

KIT CARSON ELECTRIC COOPERATIVE, INC.

A Touchstone Energy* Cooperative

*The power of human connections**



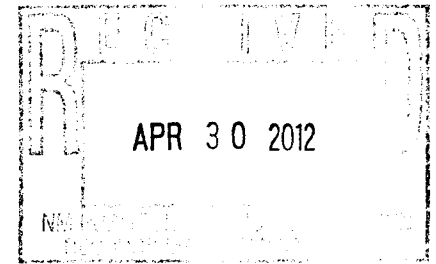
(575) 758-2258 • (800) 688-6780 • Fax: (575) 758-4890 or (575) 758-4611 • www.kitcarson.com

118 Cruz Alta Road • P.O. Box 578 • Taos, New Mexico 87571-0578



April 30, 2012

Mr. Ronald Montoya
NM Public Regulation Commission
Records Management Bureau
PO Box 1269
Santa Fe, NM 87504-1269



Re: 2011 Annual Report

To Whom It May Concern:

Enclosed please find the following:

1. Annual Report – Year ended December 31, 2011.
2. Rule 510.4(b) filing.
3. RUS Form 7 for year ended December 31, 2011.

If you should have any questions or need additional information, please give me a call at (505) 758-2258 ext. 126.

Sincerely,

Johnny Valerio
Financial Manager

BOARD OF TRUSTEES

Francis A. Cordova
Cristobal Duran
Bruce Jassmann
Toby Martinez

Virgil Martinez
Ambrose Mascareñas
Manuel Medina
Bobby R. Ortega

Arthur Rodarte
Jerry Smith
Luisa Valerio-Mylet

John F. McCarthy, Jr.
Corporate Attorney



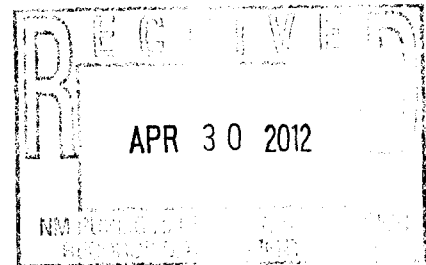
Luis A. Reyes, Jr.
Chief Executive Officer
Alex Romero
Chief Operating Officer

RURAL ELECTRIC COOPERATIVES

Annual Report

Of

Kit Carson Electric Cooperative, Inc.



(Exact legal name of Respondent)

TO THE

NEW MEXICO

PUBLIC REGULATION COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2011

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.	See Attached Schedules					\$	\$	\$	\$	%	\$
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.											
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22.											
23.											
24.											
25.											
26.											
27.											
28.											
29.											
30.											
31.											
32.											
33.	Total										
34.	Less Advance Payments Unapproved (Account 227)										
35.	Total										

Kit Carson Electric Cooperative
RUS Mortgage Notes
For The Year Ended December 31,2011

Note Number	Date of Note	Interest Rate	Principal Amount	Amount Unadvanced	Principal Repayments	Net Obligation
1B310	05/25/90	5.00%	1,408,000		565,239	842,761
1B312	05/25/90	5.00%	712,000		285,831	426,169
1B321	04/26/94	5.00%	1,614,000		432,440	1,181,560
1B326	04/26/94	5.00%	1,614,000		432,440	1,181,560
1B330	12/01/99	5.00%	7,178,000		1,129,740	6,048,260
1B340	10/02/00	5.00%	2,000,000		282,260	1,717,740
1B341	10/02/00	5.00%	2,000,000		279,342	1,720,658
1B342	10/02/00	5.00%	4,500,000		552,782	3,947,218
1B343	10/02/00	5.00%	4,500,000		488,510	4,011,490
1B344	10/02/00	5.00%	3,300,000		354,101	2,945,899
1B345	10/02/00	5.00%	3,073,000		308,871	2,764,129
1B350	05/01/07	4.98%	4,400,000		149,179	4,250,821
1B351	05/01/07	4.72%	3,500,000		125,054	3,374,946
1B352	05/01/07	4.26%	5,000,000		195,161	4,804,839
1B353	05/01/07	4.22%	5,000,000		163,455	4,836,545
1B354	05/01/07	4.61%	2,900,000		68,463	2,831,537
1B355	05/01/07	4.60%	5,000,000		68,069	4,931,931
	05/01/07		13,857,000	13,857,000		
Advance Payment						(244)
Total RUS			71,556,000	13,857,000	5,880,937	51,817,819

RUS Mortgage Notes
For The Year December 31,2011

Note Number	Date of Note	Interest Rate	Principal Amount	Deferred Interest	Principal Repayments	Net Obligation
5100	Jan 2008	4.125%	\$ 2,310,000		277,545	\$ 2,032,455
BBL 1-2			337,767			337,767
Total RUS			\$ 2,647,767		\$ 277,545	\$ 2,370,222

**Kit Carson Electric Cooperative
CoBank Mortgage Notes
For The Year December 31,2011**

[illegible]

'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 preceeding year (c)
1	POWER PRODUCTION EXPENSES		
2	STEAM POWER GENERATION		
3	OPERATIONS	\$	
4	500 Operation supervision and engineering		
5	501 Fuel		
6	502 Steam Expense		
7	503 Steam from other sources		
8	504 Steam Transferred -Cr		
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 expense-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 Expense		
27	521 Steam from other sources		
28	522 Steam Transferred -Cr		
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 plant		
39	Total maintenance		
40	Total power production expense-nuclear power		
41	HYDRAULIC POWER GENERATION		
42	OPERATION		
43	535 Operation supervision and engineering		
44	536 Water for power		
45	537 Hydraulic expense		
46	538 Electric Expense		
47	539 Miscellaneous hydraulic power generation expense		
48	540 Rents		
49	Total operation		
50	MAINTENANCE		
51	541 Maintenance supervision and engineering		
52	542 Maintenance of Structures		

ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for current Year (b)	Increase or decrease from preceeding year (c)
1	HYDRAULIC POWER GENERATION		
2	543 Maintenance of reservoirs, dams and waterways		
3	544 Maintenance electric plant		
4	545 Maintenance of miscellaneous hydraulic plant		
5	Total maintenance		
6	Total power production expenses-hydraulic power		
7	OTHER POWER GENERATION		
8	OPERATIONS		
9	546 Operation supervision and engineering		
10	547 Fuel		
11	548 Generation Expense		
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 stuctures	21,076	11,870
18	553 Maintenance of generating and electric plant		
19	554 Maintenance of miscelaneous other power generation plant		
20	Total maintenance		
21	Total power production expenses-other power		
22	OTHER POWER SUPPLY EXPENSES		
23	555 Purchased power	20,862,001	943,184
24	556 System control and load dispatching		
25	557 Other expenses		
26	Total other power supply expenses		
27	Total power production expenses	20,862,001	943,184
28	TRANSMISSION EXPENSES		
29	OPERATIONS		
30	560 Operation supervison and engineering		
31	561 Load Dispatching		
32	562 Station Expense		
33	563 Overhead line expense	49,546	(676)
34	564 Underground line expense		
35	565 Transmission of electricity by others		
36	566 Miscellaneous transmission expenses		
37	567 Rents		
38	Total operation	49,546	(676)
39	MAINTENANCE		
40	568 Maintenance supervision and engineering		
41	569 Maintenance of stuctures		
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	49,546	(676)
48	DISTRIBUTION EXPENSES		
49	OPERATIONS		
50	580 Operation supervision and engineering	343,872	(18,998)
51	581 Load Dispatching		
52	582 Station Expense	301,970	122,926
53	583 Overhead line expense	444,478	143,235
54	584 Underground line expense	335,184	(24,274)
55	585 Streed lighting and signal system expenses	13,145	(175)

ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for Current Year (b)	Increase or decrease from preceeding year (c)
1	DISTRIBUTION EXPENSES (continued)		
2	586 Meter expenses	250,555	(204,233)
3	587 Customer installation expenses		
4	588 Miscellaneous distribution expenses	505,671	19,226
5	589 Rents	2,852	0
6	Total Operation	2,197,727	37,707
7	MAINTENANCE		
8	590 Maintenance supervision and engineering		
9	591 Maintenance of stuctures		
10	592 Maintenance of station equipment	57,992	(4,152)
11	593 Maintenance of overhead lines	868,005	(73,465)
12	594 Maintenance of underground lines	265,677	(88,486)
13	595 Maintenance of line transformers		
14	596 Maintenance of street lighting and signal systems	35,311	(7,016)
15	597 Maintenance of meters		
16	598 Maintenance of miscellaneous distribution plant		
17	Total maintenance	1,226,985	(173,119)
18	Total distribution expenses	3,424,712	(135,412)
19	CUSTOMER ACCOUNTS EXPENSES		
20	OPERATIONS		
21	901 Supervision		
22	902 Meter reading expenses	541,289	34,506
23	903 Customer records and collection expenses	1,222,878	(67,757)
24	904 Uncollectible accounts	60,000	(295,500)
25	905 Miscellaneous customer accounts expenses	120,467	(9,595)
26	Total customer accounts expenses	1,944,634	(338,346)
27	SALES EXPENSES		
28	OPERATION		
29	911 Supervision		
30	912 Demonstrating and selling expenses		
31	913 Advertising expenses		
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		
35	Total sales expenses		
36	ADMINISTRATIVE & GENERAL EXPENSES		
37	OPERATIONS		
38	920 Administrative and general salaries	1,194,880	51,253
39	921 Office suplies and expenses	510,825	8,524
40	922 Administrative expenses transferred-Cr		
41	923 Outsids services employed	648,194	392,245
42	924 Property insurance		
43	925 Injuries and damages	14,097	9,706
44	926 Employee pensions and benefits	16,637	(3,659)
45	927 Franchise requirements		
46	928 rugulatory commission expenses	172,073	3,277
47	929 Duplicate charges-Cr		
48	930 Miscellaneous general expenses	601,589	80,072
49	931 Rents		0
50	Total operation	3,158,295	541,418
51	MAINTENANCE		
52	935 Maintenance of general plant	176,916	(110,524)
53	Total administrative and general expenses	3,335,211	430,894
54	Total Electric Operation and Maintenance Expenses	29,637,180	899,644

ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
1	Power Production Expenses	21,076		21,076
2	Electric Generation:			
3	Steam power			
4	Nuclear power			
5	Hydraulic power			
6	Other power			
7	Other Power supply expenses	20,862,001		20,862,001
8	Total power production expenses			
9	Transmission Expenses	49,546		49,546
10	Distribution Expenses	2,197,727	1,226,985	3,424,712
11	Customer Accounts Expenses	1,944,634		1,944,634
12	Sales Expenses			
13	Adm. and General Expenses	3,335,211		3,335,211
14	Total Electric Operation and Maintenance Expenses	28,389,119	1,226,985	29,637,180
NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES				
15	Number of Electric Department Employees, Payroll Period Ending-		12/31/11	
16	1. Total Regular Full-Time Employees		90	
17	2. Total Part-Time and Temporary Employees		5	
18	3. Total Employee		95	
<div> <div> <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</p> </div> <div> <p>special construction employees so included</p> <p>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 estimate number of equivalent employees attributed to the electric department from joint functions.</p> </div> </div>				

2

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 on such engineering, supervisor, and administrative costs, 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 purpose 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 costs (d)
1	Stores		LABOR:	
2	Transportation	\$547,331	\$419,463	
3	Taxes		MATERIAL:	
4	Insurance		\$890,313	
5				
6				
7				
8				
9				
10				
11				
12				
13				0
14	Totals	\$ 547,331	\$ 1,309,776	42%

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead for electric plant explain (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, and (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.

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 the 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 lessor, 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:	27,453	14,264	
2	Additions during the year:			
3	Purchases:	1,088	137	
4	Associated with utility plant acquired			
5	Total additions:	1,088	137	
6	Reductions during the year:			
7	Retirements:	254	231	
8	Associated with utility plant sold			
9	Total reductions:	254	231	
10	Number at end of year:	28,287	14,170	
11	In Stock:	434	350	
12	Locked meters on customers's premises			
13	Inactive transformers on system			
14	In Customers's use:	28,756	13,800	
15	In Company's use:	35	20	
16	Total end of year (as above)	29,225	14,170	

'New Mexico Jurisdictional Information
Year Ending December 31, 2011

Electric Company Name: Kit Carson Electric Cooperative, Inc.

Address: PO Box 578 Taos, NM 87571

Phone Number: (505) 758-2258

Person Completing Form -- Johnny Valerio, Financial Manager / Assistant Manager

Customer Class	Residential	Other	Total
Number of Customers:	24,164	4,005	28,169
Kwh Sales (Thousands):	140,030,515	150,670,537	290,701,052
Gross Revenues:	18,512,118	17,412,752	35,924,870
Avg. Annual Kwh per Customer (1):	5,795	37,621	43,416
Avg. Annual Bill per Customer (2):	\$766	\$4,348	\$5,114
Avg. Monthly Bill per Customer (3):	\$64	\$362	\$426
Avg. Gross Revenue per Kwh sold (4):	0.132	0.116	0.124

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.

2011

2. A sketch map showing the location and the approximate boundary of each of these areas, together with identification symbols, should be furnished

2011

2,580	Jan-11	55.1%
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VERIFICATION

The foregoing report must be verified by the oath of the officer 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 Taos


Alex Romero makes oath and says that he is Chief Operating Officer
(Insert here the name of the affiant.) (Insert here the official title of the affiant.)

of Kit Carson 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, 2011,

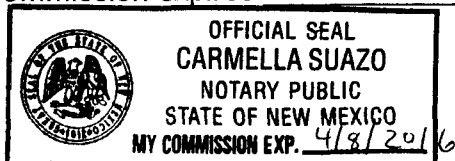
to and including December 31, 2011,



(Signature of affiant)

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

County above named, this 30th day of April, 2012

My commission expires 4/8/2016




(Signature of officer authorized to administer oaths)

Kit Carson Electric
Rule 510.4B Filing
Year - 2011

	2011	
A: Revenues:	36,362,319	15,841,522
B: Earnings:	2,068,968	271,242
C: Return on Equity	5.16%	8.80%
D: Amount of Debt	69,358,879	17,167,893
Average Cost of Debt	4.65%	5.80%
E: Capital Structure:		
Equity:	38,422,520	7,369,739
Debt:	69,358,879	17,167,893
F: Generation Plant In-Service	4,663,364	
G: Transmission Plant In Service	12,409,725	2,283,313
H: Distribution Plant In Service	87,160,015	21,185,309
I: Operation & Maint. Expense:		
Cost of Purchased Power	20,862,001	11,486,817
Transmission Expense	70,622	7,813
Distribution Expense-Operation	2,197,728	338,665
Distribution Expense- Maintenance	1,226,984	429,901
Consumer Accounts Expense	1,841,466	470,673
Customer Service & Information	103,168	35,166
Amin. & Gen'l Expense	3,335,211	844,896
Total Operation & Maintenance Exp	29,637,180	13,613,931
J: Deferred Tax Reserves		
K: Peak Demand	60,226	
L: Net Energy Sales (kwh)	290,701,052	252,345,393

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 NM0011

PERIOD ENDED December, 2011

BORROWER NAME Kit Carson 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.

4-27-2012
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	34,099,770	36,362,319	33,487,868	3,884,473
2. Power Production Expense				
3. Cost of Purchased Power	19,918,817	20,862,001	19,501,300	2,254,778
4. Transmission Expense	59,428	70,622	22,452	4,983
5. Regional Market Expense				
6. Distribution Expense - Operation	2,160,020	2,197,728	1,409,290	243,226
7. Distribution Expense - Maintenance	1,400,104	1,226,984	1,120,604	120,541
8. Customer Accounts Expense	2,170,447	1,841,466	1,957,349	152,339
9. Customer Service and Informational Expense	112,534	103,168	309,021	12,012
10. Sales Expense				
11. Administrative and General Expense	2,798,492	3,335,211	2,458,679	317,850
12. Total Operation & Maintenance Expense (2 thru 11)	28,619,842	29,637,180	26,778,695	3,105,729
13. Depreciation and Amortization Expense	3,496,078	3,443,468	2,930,538	549,528
14. Tax Expense - Property & Gross Receipts			452,090	
15. Tax Expense - Other	37,518	36,838	284,731	23,027
16. Interest on Long-Term Debt	2,813,457	3,131,139	2,967,838	220,877
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,227	1,287	4,312	928
19. Other Deductions	3,944	6,687		
20. Total Cost of Electric Service (12 thru 19)	34,975,066	36,256,599	33,418,204	3,900,089
21. Patronage Capital & Operating Margins (1 minus 20)	(875,296)	105,720	69,664	(15,616)
22. Non Operating Margins - Interest	12,250	41,920	30,486	25,063
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(53,568)	(183,831)		(34,452)
26. Generation and Transmission Capital Credits	1,574,624	1,904,197		1,904,197
27. Other Capital Credits and Patronage Dividends	372,244	200,962		200,095
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,030,254	2,068,968	100,150	2,079,287

RUS Financial and Operating Report Electric Distribution

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			NM0011		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2011		
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	321	254	5. Miles Transmission	143.00	143.00
2. Services Retired	300	300	6. Miles Distribution – Overhead	1,710.71	1,717.30
3. Total Services in Place	28,863	28,823	7. Miles Distribution - Underground	880.59	913.11
4. Idle Services (Exclude Seasonals)	521	475	8. Total Miles Energized (5 + 6 + 7)	2,734.30	2,773.41
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	125,137,624		30. Memberships	0	
2. Construction Work in Progress	3,281,762		31. Patronage Capital	38,190,607	
3. Total Utility Plant (1 + 2)	128,419,386		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	42,509,463		33. Operating Margins - Current Year	105,721	
5. Net Utility Plant (3 - 4)	85,909,923		34. Non-Operating Margins	1,635,920	
6. Non-Utility Property (Net)	493,566		35. Other Margins and Equities	134,153	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	40,066,401	
8. Invest. in Assoc. Org. - Patronage Capital	8,315,717		37. Long-Term Debt - RUS (Net)	52,733,465	
9. Invest. in Assoc. Org. - Other - General Funds	5,181		38. Long-Term Debt - FFB - RUS Guaranteed	0	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,738,149		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	13,296,701	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	337,767	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	10,552,613		43. Total Long-Term Debt (37 thru 41 - 42)	66,367,933	
15. Cash - General Funds	2,051,730		44. Obligations Under Capital Leases - Noncurrent	287,175	
16. Cash - Construction Funds - Trustee	479,434		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	287,175	
18. Temporary Investments	102,566		47. Notes Payable	200,000	
19. Notes Receivable (Net)	14,468		48. Accounts Payable	3,479,021	
20. Accounts Receivable - Sales of Energy (Net)	7,028,609		49. Consumers Deposits	233,482	
21. Accounts Receivable - Other (Net)	442,048		50. Current Maturities Long-Term Debt	2,990,946	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	2,529,680		52. Current Maturities Capital Leases	81,770	
24. Prepayments	181,006		53. Other Current and Accrued Liabilities	1,807,790	
25. Other Current and Accrued Assets	178,881		54. Total Current & Accrued Liabilities (47 thru 53)	8,793,009	
26. Total Current and Accrued Assets (15 thru 25)	13,008,422		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	564,271	
28. Other Deferred Debits	6,607,831		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	116,078,789	
29. Total Assets and Other Debits (5+14+26 thru 28)	116,078,789				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION NM0011
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2011
PART D. NOTES TO FINANCIAL STATEMENTS	

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PART D. CERTIFICATION LOAN DEFAULT NOTES	

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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	82,577,856	5,204,770	622,611		87,160,015
2. General Plant	7,987,181	3,324,198			11,311,379
3. Headquarters Plant	5,174,467				5,174,467
4. Intangibles	0				0
5. Transmission Plant	12,409,725				12,409,725
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	8,865,685	308,154	91,801		9,082,038
8. Total Utility Plant in Service (1 thru 7)	117,014,914	8,837,122	714,412		125,137,624
9. Construction Work in Progress	4,205,643	(923,881)			3,281,762
10. Total Utility Plant (8 + 9)	121,220,557	7,913,241	714,412		128,419,386

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	1,803,773	980,527		1,158,557	1,243	(6,661)	1,617,839
2. Other	810,962	2,732,747			2,593,044	(38,824)	911,841

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	0.000	60.000	6.000	24.000	90.000
2. Five-Year Average	4.800	51.600	8.520	43.200	108.120

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	90	4. Payroll - Expensed	3,036,311
2. Employee - Hours Worked - Regular Time	194,323	5. Payroll - Capitalized	611,033
3. Employee - Hours Worked - Overtime	6,462	6. Payroll - Other	773,896

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		2,495,808
	b. Special Retirements	102,597	961,103
	c. Total Retirements (a + b)	102,597	3,456,911
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	71,288	
	c. Total Cash Received (a + b)	71,288	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. Amount Due Over 60 Days	\$ 801,193	2. Amount Written Off During Year	\$ 148,541

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION NM0011		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2011		

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	82,577,856	5,204,770	622,611		87,160,015
2. General Plant	7,987,181	3,324,198			11,311,379
3. Headquarters Plant	5,174,467				5,174,467
4. Intangibles	0				0
5. Transmission Plant	12,409,725				12,409,725
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	8,865,685	308,154	91,801		9,082,038
8. Total Utility Plant in Service (1 thru 7)	117,014,914	8,837,122	714,412		125,137,624
9. Construction Work in Progress	4,205,643	(923,881)			3,281,762
10. Total Utility Plant (8 + 9)	121,220,557	7,913,241	714,412		128,419,386

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	1,803,773	980,527		1,158,557	1,243	(6,661)	1,617,839
2. Other	810,962	2,732,747			2,593,044	(38,824)	911,841

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	0.000	60.000	.600	24.000	84.600
2. Five-Year Average	4.800	51.600	8.520	43.200	108.120

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	90	4. Payroll - Expensed	3,036,311
2. Employee - Hours Worked - Regular Time	194,323	5. Payroll - Capitalized	611,033
3. Employee - Hours Worked - Overtime	6,462	6. Payroll - Other	773,896

PART I. PATRONAGE CAPITAL			
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1. Capital Credits - Distributions	a. General Retirements		2,495,808
	b. Special Retirements	102,597	961,103
	c. Total Retirements (a + b)	102,597	3,456,911
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	71,288	
	c. Total Cash Received (a + b)	71,288	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. Amount Due Over 60 Days	\$ 801,193	2. Amount Written Off During Year	\$ 148,541

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					NM0011				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2011				
PART K. kWh PURCHASED AND TOTAL COST									
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			317,767,243	20,862,001	6.57		7,609
	Total				317,767,243	20,862,001	6.57		7,609

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION NM0011
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2011
PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION NM0011	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2011	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION NM0011	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2011	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/18/2011	2. Total Number of Members 22,490	3. Number of Members Present at Meeting 575	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 \$ 152,897	8. Does Manager Have Written Contract? Y

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION NM0011		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2011		
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)	52,733,465	2,490,142	1,030,791	3,520,933
2	National Rural Utilities Cooperative Finance Corporation				
3	CoBank, ACB	13,296,701	564,280	1,887,726	2,452,006
4	Federal Financing Bank				
5	RUS - Economic Development Loans	337,767	70,950	277,545	348,495
6	Payments Unapplied				
7	Farm Credit Leasing	287,175	5,767		5,767
	TOTAL	66,655,108	3,131,139	3,196,062	6,327,201

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2011		
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	22,197	21,601	
	b. kWh Sold			127,969,161
	c. Revenue			16,816,132
2. Residential Sales - Seasonal	a. No. Consumers Served	1,967	2,809	
	b. kWh Sold			12,061,354
	c. Revenue			1,695,986
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,982	3,561	
	b. kWh Sold			107,223,577
	c. Revenue			12,568,059
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	10	10	
	b. kWh Sold			42,601,200
	c. Revenue			4,715,050
6. Public Street & Highway Lighting	a. No. Consumers Served	13	13	
	b. kWh Sold			845,760
	c. Revenue			129,643
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)	28,169	27,994	
11.	Total kWh Sold (lines 1b thru 9b)			290,701,052
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			35,924,870
13.	Transmission Revenue			
14.	Other Electric Revenue			437,446
15.	kWh - Own Use			823,491
16.	Total kWh Purchased			317,767,243
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			20,932,623
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>			60,226

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION NM0011		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December, 2011		
INSTRUCTIONS - See help in the online application.						
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						

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2011			
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)
1	Non-Utility Property (NET)				
	NONUTILITY PLANT TELECOM	429,328			
	NONUTILITY PLANT-CALL CNTR	64,238			
	Totals	493,566			
2	Investments in Associated Organizations				
	CFC-PATRONAGE CAPITAL		62,629		
	CFC-MEMBERSHIP	1,000			
	CO-BANK-PATRONAGE CAPITAL		618,718		
	FEDERATED RURAL INS-PATRONAGE	184,898			
	SEDC-PATRONAGE CAPITAL	140,989			
	NRTC-PATRONAGE CAPITAL	730,915			
	TRI-STATE PATRONAGE CAPITAL		8,315,717		
	MEMBERSHIP-TRI-STATE G&T	5			
	MEMBERSHIP-ECO	4,075			X
	MEMBERSHIP-BASIN ELECTRIC	100			
	Totals	1,061,982	8,997,064		
6	Cash - General				
	CASH-GEN'L & OPERATING	1,158,755	892,975		
	Totals	1,158,755	892,975		
8	Temporary Investments				
	CO-BANK INVESTMENT SERVICES		102,566		
	Totals		102,566		
9	Accounts and Notes Receivable - NET				
	NOTES RECEIVABLE-ETS	1,155			
	NOTES RECEIVABLE-COMPUTER	13,312			
	ACCOUNTS RECEIVABLE-OTHER	442,048			
	Totals	456,515			
11	TOTAL INVESTMENTS (1 thru 10)	3,170,818	9,992,605		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2011			
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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2011			
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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]					2.47 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				