

SOCORRO ELECTRIC COOPERATIVE

May 17, 2013

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 2012 Annual Report to the Commission for Socorro Electric Cooperative, Inc. In addition is the unaudited Form 7 for December 2012.

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[®]

P.O. Box 11 · Socorro, New Mexico 87801 · Phone 575.835.0560 or 1.800.351.7575
Fax · 575.835.4449

RURAL ELECTRIC COOPERATIVES

Annual Report

Of

Socorro Electric Cooperative, Inc.

TO THE

NEW MEXICO

PUBLIC REGULATION COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2012

100

Long Term debt (Accounts 221-228)											
Line No.	Note Ident.	To Whom Issued	PRC Decision No.	Date Issued	Date of Maturity	Principal Amount	Amount Outstanding		Per Balance Sheet	Interest for Year	
							Principal	Deferred Interest		Rate	Amount
1	14290	RUS		10/25/1988	10/25/2023	751,000	308,477		308,477	2.000%	6,633
2	14291	RUS		10/25/1988	10/25/2023	133,000	56,837		56,837	2.000%	1,220
3	14292	RUS		10/25/1988	10/25/2023	66,000	35,662		35,662	2.000%	747
4	1B320	RUS		7/1/1997	7/1/2032	444,000	345,997		345,997	5.125%	18,094
5	1B321	RUS		7/1/1997	7/1/2032	587,000	458,397		458,397	5.125%	23,968
6	1B325	RUS		7/1/1997	7/1/2032	791,000	612,720		612,720	5.125%	32,064
7	1B326	RUS		7/1/1997	7/1/2032	240,000	185,907		185,907	5.125%	9,729
8	1B340	RUS		11/1/2006	11/1/2041	42,640,000	4,001,120		4,001,120	4.410%	178,200
9	1B341	RUS		11/1/2006	11/1/2041	1,926,000	1,808,367		1,808,367	4.460%	81,442
10	1B342	RUS		11/1/2006	11/1/2041	4,968,000	4,646,226		4,646,226	3.700%	173,959
11	1B343	RUS		11/1/2006	11/1/2041	2,878,000	2,730,326		2,730,326	4.350%	119,967
12	1B344	RUS		11/1/2006	11/1/2041	4,149,000	3,977,619		3,977,619	7.710%	189,067
13	1B345	RUS		11/1/2006	11/1/2041	1,717,000	1,645,867		1,645,867	4.590%	76,293
14	H0010	FFB		9/28/1999	9/28/2034	893,000	692,006		692,006	6.122%	43,928
15	H0015	FFB		11/9/1999	11/9/2034	759,000	588,844		588,844	6.156%	37,578
16	H0020	FFB		5/5/2000	5/5/2035	1,171,000	964,522		964,522	6.327%	62,726
17	H0025	FFB		11/3/2000	11/30/2035	1,460,000	1,177,788		1,177,788	5.820%	70,681
18	H0030	FFB		4/19/2001	4/19/2036	910,000	738,184		738,184	5.569%	42,462
19	H0035	FFB		12/31/2003	12/31/2038	1,652,000	1,431,211		1,431,211	4.973%	73,317
20	H0040	FFB		11/19/2003	11/19/2038	1,285,000	1,094,842		1,094,842	4.935%	55,674
21	H0045	FFB		5/24/2005	5/24/2040	2,726,000	2,381,990		2,381,990	4.817%	118,345
22	H0050	FFB		11/4/2005	11/4/2040	4,069,000	3,591,324		3,591,324	4.797%	177,717
23	H0055	FFB		5/26/2006	5/26/2041	826,000	740,091		740,091	5.192%	39,516
24	F0060	FFB		5/3/2011	5/3/2046	3,032,000	3,032,000		3,032,000	4.114%	125,601
25	9009	CFC		11/29/1977	11/29/2014	768,000	109,936		109,936	3.700%	4,568
26	9010	CFC		3/19/1979	3/19/2018	451,000	150,951		150,951	3.600%	5,729
27	9011	CFC		1/4/1984	1/4/2023	437,113	214,090		214,090	3.700%	7,225
28	9012	CFC		6/3/1986	6/3/2024	581,443	301,361		301,361	3.600%	10,994
29	9013	CFC		5/24/1988	5/24/2026	428,866	259,811		259,811	5.600%	11,515
30	9014	CFC		5/9/1991	5/9/2029	704,124	480,807		480,807	5.600%	24,579
31	9015	CFC		7/1/1997	7/1/2032	883,000	684,894		684,894	5.600%	33,083
32	9017	CFC		12/17/2010	2013-2033	8,058,621	6,915,510		6,915,510	2.35-5.15%	309,366
33	Total						46,363,684	-	46,363,684		2,165,987
34	Less Advance Payments Unapproved (Account 227)						(1,021,145)		(1,021,145)		(21,145)
35	Total						45,342,539	-	45,342,539		2,144,842

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	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	Amount for Current Year	Increase or Decrease from Preceding Year
	(a)	(b)	(c)
1	Hydraulic Power Generation		
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	-	-
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 Misc Other Power Generation Plant	-	-
20	Total Maintenance	-	-
21	Total Power Production Expenses - Other Power	-	-
22	Other Power Expenses		
23	555 Purchased Power	13,774,502	533,717
24	556 System Control and Load Dispatching	-	-
25	557 Other Expenses	-	-
26	Total Other Power Expenses	13,774,502	533,717
27	Total Power Production Expenses	13,774,502	533,717
28	Transmission Expenses		
29	Operation		
30	560 Operation Supervision and Engineering	9,623	7,216
31	561 Load Dispatching	-	-
32	562 Station Expenses	11	11
33	563 Overhead Line Expenses	2,508	789
34	564 Underground Line Expenses	-	-
35	565 Transmission of Electricity by Others	-	-
36	566 Miscellaneous Transmission Expenses	-	-
37	567 Rents	-	-
38	Total Operation	12,142	8,016
39	Maintenance		
40	568 Maintenance of Supervision and Engineering	-	-
41	569 Maintenance of Structures	-	-
42	570 Maintenance of Station Equipment	1,744	1,560
43	571 Maintenance of Overhead Lines	37,084	36,693
44	572 Maintenance of Underground Lines	-	-
45	573 Maintenance of Miscellaneous Transmission Plant	-	-
46	Total Maintenance	38,828	38,253
47	Total Transmission Expense	50,970	46,269
48	Distribution Expenses		
49	Operation		
50	580 Operation Supervision and Engineering	27,339	18,708
51	581 Load Dispatching	-	-
52	582 Station Expenses	6,197	(1,953)
53	583 Overhead Line Expenses	481,167	116,138
54	584 Underground Line Expenses	52,636	(1,246)
55	585 Street Lighting and Signal System Expenses	616	(695)

Electric Operation and Maintenance Expenses (continued)

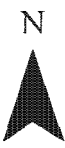
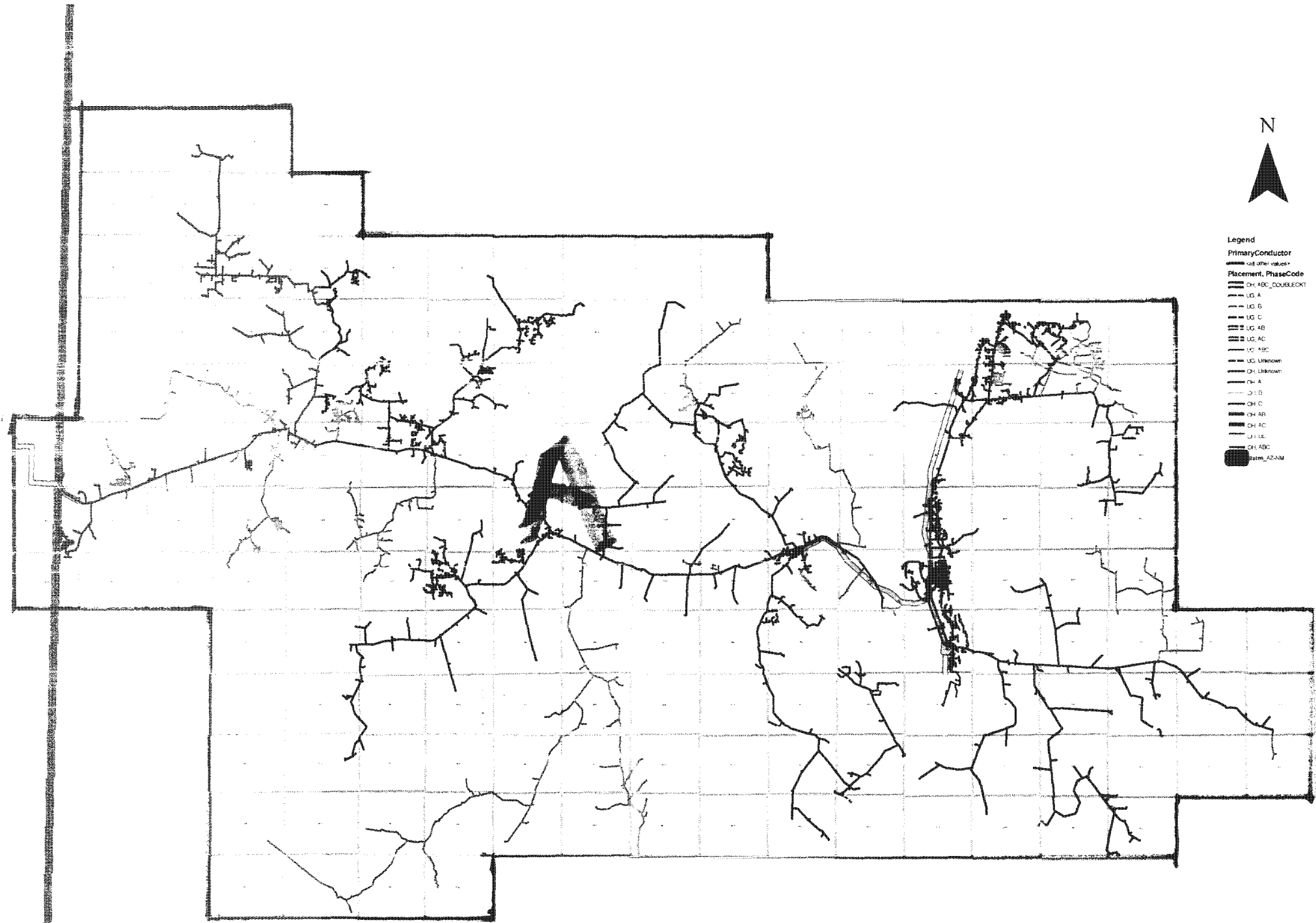
Line No	Account	Amount for Current Year	Increase or Decrease from Preceding Year
	(a)	(b)	(c)
1	Distribution Expensed (continued)		
2	586 Meter Expenses	392,167	34,060
3	587 Customer Installations Expenses	47,440	(1,167)
4	588 Miscellaneous Distribution Expenses	-	-
5	589 Rents	-	-
6	Total Operation	1,007,562	163,845
7	Maintenance		
8	590 Maintenance of Supervision and Engineering	-	-
9	591 Maintenance of Structures	1,086	1,086
10	592 Maintenance of Station Equipment	4,288	4,206
11	593 Maintenance of Overhead Lines	1,068,715	227,422
12	594 Maintenance of Underground Lines	40,731	21,791
13	595 Maintenance of Line Transformers	51,851	37,048
14	596 Maintenance of Street Lighting and Signal Systems	84,843	14,704
15	597 Maintenance of Meters	34,109	(14,059)
16	598 Maintenance of Miscellaneous Distribution Plant	-	-
17	Total Maintenance	1,285,623	292,198
18	Total Distribution Expenses	2,293,185	456,043
19	Customer Accounts Expenses		
20	Operation		
21	901 Supervision	-	-
22	902 Meter Reading Expenses	111,908	(43,589)
23	903 Customer Records and Collection Expenses	723,437	72,549
24	904 Uncollectible Accounts	-	(179,260)
25	905 Miscellaneous Customer Accounts Expenses	-	-
26	Total Customer Accounts Expenses	835,345	(150,300)
27	Sales Expenses		
28	Operation		
29	911 Supervision	-	-
30	912 Demonstrating and Selling Expense	-	-
31	913 Advertising Expense	13,331	476
32	914 Revenues from Merchandising, Job and Contract Work	-	-
33	915 Cost and Expense of Merchandising, Job and Contract Work	3,986	(10,444)
34	916 Miscellaneous Sales Expenses	33,811	(9,968)
35	Total Sales Expense	51,128	(160,268)
36	Administrative and General Expenses		
37	Operation		
38	920 Administrative and General Salaries	736,408	7,665
39	921 Office Supplies and Expenses	82,870	1,014
40	922 Administrative Expenses Transferred - Credit	666	83
41	923 Outside Services Employed	291,237	253,419
42	924 Property Insurance	-	-
43	925 Injuries and Damages	-	-
44	926 Employee Pensions and Benefits	-	29,755
45	927 Franchise Requirements	-	-
46	928 Regulatory Commission Expenses	2,000	(2,756)
47	929 Duplicate Charges - Credit	-	(172,715)
48	930 Miscellaneous General Expenses	376,155	376,155
49	931 Rents	-	-
50	Total Operation	1,489,336	492,620
51	Operation		
52	932 Maintenance of General Plant	108,637	(39,642)
53	Total Administrative and General Expenses	108,637	(39,642)
54	Total Operation and Maintenance Expenses	1,597,973	452,978

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	13,774,502	-	13,774,502
8	Total Power Production Expenses	13,774,502	-	13,774,502
9	Transmission Expenses	12,142	38,828	50,970
10	Distribution Expenses	1,007,562	1,285,623	2,293,185
11	Customer Accounts Expenses	835,345	-	835,345
12	Sales Expenses	51,128		51,128
13	Administrative and General Expenses	1,489,336	108,637	1,597,973
14	Total Electric Operation and Maintenance Expenses	17,170,015	1,433,088	18,603,103
Number of Electric Department Employees				
15	Number of electric Department Employees, Payroll Period ending			10/30/2012
16	Total Regular Full-time Employees			41
17	Total Part-Time Employees			0
18	Total Employees			41
<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.

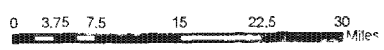
[illegible]



- Legend**
- PrimaryConductor**
- all other values-
- Placement, PhaseCode**
- CH_ABC_DOUBLECT
 - UG_A
 - UG_B
 - UG_C
 - UG_AB
 - UG_AC
 - UG_ABC
 - UG_Unknown
 - CH_Unknown
 - CH_A
 - CH_B
 - CH_C
 - CH_AB
 - CH_AC
 - CH_BC
 - CH_ABC
 - State_AZ-NM

Socorro Electric Cooperative, Inc. makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation.

Map Created By: Roberta Baca
 GIS Technician- Socorro Electric Cooperative, Inc.
 Date Printed: 5/17/13



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	206,790	522,428	39.58%
2	Labor Benefits	143,636	522,428	27.49%
3	Indirect Labor/Overhead	393,905	522,428	75.40%
4	Transportation	151,477	522,428	28.99%
5	Material Overhead	(15,956)	522,428	-3.05%
6				
7				
8				
9				
10				
11				
12				
13				
14	Totals			

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	13,970	9,431	
2	Additions during year:			
3	Purchases	105	148	
4	Associated with utility plant acquired	-	-	
5	Total Additions	105	148	
6	Reductions during year:			
7	Retirements	-	-	
8	Associated with utility plant sold	-	-	
9	Total Reductions	-	-	
10	Number at year end	14,075	9,579	185,216
11	In stock	1,079	881	
12	Locked meters on customers' premises	-		
13	Inactive transformers on system		-	
14	In customers' use	12,983	8,690	
15	In company's use	13	8	
16	Total end of year (as above)	14,075	9,579	

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 M. Herrera

(Insert here the name of the affiant.)

makes oath and says that he is General Manager

(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, 2012,

to and including December 31, 2012,

Joseph Herrera
(Signature of affiant)

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

County above named, this 20th day of May, 2013

My commission expires 11/21/13

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

New Mexico Jurisdictional Information
Year Ending December 31, 2012

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		11,395	1,588	12,983
KWH Sales (Thousands)		70,289	109,135	179,424
KWH Gross Revenues (to the dollar)		10,910,422	13,019,797	23,930,219
Avg Annual KWH per Customer	1	6,168.41	68,724.89	13,819.93
Avg. Annual Bill per Customer	2	957.47	8,198.86	1,843.20
Avg Monthly KWH Bill per Customer	3	514.03	5,727.07	1,151.66
Avg Gross Revenue per KWH Sold	4	0.155	0.119	0.133

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 2012

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.



3/30/13
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	23,678,391	24,220,257	25,919,724	2,062,731
2. Power Production Expense				
3. Cost of Purchased Power	13,360,012	13,774,502	13,883,183	1,219,354
4. Transmission Expense	4,447	50,970	4,055	16,456
5. Regional Market Expense				
6. Distribution Expense - Operation	769,268	1,007,563	942,871	157,194
7. Distribution Expense - Maintenance	1,135,237	1,285,624	1,299,155	135,493
8. Customer Accounts Expense	870,899	835,343	1,031,424	90,747
9. Customer Service and Informational Expense	42,791	31,666	54,630	629
10. Sales Expense	20,621	19,462	40,600	(8,182)
11. Administrative and General Expense	1,632,749	1,597,973	1,767,965	175,343
12. Total Operation & Maintenance Expense (2 thru 11)	17,836,024	18,603,103	19,023,283	1,787,034
13. Depreciation and Amortization Expense	1,906,236	2,140,370	1,847,998	180,084
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	207,082	181,821	252,000	3,454
16. Interest on Long-Term Debt	2,138,284	2,165,988	2,189,904	245,938
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,987	5,562	5,196	53
19. Other Deductions	92,169	89,716	36,000	7,595
20. Total Cost of Electric Service (12 thru 19)	22,131,782	23,186,560	23,354,381	2,224,158
21. Patronage Capital & Operating Margins (1 minus 20)	1,436,609	1,033,697	2,565,343	(161,427)
22. Non Operating Margins - Interest	57,531	80,864	96,000	10,241
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	64,886	56,443	162,000	10,924
25. Non Operating Margins - Other				
26. Generation and Transmission Capital Credits	918,670	687,405	1,200,000	687,405
27. Other Capital Credits and Patronage Dividends	76,876	77,542	73,000	41,977
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,614,572	1,935,951	4,096,343	589,120

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			NM0020		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December 2012		
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	189	190	5. Miles Transmission	32	43
2. Services Retired	15	0	6. Miles Distribution - Overhead	3,376	2,733
3. Total Services in Place	14,754	14,841	7. Miles Distribution - Underground	149	66
4. Idle Services (Exclude Seasonals)	1,324	1,324	8. Total Miles Energized (5 + 6 + 7)	3,557	2,842
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	77,413,184		30. Memberships	0	
2. Construction Work in Progress	303,623		31. Patronage Capital	19,791,774	
3. Total Utility Plant (1 + 2)	77,716,807		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	24,481,518		33. Operating Margins - Current Year	1,113,708	
5. Net Utility Plant (3 - 4)	53,235,289		34. Non-Operating Margins	822,242	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(14,077)	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	21,713,647	
8. Invest. in Assoc. Org. - Patronage Capital	6,141,057		37. Long-Term Debt - RUS (Net)	20,401,521	
9. Invest. in Assoc. Org. - Other - General Funds	509,980		38. Long-Term Debt - FFB - RUS Guaranteed	16,072,802	
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)	8,452,360	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	236,149		42. Payments - Unapplied	1,021,145	
14. Total Other Property & Investments (6 thru 13)	6,887,186		43. Total Long-Term Debt (37 thru 41 - 42)	43,905,538	
15. Cash - General Funds	3,103,615		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	5,000		45. Accumulated Operating Provisions and Asset Retirement Obligations	401,378	
17. Special Deposits	430		46. Total Other Noncurrent Liabilities (44 + 45)	401,378	
18. Temporary Investments	0		47. Notes Payable	0	
19. Notes Receivable (Net)	222,669		48. Accounts Payable	1,374,130	
20. Accounts Receivable - Sales of Energy (Net)	1,399,908		49. Consumers Deposits	81,550	
21. Accounts Receivable - Other (Net)	40,574		50. Current Maturities Long-Term Debt	1,437,000	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	625,029		52. Current Maturities Capital Leases	0	
24. Prepayments	119,315		53. Other Current and Accrued Liabilities	889,685	
25. Other Current and Accrued Assets	5,697		54. Total Current & Accrued Liabilities (47 thru 53)	3,782,365	
26. Total Current and Accrued Assets (15 thru 25)	5,722,437		55. Regulatory Liabilities	0	
27. Regulatory Assets	3,792,618		56. Other Deferred Credits	116,764	
28. Other Deferred Debits	282,162		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	69,919,692	
29. Total Assets and Other Debits (5+14+26 thru 28)	69,919,692				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
This space is provided for important disclosure notes to the financial statements contained in this report. (A separate sheet may be used if additional space is needed).					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			NM0020		
			PERIOD ENDED		
INSTRUCTIONS - See help in the online application.			December 2012		

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	62,522,913	6,604,185	603,494		68,523,604
2. General Plant	5,418,022	430,946	677,751		5,171,217
3. Headquarters Plant	1,036,491	88,705	120,625		1,004,571
4. Intangibles	5,020				5,020
5. Transmission Plant	190,995	2,517,777			2,708,772
6. Regional Transmission and Market Operation Plant					0
7. All Other Utility Plant					0
8. Total Utility Plant in Service (1 thru 7)	69,173,441	9,641,613	1,401,870		77,413,184
9. Construction Work in Progress	7,511,229	(7,207,606)			303,623
10. Total Utility Plant (8 + 9)	76,684,670	2,434,007	1,401,870		77,716,807

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	443,250	133,588		89,126			537,712
2. Other	86,696	13,785		13,163			87,318

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	TOTAL (e)
1. Present Year	11.1	39.46	0	36.51	87.07
2. Five-Year Average	36.52	56.55	0	206.47	299.54

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	41	4. Payroll - Expensed	1,470,626
2. Employee - Hours Worked - Regular Time	81,009	5. Payroll - Capitalized	467,252
3. Employee - Hours Worked - Overtime	6,839	6. Payroll - Other	174,220

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		3,200,424
	b. Special Retirements	23,560	2,785,091
	c. Total Retirements (a + b)	23,560	5,985,515
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	17,782	
	c. Total Cash Received (a + b)	17,782	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. Amount Due Over 60 Days	\$	559,520	2. Amount Written Off During Year
			\$ 136,455

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION NM0020		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2012		
INSTRUCTIONS - See help in the online application.						
PART K. kWh PURCHASED AND TOTAL COST						
ITEM (a)	SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	PRIMARY RENEWABLE FUEL TYPE (d)	KWh PURCHASED (e)	TOTAL COST (f)	AVG COST (Cents/KWh) (g)
1. Tri-State G&T	30151			199,923,711	13,774,502	6.8
2.						
3.						
4.						
5. Total						
PART K. kWh PURCHASED AND TOTAL COST (Continued)						
LINE NO.	INCLUDED IN TOTAL COST		COMMENTS (j)			
	FUEL COST ADJUSTMENT (h)	WHEELING AND OTHER CHARGES (or CREDITS) (i)				
1.						
2.						
3.						
4.						
5. Total						
PART L. LONG-TERM LEASES (If additional space is needed, use separate sheet)						
List below all restricted property held under long-term lease. (If none, state "NONE")			RENTAL THIS YEAR (c)			
NAME OF LESSOR (a)		TYPE OF PROPERTY (b)				
1.	Pitney Bowes	Postage Machine	7,390			
2.	Ricoh Americas Corp	Copier	5,367			
3.	Global Rental	Altec Int. Bucket Truck	40,125			
4.	Global Rental	Freightliner Digger Truck	26,744			
5. Total						
PART M. ANNUAL MEETING AND BOARD DATA						
1. Date of Last Annual Meeting 04-14-2012	2. Total Number of Members 9,639	3. Number of Members Present at Meeting 617	4. Was Quorum Present? Yes			
5. Number of Members Voting by Proxy or Mail 141	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 95,245	8. Does Manager Have Written Contract? Yes			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS						
ITEM	BALANCE END OF YEAR (a)	BILLED THIS YEAR				
		INTEREST (b)	PRINCIPAL (c)	TOTAL (d)		
1. Rural Utilities Service (Excludes RUS - Economic Development Loans)	20,401,521	909,911	403,805	1,313,716		
2. National Rural Utilities Cooperative Finance Corporation:	8,452,360	407,059	682,804	1,089,863		
3. CoBank, ACB						
4. Federal Financing Bank	16,072,802	849,019	319,401	1,168,420		
5. RUS - Economic Development Loans						
6. Payments Unapplied	1,021,145					
7. Other (List Separately)						
8.						
9.						
10.						
11.						
12. Total	43,905,538	2,165,989	1,406,010	3,571,999		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0020		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2012		
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	11,296	11,395	
	b. kWh Sold			70,289,072
	c. Revenue			10,910,422
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	43	41	
	b. kWh Sold			525,978
	c. Revenue			66,445
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,599	1,532	
	b. kWh Sold			71,123,018
	c. Revenue			8,921,488
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	9	9	
	b. kWh Sold			36,696,437
	c. Revenue			3,903,433
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	
	b. kWh Sold			789,696
	c. Revenue			128,431
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)		12,953	12,983	
11. Total kWh Sold (lines 1b thru 9b)				179,424,201
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				23,930,219
13. Transmission Revenue				
14. Other Electric Revenue				290,038
15. kWh - Own Use				203,759
16. Total kWh Purchased				199,923,711
17. Total kWh Generated				
18. Cost of Purchases and Generation				13,825,472
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident Coincident				33,105

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				NM0020		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED		
				December 2012		
PART P. ENERGY EFFICIENCY PROGRAMS						
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)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total						

RUS Financial and Operating Report Electric Distribution

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		NM0020		
		PERIOD ENDED		
		December 2012		
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)				
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1. Investments In Associated Organizations				
a. CFC - Patronage Capital		165,738	35,565	
b. Tri-State		5,645,921	687,405	
c. Arkansas Electric	227			
d. Federated	163,227		25,027	
e. Western United	75,546			
f. NRTC	63			
g. CFC- CTC		506,880		
h. CFC Membership		1,000		
i. SEDC Membership		100		
j. Cobank Membership		1,000		
k. NRTC Membership	1,000			
l. SEDC Patronage	90,335		16,772	
m. Totals	330,398	6,320,639	764,769	
2. Other Investments				
a.				
b.				
c.				
d.				
e. Totals	0	0	0	
3. Special Funds				
a. Foundation Certificate of Deposit	145,200			
b. Foundation- Cash	65,907			
c. Wells Fargo- Cash	25,042			
d.				
e. Totals	236,149	0		
4. Cash - General				
a. Cash- General FSB	2,743,334	250,000		
b. Cash- Payroll FSB	14,778			
c. Cash- Const'uction Wells Fargo		25,028		
d. Cash- Capital Credits Wells Fargo		17,697		
e. Cash- Magdalena Wells Fargo		51,898		
f. Cash- Petty Cash	800			
g. Cash Petty Cash	80			
h. Totals	2,758,992	344,623		
5. Special Deposits				
a. Deposit for Gas & Water	380			
b. Deposit for Waterworks	50			
c.				
d.				
e. Totals	430	0		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION <div style="text-align: center;">NM0020</div> <hr/> PERIOD ENDED <div style="text-align: center;">December 2012</div>
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PART Q. SECTION I. INVESTMENTS (Continued)

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.

DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
6. Temporary Investments				
a.				
b.				
c.				
d.				
e. Totals	0	0		
7. Accounts & Notes Receivable - Net				
a. Notes Receivable- Section XII	17,171			
b. Notes Receivable- Section V	4,837			
c. Allowance for Uncollectible Notes				
d. TEP Note Receivable	200,861			
e. Other Accounts Receivable	40,574			
f. Other Accounts Receivable				
g. Other Accounts Receivable				
h. Other Accounts Receivable				
i. Other Accounts Receivable				
j. Other Accounts Receivable				
k. Other Accounts Receivable				
l. Other Accounts Receivable				
m. Other Accounts Receivable				
n. Totals	263,443	0	0	
8. Total Investments (1 thru 7)	3,589,412	6,665,262	764,769	

SECTION II. LOAN GUARANTEES

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1.				
2.				
3.				
4. Totals - All Loans Guaranteed by Borrower				
5. Totals - Included Loan Guarantees Only				

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)]	4.62 %
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SECTION IV. LOANS

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1. Employees, Officers, Directors				
2. Energy Resource Conservation Loans				
3.				
4.				
5.				
6.				
7. Totals				

