

Return of Organization Exempt From Income Tax

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form as it may be made public

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2018 calendar year, or tax year beginning and ending

B Check if applicable C Name of organization ARIZONA ELECTRIC POWER COOPERATIVE, INC. D Employer identification number 86-0176697 E Telephone number (520) 586-3631 G Gross receipts \$ 206,425,105 H(a) Is this a group return for subordinates? Yes [X] No H(b) Are all subordinates included? Yes No I Tax-exempt status 501(c)(3) [X] 501(c) (12) (insert no.) 4947(a)(1) or 527 J Website: WWW.AZGT.COOP K Form of organization: [X] Corporation Trust Association Other L Year of formation: 1961 M State of legal domicile: AZ

Part I Summary

Table with 19 rows and 3 columns: Description, Prior Year, Current Year. Includes Revenue (Total 206,351,771) and Expenses (Total 197,339,152) sections.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: PETER F. SCOTT, CHIEF FINANCIAL OFFICER. Date: 11/14/19

Paid Preparer Use Only: Preparer's name BRIAN GAREAU, Signature, Date 11/13/2019, PTIN P00847877, Firm's name DELOITTE TAX, LLP, Firm's address 191 PEACHTREE STREET, SUITE 2000 ATLANTA, GA 30303, Firm's EIN 86-1065772, Phone no. 404-220-2000

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes No

ENVELOPE POST MARK

SCANNED NOV 04 2020

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission
PROVIDE ELECTRIC SERVICE TO ITS MEMBERS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.


4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)
AEP CO IS A GENERATION COOPERATIVE THAT PROVIDES THE POWER NEEDS OF ITS MEMBER-OWNED DISTRIBUTION COOPERATIVES, PROVIDING ELECTRICITY TO MORE THAN 147,000 METERS.

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)
TRANSMISSION COOPERATIVE THAT BRINGS LOCAL SUPPLY OF ELECTRICITY TO CUSTOMERS TO ENSURE RELIABLE AND ADEQUATE SUPPLY.

4c (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses 

DJOR

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and schedules.

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 247		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders 11a 213,825,480.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 11b 25,552,075.		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O 14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	13		
1a Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
1b	13		
1b Enter the number of voting members included in line 1a, above, who are independent			
2			X
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			
3			X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?			
4			X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			
5			X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			
6		X	
6 Did the organization have members or stockholders?			
7a		X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			
7b		X	
7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			
8		X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
8a		X	
8a The governing body?			
8b		X	
8b Each committee with authority to act on behalf of the governing body?			
9			X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a			X
10a Did the organization have local chapters, branches, or affiliates?			
10b			
10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?			
11a			X
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			
11b			
11b Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a		X	
12a Did the organization have a written conflict of interest policy? If "No," go to line 13			
12b		X	
12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?			
12c		X	
12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done			
13		X	
13 Did the organization have a written whistleblower policy?			
14		X	
14 Did the organization have a written document retention and destruction policy?			
15			
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
15a		X	
15a The organization's CEO, Executive Director, or top management official			
15b			X
15b Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a			X
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?			
16b			
16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?			

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **AR, AZ, CA, GA, IN, NC, MD, MN**
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records **PETER F. SCOTT - (520) 586-5319**
1000S HIGHWAY 80, P.O. BOX 670, BENSON, AZ 85602

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) J. TYLER CARLSON DIRECTOR (PRESIDENT)	20.00	X						42,000.	0.	0.
(2) KARTHRYN J. THATCHER DIRECTOR (VICE PRESIDENT)	10.00	X						24,000.	0.	0.
(3) CHARLES BRADLEY DESPAIN DIRECTOR (SECRETARY)	8.00	X						24,000.	0.	0.
(4) REUBEN B. MCBRIDE DIRECTOR (TREASURER)	4.00	X						30,000.	0.	0.
(5) BILLY ADAMS DIRECTOR	3.00	X						26,000.	0.	0.
(6) DANIEL BARRERA DIRECTOR	10.00	X						24,500.	0.	0.
(7) CINDY CHRISTY DIRECTOR	5.00	X						35,000.	0.	0.
(8) JOHNNIE FRIE DIRECTOR	8.00	X						27,000.	0.	0.
(9) GENE R. LARSON DIRECTOR	6.00	X						29,000.	0.	0.
(10) KEVIN SHORT DIRECTOR	10.00	X						0.	0.	0.
(11) JUDY MCKINLEY DIRECTOR	18.00	X						26,000.	0.	0.
(12) VINCENT NITIDO DIRECTOR	4.00	X						0.	0.	0.
(13) PATRICK LEDGER CURRENT CHIEF EXECUTIVE OFFICER	45.00 5.00			X				541,687.	0.	78,964.
(14) PETER SCOTT CHIEF FINANCIAL OFFICER	39.50 0.50			X				253,188.	0.	51,326.
(15) JON MARTELL KEY EMPLOYEE	45.00				X			227,331.	0.	67,570.
(16) MIKE NELSON KEY EMPLOYEE	60.00				X			222,118.	0.	56,542.
(17) BARRY BROWN KEY EMPLOYEE	47.00 1.00				X			222,479.	0.	57,830.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) EMERY SILVESTER KEY EMPLOYEE	50.00				X			216,852.	0.	53,248.
(19) MICHELLE FREEARK KEY EMPLOYEE	55.00				X			214,038.	0.	61,247.
(20) JOHN SANDERS KEY EMPLOYEE	50.00				X			213,958.	0.	59,815.
(21) EILEEN BRIEN KEY EMPLOYEE	60.00				X			185,099.	0.	47,346.
(22) BORIS TUMARIN HIGHEST COMPENSATED EMPLOYEE	45.00					X		175,968.	0.	44,860.
(23) LOGAN GERNET HIGHEST COMPENSATED EMPLOYEE	46.00					X		170,194.	0.	32,546.
(24) LETITIA BRACKEEN HIGHEST COMPENSATED EMPLOYEE	40.00					X		164,179.	0.	42,155.
(25) BRAD GUDVANGEN HIGHEST COMPENSATED EMPLOYEE	50.00					X		157,653.	0.	37,519.
(26) CHARLES REECE HIGHEST COMPENSATED EMPLOYEE	40.00					X		152,382.	0.	29,063.
1b Sub-total								3,404,626.	0.	720,031.
c Total from continuation sheets to Part VII, Section A								24,000.	0.	0.
d Total (add lines 1b and 1c)								3,428,626.	0.	720,031.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **14**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ALLIANCE FOR COOPERATIVE ENERGY SERVICES PO 4140 WEST 99TH STREET, CARMEL, IN 46032	POWER TRADING SERVICES	3,049,228.
GRID SOLUTIONS 175 ADDISON ROAD, WINSTON, CT 06095	INSTALLATION SERVICES ON POWER PLANT EQU	335,907.
SC COMMERCIAL LLC, DBA SOCO GROUP, 1800 W. KATELLA AVE, STE 400, ORANGE, CA 92867	INSTALLATION SERVICES	266,578.
SCHIFF HARDIN LLP, 6600 SEARS TOWER, 233 S WACKER DR., STE 6600, CHICAGO, IL 60	LEGAL EXPENSES	237,010.
SLOVER & LOFTUS 1224 17TH ST NW, WASHINGTON, DC 20036	LEGAL SERVICES	148,192.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **11**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) WILLIAM STACY DIRECTOR	4,00						X	24,000.	0.	0.
Total to Part VII, Section A, line 1c								24,000.		

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a PROVIDE ELECTRIC POWER	Business Code 900099	173,692,551.	173,692,551.			
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			173,692,551.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		2,989,047.			2,989,047.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	989,241.				
		(ii) Personal					
	b Less rental expenses		73,334.				
	c Rental income or (loss)		915,907.				
	d Net rental income or (loss)			915,907.	915,907.		
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)						
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18							
	a						
	b Less direct expenses						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19							
	a						
	b Less direct expenses						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances							
	a						
	b Less cost of goods sold						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue		Business Code					
11 a OTHER SERVICE REVENUE		900099	28,157,067.	28,157,067.			
b CAPITAL CREDIT/PATR DI			597,199.		597,199.		
c							
d All other revenue							
e Total. Add lines 11a-11d			28,754,266.				
12 Total revenue. See instructions			206,351,771.	201,849,618.	915,907.	3,586,246.	

Part IX: Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,277,211.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	19,920,673.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	7,050,994.			
10 Payroll taxes	1,226,566.			
11 Fees for services (non-employees)				
a Management				
b Legal	4,764,954.			
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount; list line 11g expenses on Sch O.)	980,757.			
12 Advertising and promotion	158,872.			
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	443,084.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	10,265,372.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	18,663,171.			
23 Insurance	904,560.			
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PRODUCTION	63,116,967.			
b PURCHASED POWER	49,135,662.			
c TRANSMISSION	13,627,909.			
d PROPERTY TAX	4,802,400.			
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	197,339,152.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	3,114,411.	1	7,432,039.
	2 Savings and temporary cash investments	32,314,676.	2	19,724,823.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	25,145,053.	4	27,422,552.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr) Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	24,592,967.	8	18,984,749.
	9 Prepaid expenses and deferred charges	27,306,154.	9	26,590,078.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 717,169,687.		
	b Less accumulated depreciation	10b 383,603,063.	10c	333,566,624.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	10,670,206.	12	10,362,160.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	4,364,459.	15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	466,696,244.	16	444,083,025.	
Liabilities	17 Accounts payable and accrued expenses	15,467,511.	17	20,261,586.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	205,584,647.	23	167,773,266.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	84,622,261.	25	87,299,705.
	26 Total liabilities. Add lines 17 through 25	305,674,419.	26	275,334,557.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	830.	31	830.
	32 Retained earnings, endowment, accumulated income, or other funds	161,020,995.	32	168,747,638.
33 Total net assets or fund balances	161,021,825.	33	168,748,468.	
34 Total liabilities and net assets/fund balances	466,696,244.	34	444,083,025.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	206,351,771.
2	Total expenses (must equal Part IX, column (A), line 25)	2	197,339,152.
3	Revenue less expenses Subtract line 2 from line 1	3	9,012,619.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	161,021,825.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,285,976.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	168,748,468.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2018)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization **ARIZONA ELECTRIC POWER COOPERATIVE, INC.** Employer identification number **86-0176697**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items
- a Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		18,390,057.		18,390,057.
b Buildings		54,063,964.	37,985,780.	16,078,184.
c Leasehold improvements		2,512,010.		2,512,010.
d Equipment		633,184,345.	345,617,283.	287,567,062.
e Other		9,019,311.		9,019,311.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶ 333,566,624.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) MEMBER ADVANCES	9,232,388.
(3) DEFERRED CREDITS	36,638,105.
(4) CAPITAL LEASE OBLIGATIONS	353,688.
(5) CURRENT MATURITIES	232,709.
(6) OTHER LIABILITIES	40,842,815.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	206,355,804.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d	4,033.	
e	Add lines 2a through 2d	2e		4,033.
3	Subtract line 2e from line 1	3		206,351,771.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5		206,351,771.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	197,343,184.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII)	2d	4,033.	
e	Add lines 2a through 2d	2e		4,033.
3	Subtract line 2e from line 1	3		197,339,151.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5		197,339,151.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

EFFECTIVE JANUARY 1, 2010 THE COOPERATIVE ADOPTED FASB ACCOUNTING

STANDARDS CODIFICATION (ASC) 740-10, RELATING TO ACCOUNTING FOR UNCERTAIN

TAX POSITIONS. AS OF DECEMBER 31, 2018, THE COOPERATIVE DOES NOT HAVE ANY

UNCERTAIN TAX POSITIONS NOR DID IT HAVE UNCERTAIN TAX POSITIONS AT

DECEMBER 31, 2017 UNDER PREVIOUS GUIDANCE.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

REVENUE RECLASS

PART XII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSE RECLASS

Part XIII Supplemental Information *(continued)*

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2018

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

Employer identification number

86-0176697

Part III Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| <input checked="" type="checkbox"/> First-class or charter travel | Housing allowance or residence for personal use |
| Travel for companions | Payments for business use of personal residence |
| Tax indemnification and gross-up payments | Health or social club dues or initiation fees |
| Discretionary spending account | Personal services (such as maid, chauffeur, chef) |

	Yes	No
1a	X	
1b	X	
2	X	
3		
4a		X
4b		X
4c		X
5a		
5b		
6a		
6b		
7		
8		
9		

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | Written employment contract |
| Independent compensation consultant | Compensation survey or study |
| Form 990 of other organizations | Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
 - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
 - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) PATRICK LEDGER	(i) 480,289.	16,139.	45,259.	57,675.	21,289.	620,651.	0.
CURRENT CHIEF EXECUTIVE OFFICER	(ii) 0.	0.	0.	0.	0.	0.	0.
(2) PETER SCOTT	(i) 233,636.	248.	19,304.	46,922.	4,404.	304,514.	0.
CHIEF FINANCIAL OFFICER	(ii) 0.	0.	0.	0.	0.	0.	0.
(3) JON MARTELL	(i) 223,623.	523.	3,185.	46,790.	20,780.	294,901.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(4) MIKE NELSON	(i) 210,668.	295.	11,155.	39,471.	17,071.	278,660.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(5) BARRY BROWN	(i) 209,402.	239.	12,838.	43,870.	13,960.	280,309.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(6) EMERY SILVESTER	(i) 204,208.	247.	12,397.	42,697.	10,551.	270,100.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(7) MICHELLE FREEARK	(i) 209,420.	229.	4,389.	40,732.	20,515.	275,285.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(8) JOHN SANDERS	(i) 207,756.	237.	5,965.	42,825.	16,990.	273,773.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(9) EILEEN BRIEN	(i) 179,369.	1,207.	4,523.	32,835.	14,511.	232,445.	0.
KEY EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(10) BORIS TUMARIN	(i) 171,919.	2,755.	1,294.	24,729.	20,131.	220,828.	0.
HIGHEST COMPENSATED EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(11) LOGAN GERNET	(i) 157,984.	6,453.	5,757.	22,642.	9,904.	202,740.	0.
HIGHEST COMPENSATED EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(12) LETITIA BRACKEN	(i) 159,685.	1,215.	3,279.	33,362.	8,793.	206,334.	0.
HIGHEST COMPENSATED EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(13) BRAD GUDVANGEN	(i) 144,995.	1,210.	11,448.	28,978.	8,541.	195,172.	0.
HIGHEST COMPENSATED EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(14) CHARLES REECE	(i) 140,270.	1,109.	11,003.	26,186.	2,877.	181,445.	0.
HIGHEST COMPENSATED EMPLOYEE	(ii) 0.	0.	0.	0.	0.	0.	0.
(15) WILLIAM STACY	(i) 24,000.	0.	0.	0.	0.	24,000.	0.
DIRECTOR	(ii) 0.	0.	0.	0.	0.	0.	0.
	(i)						
	(ii)						

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

(This area contains horizontal lines for supplemental information.)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public
Inspection

Name of the organization

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

Employer identification number

86-0176697

FORM 990, PART VI, SECTION A, LINE 6:

ARIZONA ELECTRIC POWER COOPERATIVE, INC. HAS 6 CLASS A DISTRIBUTION

COOPERATIVE MEMBERS AND 5 CLASS D MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7A:

THE DISTRIBUTION COOPERATIVE MEMBERS ELECT THE PERSONS THAT REPRESENT THEM

ON THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B:

DECISIONS OF THE GOVERNING BOARD ARE SUBJECT TO APPROVAL BY THE MEMBERS.

FORM 990, PART VI, SECTION B, LINE 11B:

AFTER PREPARATION BY A PROFESSIONAL TAX FIRM, THE RETURN IS REVIEWED IN

DETAIL BY THE MANAGER OF ACCOUNTING AND THEN REVIEWED AGAIN BY THE CHIEF

FINANCIAL OFFICER.

FORM 990, PART VI, SECTION B, LINE 12C:

ANNUALLY EACH EMPLOYEE CERTIFIES HE/SHE HAS REVIEWED THE CODE OF CONDUCT,

WHICH CONTAINS THE CONFLICT OF INTEREST POLICY. ANNUALLY EACH DIRECTOR

CERTIFIES HE/SHE HAS REVIEWED THE CONFLICT OF INTEREST TRANSACTION (BY-LAWS

SECTION 5.09).

FORM 990, PART VI, SECTION B, LINE 15A:

BOARD COMPENSATION COMMITTEE FOR CEO. OTHER TOP MANAGEMENT COMPENSATION IS

SET BY CEO AND INTERNAL COMPENSATION COMMITTEE.

Name of the organization

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

Employer identification number

86-0176697

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS (BYLAWS), CONFLICT OF INTEREST POLICY AND FINANCIAL

STATEMENTS ARE AVAILABLE ON WEB SITE OR UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PATRONAGE CAPITAL RETIREMENT

-1,285,976.

SCHEDULE R (Form 990)

Department of the Treasury Internal Revenue Service

Related Organizations and Unrelated Partnerships

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

Employer identification number 86-0176697

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

Table with 6 columns: (a) Name, address, and EIN of disregarded entity; (b) Primary activity; (c) Legal domicile; (d) Total income; (e) End-of-year assets; (f) Direct controlling entity.

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

Table with 7 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Exempt Code section; (e) Public charity status; (f) Direct controlling entity; (g) Section 512(b)(13) controlled entity? (Yes/No).

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2018

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year

Table with 11 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Predominant income; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations; (i) Code V-UBI amount; (j) General or managing partner; (k) Percentage ownership.

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

Table with 10 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Type of entity; (f) Share of total income; (g) Share of end-of-year assets; (h) Percentage ownership; (i) Section 512(b)(13) controlled entity.

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

- 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?
 - a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity
 - b Gift, grant, or capital contribution to related organization(s)
 - c Gift, grant, or capital contribution from related organization(s)
 - d Loans or loan guarantees to or for related organization(s)
 - e Loans or loan guarantees by related organization(s)
 - f Dividends from related organization(s)
 - g Sale of assets to related organization(s)
 - h Purchase of assets from related organization(s)
 - i Exchange of assets with related organization(s)
 - j Lease of facilities, equipment, or other assets to related organization(s)
 - k Lease of facilities, equipment, or other assets from related organization(s)
 - l Performance of services or membership or fundraising solicitations for related organization(s)
 - m Performance of services or membership or fundraising solicitations by related organization(s)
 - n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
 - o Sharing of paid employees with related organization(s)
 - p Reimbursement paid to related organization(s) for expenses
 - q Reimbursement paid by related organization(s) for expenses
 - r Other transfer of cash or property to related organization(s)
 - s Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds		(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)		SIERRA SOUTHWEST COOPERATIVE SERVICES, INC.	E	51,585.	ALLOCATION OF COSTS
(2)		SIERRA SOUTHWEST COOPERATIVE SERVICES, INC.	E	1,733,579.	ALLOCATION OF COSTS
(3)					
(4)					
(5)					
(6)					

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Table with 11 main columns: (a) Name, address, and EIN of entity; (b) Primary activity; (c) Legal domicile; (d) Predominant income; (e) Are all partners sec. 501(c)(3) orgs.; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations?; (i) Code V-UBI amount; (j) General or managing partner?; (k) Percentage ownership.