

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-01787A

Navopache Electric Cooperative, Inc.
1878 W. White Mountain Blvd.
Lakeside, AZ 85929

RECEIVED
MAR 07 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION – DIRECTOR'S OFFICE

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	2018
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FOR COMMISSION USE

ANN 01	18
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3-7-19

COMPANY INFORMATION

Company Name (Business Name) <u>Navopache Electric Cooperative, Inc.</u>		
Mailing Address <u>1878 W. White Mountain Blvd</u>		
(Street)		
<u>Lakeside, AZ 85929</u>		
(City)	(State)	(Zip)
<u>928-368-5118</u>	<u>928-368-6038</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>ggouker@navopache.org</u>		
Local Office Mailing Address <u>1878 W. White Mountain Blvd.</u>		
(Street)		
<u>Lakeside, AZ 85929</u>		
(City)	(State)	(Zip)
<u>928-368-5118</u>	<u>800-643-6324</u>	
Local Customer Service Phone No. (Include Area Code)	(1-800 or other long distance Customer Service Phone No.)	
Email Address <u>membercare@navopache.org</u>	Website address <u>www.navopache.org</u>	

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact: <u>Gayle Gouker</u> <u>Manager of Financial Services</u>		
(Name) (Title)		
<u>1878 W. White Mountain Blvd</u> <u>Lakeside, AZ 85929</u>		
(Street)	(City)	(State) (Zip)
<u>928-368-5118</u>	<u>928-368-6038</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>ggouker@navopache.org</u>		
On Site Manager: <u>Charles R. Moore</u>		
(Name)		
<u>1878 W. White Mountain Blvd.</u> <u>Lakeside, AZ 85929</u>		
(Street)	(City)	(State) (Zip)
<u>928-368-5118</u>	<u>928-368-6038</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>cmoore@navopache.org</u>		

Statutory Agent: Elizabeth Neal

(Name)

1878 W. White Mountain Blvd.

Lakeside, AZ 85929

(Street)

(City)

(State)

(Zip)

928-368-5118

928-368-6038

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Raymond Heyman, Snell & Wilmer

(Name)

One Arizona Center, 400 E. Van Buren, suite 1900

Phoenix, AZ 85004

(Street)

(City)

(State)

(Zip)

602-382-6000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address rheyman@swlaw.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

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

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

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	36,008	232,773,124
Commercial	3,463	118,208,143
Industrial	21	31,647,248
Public Street and Highway Lighting	108	946,710
Irrigation	163	11,076,661
Total Retail	39,763	394,651,886

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale		
Short-term Sales (durations of less than one year)		
Total Wholesale	NONE	

Total MWh Sold 394,652 MWh

Maximum Peak Load 94 MW

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 07 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Navajo</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Gayle Gouker, Manager of Financial Services</u>
COMPANY NAME <u>Navopache 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	2018

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 2018 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>52,176,312</u>

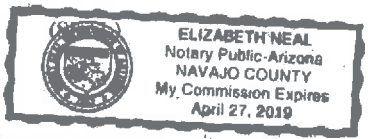
(THE AMOUNT IN BOX ABOVE INCLUDES \$ 3,511,770 IN SALES TAXES BILLED, OR COLLECTED)


****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
928-368-5118
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 6th DAY OF

COUNTY NAME	<u>Navajo</u>
MONTH	<u>March</u>
	<u>20</u> 19




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 4-27-2019

FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2018) 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.

NEC

Income Statement

12/31/2018

Various Reports for YE Compliance

Description	YTD System	AZ
1. Operating Revenue and Patronage Capital	49,755,359	48,323,380
2. Power Production Expense	-	-
3. Cost of Purchased Power	22,287,132	21,699,496
4. Transmission Expense	155,916	142,278
5. Regional Market Expense	-	-
6. Distribution Expense - Operation	3,891,103	3,550,747
7. Distribution Expense - Maintenance	2,387,155	2,178,349
8. Customer Accounts Expense	1,922,577	1,849,101
9. Customer Service and Informational Expense	165,921	159,580
10. Sales Expense	-	-
11. Administrative and General Expense	4,999,069	4,808,018
12. Total Operation & Maintenance Expense (2 thru 11)	35,808,874	34,387,569
13. Depreciation & Amortization Expense	5,532,167	5,234,926
14. Tax Expense - Property & Gross Receipts	-	-
15. Tax Expense - Other	9,985	9,697
16. Interest on Long-Term Debt	2,743,732	2,596,312
17. Interest Charged to Construction - Credit	-	-
18. Interest Expense - Other	76,539	75,390
19. Other Deductions	5,405	5,199
20. Total Cost of Electric Service (12 thru 19)	44,176,701	42,309,094
21. Patronage Capital & Operating Margins (1 minus 20)	5,578,658	6,014,286
22. Non Operating Margins - Interest	96,148	93,381
23. Allowance for Funds Used During Construction	-	-
24. Income (Loss) from Equity Investments	-	-
25. Non Operating Margins - Other	(134,783)	(130,904)
26. Generation and Transmission Capital Credits	-	-
27. Other Capital Credits and Patronage Dividends	221,628	213,158
28. Extraordinary Items	-	-
29. Patronage Capital or Margins (21 thru 28)	5,761,651	6,189,921
Operating - Margin	5,800,286	6,227,444
Non Operating - Margin	(38,635)	(37,523)
Times Interest Earned Ratio - Net	3.10	3.38

NEC
Balance Sheet
12/31/2018

Description	YTD System	AZ Estimate
ASSETS AND OTHER DEBITS		
1. Total Utility Plant in Service	174,356,930	164,988,798
2. Construction Work in Progress	4,384,539	4,102,253
3. Total Utility Plant (1 + 2)	178,741,468	169,091,052
4. Accum. Provision for Depreciation and Amort.	69,630,046	66,024,415
5. Net Utility Plant (3 - 4)	109,111,423	103,066,636
6. Non-Utility Property (Net)	-	-
7. Invest. in Subsidiary Companies	-	-
8. Invest. in Assoc. Org. - Patronage Capital	1,439,336	1,362,001
9. Invest. in Assoc. Org. - Other - General Funds	202,033	191,177
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,295,590	1,225,979
11. Invest. in Economic Development Projects	-	-
12. Other Investments	3,522	3,522
13. Special Funds	-	-
14. Total Other Property & Investments (6 thru 13)	2,940,481	2,782,679
15. Cash - General Funds	627,436	606,792
16. Cash - Construction Funds - Trustee	5	5
17. Special Deposits	598,274	598,274
18. Temporary Investments	2,069,657	1,958,455
19. Notes Receivable (Net)	2,672	2,516
20. Accounts Receivable - Sales of Energy (Net)	3,169,879	3,122,307
21. Accounts Receivable - Other (Net)	123,424	123,424
22. Renewable Energy Credits	-	-
23. Material and Supplies - Electric & Other	4,128,469	4,042,194
24. Prepayments	467,164	442,064
25. Other Current and Accrued Assets	299,304	273,124
26. Total Current and Accrued Assets (15 thru 25)	11,486,283	11,169,154
27. Regulatory Assets	-	-
28. Other Deferred Debits	307,818	299,702
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	123,846,005	117,318,171
LIABILITIES AND OTHER CREDITS		
30. Memberships	169,880	161,995
31. Patronage Capital	29,025,805	26,878,215
32. Operating Margins - Prior Years	(6,747,572)	(6,320,414)
33. Operating Margins - Current Year	5,800,286	5,801,397
34. Non-Operating Margins	(38,635)	(38,635)
35. Other Margins and Equities	2,558,137	2,460,372
36. Total Margins & Equities (30 thru 35)	24,967,614	23,141,533
37. Long-Term Debt - RUS (Net)	25,297,193	23,937,985
38. Long-Term Debt - FFB - RUS Guaranteed	52,106,689	49,307,017
39. Long-Term Debt - Other - RUS Guaranteed	-	-
40. Long-Term Debt - Other (Net)	7,729,792	7,729,792
41. Long-Term Debt - RUS Econ. Devel. (Net)	-	-
42. Payments - Unapplied	-	-
43. Total Long-Term Debt (37 thru 41 - 42)	85,133,674	80,974,793
44. Obligations Under Capital Leases - Noncurrent	-	-
45. Accumulated Operating Provisions	759,061	718,685
46. Total Other Noncurrent Liabilities (44 + 45)	759,061	718,685
47. Notes Payable	-	-
48. Accounts Payable	3,346,509	3,258,273
49. Consumers Deposits	1,287,075	1,237,886
50. Current Maturities Long-Term Debt	3,418,000	3,234,352
51. Current Maturities Long-Term Debt - Econ. Devel.	-	-
52. Current Maturities Capital Leases	-	-
53. Other Current and Accrued Liabilities	1,282,071	1,231,198
54. Total Current & Accrued Liabilities (47 thru 53)	9,333,655	8,961,709
55. Regulatory Liabilities	-	-
56. Other Deferred Credits	3,652,000	3,521,451
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	123,846,005	117,318,171

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 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.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION AZ0013

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

PERIOD ENDED December, 2018

BORROWER NAME Navopache Electric Cooperative Inc

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Charles Moore

3/6/2019
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	49,090,278	49,755,359	48,096,186	4,615,229
2. Power Production Expense				
3. Cost of Purchased Power	23,290,714	22,287,132	21,884,078	2,221,367
4. Transmission Expense	180,474	155,916	193,020	12,229
5. Regional Market Expense				
6. Distribution Expense - Operation	3,823,847	3,891,103	3,857,558	332,186
7. Distribution Expense - Maintenance	2,582,515	2,387,155	2,344,487	219,742
8. Customer Accounts Expense	2,130,978	1,922,577	2,245,342	165,315
9. Customer Service and Informational Expense	161,579	165,921	140,494	15,279
10. Sales Expense	0			
11. Administrative and General Expense	5,809,160	4,999,069	6,179,086	454,090
12. Total Operation & Maintenance Expense (2 thru 11)	37,979,267	35,808,873	36,844,065	3,420,208
13. Depreciation and Amortization Expense	17,694,884	5,532,167	5,916,891	474,215
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	9,268	9,985	5,580	1,625
16. Interest on Long-Term Debt	2,691,205	2,743,732	3,045,500	236,246
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	74,095	76,539	67,019	6,193
19. Other Deductions	6,123	5,405	7,599	86
20. Total Cost of Electric Service (12 thru 19)	58,454,842	44,176,701	45,886,654	4,138,573
21. Patronage Capital & Operating Margins (1 minus 20)	(9,364,564)	5,578,658	2,209,532	476,656
22. Non Operating Margins - Interest	97,936	96,148	92,223	4,987
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(25,304)	(134,783)	20,600	3,013
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	207,746	221,628	197,459	26,256
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	(9,084,186)	5,761,651	2,519,814	510,912

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

AZ0013

PERIOD ENDED

December, 2018

INSTRUCTIONS - See help in the online application.

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	398	442	5. Miles Transmission	263.69	263.89
2. Services Retired	201	134	6. Miles Distribution - Overhead	2,632.09	2,627.14
3. Total Services in Place	44,142	44,452	7. Miles Distribution - Underground	627.23	630.77
4. Idle Services (Exclude Seasonals)	3,199	3,049	8. Total Miles Energized (5 + 6 + 7)	3,523.01	3,521.80

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	174,356,930	30. Memberships	169,880
2. Construction Work in Progress	4,384,539	31. Patronage Capital	29,025,805
3. Total Utility Plant (1 + 2)	178,741,469	32. Operating Margins - Prior Years	(12,547,858)
4. Accum. Provision for Depreciation and Amort.	69,630,046	33. Operating Margins - Current Year	5,800,286
5. Net Utility Plant (3 - 4)	109,111,423	34. Non-Operating Margins	(38,635)
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	2,558,137
7. Investments in Subsidiary Companies	0	36. Total Margins & Equities (30 thru 35)	24,967,615
8. Invest. in Assoc. Org. - Patronage Capital	1,439,336	37. Long-Term Debt - RUS (Net)	25,297,193
9. Invest. in Assoc. Org. - Other - General Funds	202,032	38. Long-Term Debt - FFB - RUS Guaranteed	52,106,689
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,295,590	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	7,729,792
12. Other Investments	3,522	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13)	2,940,480	43. Total Long-Term Debt (37 thru 41 - 42)	85,133,674
15. Cash - General Funds	627,436	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	5	45. Accumulated Operating Provisions and Asset Retirement Obligations	759,061
17. Special Deposits	598,274	46. Total Other Noncurrent Liabilities (44 + 45)	759,061
18. Temporary Investments	2,069,657	47. Notes Payable	0
19. Notes Receivable (Net)	2,672	48. Accounts Payable	3,346,509
20. Accounts Receivable - Sales of Energy (Net)	3,169,879	49. Consumers Deposits	1,287,075
21. Accounts Receivable - Other (Net)	123,424	50. Current Maturities Long-Term Debt	3,418,000
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	4,128,469	52. Current Maturities Capital Leases	0
24. Prepayments	467,164	53. Other Current and Accrued Liabilities	1,282,071
25. Other Current and Accrued Assets	299,304	54. Total Current & Accrued Liabilities (47 thru 53)	9,333,655
26. Total Current and Accrued Assets (15 thru 25)	11,486,284	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	3,652,000
28. Other Deferred Debits	307,818	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	123,846,005
29. Total Assets and Other Debits (5+14+26 thru 28)	123,846,005		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0013
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2018
PART D. NOTES TO FINANCIAL STATEMENTS	

<p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION AZ0013</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2018</p>
<p>PART D. CERTIFICATION LOAN DEFAULT NOTES</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION AZ0013

PERIOD ENDED December, 2018

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	118,646,422	6,908,881	1,114,427		124,440,876
2. General Plant	20,884,912	675,853	233,627		21,327,138
3. Headquarters Plant	12,059,918	210,174	3,163		12,266,929
4. Intangibles	228,075				228,075
5. Transmission Plant	14,941,583	148,398	5,535		15,084,446
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	1,009,465				1,009,465
8. Total Utility Plant in Service (1 thru 7)	167,770,375	7,943,306	1,356,752		174,356,929
9. Construction Work in Progress	5,861,468	(1,476,929)			4,384,539
10. Total Utility Plant (8 + 9)	173,631,843	6,466,377	1,356,752		178,741,468

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	4,745,453	1,392,512	23,547	2,087,277	0	(19,822)	4,054,413
2. Other	83,748	92,714	0		99,511	(2,895)	74,056

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	6.900	273.500	7.000	511.200	798.600
2. Five-Year Average	1.380	55.900	2.840	270.580	330.700

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	94	4. Payroll - Expensed	4,759,116
2. Employee - Hours Worked - Regular Time	196,099	5. Payroll - Capitalized	1,523,273
3. Employee - Hours Worked - Overtime	8,928	6. Payroll - Other	1,596,016

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	0	2,654,881
	b. Special Retirements	198,678	3,267,991
	c. Total Retirements (a + b)	198,678	5,922,872
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	19,657	
	c. Total Cash Received (a + b)	19,657	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 17,810	2. Amount Written Off During Year	\$ 56,344
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ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0013
INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2018

PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tucson Electric Power Company	24211			405,451,000	21,098,370	5.20		
2	Western Area Power Admin	27000			24,703,601	735,955	2.98		
3	Arizona Electric Pwr Coop, Inc (AZ0028)	796			6,768,000	279,122	4.12		
4	Arizona Power Authority	798			3,567,000	173,685	4.87		
	Total				440,489,601	22,287,132	5.06		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0013
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INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2018
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PART K. kWh PURCHASED AND TOTAL COST

No	Comments
1	TEP total cost includes transmission & balancing authority costs; exclusive of these costs, the average cost per kWh is 4.53.
2	
3	
4	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AZ0013	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2018	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Arizona State Land	land, rights of way, easements	15,538
2	Mangum family	land	6,225
3	Swapp Land	land	1,000
	TOTAL		22,763

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0013
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2018

PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting 9/8/2018	2. Total Number of Members 34,112	3. Number of Members Present at Meeting 211	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 8	7. Total Amount of Fees and Expenses for Board Members \$ 250,828	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AZ0013			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2018			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	25,297,193	933,269	787,673	1,720,942
2	National Rural Utilities Cooperative Finance Corporation	7,729,792	386,873	1,026,059	1,412,932
3	CoBank, ACB				
4	Federal Financing Bank	52,106,689	1,471,079	2,257,634	3,728,713
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	85,133,674	2,791,221	4,071,366	6,862,587

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0013		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2018		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	37,370	37,307	
	b. kWh Sold			239,586,778
	c. Revenue			31,053,470
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	164	161	
	b. kWh Sold			11,137,266
	c. Revenue			1,348,191
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,662	3,662	
	b. kWh Sold			121,624,104
	c. Revenue			13,152,883
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	21	18	
	b. kWh Sold			31,647,248
	c. Revenue			2,797,433
6. Public Street & Highway Lighting	a. No. Consumers Served	115	116	
	b. kWh Sold			947,934
	c. Revenue			107,881
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10.	Total No. of Consumers (lines 1a thru 9a)	41,332	41,264	
11.	Total kWh Sold (lines 1b thru 9b)			404,943,330
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			48,459,858
13.	Transmission Revenue			
14.	Other Electric Revenue			1,295,502
15.	kWh - Own Use			1,877,663
16.	Total kWh Purchased			440,489,601
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			22,443,048
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident ___ Coincident <input checked="" type="checkbox"/>			94,000

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION AZ0013

PERIOD ENDED December, 2018

INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers <i>(a)</i>	Amount Invested <i>(b)</i>	Estimated MMBTU Savings <i>(c)</i>	No. of Consumers <i>(d)</i>	Amount Invested <i>(e)</i>	Estimated MMBTU Savings <i>(f)</i>
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total						

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION AZ0013
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	PERIOD ENDED December, 2018

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	ERMCO Membership	100			
	GCSECA Building	101,832			
	GCSECA Membership	100			
	CFC Member Capital Securities		100,000	5,000	
	CFC Patronage		344,603	39,314	
	ERMCO	160,327		27,857	
	NISC	234,290		26,256	
	Touchstone	366			
	AECI	1,200			
	Federated	412,460		73,436	
	Western United	237,477		46,793	
	Western United NonMember Dividend	48,613		7,972	
	CFC Capital Term Certificates		1,295,590	57,399	
	Totals	1,196,765	1,740,193	284,027	
4	Other Investments				
	Weatherization Loans	3,522		254	
	Totals	3,522		254	
6	Cash - General				
	NEC Cash	377,436	250,000		
	Totals	377,436	250,000		
7	Special Deposits				
	AZ Commission REST	598,274			
	Totals	598,274			
8	Temporary Investments				
	Temporary Investements		2,069,657		
	Totals		2,069,657		
9	Accounts and Notes Receivable - NET				
	Other NEC Notes & Accts Receivable	126,095			
	Totals	126,095			
11	TOTAL INVESTMENTS (1 thru 10)	2,302,092	4,059,850	284,281	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION AZ0013
	PERIOD ENDED December, 2018

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION AZ0013
	PERIOD ENDED December, 2018

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	1.29 %
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SECTION IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors	12/15/2020	8,345	2,672	
2	Energy Resources Conservation Loans				
	TOTAL		8,345	2,672	

Company Name:
Docket No.:

Navopache Electric
E-01787A

2018 UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211.C	Other
January	0	336	0
February	0	274	0
March	0	248	0
April	0	190	0
May	0	358	0
June	0	187	0
July	0	233	0
August	0	323	0
September	0	240	0
October	0	234	0
November	0	281	0
December	0	163	0
Total	0	3,067	0

Other (description):

NA

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.
