For-profit Corporations and Business Trusts are REQUIRED to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE [ ] Name: Name:
Name: Name:

7. OFFICERS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: Name:
Title: Title:
Address: Address:
Date taking office: Date taking office:
Name: Name:
Title: Title:
Address: Address:
Date taking office: Date taking office:

8. DIRECTORS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: C. Brad DeSpain Name:
Address: PO Box 475 Address:
Marana, AZ 85653
Date taking office: 7/1/2008 Date taking office:
Name: Name:
Address: Address:
Date taking office: Date taking office:

**5. CAPITALIZATION:** (For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. **PLEASE PRINT OR TYPE CLEARLY.**

**5a.** Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**.  
Number of Shares/Certificates **Authorized** Class Series Within Class (if any)

**5b.** Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.  
Number of Shares/Certificates **Issued** Class Series Within Class (if any)

**6. SHAREHOLDERS:** (For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

**NONE**  Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_

**7. OFFICERS** PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

**Name:** \_\_\_\_\_ **Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_ **Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_ **Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Date taking office:** \_\_\_\_\_ **Date taking office:** \_\_\_\_\_  
**Name:** \_\_\_\_\_ **Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_ **Title:** \_\_\_\_\_  
**Address:** \_\_\_\_\_ **Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Date taking office:** \_\_\_\_\_ **Date taking office:** \_\_\_\_\_

**8. DIRECTORS** PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

**Name:** Vincent Nitido **Name:** Reuben B. McBride  
**Address:** PO Box 930 **Address:** 98 N 1000 West  
Marana, AZ 85653 Pima, AZ 85543  
**Date taking office:** 6/1/2014 **Date taking office:** 5/1/1997  
**Name:** J. Tyler Carlson **Name:** Kathy J. Thatcher  
**Address:** PO Box 1045 **Address:** 1016 Granada  
Bullhead City, AZ 86430 Willcox, AZ 85643  
**Date taking office:** 4/1/2010 **Date taking office:** 5/1/2006

OPERATING REPORT - FINANCIAL

ARIZONA 28

ARIZONA ELECTRIC POWER COOPERATIVE, INC.  
P.O. BOX 670  
BENSON, ARIZONA 85602

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-3

PERIOD ENDING  
30-Jun-16

RUS USE ONLY

CERTIFICATION

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.

ALL INSURANCE REQUIRED BY PART 1788 OF 7CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

8/10/16

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	72,573,311	70,953,042	0	13,777,325
2. Income From Leased Property - Net	0	0	0	0
3. Other Operating Revenue and Income	4,803,984	12,286,977	0	2,734,451
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	77,377,295	83,240,019	0	16,511,776
5. Operation Expense - Production - Excluding Fuel	6,044,362	7,112,106	0	1,476,479
6. Operation Expense - Production - Fuel	27,509,806	28,387,891	0	6,397,505
7. Operation Expense - Other Power Supply	12,214,898	9,857,390	0	2,079,586
8. Operation Expense - Transmission	7,358,132	7,601,283	0	1,252,398
9. Operation Expense - RTO / ISO				
10. Operation Expense - Distribution	0	0	0	0
11. Operation Expense - Consumer Accounts	156,031	289,548.00	0	51,884.00
12. Operation Expense - Consumer Service & Information	0	0	0	0
13. Operation Expense - Sales	0	0	0	0
14. Operation Expense - Administrative & General	3,074,191	5,151,647	0	867,598
15. Total Operation Expense (5 thru 14)	56,357,420	58,399,865	0	12,125,450
16. Maintenance Expense - Production	6,892,022	6,816,480		1,353,942
17. Maintenance Expense - Transmission	1,679	1,303,972	0	363,279
18. Maintenance Expense - RTO / ISO				
19. Maintenance Expense - Distribution	0	0	0	0
20. Maintenance Expense - General Plant	1,496,265	762,917	0	179,079
21. Total Maintenance Expense (16 thru 20)	8,389,966	8,883,369	0	1,896,300
22. Depreciation & Amortization Expense	6,422,443	7,910,015	0	1,458,417
23. Taxes	0	0	0	0
24. Interest on Long-Term Debt	3,770,726	4,782,056	0	897,158
25. Interest Charged to Construction - Credit	-8,954	-28,743	0	-5,899
26. Other Interest Expense	43,905	62,399	0	10,451
27. Asset Retirement Obligation	0	0		0
28. Other Deductions	57,464	108,219	0	25,131
29. Total Cost of Electric Service (15 + 21 thru 28)	75,032,970	80,117,180	0	16,407,008
30. Operating Margins (4 - 29)	2,344,325	3,122,839	0	104,768
31. Interest Income	629,701	940,778	0	466,101
32. Allowance for Funds Used During Construction	0	0	0	0
33. Income (Loss) from Equity Investments	0	0	0	0
34. Other Nonoperating Income - Net	35,743	209,972	0	83,953
35. Generation & Transmission Capital Credits	0	0	0	0
36. Other Capital Credits & Patronage Dividends	17,941	16,232	0	101
37. Extraordinary Items	0	0	0	0
38. Net Patronage Capital or Margins (30 thru 37)	3,027,710	4,289,821	0	654,923
ITEM	Mills/kWh (Optional Use by Borrower)			
36. Electric Energy Revenue Per kWh Sold		0.00		
37. Total Operation & Maintenance Expense Per kWh Sold		0.00		
38. Total Cost of Electric Service Per kWh Sold		0.00		
39. Purchased Power Cost Per kWh		0.00		

USDA - RUS  <b>OPERATING REPORT - FINANCIAL</b> ARIZONA ELECTRIC POWER COOPERATIVE, INC.	BORROWER DESIGNATION	RUS USE ONLY
	ARIZONA 28	
	MONTH ENDING	

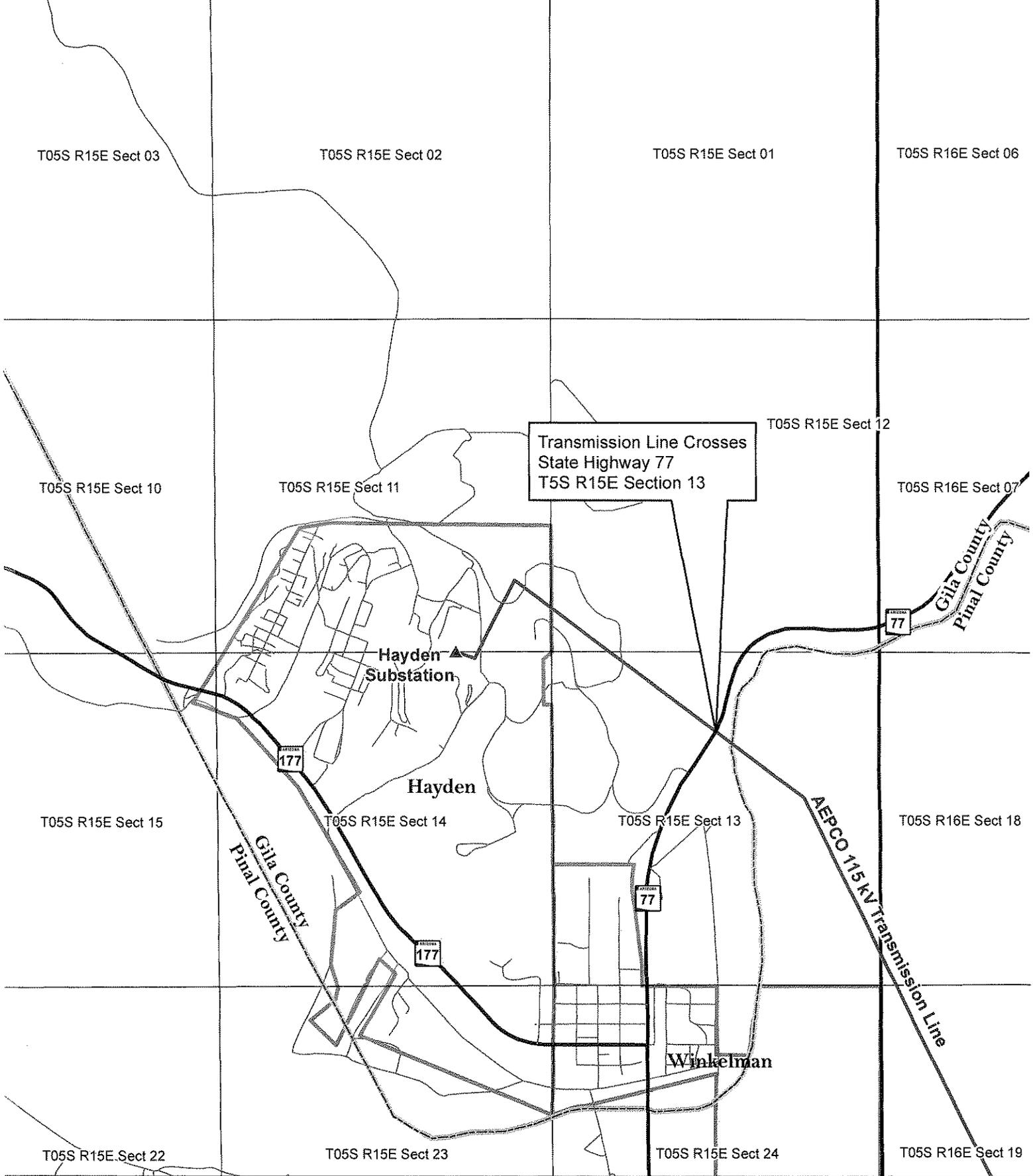
30-Jun-16

**SECTION B. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service . . . . .	680,546,843	33. Memberships . . . . .	1,530
2. Construction Work in Progress . . . . .	10,996,213	34. Patronage Capital	
3. Total Utility Plant (1 + 2) . . . . .	691,543,056	a. Assigned and Assignable . . . . .	149,089,342
4. Accum. Provision for Depreciation & Amort. . . . .	-348,717,116	b. Retired This Year . . . . .	0
5. <b>Net Utility Plant (3 - 4) . . . . .</b>	<b>342,825,940</b>	c. Retired Prior Years . . . . .	2,125,269
6. Non-Utility Property - Net . . . . .	0	d. Net Patronage Capital . . . . .	146,964,073
7. Investment in Subsidiary Companies . . . . .	0	35. Operating Margins - Prior Years . . . . .	9,937,649
8. Invest. in Assoc. Org. - Patronage Capital . . . . .	11,676,407	36. Operating Margins - Current Year . . . . .	3,139,071
9. Invest. in Assoc. Org. - Other - General Funds . . . . .	0	37. Non-Operating Margins . . . . .	1,150,750
10. Invest. in Assoc. Org. - Other - Non-Gen. Funds . . . . .	6,843,594	38. Other Margins and Equities . . . . .	0
11. Investments in Economic Development Projects . . . . .	455,952	39. <b>Total Margins &amp; Equities (33 + 34d thru 38) . . . . .</b>	<b>161,193,073</b>
12. Other Investments . . . . .	0	40. Long-Term Debt - RUS (Net) . . . . .	0
13. Special Funds . . . . .	3,096,155	41. Long-Term Debt - FFB - RUS Guaranteed . . . . .	232,983,142
14. <b>Total Other Property &amp; Investment (6 thru 13) . . . . .</b>	<b>22,072,108</b>	42. Total Long-Term Debt - Other - REA Guaranteed . . . . .	0
15. Cash - General Funds . . . . .	2,284,784	43. Total Long-Term Debt - Other (Net) . . . . .	26,413,812
16. Cash - Construction Funds - Trustee . . . . .	155,500	44. Long-Term Debt - REA - Econ. Devel.(Net) . . . . .	0
17. Special Deposits . . . . .	1,325,515	45. (Payments-Unapplied \$ . . . . .)	-29,689,103
18. Temporary Investments . . . . .	15,385,001	46. <b>Total Long-Term Debt (40 thru 45) . . . . .</b>	<b>229,707,851</b>
19. Notes Receivable - Net . . . . .	0	47. Obligations Under Capital Leases - Noncurrent . . . . .	378,681
20. Accounts Receivable - Sales of Energy (Net) . . . . .	20,133,584	48. Accumulated Operating Provisions and ARO . . . . .	0
21. Accounts Receivable - Net . . . . .	2,311,972	49. <b>Total Other Noncurrent Liabilities (47 + 48) . . . . .</b>	<b>378,681</b>
22. Fuel Stock . . . . .	19,375,551	50. Notes Payable . . . . .	8,895,367
23. Renewable Energy Credits . . . . .	0	51. Accounts Payable . . . . .	10,508,478
24. Materials and Supplies - Other . . . . .	13,543,071	52. Current Maturities Long Term Debt . . . . .	17,346,303
25. Prepayments . . . . .	2,038,165	53. Current Maturities Long Term Debt - Rural Devel . . . . .	0
26. Other Current and Accrued Assets . . . . .	95,993	54. Current Maturities Capital Leases . . . . .	218,058
27. <b>Total Current and Accrued Assets (15 thru 26) . . . . .</b>	<b>76,649,136</b>	55. Taxes Accrued . . . . .	2,790,345
28. Unamortized Debt Disc. & Extraord. Prop. Losses . . . . .	729,046	56. Interest Accrued . . . . .	201,245
29. Regulatory Assets . . . . .	0	57. Other Current & Accrued Liabilities . . . . .	2,842,277
30. Other Deferred Debits . . . . .	18,022,222	58. <b>Total Current &amp; Accrued Liabilities (50 thru 57) . . . . .</b>	<b>42,802,073</b>
31. Accumulated Deferred Income Tax . . . . .	0	59. Deferred Credits . . . . .	26,216,774
32. <b>Total Assets &amp; Other Debits (5 + 14 + 27 Thru 31) . . . . .</b>	<b>460,298,452</b>	60. Accumulated Deferred Income Taxes . . . . .	
		61. <b>Total Liabilities and Other Credits</b>	
		<b>(39 + 46 + 49 + 58 thru 60) . . . . .</b>	<b>460,298,452</b>

Note 1: The amounts listed on the Balance Sheet and Operating Report are un-audited and subject to review by AEPCO's external auditors.

Note 2: This Form 12 follows the tariff approved by the Arizona Corporation Commission effective November 1,2013 whereby all de-commissioning costs were included as part of depreciation cost.



Transmission Line Crosses  
State Highway 77  
T5S R15E Section 13

Hayden  
Substation

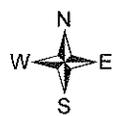
Hayden

Winkelman

AEPCO 115 kV Transmission Line

Gila County  
Pinal County

Gila County  
Pinal County



0 1.050 2.100 4.200  
Feet

- Local Roads
- Highways
- AEPCO Substations
- AEPCO Transmission Lines
- Cities
- Section

**AEPCO**  
**Gila Transmission**  
Arizona  
**G&T**  
Cooperatives  
Arizona Electric Power Cooperative, Inc.