

# SOCORRO ELECTRIC COOPERATIVE

'16 APR 1 AM 8:57

March 29, 2016

New Mexico Public Regulation Commission  
Records Management Bureau  
PO Box 1269  
Santa Fe, NM 87504-1269

To Whom It May Concern:

Enclosed please find the 2015 Annual Report to the Commission for Socorro Electric Cooperative, Inc. In addition is the audited Form 7 for December 2015. Should you have any questions or need further assistance, please contact me at 1-575-835-0560.

Sincerely,



Joseph Herrera  
General Manager



Your Touchstone Energy® Cooperative  
The power of human connections®



**RURAL ELECTRIC COOPERATIVES**

**Annual Report**

**Of**

'16 APR 1 AM 8:57

**Socorro Electric Cooperative, Inc.**

**TO THE**

**NEW MEXICO**

**PUBLIC REGULATION COMMISSION**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2015**



## Electric Operation and Maintenance Expenses

1. Enter in the space provided the operation and maintenance expenses for the year.

2. If the Increases and decreases are not derived from previously reported figures explain in the footnotes.

Line No	Account	Amount for Current Year	Increase or Decrease from Preceding Year
	(a)	(b)	(c)
1	<b>Power Production Expenses</b>		
2	<b>Steam Power Generation</b>		
3	<b>Operation</b>	-	-
4	500 Operation Supervision and Engineering	-	-
5	501 Fuel	-	-
6	502 Steam Expenses	-	-
7	503 Steam from Other Sources	-	-
8	504 Steam Transferred - Credit	-	-
9	505 Electric Expenses	-	-
10	506 Miscellaneous Steam Power Expenses	-	-
11	507 Rents	-	-
12	Total Operation	-	-
13	<b>Maintenance</b>	-	-
14	510 Maintenance Supervision and Engineering	-	-
15	511 Maintenance of Structures	-	-
16	512 Maintenance of Boiler Plant	-	-
17	513 Maintenance of Electric Plant	-	-
18	514 Maintenance of Miscellaneous Steam Plant	-	-
19	Total Maintenance	-	-
20	Total Power Production Expenses-Steam Power	-	-
21	<b>Nuclear Power Generation</b>		
22	<b>Operation</b>	-	-
23	517 Operation Supervision and Engineering	-	-
24	518 Fuel	-	-
25	519 Coolants and Water	-	-
26	520 Steam Expenses	-	-
27	521 Steam from Other Sources	-	-
28	522 Steam Transferred - Credit	-	-
29	523 Electric Expenses	-	-
30	524 Miscellaneous Nuclear Power Expenses	-	-
31	525 Rents	-	-
32	Total Operation	-	-
33	<b>Maintenance</b>	-	-
34	528 Maintenance Supervision and Engineering	-	-
35	529 Maintenance of Structures	-	-
36	530 Maintenance of Reactor Plant Equipment	-	-
37	531 Maintenance of Electric Plant	-	-
38	532 Maintenance of Miscellaneous Nuclear Power	-	-
39	Total Maintenance	-	-
40	Total Power Production Expenses-Nuclear Power	-	-
41	<b>Hydraulic Power Generation</b>		
42	<b>Operation</b>	-	-
43	535 Operation Supervision and Engineering	-	-
44	536 Water for power	-	-
45	537 Hydraulic Expenses	-	-
46	538 Electric Expenses	-	-
47	539 Miscellaneous Hydraulic Power Generation Expenses	-	-
48	540 Rents	-	-
49	Total Operation	-	-
50	<b>Maintenance</b>	-	-
51	541 Maintenance Supervision and Engineering	-	-
52	542 Maintenance of Structures	-	-

**Electric Operation and Maintenance Expenses (continued)**

Line No	Account	Amount for Current Year	Increase or Decrease from Preceding Year
	(a)	(b)	(c)
<b>1</b>	<b>Hydraulic Power Generation</b>		
2	543 Main of Reservoirs, Dams and Waterways	-	-
3	544 Maintenance of Electric Plant	-	-
4	545 Maintenance of Miscellaneous Hydraulic Plant	-	-
5	Total Maintenance	-	-
6	Total Power Production Expenses - Hydraulic Power	-	-
<b>7</b>	<b>Other Power Generation</b>		
<b>8</b>	<b>Operation</b>	-	-
9	546 Operation Supervision and Engineering	-	-
10	547 Fuel	-	-
11	548 Generation Expenses	-	-
12	549 Miscellaneous Other Power Generation Expenses	-	-
13	550 Rents	-	-
14	Total Operation	-	-
<b>15</b>	<b>Maintenance</b>		
16	551 Maintenance Supervision and Engineering	-	-
17	552 Maintenance of Structures	-	-
18	553 Maintenance of Generating and Electric Plant	-	-
19	554 Maintenance Misc Other Power Generation Plant	-	-
20	Total Maintenance	-	-
21	Total Power Production Expenses - Other Power	-	-
<b>22</b>	<b>Other Power Expenses</b>		
23	555 Purchased Power	13,885,185	471,124
24	556 System Control and Load Dispatching	-	-
25	557 Other Expenses	-	-
26	Total Other Power Expenses	13,885,185	471,124
27	Total Power Production Expenses	13,885,185	471,124
<b>28</b>	<b>Transmission Expenses</b>		
<b>29</b>	<b>Operation</b>		
30	560 Operation Supervision and Engineering	-	-
31	561 Load Dispatching	-	-
32	562 Station Expenses	12	-
33	563 Overhead Line Expenses	20,480	(4,756)
34	564 Underground Line Expenses	-	-
35	565 Transmission of Electricity by Others	-	-
36	566 Miscellaneous Transmission Expenses	-	-
37	567 Rents	-	-
38	Total Operation	20,492	(4,756)
<b>39</b>	<b>Maintenance</b>		
40	568 Maintenance of Supervision and Engineering	-	-
41	569 Maintenance of Structures	-	-
42	570 Maintenance of Station Equipment	-	(223)
43	571 Maintenance of Overhead Lines	548	(257)
44	572 Maintenance of Underground Lines	-	-
45	573 Maintenance of Miscellaneous Transmission Plant	-	-
46	Total Maintenance	548	(480)
47	Total Transmission Expense	21,040	(5,236)
<b>48</b>	<b>Distribution Expenses</b>		
<b>49</b>	<b>Operation</b>		
50	580 Operation Supervision and Engineering	74,367	(12,779)
51	581 Load Dispatching	-	-
52	582 Station Expenses	79,201	47,451
53	583 Overhead Line Expenses	900,461	381,221
54	584 Underground Line Expenses	28,543	(1,819)
55	585 Street Lighting and Signal System Expenses	-	-

**Electric Operation and Maintenance Expenses (continued)**

Line No	Account	Amount for Current Year	Increase or Decrease from Preceding Year
	(a)	(b)	(c)
<b>1</b>	<b>Distribution Expensed (continued)</b>		
2	586 Meter Expenses	337,104	10,937
3	587 Customer Installations Expenses	34,741	(1,028)
4	588 Miscellaneous Distribution Expenses	167,704	3,420
5	589 Rents	-	-
6	Total Operation	<b>1,622,121</b>	427,403
<b>7</b>	<b>Maintenance</b>		
8	590 Maintenance of Supervision and Engineering	-	-
9	591 Maintenance of Structures	-	(96)
10	592 Maintenance of Station Equipment	695	(16,493)
11	593 Maintenance of Overhead Lines	364,148	(383,996)
12	594 Maintenance of Underground Lines	75,196	20,107
13	595 Maintenance of Line Transformers	64,361	(30,246)
14	596 Maintenance of Street Lighting and Signal Systems	82,703	(18,052)
15	597 Maintenance of Meters	12,952	(24,161)
16	598 Maintenance of Miscellaneous Distribution Plant	-	-
17	Total Maintenance	600,055	(452,937)
18	Total Distribution Expenses	<b>2,222,176</b>	(25,534)
<b>19</b>	<b>Customer Accounts Expenses</b>		
<b>20</b>	<b>Operation</b>		
21	901 Supervision	-	-
22	902 Meter Reading Expenses	188,326	45,164
23	903 Customer Records and Collection Expenses	1,102,824	155,609
24	904 Uncollectible Accounts	-	-
25	905 Miscellaneous Customer Accounts Expenses	47,159	17,631
26	Total Customer Accounts Expenses	1,338,309	218,404
<b>27</b>	<b>Sales Expenses</b>		
<b>28</b>	<b>Operation</b>		
29	911 Supervision	-	-
30	912 Demonstrating and Selling Expense	-	-
31	913 Advertising Expense	2,827	(9,620)
32	914 Revenues from Merchandising, Job and Contract Work	-	-
33	915 Cost and Expense of Merchandising, Job and Contract Work	(1,235)	(2,817)
34	916 Miscellaneous Sales Expenses	-	(12,437)
35	Total Sales Expense	<b>1,592</b>	205,967
<b>36</b>	<b>Administrative and General Expenses</b>		
<b>37</b>	<b>Operation</b>		
38	920 Administrative and General Salaries	673,171	116,369
39	921 Office Supplies and Expenses	84,741	(11,876)
40	922 Administrative Expenses Transferred - Credit	609	(24,076)
41	923 Outside Services Employed	253,286	(96,696)
42	924 Property Insurance	-	-
43	925 Injuries and Damages	-	-
44	926 Employee Pensions and Benefits	-	-
45	927 Franchise Requirements	-	-
46	928 Regulatory Commission Expenses	2,214	(20,776)
47	929 Duplicate Charges - Credit	-	-
48	930 Miscellaneous General Expenses	369,050	105,080
49	931 Rents	-	-
50	Total Operation	1,383,071	68,025
<b>51</b>	<b>Operation</b>		
52	932 Maintenance of General Plant	105,433	25,257
53	Total Administrative and General Expenses	105,433	25,257
54	Total Operation and Maintenance Expenses	<b>1,488,504</b>	93,282

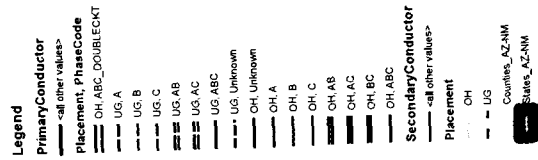
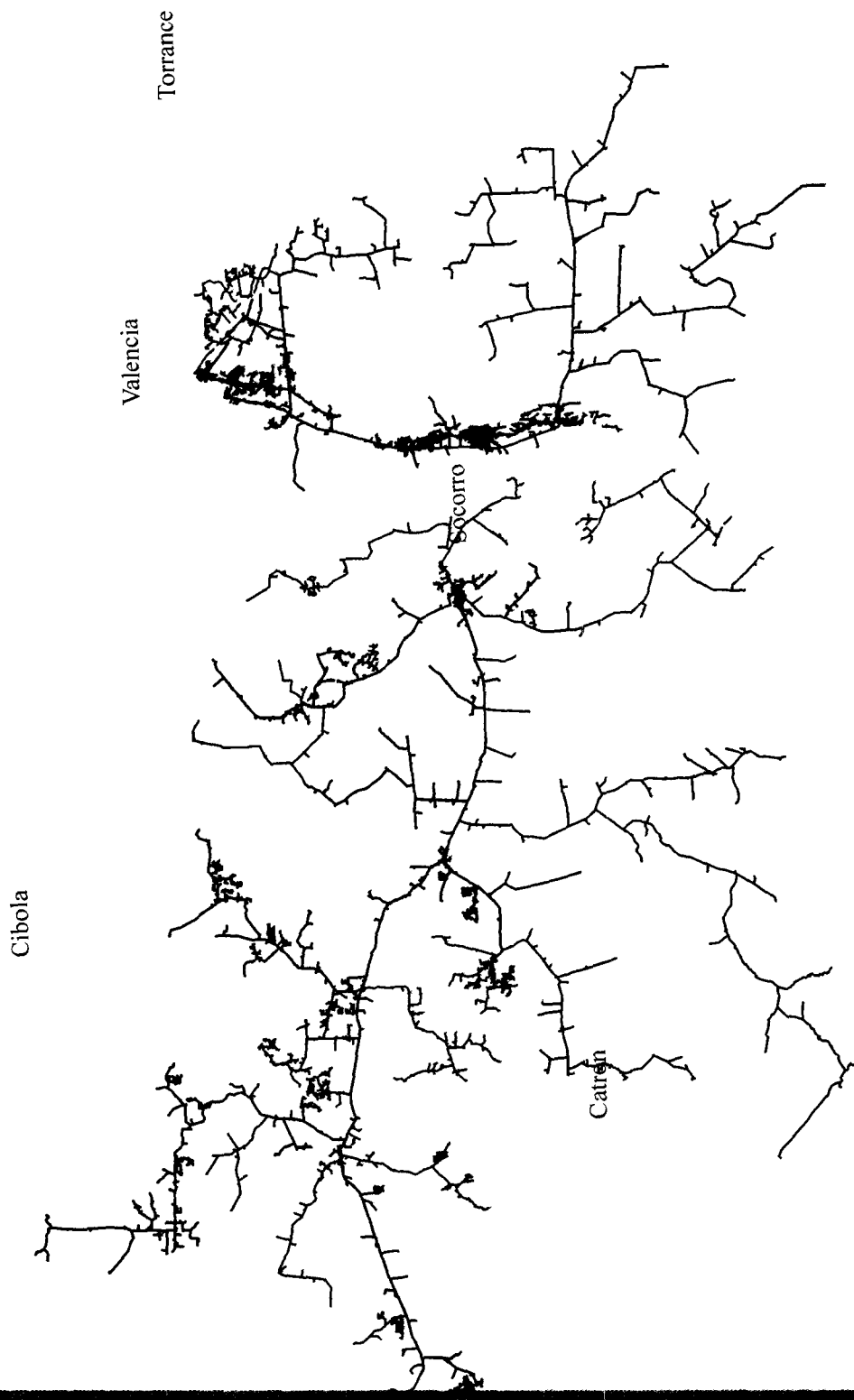
Electric Operation and Maintenance Expenses (continued)				
Summary of Electric Operation and Maintenance Expenses				
Line No	Functional Classification	Operation	Maintenance	Total
	(a)	(b)	(c)	(d)
1	Power Production Expenses			
2	Electric Generation:			
3	Steam Power	-	-	-
4	Nuclear Power	-	-	-
5	Hydraulic Power	-	-	-
6	Other Power	-	-	-
7	Other Power Supply Expenses	13,885,185	-	13,885,185
8	Total Power Production Expenses	13,885,185	-	13,885,185
9	Transmission Expenses	20,492	548	21,040
10	Distribution Expenses	1,622,121	600,055	2,222,176
11	Customer Accounts Expenses	1,338,309	-	1,338,309
12	Sales Expenses	1,592		1,592
13	Administrative and General Expenses	1,383,071	105,433	1,488,504
14	Total Electric Operation and Maintenance Expenses	18,250,770	706,036	18,956,806
Number of Electric Department Employees				
15	Number of electric Department Employees, Payroll Period ending			10/20/2015
16	Total Regular Full-time Employees			38
17	Total Part-Time Employees			0
18	Total Employees			38
<p>The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>If the respondent's payrolls for the reported period include any special construction forces include such employees as part-time and temporary employees and show the number of such special construction employees so included.</p> <p>The number of employees assignable to the electric department from joint job functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>				

### Distribution of System Load in Service Area

1. Information is desired regarding the distribution of the system load within the territory served by the system. This information should be furnished on the basis used by respondent in maintaining load distribution data, such as primary substations, operation divisions, communities, metropolitan areas, or other areas.
2. A sketch map showing the location and the approximate boundary of each of these areas, together with identification symbols, should be furnished.

[illegible]





A

## Construction Overheads - Electric

- 1 Report below the information called for concerning construction overheads for the year.
- 2 List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management of supervision fees capitalized should be shown as separate items.
- 3 On the lower section of this schedule furnish the requested explanatory information concerning construction overheads.
- 4 A respondent should not report "none" to this schedule if no overhead apportionments are made, but rather should explain on the lower section of this schedule that only such engineering, supervisor, and admin costs, etc, which are directly chargeable construction are charge to construction, if this is the case. Engineering, supervision, administrative and interest costs, etc, which are first assigned to a blanket work order and then prorated to construction jobs shall be considered overheads for the purposes of formulating a response to this schedule.

Line No	Name of Overhead	Total Overheads Cleared to Construction	Cost of Construction to which Overheads were charged (exclusive of overhead charges)	Percent overheads to construction cost
	(a)	(b)	(c)	(d)
1	Labor	251,393	177,635	141.52%
2	Labor Benefits	126,401	177,635	71.16%
3	Indirect Labor/Overhead	325,949	177,635	183.49%
4	Transportation	91,391	177,635	51.45%
5	Material Overhead	135,540	177,635	76.30%
6				
7				
8				
9				
10				
11				
12				
13				
14	Totals	930,674	177,635	523.93%

## General Description of Construction Overhead Procedure

- 1 For each construction overhead for electric plant explain:
  - (a) nature of engineering, supervisory, or administrative work, etc, the overhead charges are intended to cover.
  - (b) The general procedure for determining the amount capitalized.
  - (c) The method of distribution to construction jobs.
  - (d) Percentages applied to different types of construction.
  - (e) Basis of differentiation in percentages for different types of construction.
  - (f) Amounts capitalized for each overhead for the year for which this report is submitted.
- 2 In addition to other information concerning engineering and superintendence or other such overheads, explain whether the amounts treated as overheads include all engineering and superintendence costs or only such portions as are not directly chargeable to specific jobs.
- 3 For interest during construction state the interest rate used. The basic charges to which applied, in addition to the amounts capitalized for the year for which this report is submitted.

The cooperative follows the Rural Utilities Services procedures for work orders. All direct material and labor are coded to the work order. The overheads associated with labor and material are allocated based on the cost of the material for material overhead and by labor dollars for any overhead that is related to material. Transportation and its associated overhead are allocated based on miles driven and applied to each work order.

## Electric Distribution Meters and Line transformers

- 1 Report below the information called for concerning distribution watt-hour meters and line transformers.
- 2 Watt-hour demand distribution meters should be included below but external demand meters should not be included.
- 3 Show in a footnote the number of distribution watt-hour meters or line transformers held by respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters or line transformers are held under a lease, give name of lesser, date and period of lease and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner or other party is an associated company.

Line No	Item (a)	Number of Watt-hour Meters (b)	Line Transformers	
			Number (c)	Total Capacity KVA (d)
1	Number at beginning of year	13,424	10,277	
2	Additions during year:			
3	Purchases	411	25	
4	Associated with utility plant acquired	-	-	
5	Total Additions	411	25	
6	Reductions during year:			
7	Retirements	(456)	(6)	
8	Associated with utility plant sold	-	-	
9	Total Reductions	(456)	(6)	
10	Number at year end	13,379	10,296	
11	In stock	670	358	15,977
12	Locked meters on customers' premises	-		
13	Inactive transformers on system			
14	In customers' use	12,696	9,930	156,611
15	In companys' use	13	8	
16	Total end of year (as above)	13,379	10,296	

## VERIFICATION

The foregoing report must be verified by the oath of the office having control of the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

## OATH

(To be made by the officer having control of the accounting of the respondent.)

State of New Mexico

SS:

County of Socorro

Joseph Herrera makes oath and says that he is CEO/General Manager  
(Insert here the name of the affiant.) (Insert here the official title of the affiant.)  
 of The Socorro Electric Cooperative, Inc.  
(Insert here the exact legal title of name of the respondent.)

that it is his duty to have supervision over the books of account of the respondent and that to the best of his knowledge and belief such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the New Mexico Public Regulation Commission, effective during said period, that has examined the said report, and to the best of his knowledge and belief the information contained in the said report is, insofar as it relates to matters of account, in accordance with the said books of account; that he believes that all other statements of fact contained in the said report are true, and that the said report is correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth

therein during the period from and including January 1, 2015,  
 to and including December 31, 2015,

Joseph Herrera  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, is and for the State and

County above named, this 29th day of March, 2016

My commission expires 11/21/17

Eileen C. Latake  
(Signature of officer authorized to administer oaths)

New Mexico Jurisdictional Information  
Year Ending December 31, 2015

Electric Company Name Socorro Electric Cooperative

Address PO Box H

Phone Number 1-575-835-0560

Person Completing Form Joseph Herrera

Customer Class		Residential	Other	Total
Number of Customers		10,531	2,165	12,696
KWH Sales (Thousands)		65,903	109,056	174,959
KWH Gross Revenues (to the dollar)		10,378,135	13,584,600	23,962,735
Avg Annual KWH per Customer	1	6,258.00	50,372.29	13,780.64
Avg. Annual Bill per Customer	2	985.48	6,274.64	1,887.42
Avg Monthly KWH Bill per Customer	3	521.50	4,197.69	1,148.39
Avg Gross Revenue per KWH Sold	4	0.157	0.125	0.137

Directions for the completion of 1, 2, 3, 4

- 1 Divide KWH sales by number of customers.
- 2 Divide gross revenues by number of customers.
- 3 Divide 2 by 12 months.
- 4 Divide gross revenues by KWH sales.

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

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION NM0020

PERIOD ENDED December, 2015 (Prepared with Audited Data)

BORROWER NAME The Socorro 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.

Joseph Herrera

3/29/2016

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	23,792,996	24,395,627	24,348,005	2,378,590
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	13,414,061	13,885,186	13,891,589	1,246,200
4. Transmission Expense	26,276	21,039	26,610	1,286
5. Regional Market Expense	0	0	0	0
6. Distribution Expense - Operation	1,158,949	1,587,381	1,184,501	150,738
7. Distribution Expense - Maintenance	1,088,761	634,795	944,834	54,388
8. Customer Accounts Expense	1,090,378	1,291,151	1,144,685	139,833
9. Customer Service and Informational Expense	29,527	47,159	39,051	1,995
10. Sales Expense	14,029	1,591	24,918	(14,355)
11. Administrative and General Expense	1,395,222	1,488,505	1,613,309	134,396
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>18,217,203</b>	<b>18,956,807</b>	<b>18,869,497</b>	<b>1,714,481</b>
13. Depreciation and Amortization Expense	2,284,394	2,314,946	2,317,841	193,646
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	144,179	148,456	147,444	14,339
16. Interest on Long-Term Debt	2,266,831	2,258,119	2,187,223	193,122
17. Interest Charged to Construction - Credit	0	0	0	0
18. Interest Expense - Other	10,799	3,960	5,250	102
19. Other Deductions	97,851	104,921	102,857	8,722
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>23,021,257</b>	<b>23,787,209</b>	<b>23,630,112</b>	<b>2,124,412</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>771,739</b>	<b>608,418</b>	<b>717,893</b>	<b>254,178</b>
22. Non Operating Margins - Interest	394,250	419,661	406,824	47,891
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	952	(1,305)	0	(1,305)
25. Non Operating Margins - Other	12,091	102,180	4,600	38
26. Generation and Transmission Capital Credits	785,860	664,271	916,888	664,271
27. Other Capital Credits and Patronage Dividends	148,352	126,908	134,000	124,925
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>2,113,244</b>	<b>1,920,133</b>	<b>2,180,205</b>	<b>1,089,998</b>

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>			BORROWER DESIGNATION  NM0020		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  December, 2015		
<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	151	124	5. Miles Transmission	42.00	42.00
2. Services Retired	48	30	6. Miles Distribution – Overhead	3,090.00	3,094.00
3. Total Services in Place	15,044	15,138	7. Miles Distribution - Underground	152.00	153.00
4. Idle Services (Exclude Seasonals)	1,329	1,329	8. Total Miles Energized (5 + 6 + 7)	3,284.00	3,289.00
<b>PART C. BALANCE SHEET</b>					
<b>ASSETS AND OTHER DEBITS</b>			<b>LIABILITIES AND OTHER CREDITS</b>		
1. Total Utility Plant in Service	80,189,408		30. Memberships	0	
2. Construction Work in Progress	154,673		31. Patronage Capital	23,761,180	
3. Total Utility Plant (1 + 2)	80,344,081		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	28,951,384		33. Operating Margins - Current Year	608,420	
5. Net Utility Plant (3 - 4)	51,392,697		34. Non-Operating Margins	1,311,713	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	89,897	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	25,771,210	
8. Invest. in Assoc. Org. - Patronage Capital	8,743,757		37. Long-Term Debt - RUS (Net)	19,018,240	
9. Invest. in Assoc. Org. - Other - General Funds	510,006		38. Long-Term Debt - FFB - RUS Guaranteed	28,065,737	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	5,638,058	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	236,180		42. Payments -- Unapplied	10,548,118	
14. Total Other Property & Investments (6 thru 13)	9,489,943		43. Total Long-Term Debt (37 thru 41 - 42)	42,173,917	
15. Cash - General Funds	2,780,197		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	750		45. Accumulated Operating Provisions and Asset Retirement Obligations	363,071	
17. Special Deposits	430		46. Total Other Noncurrent Liabilities (44 + 45)	363,071	
18. Temporary Investments	0		47. Notes Payable	0	
19. Notes Receivable (Net)	52,593		48. Accounts Payable	1,405,667	
20. Accounts Receivable - Sales of Energy (Net)	2,954,251		49. Consumers Deposits	147,660	
21. Accounts Receivable - Other (Net)	206,312		50. Current Maturities Long-Term Debt	2,188,000	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	533,867		52. Current Maturities Capital Leases	0	
24. Prepayments	128,855		53. Other Current and Accrued Liabilities	888,400	
25. Other Current and Accrued Assets	5,698		54. Total Current & Accrued Liabilities (47 thru 53)	4,629,727	
26. Total Current and Accrued Assets (15 thru 25)	6,662,953		55. Regulatory Liabilities	0	
27. Regulatory Assets	3,498,821		56. Other Deferred Credits	330,573	
28. Other Deferred Debits	2,224,084		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	73,268,498	
29. Total Assets and Other Debits (5+14+26 thru 28)	73,268,498				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  NM0020
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2015

**PART D. NOTES TO FINANCIAL STATEMENTS**

1) The unbilled KWH for December 2015 which were billed in January 2016 totaled 9,308,549.67

2) During 2013 the Cooperative entered into a capital lease with Farm Credit Leasing. This lease was for the purchase of 5 vehicles. The Current Liability that was due in 2015 totaled \$40,011.

3) Deferred Debits consist of:

Unamortized Premium on Long-Term Debt Refinance      \$1,349,053

Prepaid NRECA R&S Plan      \$498,032

GIS System      \$164,284

Misc Deferred Debits      \$22,697

Power Cost Adjustment      \$142,082

Debt Cost Adjustment 47,936

4) Deferred Credits consist of:

Unclaimed Capital Credits      \$330,573

5) The Cooperative participates in a deferred compensation investment with Homestead funds which is accounted for in special funds and is carried at fair market value. The Cooperative also provides for post-retirement benefits for medical and life insurance. The Net Liability is shown in Accumulated Operating Provisions and is adjusted to the NRECA actuarial study as of 12/31/15.





UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  NM0020
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2015
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION NM0020
	PERIOD ENDED December, 2015

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	70,121,495	1,335,727	322,801		71,134,421
2. General Plant	4,533,881	332,210	25,993		4,840,098
3. Headquarters Plant	1,004,571	0	0	0	1,004,571
4. Intangibles	5,020	0	0	0	5,020
5. Transmission Plant	3,205,289	0	0	10	3,205,299
6. Regional Transmission and Market Operation Plant	0				0
7. All Other Utility Plant	0				0
<b>8. Total Utility Plant in Service (1 thru 7)</b>	78,870,256	1,667,937	348,794	10	80,189,409
9. Construction Work in Progress	213,449	(58,776)			154,673
<b>10. Total Utility Plant (8 + 9)</b>	79,083,705	1,609,161	348,794	10	80,344,082

**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	514,330	152,830	0	205,954	0	0	461,206
2. Other	75,437	1,788	0	4,566	0		72,659

**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	4.160	1.280	0.000	1.970		7.410
2. Five-Year Average	4.290	11.780	0.000	13.990		30.060

**PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS**

1. Number of Full Time Employees	36	4. Payroll - Expensed	1,565,509
2. Employee - Hours Worked - Regular Time	81,494	5. Payroll - Capitalized	432,495
3. Employee - Hours Worked - Overtime	2,200	6. Payroll - Other	138,097

**PART I. PATRONAGE CAPITAL**

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	272,841	6,334,520
	b. Special Retirements	57,108	3,013,658
	<b>c. Total Retirements (a + b)</b>	329,949	9,348,178
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	61,271	
	<b>c. Total Cash Received (a + b)</b>	61,271	

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

1. Amount Due Over 60 Days	\$ 294,596	2. Amount Written Off During Year	\$ 206,078
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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  <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>					BORROWER DESIGNATION  NM0020				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2015				
<b>PART K. kWh PURCHASED AND TOTAL COST</b>									
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	Tri-State G & T Assn, Inc (CO0047)	30151			194,239,808	13,872,528	7.14		
2	*Residential Renewable Supplier	700200	Net Metering	Solar - photovoltaic	74,649	10,655	14.27		
3	*Commercial Renewable Supplier	700100	Net Metering	Solar - photovoltaic	14,030	2,002	14.27		
	Total				194,328,487	13,885,185	7.15		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  NM0020
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2015
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
<b>No</b>	<b>Comments</b>	
1		
2		
3		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION NM0020	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2015	
<b>PART L. LONG-TERM LEASES</b>			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	MailFinance	Postage Machine	4,242
2	Ricoh USA, Inc.	Copier	6,694
	<b>TOTAL</b>		10,936

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION NM0020	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2015	
<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 8/22/2015	2. Total Number of Members 8,528	3. Number of Members Present at Meeting 256	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 1,750	6. Total Number of Board Members 5	7. Total Amount of Fees and Expenses for Board Members \$ 54,977	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  NM0020		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2015		
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)	19,018,240	855,832	457,882	1,313,714
2	National Rural Utilities Cooperative Finance Corporation				
3	CoBank, ACB	5,638,058	218,416	939,957	1,158,373
4	Federal Financing Bank	28,065,737	1,046,618	622,510	1,669,128
5	RUS - Economic Development Loans				
6	Payments Unapplied	10,548,118			
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				
10	Farm Credit Leasing	0	890	16,195	17,085
	TOTAL	42,173,917	2,121,756	2,036,544	4,158,300



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0020		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2015		
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	10,202	10,460	
	b. kWh Sold			64,924,074
	c. Revenue			10,256,339
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
3. Irrigation Sales	a. No. Consumers Served	44	41	
	b. kWh Sold			240,133
	c. Revenue			99,010
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,434	2,242	
	b. kWh Sold			73,235,288
	c. Revenue			9,791,171
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	10	10	
	b. kWh Sold			35,762,417
	c. Revenue			3,909,678
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	
	b. kWh Sold			796,992
	c. Revenue			133,169
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)		12,696	12,759	
11. Total kWh Sold (lines 1b thru 9b)				174,958,904
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				24,189,367
13. Transmission Revenue				
14. Other Electric Revenue				206,261
15. kWh - Own Use				186,223
16. Total kWh Purchased				194,328,487
17. Total kWh Generated				
18. Cost of Purchases and Generation				13,906,225
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident ___ Coincident <u>X</u>				33,579

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>			BORROWER DESIGNATION    NM0020  PERIOD ENDED    December, 2015			
INSTRUCTIONS - See help in the online application.						
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	287	2,817	58	1,405	23,061	186
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						
<b>10. Total</b>	287	2,817	58	1,405	23,061	186

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0020			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2015			
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				
	CFC-Patronage Capital		184,965	766	
	Tri-State Patronage Capital		8,012,940	664,271	
	Federated Insurance Patronage Capital	251,983		49,401	
	Western United Patronage Capital	75,704		0	
	NRTC Patronage Capital	63		0	
	CFC - CTC's		504,406	22,601	
	CFC Membership		1,000	0	
	SEDC Membership	100		0	
	Cobank Membership		1,000	0	
	NRTC Membership	1,000		0	
	SEDC Patronage Capital	111,709		4,702	
	Basin Electric Membership	100			
	CoBank Patronage Allocation		105,319	70,823	
	CRC Patronage	974		1,217	
	CRC Membership	2,500			
	Totals	444,133	8,809,630	813,781	
5	Special Funds				
	Foundation Cash	236,180			
	Homestead				
	Totals	236,180			
6	Cash - General				
	General Fund - FSB	2,451,344	250,000		
	Payroll - FSB	14,778			
	Capital Credits - FSB	16,048			
	Magdalena - Wells Fargo		44,326		
	Petty Cash	1,100			
	CA Refunds	2,601			
	Totals	2,485,871	294,326		
7	Special Deposits				
	Water and Gas Deposits	430			
	Totals	430			
9	Accounts and Notes Receivable - NET				
	Notes Receivable - Section XII	606			
	Notes Receivable - Section V	1,393			
	Other Accounts Receivable	94,348			
	Line Extension Contracts	50,594			
	TEP Receivable-Current Portion	111,963			
	Totals	258,904			
11	TOTAL INVESTMENTS (1 thru 10)	3,425,518	9,103,956	813,781	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0020			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2015			
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 (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0020			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2015			
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]			4.26 %		
SECTION 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				
	TOTAL				