

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

E-01703A-07-0579

IN THE MATTER OF THE APPLICATION OF)
DUNCAN VALLEY ELECTRIC COOPERATIVE,)
INC. FOR APPROVAL OF RENEWABLE)
ENERGY STANDARD TARIFFS)

DOCKET NO. E-01703A-07-
Arizona Corporation Commission

DOCKETED

OCT 05 2007

DOCKETED BY
KK MVA

Duncan Valley Electric Cooperative, Inc. ("DVEC") is hereby filing its tariff pages for the Renewable Energy Standard ("RES") Tariff and Voluntary RES Contribution Program Tariff in compliance with Decision No. 69728 dated July 30, 2007. DVEC hereby also files its RES Customer Self-Directed Tariff in compliance with RES Rule R-14-1809(A) and its annual 2006 Rural Utilities Services Form 7 in compliance with the RES Rule R-14-1808(B)(1). DVEC also submits a worksheet that contains the information required by RES Rule R-14-1808(B)(2) through R-14-1808(B)(4). Finally, DVEC hereby agrees to waive the 30 day Arizona Corporation Commission deadline for processing these tariffs.

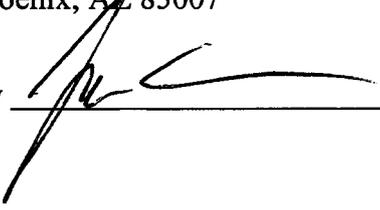
RESPECTFULLY SUBMITTED this 5th day of October, 2007.

By

John Wallace
Grand Canyon State Electric Cooperative Assn. Inc.

1 **Original** and thirteen (13) copies filed this
2 5th day of October, 2007, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington
6 Phoenix, AZ 85007

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DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

RENEWABLE ENERGY STANDARD TARIFF

Effective Date:

Background

On November 14, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 69127 that contained a Renewable Energy Standard ("RES") that set forth annual renewable energy requirements for all affected electric utilities in the State of Arizona as well as a requirement that each affected electric utility file with the ACC for approval a RES Tariff to fund such renewable energy requirements.

Application

On all bills for all governmental and agricultural customers with multiple meters, an RES Surcharge mandated by the Commission will be assessed monthly at the lesser of \$.000875 per kilowatt-hour of retail electricity purchased by the consumer, or:

Governmental and Agricultural Customers: \$13 per service;

Governmental and Agricultural Customers whose metered demand is 3,000 kW or more for 3 consecutive months: \$39.00 per service.

In the case of unmetered services, the Load-Serving Entity shall, for purposes of billing the RES Surcharge and subject to the caps set forth above, use the lesser of (i) the load profile or otherwise estimated kWh required to provide the service in question; or (ii) the service's contract kWh.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

RENEWABLE ENERGY STANDARD TARIFF

Effective Date:

On all bills in all other tariff service categories than those listed above, an RES Surcharge mandated by the Arizona Corporation Commission will be assessed monthly at the lesser of \$.004988 per kilowatt-hour of retail electricity purchased by the consumer, or:

Residential Customers: \$1.05 per service;

Non-Residential Customers: \$39.00 per service;

Non-Residential Customers whose metered demand is 3,000 kW or more for 3 consecutive months: \$117.00 per service.

In the case of unmetered services, the Load-Serving Entity shall, for purposes of billing the RES Surcharge and subject to the caps set forth above, use the lesser of (i) the load profile or otherwise estimated kWh required to provide the service in question; or (ii) the service's contract kWh.

The RES Surcharge is in addition to all other rates and charges applicable to service to the customer.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

RENEWABLE ENERGY CUSTOMER SELF-DIRECTED TARIFF

Effective Date:

Background

On November 14, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 69127 that contained a Renewable Energy Standard ("RES") that set forth annual renewable energy requirements for all affected electric utilities in the State of Arizona as well as a requirement that each affected electric utility file with the ACC for approval a RES Customer Self-Directed Option Tariff as defined below.

Application

The RES Customer Self-Directed Option is applicable to single and three phase service for Non-Residential Customers with multiple meters that pay more than \$25,000 annually in RES Surcharge funds pursuant to the Renewable Energy Standard Tariff for any number of related accounts or services within the Cooperative's service territory ("Eligible Customer").

An Eligible Customer may apply to the Cooperative to receive funds to install Distributed Renewable Energy Resources. An Eligible Customer seeking to participate in this program shall submit to the Cooperative a written application that describes the Renewable Energy Resources that it proposes to install and the projected cost of the project. An Eligible Customer shall provide at least half of the funding necessary to complete the project described in its application.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

RENEWABLE ENERGY CUSTOMER SELF-DIRECTED TARIFF

Effective Date:

An Eligible Customer shall enter into a contract with the Cooperative that specifies, at a minimum the following information: the type of Distributed Generation (“DG”) resource, its total estimated cost, kWh output, its completion date, the expected life of the DG system, a schedule of Eligible Customer expenditures and invoices for the DG system, Cooperative payments to an Eligible Customer for the DG system and the amount of a Security Bond or Letter of Credit necessary to ensure the future operation of the Eligible Customer’s DG System, metering equipment, maintenance, insurance and related costs.

If proposed to be connected to the Cooperative’s electrical system, an Eligible Customer’s DG Resource shall meet all of the Cooperative’s DG interconnection requirements and guidelines before being connected to the Cooperative’s electrical system.

All Renewable Energy Credits derived from the project, including generation and extra credit multipliers, shall be applied to satisfy the Cooperative’s Annual Renewable Energy Requirement.

The funds annually received by an Eligible Customer pursuant to this tariff may not exceed the amount annually paid by the Eligible Customer pursuant to the RES Surcharge Tariff.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

VOLUNTARY RES CONTRIBUTION PROGRAM TARIFF

SCHEDULE VRES

Effective Date:

Availability

The Renewable Energy Standard ("RES") Voluntary Contribution Program is available to all member/customers of the distribution cooperative who wish to contribute funds in support of the construction and acquisition of renewable resources.

Background

Duncan Valley Electric Cooperative, Inc. ("the Cooperative") is one of five Arizona Class A Members of the Arizona Electric Power Cooperative, Inc. ("AEPCO"). AEPCO has prepared and the Arizona Corporation Commission has approved in Decision No. 69728 an RES Plan which currently provides for rebate support of customer owned renewable resources or the acquisition of large scale renewable resources. The RES Plan may be modified from time to time on further application to the Commission. Funds to support the EPS Plan are collected by AEPCO's member distribution cooperatives pursuant to Commission Rules and applicable RES Surcharge tariffs and are remitted to AEPCO for expenditure in accordance with the terms of the approved RES Plan. The purpose of this Voluntary RES Contribution Program is to allow member/consumers an option to contribute additional amounts if they desire in support of the RES Plan.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

VOLUNTARY RES CONTRIBUTION PROGRAM TARIFF

SCHEDULE VRES

Effective Date:

Contribution Program

Participation in the Contribution Program is voluntary. Any member/customer desiring to participate in the Contribution Program may do so by signing, completing and returning to the Cooperative a form specifying the amount of the monthly contribution. Member/customers may purchase 50 kWh blocks of green energy for an additional cost of \$2.00 per block. This rate is in addition to all applicable charges contained in the tariff under which a customer takes electric service. The amount of blocks selected will then be added to the member/customer's bill on a monthly basis and all billing and payment tariffs of the Cooperative shall apply to participation in the Contribution Program. Member/customers may cancel their participation in the Contribution Program at any time by notifying the Cooperative at least 30 days in advance of the member/customer's billing date of their decision to cancel in writing on a form supplied by the Cooperative.

Elections to participate or to cancel participation in the Contribution Program may only be in writing on forms supplied by the Cooperative.

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 16 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 AZ0023
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED December, 2006 (Prepared with Audited Data)
	BORROWER NAME DUNCAN VALLEY ELEC COOP INC
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2. <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	

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.

JACK SHILLING

3/7/2007

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	2,416,567	2,785,820	2,644,551	235,408
2. Power Production Expense	0			
3. Cost of Purchased Power	1,399,568	1,727,619	1,641,238	152,056
4. Transmission Expense	0			
5. Distribution Expense - Operation	353,124	327,402	335,000	30,096
6. Distribution Expense - Maintenance	63,992	52,330	75,000	6,689
7. Customer Accounts Expense	387,874	245,185	195,000	33,537
8. Customer Service and Informational Expense	14,097	14,921	15,000	2,326
9. Sales Expense	0			
10. Administrative and General Expense	221,317	250,924	250,000	10,690
11. Total Operation & Maintenance Expense (2 thru 10)	2,439,972	2,618,381	2,511,238	235,394
12. Depreciation and Amortization Expense	215,159	223,752	220,000	19,183
13. Tax Expense - Property & Gross Receipts	0			
14. Tax Expense - Other	0			
15. Interest on Long-Term Debt	2,720	2,074	2,100	154
16. Interest Charged to Construction - Credit	0			
17. Interest Expense - Other	1,258	1,980	2,000	196
18. Other Deductions	0	2,466		2,466
19. Total Cost of Electric Service (11 thru 18)	2,659,109	2,848,653	2,735,338	257,393
20. Patronage Capital & Operating Margins (1 minus 19)	(242,542)	(62,833)	(90,787)	(21,985)
21. Non Operating Margins - Interest	87,796	165,215	85,000	42,322
22. Allowance for Funds Used During Construction	0			
23. Income (Loss) from Equity Investments	12,876	31,507		31,507
24. Non Operating Margins - Other	9,486	(21,802)	1,000	(11,975)
25. Generation and Transmission Capital Credits	0			
26. Other Capital Credits and Patronage Dividends	8,848	13,919	5,000	10,807
27. Extraordinary Items	0			
28. Patronage Capital or Margins (20 thru 27)	(123,536)	126,006	213	50,676

FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

December, 2006

INSTRUCTIONS - See RUS Bulletin 1717B-2

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	63	86	5. Miles Transmission	0.00	
2. Services Retired	20	20	6. Miles Distribution - Overhead	445.00	447.00
3. Total Services in Place	3,003	3,069	7. Miles Distribution - Underground	3.00	3.00
4. Idle Services (Exclude Seasonals)	495	460	8. Total Miles Energized (5 + 6 + 7)	448.00	450.00

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	7,218,669	29. Memberships.....	0
2. Construction Work in Progress	38,648	30. Patronage Capital.....	7,535,553
3. Total Utility Plant (1 + 2)	7,257,317	31. Operating Margins - Prior Years.....	(1,633,132)
4. Accum. Provision for Depreciation and Amort	4,133,369	32. Operating Margins - Current Year.....	(62,832)
5. Net Utility Plant (3 - 4)	3,123,948	33. Non-Operating Margins.....	188,839
6. Non-Utility Property (Net)	22,728	34. Other Margins and Equities.....	248,814
7. Investments in Subsidiary Companies	(126,455)	35. Total Margins & Equities (29 thru 34).....	6,277,242
8. Invest. in Assoc. Org. - Patronage Capital	291,291	36. Long-Term Debt - RUS (Net).....	11,304
9. Invest. in Assoc. Org. - Other - General Funds	168,102	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	0	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt Other (Net).....	5,780
12. Other Investments	27,644	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	834,129	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	1,217,439	42. Total Long-Term Debt (36 thru 40 - 41).....	17,084
15. Cash - General Funds	139,884	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	0
17. Special Deposits	6,236	45. Total Other Noncurrent Liabilities (43 + 44).....	0
18. Temporary Investments	1,110,165	46. Notes Payable.....	0
19. Notes Receivable (Net)	0	47. Accounts Payable.....	161,190
20. Accounts Receivable - Sales of Energy (Net)	148,232	48. Consumers Deposits.....	45,320
21. Accounts Receivable - Other (Net)	733,086	49. Current Maturities Long-Term Debt.....	12,100
22. Materials and Supplies - Electric & Other	146,377	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	16,899	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	9,896	52. Other Current and Accrued Liabilities.....	228,452
25. Total Current and Accrued Assets (15 thru 24)	2,310,775	53. Total Current & Accrued Liabilities (45 thru 52).....	447,062
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	97,374	55. Other Deferred Credits.....	8,148
28. Total Assets and Other Debits (5+14+25 thru 27)..	6,749,536	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	6,749,536

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FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

December, 2006

PART D. NOTES TO FINANCIAL STATEMENTS

USDA - RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION AZ0023
	PERIOD ENDED December, 2006

INSTRUCTIONS - See RUS Bulletin 1717B-2

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	5,284,753	325,379	9,170	0	5,600,962
2. General Plant	1,125,967	40,929	178,127	0	988,769
3. Headquarters Plant	628,762	0	0	0	628,762
4. Intangibles	176	0	0	0	176
5. Transmission Plant	0	0	0	0	0
6. All Other Utility Plant	0	0	0	0	0
7. Total Utility Plant in Service (1 thru 6)	7,039,658	366,308	187,297	0	7,218,669
8. Construction Work in Progress	121,390	(82,742)			38,648
9. TOTAL UTILITY PLANT (7 + 8)	7,161,048	283,566	187,297	0	7,257,317

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	136,569	58,145	924	33,394	11,532	(10,102)	140,610
2. Other	7,722				1,955		5,767

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	0.00	2.14	0.00	1.01	3.15
2. Five-Year Average	1.00	1.15	0.00	1.00	3.15

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	10	4. Payroll - Expensed	452,177
2. Employee - Hours Worked - Regular Time	19,842	5. Payroll - Capitalized	37,962
3. Employee - Hours Worked - Overtime	874	6. Payroll - Other	

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	0	4,057,227
	b. Special Retirements		
	c. Total Retirements (a + b)	0	4,057,227
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	0	
	c. Total Cash Received (a + b)	0	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. AMOUNT DUE OVER 60 DAYS	\$ 3,774	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 4,055
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FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Arizona Electric Pwr Coop, Inc (AZ) (AZ0028)	796	26,687,600	1,727,619	6.47		
	Total		26,687,600	1,727,619	6.47		

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Arizona State Land Department	Rights of Way	3,882
	Total		3,882

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PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting 4/21/2006	2. Total Number of Members 1,614	3. Number of Members Present at Meeting 86	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 422	6. Total Number of Board Members 8	7. Total Amount of Fees and Expenses for Board Members \$ 31,057	8. Does Manager Have Written Contract? N

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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)	11,304	1,209	7,897	9,106
2	National Rural Utilities Cooperative Finance Corporation	5,780	865	3,919	4,784
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
	Total	17,084	2,074	11,816	13,890

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INSTRUCTIONS - See RUS Bulletin 1717B-2

PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER	AVERAGE NO. CONSUMERS SERVED	TOTAL YEAR TO DATE
		(a)	(b)	(c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	2,271	2,242	
	b. kWh Sold			15,866,554
	c. Revenue			1,886,366
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	78	91	
	b. kWh Sold			2,363,775
	c. Revenue			271,153
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	258	257	
	b. kWh Sold			5,827,779
	c. Revenue			587,801
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	2	2	
	b. kWh Sold			115,610
	c. Revenue			14,051
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)		2,609	2,592	
11. TOTAL kWh Sold (lines 1b thru 9b)				24,173,718
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				2,759,371
13. Other Electric Revenue				26,449
14. kWh - Own Use				127,052
15. TOTAL kWh Purchased				26,687,600
16. TOTAL kWh Generated				
17. Cost of Purchases and Generation				1,727,619
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident <u> </u> Coincident <u> x </u>				6,040

FINANCIAL AND STATISTICAL REPORT

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INSTRUCTIONS - See RUS Bulletin 1717B-2

PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Land	22,728			
	Totals	22,728			
2	Investments in Associated Organizations				
	Membership - Arizona Electric Power Co-o	5			
	Membership - Southwest Transmission Co-o	100			
	Membership - Seirra Southwest Electric C	100			
	Membership - Grand Canyon State Electric	150			
	Membership - NRTC	1,000			
	Membership - NRUCFC		1,000		
	Membership - Duncan Rural Services Corp	5,000			
	Patronage Capital - Arizona Electric Pow		274,837		
	Patronage Capital - NRUCFC		1,219		
	Capital Term Certificates - NRUCFC		160,647		
	Stock - Aznex Cooperative Services		(126,456)		X
	Patronage Capital - NRTC	15,235			
	Membership - NCSC	100			
	Totals	21,690	311,247		
4	Other Investments				
	Federated Rural Insurance Exchange	27,644			
	Totals	27,644			
5	Special Funds				
	Duncan Rural Services	945,358			X
	Member Loans	57,360			
	Uncollectable Loan Reserve	(168,589)			
	GCSECA				
	Totals	834,129			
6	Cash - General				
	The Stockmens Bank	139,884			
	Totals	139,884			
7	Special Deposits				
	State Compensation Fund	6,236			
	Totals	6,236			
8	Temporary Investments				
	Arizona Electric Power Co-op	600,000			
	Homestead Funds	510,165			
	Franklin Trust				
	Totals	1,110,165			
9	Accounts and Notes Receivable - NET				
	Misc Accounts Receivable	2,972			
	Duncan Rural Services	119,360			
	Southern Greenlee County TV Association	1,291			
	Aznex Cooperative Services	609,462			
	Totals	733,085			
11	TOTAL INVESTMENTS (1 thru 10)	2,895,561	311,247		

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INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

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PART II. LOAN GUARANTEES

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

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

AZ0023

PERIOD ENDED

December, 2006

Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

[Total Of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

39.89 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans	12/1/2111	591,618	57,360	
3	Duncan Rural Services	6/30/2014	154,605	60,412	
4	Duncan Rural Services	12/31/2030	156,000	115,962	
5	Duncan Rural Services	6/30/2027	400,000	340,584	
	Total		1,302,223	574,318	

Duncan Valley Electric Cooperative Rest Funding from Surcharge

	EPS 2006 Historical			REST Proposed		
	Total \$ EPS	Average \$ per Bill	% reaching Cap	Total \$ REST	Average \$ per Bill	% reaching Cap
Single Phase (Residential)	\$ 5,532.19	\$ 0.29	65.9%	\$ 18,026.55	\$ 0.93	80.9%
Single Phase (Commercial)	\$ 1,557.52	\$ 1.41	0.1%	\$ 8,785.94	\$ 7.98	1.0%
Single Phase (Government, Agricultural)	\$ 379.27	\$ 0.95	9.3%	\$ 379.27	\$ 0.95	9.3%
Single Phase Demand (Commercial)	\$ 1,272.29	\$ 6.95	7.7%	\$ 6,100.88	\$ 33.34	43.2%
Single Phase Demand (Government, Agricultural)	\$ 153.12	\$ 2.94	0.0%	\$ 153.12	\$ 2.94	0.0%
Three Phase (Residential)	\$ 11.60	\$ 1.45	0.0%	\$ 7.40	\$ 0.93	75.0%
Three Phase (Commercial)	\$ 167.20	\$ 0.88	0.0%	\$ 1,006.39	\$ 5.32	0.0%
Three Phase (Government, Agricultural)	\$ 376.47	\$ 1.24	0.0%	\$ 376.47	\$ 1.24	0.0%
Three Phase Demand (Commercial)	\$ 629.18	\$ 4.70	10.4%	\$ 2,988.00	\$ 22.30	23.9%
Three Phase Demand (Government, Agricultural)	\$ 1,449.12	\$ 5.82	15.3%	\$ 1,449.12	\$ 5.82	15.3%
Public Street Lighting (Government)	\$ 87.90	\$ 7.33	0.0%	\$ 87.90	\$ 7.33	0.0%
Total	\$ 11,615.86		58.5%	\$ 39,361.04	\$ 1.79	72.2%

Current EPS Charge	0.000875	per kWh
Proposed REST Charge (Government & Agricultural)	0.000875	per kWh
Proposed REST Charge (Residential & Commercial)	0.004988	per kWh

Proposed REST Caps		
Residential	\$	1.05
Governmental & Agricultural	\$	13.00
Commercial & Industrial	\$	39.00
Industrial 3MW +	\$	117.00

	Average kWh	Monthly Bill Impact	
		Current EPS	Proposed REST
Sample Customers			
Gas & Convenience Store	6,365	\$ 5.57	\$ 31.75
Radio Station	21,400	\$ 13.00	\$ 39.00
Residential (Average all Residential)	705	\$ 0.35	\$ 1.05
Residential Stick Built Home	1,360	\$ 0.35	\$ 1.05
Residential Apartment (Low Income)	245	\$ 0.21	\$ 1.05