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SOCORRO ELECTRIC COOPERATIVE

April 29, 2008

New Mexico Public Regulation Commission
Records Management Bureau
Marian Hall
224 E Palace Avenue.
Santa Fe, NM 87501-2013

2008 MAY -1 PM 2:39

NEW MEXICO
REGULATION
COMMISSION

Re: Annual Report to the Commission

To Whom It May Concern:

Enclosed please find the 2007 Annual Report to the Commission for the Socorro Electric Cooperative, Inc., in addition is the Form 7 for December 2007.

Should you have any questions or need further assistance, please contact me at (575) 835-0560.

Sincerely,

Kathy Jones

Kathy Torres
Office Manager

Encl.

RURAL ELECTRIC COOPERATIVES

Annual Report

Of

Socorro Electric Cooperative, Inc.
(Exact legal name of Respondent)

TO THE

NEW MEXICO

PUBLIC REGULATION COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 20₀₇

2008 MAY - 1 PM 2:39

NEW MEXICO
PUBLIC REGULATION
COMMISSION

2007

NOTE #	TO WHOM ISSUED	DATE OF ISSUE	DATE OF MATURITY	PRINCIPAL AMOUNT	AMT OUTSTANDING PRINCIPAL
=	=	=	=	=	=
B210		9-20-72	9-20-07	\$160,000.00	\$0.00
B212		12-19-71	12-19-06	\$160,000.00	\$0.00
1B-220		7-19-74	7-19-09	\$157,000.00	\$14,302.46
1B-222		7-19-74	7-19-09	\$157,000.00	\$14,302.97
1B-230		4-7-75	4-07-10	\$205,000.00	\$30,773.62
1B-232		4-07-75	4-07-10	\$205,000.00	\$30,044.26
1B-240		11-29-77	11-29-12	\$491,500.00	\$144,291.62
1B-242		11-29-77	11-29-12	\$491,500.00	\$137,813.30
1B-250		3-18-80	3-18-15	\$851,500.00	\$351,574.68
1B-252		3-18-80	3-18-15	\$820,000.00	\$318,132.97
1B-253		3-18-80	3-18-15	\$31,500.00	\$12,403.33
1B-260		1-25-84	1-25-19	\$499,500.00	\$264,643.12
1B-262		1-25-84	1-25-19	\$499,500.00	\$264,643.12
1B-270		10-14-86		\$494,500.00	\$298,298.19
1B-272		03-31-87		\$491,371.44	\$295,762.17
1B-273				\$3,128.56	\$1,934.38
1B-280				\$658,500.00	\$434,440.79
1B-282				\$417,371.44	\$275,381.25
1B-283				\$241,128.56	\$163,427.35
14290				\$751,000.00	\$418,422.97
14291		10/05/92		\$200,000.00	\$77,699.97
1B-300		09/30/95		\$796,500.00	\$645,129.19
1B-310		06-30-91		\$485,500.00	\$359,536.68
1B-312		07/06/92		\$485,500.00	\$359,536.68
14292		02/07/94		\$65,090.79	\$44,574.89
1B305				\$736,000.00	\$596,127.90
1B306				\$60,500.00	\$48,913.70
1B320		3/31/1998		\$444,000.00	\$390,386.54
1B321				\$587,000.00	\$516,119.22
1B325		3/31/1998		\$791,000.00	\$693,468.83
1B326		6/30/1998		\$240,000.00	\$210,407.71
1B330		7/10/2000		\$4,634,000.00	\$4,236,846.94
H0010-H0030		04/01/99		\$5,193,000.00	\$4,673,991.34
H0035		04/01/02		\$1,652,000.00	\$1,568,984.15
H0040		11/19/2003		\$1,285,000.00	\$1,200,897.55
H0045		5/24/2005		\$2,726,000.00	\$2,617,260.37
H0050		11/4/2005		\$4,069,000.00	\$3,947,209.71
H0055		5/26/2006		\$826,000.00	\$826,000.00
TOTAL REA NOTES				\$33,062,090.79	\$25,657,683.92
CFC					
9001				\$35,000.00	\$0.00
9002				\$79,000.00	\$8,594.14
9004				\$102,000.00	\$18,069.26
9006		9-30-85	9-30-12	\$246,000.00	\$74,286.37
9009		12-31-80	12-31-14	\$768,000.00	\$348,212.08
9010		6-31-85		\$428,500.00	\$247,653.95
9011				\$437,113.00	\$299,015.74
9012				\$581,443.00	\$402,917.00
9013				\$428,866.00	\$317,536.67
9014				\$683,000.00	\$558,573.99
9015-001		04/06/98		\$543,130.00	\$472,462.89
9015-002		05/22/98		\$339,870.00	\$295,942.95
TOTAL				\$4,671,922.00	\$3,043,265.04

Long Term debt (Accounts 221-228)

Line No.	Note Ident.	To Whom Issued	PRC Decision No.	Date of Issued	Date of Maturity	Principal Amount	Amount Outstanding		Per Balance Sheet	Interest for Year	
							Principal	Deferred Interest		Rate	Amount
1.						\$	\$	\$	\$	%	\$
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.											
13.											
14.											
15.											
16.											
17.											
18.											
19.											
20.											
21.											
22.											
23.											
24.											
25.											
26.											
27.											
28.											
29.											
30.											
31.											
32.											
33.				Total							
34.				Less Advance Payments Unapproved (Account 227)							
35.				Total							

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 footnotes.

Line No.	Account (a)	Amount for Current Year (b)	Increase or Decrease From Preceding Year (c)
1.	POWER PRODUCTION EXPENSES		
2.	STEAM POWER GENERATION		
3.	OPERATION	\$	
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.	MAINTENANCE		
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.	NUCLEAR POWER GENERATION		
22.	OPERATION		
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.	MAINTENANCE		
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.	HYDRAULIC POWER GENERATION		
42.	OPERATION		
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.	MAINTENANCE		
51.	541 Maintenance Supervision and Engineering		
52.	542 Maintenance of Structures		

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (continued)			
Line No.	Account (a)	Amount for Current Year (b)	Increase or Decrease From Preceding Year (c)
1.	HYDRAULIC POWER GENERATION		
2.	543 Maintenance 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		
7.	OTHER POWER GENERATION		
8.	OPERATION		
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		
15.	MAINTENANCE		
16.	551 Maintenance Supervision and Engineering		
17.	552 Maintenance of Structures		
18.	553 Maintenance of Generating and Electric Plant		
19.	554 Maintenance Miscellaneous Other Power Generation Plant		
20.	Total Maintenance		
21.	Total Power Production Expenses-Other Power		
22.	OTHER POWER SUPPLY EXPENSES		
23.	555 Purchased Power	11,159,467	1,361,656
24.	556 System Control and Load Dispatching		
25.	557 Other Expenses		
26.	Total Maintenance		
27.	Total Power Production Expenses	11,159,467	1,361,656
28.	TRANSMISSION EXPENSES		
29.	OPERATION		
30.	560 Operation Supervision and Engineering		
31.	561 Load Dispatching		
32.	562 Station Expenses		
33.	563 Overhead Line Expenses	1,142	(55)
34.	564 Underground Line Expenses		
35.	565 Transmission of Electricity by Others		
36.	566 Miscellaneous Transmission Expenses		
37.	567 Rents		
38.	Total Operation	1,142	(55)
39.	MAINTENANCE		
40.	568 Maintenance Supervision and Engineering		
41.	569 Maintenance of Structures		
42.	570 Maintenance of Station Equipment		
43.	571 Maintenance of Overhead Lines		
44.	572 Maintenance of Underground Lines		
45.	573 Maintenance of Miscellaneous Transmission Plant		
46.	Total Maintenance		
47.	Total Transmission Expenses	1,142	(55)
48.	DISTRIBUTION EXPENSES		
49.	OPERATION		
50.	580 Operation Supervision and Engineering	2,400	24
51.	581 Load Dispatching		
52.	582 Station Expenses	7,238	3,582
53.	583 Overhead Line Expenses	(340,732)	(258,608)
54.	584 Underground Line Expenses	19,223	3,198
55.	585 Street Lighting and Signal System Expenses	2,401	1,201

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (continued)			
Line No.	Account (a)	Amount for Current Year (b)	Increase or Decrease From Preceding Year (c)
1.	DISTRIBUTION EXPENSES (continued)		
2.	586 Meter Expenses	\$ 245,566	53,907
3.	587 Customer Installations Expenses	31,834	(872)
4.	588 Miscellaneous Distribution Expenses		
5.	589 Rents		
6.	Total Operation	(32,070)	(359,416)
7.	MAINTENANCE		
8.	590 Maintenance Supervision and Engineering		
9.	591 Maintenance of Structures		
10.	592 Maintenance of Station Equipment	1,337	(1,893)
11.	593 Maintenance of Overhead Lines	575,821	(15,531)
12.	594 Maintenance of Underground Lines	50,287	13,116
13.	595 Maintenance of Line Transformers	17,291	(28,373)
14.	596 Maintenance of Street Lighting and Signal Systems	43,274	5,355
15.	597 Maintenance of Meters	70,866	17,152
16.	598 Maintenance of Miscellaneous Distribution Plant		
17.	Total Maintenance	758,876	(10,174)
18.	Total Distribution Expenses	726,806	(369,590)
19.	CUSTOMER ACCOUNTS EXPENSES		
20.	OPERATION		
21.	901 Supervision	119	(478)
22.	902 Meter Reading Expenses	201,281	31,301
23.	903 Customer Records and Collection Expenses	581,820	102,474
24.	904 Uncollectible Accounts	282,170	32,694
25.	908 Miscellaneous Customer Accounts Expenses	89,041	12,404
26.	Total Customer Accounts Expenses	1,154,431	178,395
27.	SALES EXPENSES		
28.	OPERATION		
29.	911 Supervision		
30.	912 Demonstrating and Selling Expenses	0	(3,368)
31.	913 Advertising Expenses	48,790	14,957
32.	914 Revenues From Merchandising, Jobbing and Contract Work		
33.	915 Cost and Expenses of Merchandising, Jobbing and Contract Work		
34.	916 Miscellaneous Sales Expenses	11,031	(19,656)
35.	Total Sales Expenses	59,821	(8,067)
36.	ADMINISTRATIVE AND GENERAL EXPENSES		
37.	OPERATION		
38.	920 Administrative and General Salaries	597,623	74,057
39.	921 Office Supplies and Expenses	80,421	4,054
40.	922 Administrative Expenses Transferred-Credit		
41.	923 Outside Services Employed	49,529	(10,810)
42.	924 Property Insurance		
43.	925 Injuries and Damages	132	(1,484)
44.	926 Employee Pensions and Benefits	(8,924)	(83,418)
45.	927 Franchise Requirements		
46.	928 Regulatory Commission Expenses	903	(5)
47.	929 Duplicate Charges-Credit	(4,575)	(8)
48.	930 Miscellaneous General Expenses	724,730	129,031
49.	931 Rents		
50.	Total Operation	1,439,839	111,417
51.	MAINTENANCE		
52.	935 Maintenance of General Plant	96,032	18,421
53.	Total Administrative and General Expenses	1,535,871	129,838
54.	Total Electric Operation and Maintenance Expenses	3,478,071	(69,479)

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (continued)

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (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	11,159,467		11,159,467
8.	Total Power Production Expenses	11,159,467		11,159,467
9.	Transmission Expenses	1,142		1,142
10.	Distribution Expenses	(32,070)	758,876	726,806
11.	Customer Accounts Expenses	1,154,431		1,154,431
12.	Sales Expenses	59,821		59,821
13.	Administrative and General Expenses	1,439,839	96,032	1,535,871
14.	Total Electric Operation and Maintenance Expenses	13,782,630	854,908	14,637,538

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

15.	Number of electric Department Employees, Payroll Period Ending	12/31/07
16.	Total Regular Full-Time Employees	36
17.	Total Part-Time and Temporary Employees	2
18.	Total Employees	38

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.

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.

The number of employees assignable to the electric department from joint 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.

- [illegible]

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 administrative cost, etc., which are directly chargeable construction are charged 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 (a)	Total Overheads Cleared to Construction (b)	Cost of Construction to which Overheads were charged (exclusive of overhead charges) (c)	Percent overheads to construction cost (d)
1.	Indirect Labor	114,211.94		%
2.	Insurance	11,751.44		
3.	Transportation	322,978.24		
4.	Miscellaneous	454,761.02		
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.	Totals	903,702.64	254,902.88	3.55

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead for electric plant explain:
 - (a) a. Nature of the 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 over heads, 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.

ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

1. Report below the information called for concerning distribution watt-hour meters and line transforms.
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 the respondent under lease from others, jointly owned with others, or held otherwise that 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 lesser, 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	16,341	7,898	
2.	Additions during year:			
3.	Purchases	1,501	488	
4.	Associated with utility plant acquired			
5.	Total Additions	1,501	488	
6.	Reductions during year:			
7.	Retirements			
8.	Associated with utility plant sold			
9.	Total reductions			
10.	Number at end of year	17,842	8,386	
11.	In stock	4,814	724	
12.	Locked meters on customers' premises			
13.	Inactive transformers on system			
14.	In customers' use	13,016	7,654	
15.	In company's use	12	8	
16.	Total end of year (as above)	17,842	8,386	

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

Leopoldo Pineda Jr. makes oath and says that he is General Manager
(Insert here the name of the affiant.) (Insert here the official title of the affiant.)

of 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, 2007,

to and including December 31, 2007,

Leopoldo Pineda Jr.
(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 April, 2008

My commission expires September 9, 2008

Robert L. DeLoach
(Signature of officer authorized to administer oaths)

New Mexico Jurisdictional Information
Year Ending December 31, 2007

Electric Company Name Socorro Electric Cooperative, Inc.

Address P.O. Box H Socorro, NM 87801

Phone Number (575) 835-0560

Person Completing Form Kathy Torres

Customer Class	Residential	Other	Total
Number of Customers	11,475	1,541	13,016
KWH Sales (Thousands)	68,721,135	112,470,845	181,191,980
Gross Revenues	\$ 8,549,096	\$10,860,579	\$19,409,675
Avg. Annual KWH Per Customer (1)	5,989	72,986	
Avg. Annual Bill per Customer (2)	\$ 745	\$ 7,048	
Avg. Monthly Bill per Customer (3)	\$ 62	\$ 587	
Avg. Gross Revenue per KWH sold (4)	.124	.097	

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 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION NM0020
FINANCIAL AND STATISTICAL REPORT	PERIOD ENDED December, 2007
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	BORROWER NAME
<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i>	THE SOCORRO ELECTRIC COOP INC

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.

Leopoldo Pineda

4/7/2008

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	17,225,288	19,558,750	19,354,520	1,777,563
2. Power Production Expense		0		
3. Cost of Purchased Power	9,797,812	11,159,467	11,000,000	1,040,942
4. Transmission Expense	1,187	1,142		92
5. Distribution Expense - Operation	327,345	(32,071)	545,925	(83,179)
6. Distribution Expense - Maintenance	769,051	758,876	726,700	62,318
7. Customer Accounts Expense	899,399	1,065,390	952,700	152,684
8. Customer Service and Informational Expense	76,637	89,041	80,500	7,396
9. Sales Expense	67,888	59,821	78,000	6,647
10. Administrative and General Expense	1,406,033	1,535,874	1,424,850	50,127
11. Total Operation & Maintenance Expense (2 thru 10)	13,345,352	14,637,540	14,808,675	1,237,027
12. Depreciation and Amortization Expense	1,271,453	1,523,692	1,335,000	121,288
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	115,709	136,291	100,000	10,284
15. Interest on Long-Term Debt	1,545,390	1,645,391	1,646,000	149,453
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	38,805	10,068	40,750	249
18. Other Deductions	105,599	102,195	91,100	5,995
19. Total Cost of Electric Service (11 thru 18)	16,422,308	18,055,177	18,021,525	1,524,296
20. Patronage Capital & Operating Margins (1 minus 19)	802,980	1,503,573	1,332,995	253,267
21. Non Operating Margins - Interest	314,957	256,995	156,500	13,728
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments	(121,108)	(167,911)	(150,000)	4,876
24. Non Operating Margins - Other				
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	44,706	47,583	(46,000)	
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	1,041,535	1,640,240	1,293,495	271,871

USDA - RUS		BORROWER DESIGNATION	
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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	314	330	5. Miles Transmission	32.00	32.00
2. Services Retired	39	36	6. Miles Distribution - Overhead	3,077.00	3,142.00
3. Total Services in Place	13,644	13,938	7. Miles Distribution - Underground	105.00	113.00
4. Idle Services (Exclude Seasonals)	725	922	8. Total Miles Energized (5 + 6 + 7)	3,214.00	3,287.00

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	52,388,155	29. Memberships.....	0
2. Construction Work in Progress	3,432,418	30. Patronage Capital.....	12,825,458
3. Total Utility Plant (1 + 2)	55,820,573	31. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort	18,870,157	32. Operating Margins - Current Year.....	1,757,561
5. Net Utility Plant (3 - 4)	36,950,416	33. Non-Operating Margins.....	(117,320)
6. Non-Utility Property (Net)	10,925	34. Other Margins and Equities.....	84,984
7. Investments in Subsidiary Companies	103	35. Total Margins & Equities (29 thru 34).....	14,550,683
8. Invest. in Assoc. Org. - Patronage Capital	197,721	36. Long-Term Debt - RUS (Net).....	11,169,341
9. Invest. in Assoc. Org. - Other - General Funds	518,378	37. Long-Term Debt - FFB - RUS Guaranteed.....	14,577,142
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	0	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt Other (Net).....	2,890,267
12. Other Investments	185,555	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	565,526	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	1,478,208	42. Total Long-Term Debt (36 thru 40 - 41).....	28,636,750
15. Cash - General Funds	458,607	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	500	44. Accumulated Operating Provisions and Asset Retirement Obligations..	194,112
17. Special Deposits	430	45. Total Other Noncurrent Liabilities (43 + 44).....	194,112
18. Temporary Investments	2,583,000	46. Notes Payable.....	1,960,692
19. Notes Receivable (Net)	37,441	47. Accounts Payable.....	1,254,692
20. Accounts Receivable - Sales of Energy (Net)	1,649,536	48. Consumers Deposits.....	69,155
21. Accounts Receivable - Other (Net)	221,330	49. Current Maturities Long-Term Debt.....	873,000
22. Materials and Supplies - Electric & Other	791,817	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	(28,565)	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	66,911	52. Other Current and Accrued Liabilities.....	403,899
25. Total Current and Accrued Assets (15 thru 24)	5,781,007	53. Total Current & Accrued Liabilities (46 thru 52).....	4,561,438
26. Regulatory Assets	4,195,792	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	(306,805)	55. Other Deferred Credits.....	155,635
28. Total Assets and Other Debits (5+14+25 thru 27)..	48,098,618	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	48,098,618

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PART D. NOTES TO FINANCIAL STATEMENTS	

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PART E. CHANGES IN UTILITY PLANT					
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	42,181,583	4,358,312	12,760		46,527,135
2. General Plant	4,536,889	169,934	33,406		4,673,417
3. Headquarters Plant	988,703	2,886			991,589
4. Intangibles	5,020				5,020
5. Transmission Plant	190,995				190,995
6. All Other Utility Plant	0				0
7. Total Utility Plant in Service (1 thru 6)	47,903,190	4,531,132	46,166		52,388,156
8. Construction Work in Progress	1,591,036	1,841,382			3,432,418
9. TOTAL UTILITY PLANT (7 + 8)	49,494,226	6,372,514	46,166		55,820,574

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	582,922	1,268,679		1,088,431	240	(52,718)	710,212
2. Other	54,604	77,955			50,954		81,605

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.31	1.20	3.40	.93	5.84
2. Five-Year Average	.44	1.43	.72	.95	3.54

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	36	4. Payroll - Expensed	1,110,774
2. Employee - Hours Worked - Regular Time	80,323	5. Payroll - Capitalized	465,637
3. Employee - Hours Worked - Overtime	6,153	6. Payroll - Other	161,731

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	372,355	2,919,464
	b. Special Retirements	42,108	2,673,092
	c. Total Retirements (a + b)	414,463	5,592,556
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	27,672	
	c. Total Cash Received (a + b)	27,672	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. AMOUNT DUE OVER 60 DAYS	\$ 872,668	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 0

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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Tri-State G & T Assn, Inc (CO) (CO0047)	30151	198,650,094	11,159,467	5.62		
	Total		198,650,094	11,159,467	5.62		

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	Total		

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PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/21/2007	2. Total Number of Members 9,057	3. Number of Members Present at Meeting 210	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 11	7. Total Amount of Fees and Expenses for Board Members \$ 446,810	8. Does Manager Have Written Contract? Y

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	11,169,341	580,894	465,734	1,046,628
2	National Rural Utilities Cooperative Finance Corporation	2,890,267	234,548	142,434	376,982
3	Bank for Cooperatives				
4	Federal Financing Bank	14,577,142	797,135	254,997	1,052,132
5	RUS - Economic Development Loans				
6	Payments Unapplied				
	Total	28,636,750	1,612,577	863,165	2,475,742

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PART O. POWER REQUIREMENTS DATA BASE - 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	11,475	11,435	
	b. kWh Sold			68,721,135
	c. Revenue			8,549,096
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	40	41	
	b. kWh Sold			299,416
	c. Revenue			34,966
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,485	1,480	
	b. kWh Sold			67,642,427
	c. Revenue			6,945,969
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	10	10	
	b. kWh Sold			43,733,880
	c. Revenue			3,771,450
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	
	b. kWh Sold			795,122
	c. Revenue			108,194
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)		13,016	12,972	
11. TOTAL kWh Sold (lines 1b thru 9b)				181,191,980
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				19,409,675
13. Other Electric Revenue				149,075
14. kWh - Own Use				195,656
15. TOTAL kWh Purchased				198,650,094
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation				11,160,609
18. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident Coincident <u>X</u>				32,849

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PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Socorro Satellite System	10,925			
	Totals	10,925			
2	Investments in Associated Organizations				
	Arkansas Electric	793			
	CFC Patronage Capital		119,968		
	Federated Rural Electric Insurance Exchange		76,960		
	CFC - CTC's		516,278		
	Investments In Associated Org	103			
	CFC & SEDC Memberships		1,100		
	NRTC Memberships		1,000		
	Totals	896	715,306		
4	Other Investments				
	Weatherization Loans	168,202			X
	Patronage Capital		17,352		
	Totals	168,202	17,352		
5	Special Funds				
	Socorro Electric Foundation	57,242	100,000		
	Insurance Fund	117,538	100,000		
	Insurance Fund (Mainslay)	190,746			
	Totals	365,526	200,000		
6	Cash - General				
	General Fund - First State Bank	246,595	100,000		
	General Fund - Wells Fargo	15,044	100,000		
	Capital Credits		4,728		
	Socorro Electric - Petty Cash	990			
	Socorro Satellite System	(15,152)			
	Payroll		6,402		
	Totals	247,477	211,130		
7	Special Deposits				
	City of Socorro Gas & Water	380			
	Quemado Waterworks	50			
	Totals	430			
8	Temporary Investments				
	Temporary Investments		2,583,000		
	Totals		2,583,000		
9	Accounts and Notes Receivable - NET				
	Appliance Financing	37,442			
	Other Accounts Receivable	221,330			
	Totals	258,772			
11	TOTAL INVESTMENTS (1 thru 10)	1,052,228	3,726,788		

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PART II. LOAN GUARANTEES

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

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Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

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

1.88 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	Total				