

**IN THE COURT OF APPEALS  
OF THE STATE OF NEW MEXICO**

COURT OF APPEALS OF NEW MEXICO  
**FILED**

MAR 20 2009

*Sim M. Maestas*

SUNNYLAND FARMS, INC.

Plaintiff-Appellee,

vs.

Ct. App. No. 28,807

CENTRAL NEW MEXICO  
ELECTRIC COOPERATIVE, INC.

Defendant-Appellant.

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*ON APPEAL FROM THE THIRTEENTH JUDICIAL DISTRICT  
CIBOLA COUNTY, NEW MEXICO  
THE HONORABLE JOHN W. POPE  
D-1333-CV-2005-00192*

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**BRIEF OF AMICUS CURIAE  
NEW MEXICO RURAL ELECTRIC COOPERATIVE  
ASSOCIATION**

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## STATEMENT OF INTEREST

The New Mexico Rural Electric Cooperative Association (hereafter “NMRECA”) is a nonprofit corporation representing the interests of 16 rural electric cooperatives (hereafter “distribution cooperatives”) and 450,000 New Mexican consumer-owners spread across over 100,000 square miles of New Mexico<sup>1</sup> (hereafter, “the State”). NMRECA also has two associate members with partial operations in the State.<sup>2</sup>

Each of the distribution cooperatives are not-for-profit cooperatives governed by a Board of Directors elected by the membership. Members of the distribution cooperatives are the customers of the cooperative. Unlike investor-owned public utilities, the customers of the distribution cooperatives are directly involved in the management of the cooperative.

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<sup>1</sup> The NMRECA members include: Defendant-Appellant Central New Mexico Electric Cooperative, Inc. (hereafter “CNMEC”); Central Valley Electric Cooperative, Inc.; Columbus Electric Cooperative, Inc.; Continental Divide Electric Cooperative, Inc.; Farmers Electric Cooperative, Inc.; Jemez Mountains Electric Cooperative, Inc.; Kit Carson Electric Cooperative, Inc.; Lea County Electric Cooperative, Inc.; Mora-San Miguel Electric Cooperative, Inc.; Northern Rio Arriba Electric Cooperative, Inc.; Otero County Electric Cooperative, Inc.; Roosevelt County Electric Cooperative, Inc.; Sierra Electric Cooperative, Inc.; Socorro Electric Cooperative, Inc.; Southwestern Electric Cooperative, Inc.; Springer Electric Cooperative, Inc.; and Tri-State Generation and Transmission Association, Inc., headquartered in Westminster, Co.

<sup>2</sup> The associate members of NMRECA are Navapache Electric Cooperative, Inc., headquartered in Lakeside, AZ, and Rio Grande Electric Cooperative, Inc., headquartered in Brackettville, TX.

Because of the nature of distribution cooperatives as member-owned non-profits, these utilities do not operate with a significant “financial cushion” or margin. Instead, the purpose of cooperative management is to maintain rates as low as possible, while still being able to provide reliable electric service to consumers.

The distribution cooperatives represented by NMRECA provide electric service to sparsely populated areas of the state with an average of only four and one-half customers per mile of electric line. This low density of customers is in stark contrast to the investor-owned utilities and municipal utilities which serve and recover costs from many more customers per mile of electric line. The residential consumer owners of New Mexico’s distribution cooperatives use less than half the power per month used nationally by other rural residential consumers. Indeed, in 2005, the total power usage by the residential, commercial, irrigation and industrial customers of the NMRECA distribution cooperatives amounted to only 4,600,000 MWhs of electricity with a combined total cost of only \$200 million.

The distribution cooperatives are also significant employers in communities that they serve. Currently, NMRECA members employ nearly

1,000 people in New Mexico. The NMRECA members are a major component of the local economies within the rural communities they serve.<sup>3</sup>

NMRECA files this brief in support of CNMEC's appeal of the district court's judgment, to address a single issue of great concern to the distribution cooperatives and their consumer owners. NMRECA asserts that the district court's analysis of "foreseeability" under a negligence standard and its subsequent imposition of damages determined under that tort standard in a contract action, to which comparative fault does not apply, is not the proper measure of damages in an action for breach of contract.<sup>4</sup> The measure of contract damages applied by the district court threatens the very existence of CNMEC. Equally important, this decision, if left unchanged, would establish a precedent that would raise serious questions about the ability of distribution cooperatives to continue to serve their membership without substantial rate increases.

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<sup>3</sup> Further details regarding the NMRECA can be found at [www.NMelectric.coop](http://www.NMelectric.coop)

<sup>4</sup> NMRECA adopts and incorporates by reference the arguments set forth in CNMEC's Opening Brief with regard to the law of contracts and whether the damages awarded were reasonably foreseeable at the time of contracting. NMRECA will not burden the court by restating the arguments herein. This brief supplements CNMEC's brief and focuses on Section 351(3) of the *Restatement (Second) of Contracts*, which states, "A court may limit damages for foreseeable loss by excluding recovery for loss of profits, by allowing recovery only for loss incurred in reliance, or otherwise if it concludes that in the circumstances justice so requires in order to avoid disproportionate compensation."

If such attenuated losses are deemed to be “foreseeable” by this Court, small public utility electric service providers, such as the distribution cooperatives, will be compelled to either seek substantial rate increases which enable them to effectively “insure” against the possibility of such catastrophic losses or face the potential of bankruptcy. This result is neither legally necessary, nor required by existing State law.

This Court previously recognized that losses which have no reasonable relationship to the fees charged by a breaching party may be **limited** in the interests of justice. *Manouchehri v. Heim*, 1997-NMCA-052, ¶ 25, 123 N.M. 439, 941 P.2d 978 (1997) (citing *Restatement (Second) of Contracts* § 351(3) (1981)). Despite CNMEC’s argument that the district court consider “foreseeability” from a contract claim perspective, the amended judgement fails to reflect such an analysis. The measure of damages applied by the district court – for losses which it found to be 80% caused by Sunnyland and therefore only 20% compensable under tort law [RP 1145, COL 11-12] – simply adopted the tort damages measure, without considering whether such gross disproportion between the damages awarded and the fees charged for electric service demonstrates that the contracting parties neither foresaw such a result at the time of contracting, nor intended such a shifting of the risk of loss.



## SUMMARY OF PROCEEDINGS

NMRECA adopts the Summary of Proceedings set forth in the Opening Brief of CNMEC and emphasizes the follow procedural facts:

In the underlying action, the district court entered Findings of Fact and Conclusions of Law [RP 1120 – 1145]. The district court found Sunnyland management or employees caused 80% of the damages claimed and “CNMEC is 20% liable for any damages” [RP 1145, COL 11-12]. Finally, the district court’s Conclusion of Law Number 13, ruling on both Sunnyland’s tort claim – negligence – and a contract claim, found as follows:

- 1.) Loss of the Estancia Facility \$7,150,000.00
- 2.) Loss of Grants equipment \$500,000.00
- 3.) Lost crop less saved expense \$13,704,828.00

**All damages are reduced by comparative fault.**

[RP 1145, COL 13 (emphasis added)].

CNMEC filed a Motion to Amend and Clarify the Findings of Fact and Conclusion of Law [RP 1174-85]. The district court heard oral argument and entered an Amended Judgment [RP 1556 – 1557]. In its amended judgment, the district court concluded that comparative fault does not apply to contract claims [RP 1556]. Without any discussion of the proper measure of damages in contract actions, the court simply adopted its

Conclusion of Law Number 13, and entered an award on the **contract** claim of the full amount of property damages and profits lost through crop losses - \$21,354,882 [RP 1556]. The court then entered the same award on the tort claim, subject to a reduction of 80% to account for Sunnyland's negligence [RP 1556]. Finally, the court granted Sunnyland the option to elect recovery of damages under either the tort or contract award [RP 1556].

### **SUMMARY OF FACTS**

NMRECA adopts the Summary of Facts set forth in the Opening Brief of CNMEC and cites the following additional facts:

The rates charged by CNMEC to Sunnyland were set by the New Mexico Public Regulation Commission. *See* NMSA 1978, § 62-6-4(A) (2003) ("The commission shall have general and exclusive power and jurisdiction to regulate and supervise every public utility in respect to its rates and service regulations and in respect to its securities"); *N.M. Indus. Energy Consumers v. N.M. Pub. Serv. Comm'n*, 111 N.M. 622, 635, 808 P.2d 592, 605 (1991) ("The Commission is vested with broad discretion to pursue its statutory mandate to set just and reasonable rate or rates." (internal quotation marks and quoted authority omitted)). By law, the rates charged by the CNMEC to Sunnyland were the same as the rates charged to all other

customers of the same classification.<sup>5</sup> *See* NMSA 1978, § 62-8-4 (1941) (“Such schedules filed by every public utility shall set forth the classification of users and the rates to be charged as to each classification[.]”). Further, there is no evidence in the record to demonstrate that the fees charged by CNMEC were calculated to compensate it for bearing the burden of the type of loss compensated by the trial court’s award of damages. To the contrary, the record demonstrates that neither CNMEC nor Sunnyland foresaw this particular set of circumstances happening as the result of the disconnection of electricity [Tr. (Day 7) 107-08; Tr. (Day 9) 3-4].

The record reflects that over a one-month period, Sunnyland was charged for its four accounts a total of \$2960.79, excluding its delinquent balances, for electric power deliveries [RP 596-99]. This charge for electric service represents less than 1/7100<sup>th</sup>, or fourteen thousandths of one percent, of the total damage award of more than \$21 million. Further, it is a matter of public record, that in the year ending December 31, 2003, the year of the claimed loss, CNMEC’s **gross** revenues from **all** customers across all classes of customers were substantially less than the \$21 million damage award

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<sup>5</sup> NMSA 1978, § 62-8-6 (1993, prior to amendments through 2008) prohibits discrimination between users within any particular classification. It provides, in relevant part, “No public utility shall as to rates or service, make or grant any unreasonable preference or advantage to any corporation . . . within any classification or subject any corporation . . . within any classification to any unreasonable prejudice or disadvantage.”

entered by the district court in favor of a single consumer. [See Revised Power Requirement Study, Form 1, attached to the PRC Annual Report for CNMEC, attached as Exhibit A to the Request for Judicial Notice.]<sup>6</sup>

**ARGUMENT:**

**Contract Damages Which Are Grossly Disproportionate to the Consideration Received Under the Contract by the Breaching Party Are Not Foreseeable Damages.**

This Court, in *Manouchehri*, held that consequential damages such as lost profits could be recovered so long as they are foreseeable at the time of contracting. 1997-NMCA-052, ¶ 25. In other words, a “tacit agreement” between the parties must place the risk of such a loss on the breaching party and compensate it for bearing the risk. *Wall v. Pate*, 104 N.M. 1, 2, 715 P.2d 449, 450 (1986) (Reviewing an award of consequential damages, the Court quoted Justice Holmes’s “critical analysis” of foreseeability of contract damages to include a “tacit agreement” by the defendant to respond in damages for the particular damages understood to be likely the event of a breach).

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<sup>6</sup> NMRECA requests that this Court take judicial notice of the PRC Annual Report for CNMEC and Revised Power Requirement Study, Form 1 filed on April 26, 2004 with the Public Regulation Commission and attached as Exhibit A to the Request for Judicial Notice filed herewith.

The *Manouchehri* court explained that where the lost profits are particularly large, some limits could be placed on the amount of the recovery. 1997-NMCA-052, ¶ 25. Reading the case law as a whole, it is clear that an award of damages which is grossly disproportionate to the compensation for which the breaching party contracted is itself evidence of a lack of foreseeability. The link between contractual foreseeability and proportionality of damages is neither novel nor new in the law. In 1928, in assessing whether a water company that had contracted with a city to supply water had assumed the risk of indemnifying citizens for enormous fire losses caused by failure of the company to supply water for firefighting, Justice Cardozo explained:

A promisor will not be deemed to have had in mind the assumption of a risk so overwhelming for any trivial reward.

*H.R. Moch Co. v. Rensselaer Water Co.*, 159 N.E. 896, 898 (1928).

Thus, the concepts of proportionality of damages and foreseeability of the loss are inexorably linked.

Stated another way, the consideration to be paid to the breaching party is itself evidence as to the foreseeability of the loss at the time of contracting. “A contract price’s lack of proportionality may indicate whether such damages were foreseeable.” *Maine Rubber Int’l v.*

*Environmental Mgmt. Group*, 324 F. Supp. 2d 32, 37 (D. M.E. 2004)

(Upholding an award of damages on the grounds that damages were not so disproportionate to the contract price as to have been unforeseeable when the contract was made.)

The *Restatement (Second) of Contracts* Section 351(3) provides that damages may be limited, even if arguably foreseeable, if the court concludes that under the circumstances, justice so requires to avoid disproportionate compensation. Comment *f.* to Section 351 of the *Restatement* makes clear, that despite the nod to foreseeability, extreme disproportion between the loss and the price paid to the party charged with liability for the loss is itself evidence of a lack of foreseeability. “The fact that the price is relatively small suggests that it was not intended to cover the risk of such liability.” *See also Sundance Cruises Corp. v. Am. Bureau of Shipping*, 7 F.3d 1077, 1084 (2d Cir. 1993), *cert. denied*, 511 U.S. 1018 (1994) (“[G]reat disparity between the fee charged . . . and the damages sought . . . is strong evidence that such a result was not intended by the parties.”); *Robotic Vision Sys. Inc. v. Cybo Sys., Inc.*, 17 F. Supp. 2d 151, 160 (E.D.N.Y. 1998) (quoting *Restatement, supra*, at Sec. 351(3)).

The practical effect of a decision such as that rendered by the district court which awards grossly disproportionate damages is to turn the breaching party into an uncompensated insurer against any and all losses. In

this action, the amounts paid by Sunnyland for electric power service cannot reasonably be considered to have been sufficient to cover the risk of liability in the magnitude awarded in this case. Utility companies in general and the distribution cooperatives, in particular, “could not continue to exist under such terms.” *Sundance Cruises Corp.*, 7 F.3d at 1084.

Insurance contracts illustrate in stark terms that contracts which are intended to shift the risk of a particular loss are subject to careful calculation to determine “fair” compensation for the promisor’s agreement to bear the risk of liability for a stipulated loss. Despite the care with which insurance companies calculate premiums, even an award of damages under a contract of insurance may be limited on the grounds of “extreme disproportion between the insured’s \$10,000 insurance premium and the \$3 million in liability [which] **strongly suggests** that the parties had not contemplated coverage” of this scope. *General Star v. Lake Geneva Sugar Shack*, 572 N.W. 2d 881, 889 (W.I. Ct. App. 1997) (emphasis added). In other words, the parties did not foresee damages of this magnitude.

At least one commentator, reviewing the language of *Restatement (Second) of Contracts* Section 351(3) allowing courts to limit damage awards that are disproportionate, has explained that, reduced to its simplest terms, the concept of limiting damage awards to avoid unjust imposition of

disproportionate compensation, is simply a recognition that a rational promisor would refuse to enter into a contract if he understood the relative risks and benefits of the agreement:

Although individuals at the moment of entering into a contract generally do not contemplate breach, and although the duty to pay damages is a secondary duty imposed by law as a consequence of the breach there are certain risks so unfair to a promisor, because of disproportion to the consideration received, that he would have refused to enter into the contract had he been aware [sic] that the law of damages would impose that risk upon him. In this sense, it can be said that the parties, because they did after all agree to be bound, intended that the promisor not bear that risk.

Under this view, it can be said that the parties contract to incorporate a court's subsequent assessment of damages. They assume when making the contract that the court will act fairly in awarding damages commensurate with the risk of liability undertaken.

M.N. Kniffin, *A Newly Identified Contract Unconscionability:*

*Unconscionability of Remedy*, 63 Notre Dame L. Rev. 247, 255-56 (1988)

(internal quotation marks and citations omitted).

In the instant case, where the trial court has expanded the concept of foreseeability to include over \$21 million in property damage and future lost profits for an unplanted crop of tomatoes, the court effectively has made the utility company an insurer against unimaginable losses that were not contemplated by either party at the time of contracting [Tr. (Day 7) 107-08;



Tr. (Day 9) 3-4]. Surely this is not a risk that CNMEC contemplated undertaking. Nor is it a risk that any distributive cooperative members of the NMRECA are financially able or prepared to undertake. Further, there is simply no evidence in the record to suggest that this is a risk which the New Mexico Public Regulation Commission considered in authorizing the rates for electric service paid by the customers of the distribution cooperative. See NMSA 1978, § 62-8-1 (1941) (“Every rate made, demanded or received by any public utility shall be just and reasonable.”); *Hobbs Gas Co. v. N. M. Pub. Serv. Comm’n*, 94 N.M. 731, 733, 616 P.2d 1116, 1118 (1980) (“The traditional elements of the rate-making process and the establishment of the total revenue requirement are (1) determination of the costs of the operation, (2) determination of the rate base which is the value of the property minus accrued depreciation, and (3) determination of the rate of return.” (citation omitted)). Indeed, Sunnyland admits that it **never** foresaw the turn of events that resulted in the claimed damages [Tr. (Day 7) 107-08].

In contrast to the lack of foreseeability of the loss to Sunnyland and the failure to compensate CNMEC for bearing the risk of such loss, CNMEC and Sunnyland entered into the agreement for electric service, against a backdrop of well-settled case law from throughout the utility industry which makes clear that a utility is not an insurer against all possible losses flowing

from termination of service. It is therefore reasonable to assume that at the time of contracting, both parties assumed that in the event of a breach, the court would act fairly to award damages commensurate with the risk of liability undertaken.

The duty of a utility company is to deliver the service requested at rates authorized by regulators. Utilities are not in the business of fighting fires, *Libbey v. Hampton Water Works Co.*, 389 A.2d 434, 502-03 (N.H. 1978) (“Water companies are in business to supply water, not to extinguish fires. Their rates reflect this assumption; . . . Water companies would have to raise their rates to compensate for the newly imposed burden or to procure insurance . . . The remaining alternative, to run the risk of paying large judgments . . . would deter many from entering such a business.”). Nor are utilities responsible for delivering emergency personnel, *Foss v. Pacific Telephone & Telegraph Co.*, 173 P.2d 144, 145-46 (Wash. 1946) (where a business owner alleged a breach of contract by a telephone company following a fire that destroyed his business claiming that a problem with the telephone service prevented him from calling the fire department in a timely manner—the court rejected the business owner’s claim on the grounds that his damages “did not arise naturally from a breach of [the telephone company’s] contract . . . and were not in the contemplation of the parties at

the time they made the contract for telephone service.”). Most importantly, the function of the utilities is not to protect consumers from their own negligence, *Cannon v. Commonwealth Edison Co.*, 621 N.E.2d 52, 54, 57 (Ill. Ct. App. 1993) (holding that it was unforeseeable to electric company that blackout caused by electric company’s negligence would result in customer’s paralyzing injuries where customer fell down stairs while investigating cause of loss of power), *Roberts v. TXU Energy Retail Co.*, 171 S.W.3d 901 (Tex. Ct. App. 2005) (holding that plaintiffs could not recover damages for electric company’s negligent disconnection of electricity where plaintiffs used candles to light their home after the power was disconnected and the candles started a fire that killed plaintiffs’ two sons).

The district court’s decision, if left in place, would subject all utilities to potential claims for millions of dollars and risks which even an insurance company would not agree to assume, and for which there has been no fair or adequate compensation. *Lowenschuss v. So. Cal. Gas Co.*, 11 C.A. App.4th 496, 500 (1992) (public gas utility company, knowing that a rapidly spreading fire is approaching a neighborhood, has no duty to purge gas from its pipes and house meters that may be in the path of the fire and may not be held liable for losses suffered by the fire absent an **express contract** with the consumer to assume such specific risks).

Unlike the damages in *Manouchehri*, which were found to be foreseeable and reasonable, the district court's award in this case of more than \$21 million is grossly disproportionate to the fees charged by CNMEC for electricity. The *Manouchehri* Court compared an award of \$2500 in damages to \$1900 paid under the contract to the breaching party. 1997-NMCA-052, ¶ 25. This Court found the \$2500 figure, which was only 1.4 times the price charged by the breaching party, was "within proper bounds." *Id.*

In this case, award of over \$21 million in damages is more than 7100 times the sum billed to Sunnyland of \$2960.79 for a one-month period [RP 596-99]. Because the district court record does not reflect evidence of what the fees would have been over the course of a year, we cannot say with precision what the exact ratio of compensation to CNMEC versus the damages award would be. However, assuming *arguendo* that the fees charged would have tripled to \$12,000 per month over the course of a year, CNMEC would have received a total \$144,000 in fees from Sunnyland. That total compensation figure is still less than 1/146<sup>th</sup>, or sixty-eight hundredths of one percent of the total damage award. At a rate of \$144,000 in fees per year, it would take CNMEC over 145 years to earn fees equal to the award of \$21 million in damages authorized by the district court.

Although CNMEC had over 12,000 customers in the year of the loss [Tr. (Day 2) 24], public records demonstrate that CNMEC's total **gross** revenues for electricity sales to **all** of its customers (\$17,779,564) in the year of the fire are still millions of dollars less than the damage award. [See Revised Power Requirement Study, Form 1, attached to the PRC Annual Report for CNMEC, attached as Exhibit A to the Request for Judicial Notice.] One can reasonably assume net revenues for the year would reflect an even greater disparity between total compensation paid by all customers and the \$21 million damage award. It simply cannot be argued that the consideration paid for electric service is in any way proportionate to the extraordinary award of damages. The precedent from disproportionate compensation for Sunnyland's losses threatens the very existence of CNMEC and the not-for-profit electric distribution cooperatives throughout the State.

It is not an overstatement to suggest that if distribution cooperatives may be held liable each time the power goes out for virtually every loss including, as in this case, losses primarily caused by the customer's own negligence, the distribution cooperatives will either have to seek approval of substantial and unprecedented rate increases to cover the cost of insuring against such losses. To do otherwise would be to ask the distribution

cooperative's consumers to face the risk of near certain bankruptcy in the event that future litigation adopts the same view of foreseeability as the court below.

Ultimately, the cost of electricity to New Mexico distribution cooperative consumers will increase dramatically, perhaps to the point of being unaffordable for many rural New Mexicans. Distribution cooperatives that cannot afford insurance or cannot gain approval from regulators for substantial rate increases will be faced with economic ruin.

To hold the CNMEC – and thus all utilities throughout the State – liable for every accident that may arise each time power is lost “is to impose ...an insuperable burden” *Cannon*, 621 N.E.2d at 56 (“Public utility corporations should, as contemplated by law, be required to furnish a prompt and efficient service reasonably adequate to meet the just demands of the public . . . [B]ut, as also contemplated by law, they should not be required to compensate injuries for which in law they are not responsible.”); *accord Coker v. Southwestern Bell Tel. Co.*, 580 P.2d 151, 153 (O.K. 1978).

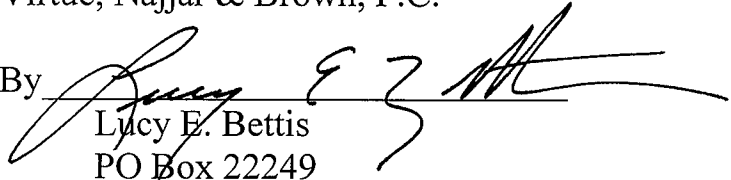
For the foregoing reasons, the district court's award of damages against the Cooperative for Sunnyland's breach of contract claim should be reversed.

**CONCLUSION**

The NMRECA respectfully requests that the Court reverse the district court's judgment. Specifically, for the reasons outlined, the district court should be instructed to enter a judgment eliminating the damages for breach of contract or instructed to review the measure of contract damages to avoid disproportionate compensation.

Respectfully Submitted,  
Virtue, Najjar & Brown, P.C.

By

  
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Rural Electric Cooperatives Association*

## CERTIFICATE OF SERVICE

I hereby certify that on March 16, 2009, I caused true and correct copies of foregoing *Motion of NMRECA for Leave to File Amicus Curiae Brief in support of Defendant/Appellant* and *Brief of Amicus Curiae New Mexico Rural Electric Cooperative Association* to be served via U.S. Mail, postage prepaid, to the following:

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**IN THE COURT OF APPEALS  
FOR THE STATE OF NEW MEXICO**

SUNNYLAND FARMS, INC.

Plaintiff-Appellee,

vs.

Ct. App. No. 28,807  
13<sup>th</sup> J.D. No. CV-2005-00192

CENTRAL NEW MEXICO  
ELECTRIC COOPERATIVE,  
INC.,

Defendant-Appellant.

**MOTION OF *AMICUS CURIAE* TO SUPPLEMENT THE RECORD**

The New Mexico Rural Electric Cooperative Association (hereafter “NMRECA”) hereby moves this Court to supplement the record on appeal with Exhibit A attached hereto, and as grounds states as follows:

1. Concurrently with this Motion, NMRECA has filed a motion for leave to file a brief as *amicus curiae* and has attached a copy of its brief to the motion, which references and discusses Exhibit A.

2. Exhibit A is the PRC Annual Report and Revised Power Requirement Study, Form 1, for Central New Mexico Electric Cooperative, Inc. (“CNMEC”) filed on April 26, 2004 with the Public Regulation Commission. These documents are public records that CNMEC is required to file as a matter of law. *See* NMSA 1978, § 62-6-18 (1941); 17.3.510.10 NMAC. These documents help to illustrate

the foreseeability and policy arguments made by NMRECA in its brief as such arguments pertain to rural electric cooperatives. Taking judicial notice of these documents merely means that this Court may consider the information provided therein; the information is not necessarily dispositive of the legal issues this Court must decide.

3. The Court may take judicial notice of Exhibit A. According to Rule 11-201(F) NMRA, “[j]udicial notice may be taken at any stage of the proceeding.” It is well established that under this rule, an appellate court may take judicial notice. *See, e.g., Garcia v. Borden, Inc.*, 115 N.M. 486, 498, 853 P.2d 737, 749 (Ct. App. 1993) (emphasizing that judicial notice may be taken “even on appeal”); *accord Spear v. McDermott*, 121 N.M. 609, 615, 916 P.2d 22, 234 (Ct. App. 1996).

4. In New Mexico, “[a] judicially noticed fact must be one not subject to reasonable dispute.” Rule 11-201(B) NMRA. That criteria, however, applies only to adjudicative facts. *See* Rule 11-201(A) NMRA. Adjudicative facts are properly categorized as “those to which the law is applied in the process of adjudication.” *Trujillo v. City of Albuquerque*, 110 N.M. 621, 635, 798 P.12d 571, 585 (1990) (Montgomery, J., dissenting in part) (quoting Kenneth Culp Davis, *Judicial Notice*, 55 Colum. L. Rev. 945, 952-53 (1955)), *overruled on other grounds*, 1998-NMSC-031, 125 N.M. 721, 965 P.2d 305.

5. Legislative facts, on the other hand, are “those which help the tribunal to determine the content of the law and policy and to exercise its judgment or discretion in determining what course of action to take.” *Trujillo*, 110 N.M. at 635, 798 P.12d at 585. The usual way that a court determines legislative facts “is not through formal proof by sworn witnesses and authenticated documents but by the process of judicial notice. *Id.* (quoting C. McCormick, *Judicial Notice*, 5 Vand. L. Rev. 296, 316 (1952)). Unlike adjudicative facts, legislative facts need not be certain and indisputable. *See id.* This Court may, therefore “take judicial notice of legislative facts by resorting to whatever materials it may have at its disposal establishing or tending to establish those facts.” *Id.* at 636, 798 P.2d at 586.

6. It is particularly appropriate for an *amicus curiae* to present additional materials for this Court’s consideration. *See* Robert L. Stern, *Supreme Court Practice* § 13.13, at 564-65 & n.53 (7th ed. 1993) (noting that the facts that an *amicus* may wish to present to the court “may not be in the record of the case”); *see also* Ellie Margolis, *Beyond Brandeis: Exploring the Uses of Non-Legal Materials in Appellate Briefs*, 35 U.S.F. L. Rev. 197, 207 n.58 (2000) (noting that *amicus* briefs commonly provide the court with non-legal information relevant to the case). Indeed, the rules of the United States Supreme Court inform that an *amicus* brief “that brings to the attention of the Court relevant matter not already brought to its attention by the parties may be of considerable help to the Court”

while an *amicus* brief “that does not serve this purpose burdens the Court.” Sup. Ct. R. 37(1); *see* Davis, *supra*, at 952 (“Whenever a tribunal is engaged in the creation of law or of policy, it may need to resort to . . . facts, whether or not those facts have been developed on the record.”).

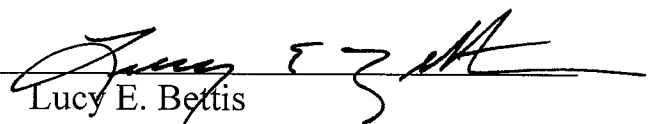
7. Given the nature of the documents that NMRECA wish the Court to consider, and given the role of an *amicus curiae*, NMRECA respectfully request that this Court permit Exhibit A to be filed along with NMRECA’s brief.

8. Pursuant to Rule 12-309(C) NMRA, undersigned counsel has contacted counsel of record as to whether they concur in this motion. Counsel for Defendant/Appellant concurs in the motion. Undersigned counsel also attempted to contact counsel for Plaintiff-Appellee but did not hear back by the time of filing.

WHEREFORE, NMRECA respectfully requests that this Court grant its motion to supplement the record.

Respectfully submitted,  
Virtue, Najjar and Brown, P.C.

By



Lucy E. Bettis  
P.O. Box 22249  
Santa Fe, NM 87502

*Attorneys for Amicus Curiae New Mexico  
Rural Electric Cooperatives Association*

## CERTIFICATE OF SERVICE

I hereby certify that on March 16, 2009, I caused true and correct copies of foregoing *Motion of Amicus Curiae to Supplement the Record* to be served via U.S. Mail, postage prepaid, to the following:

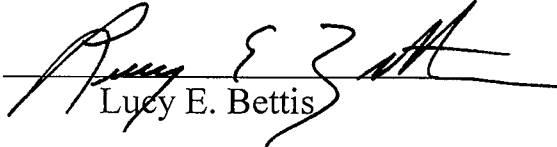
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Lucy E. Bettis



## Central New Mexico Electric Cooperative, Inc.

A Touchstone Energy® Cooperative



P.O. Box 669 • Moriarty, NM 87035 • Phone (505) 832-4483 • Fax (505) 832-0946  
P.O. Box 157 • Mountainair, NM 87036 • Phone (505) 832-4483 • Fax (505) 847-2900

JOHN P. WHEELER  
Executive Vice President and General Manager

April 26, 2004

Mr. Ronald X. Montoya  
Records Manager  
NM Public Regulation Commission  
Marian Hall  
224 East Palace  
Santa Fe, NM 87501

Dear Mr. Montoya:

Enclosed you will find the PRC Annual Report for Central New Mexico Electric Cooperative, Inc. (CNMEC). The Revised Power Requirement Study, Form 1 and Certification of Compliance are also enclosed along with the annual Form 7.

NMPRC Rule 110.30 and 110.34 do not apply to CNMEC, we do not issue, assume or guarantee securities. CNMEC has not had any requests for information pertaining to NMPRC Rule 420.10.

Sincerely,

Georgiana Cooper  
Accounting Department

Encs

**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 year (b) | Increase or decrease from preceding year (c) |
|----------|---|---------------------|--|
| 1        | <b>POWER PRODUCTION EXPENSES</b>                      | \$                  | \$   |
| 2        | <b>STEAM POWER GENERATION</b>                         |                     |  |
| 3        | <i>Operation</i>                                      |                     |  |
| 4        | 500 Operation supervision and engineering             |                     |  |
| 5        | 501 Fuel  |                     |  |
| 6        | 502 Steam expenses                                    |                     |  |
| 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                                       |                     | 0  |
| 13       | <i>Maintenance</i>                                    |                     |  |
| 14       | 510 Maintenance supervisions 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                                     |                     | 0  |
| 20       | Total power production expenses-steam power           |                     | 0  |
| 21       | <b>NUCLEAR POWER GENERATION</b>                       |                     |  |
| 22       | <i>Operation</i>                                      |                     |  |
| 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-CR                              | ( )                 |  |
| 29       | 523 Electric expenses                                 |                     |  |
| 30       | 524 Miscellaneous nuclear power expenses              |                     |  |
| 31       | 525 Rents   |                     |  |
| 32       | Total Operation                                       |                     | 0  |
| 33       | <i>Maintenance</i>                                    |                     |  |
| 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                                     |                     | 0  |
| 40       | Total power production expenses-nuclear power         |                     | 0  |
| 41       | <b>HYDRAULIC POWER GENERATION</b>                     |                     |  |
| 42       | <i>Operation</i>                                      |                     |  |
| 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                                       |                     | 0  |
| 50       | <i>Maintenance</i>                                    |                     |  |
| 51       | 541 Maintenance supervision and engineering           |                     |  |
| 52       | 542 Maintenance of structures                         |                     |  |

| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued) |   |                     |  |
|---|---|---------------------|--|
| Line No.  | Account (a)   | Amount for Year (b) | Increase or (Decrease) From Preceding Year © |
| 1   | HYDRAULIC POWER GENERATION (Continued)                        |                     |  |
| 2   | 543 Maintenance of reservoirs, dams, and waterways            |                     | \$0  |
| 3   | 544 Maintenance of electric plant                             |                     | 0  |
| 4   | 545 Maintenance of miscellaneous hydraulic plant              |                     | 0  |
| 5   | Total maintenance   |                     | 0  |
| 6   | Total power production expenses-hydraulic power               |                     | 0  |
| 7   | OTHER POWER GENERATION  |                     | 0  |
| 8   | <i>Operation</i>  |                     | 0  |
| 9   | 546 Operation supervision and engineering                     |                     | 0  |
| 10  | 547 Fuel  |                     | 0  |
| 11  | 548 Generation expenses                                       |                     | 0  |
| 12  | 549 Miscellaneous other power generation expenses             |                     | 0  |
| 13  | 550 Rents   |                     | 0  |
| 14  | Total operation   |                     | 0  |
| 15  | <i>Maintenance</i>  |                     | 0  |
| 16  | 551 Maintenance supervision and engineering                   |                     | 0  |
| 17  | 552 Maintenance of structures                                 |                     | 0  |
| 18  | 553 Maintenance of generating and electric plant              |                     | 0  |
| 19  | 554 Maintenance of miscellaneous other power generation plant |                     | 0  |
| 20  | Total Maintenance   |                     | 0  |
| 21  | Total power production expenses-other power                   |                     | 0  |
| 22  | OTHER POWER SUPPLY EXPENSES                                   |                     | 0  |
| 23  | 555 Purchased power   | 8,757,150           | 824,940                                      |
| 24  | 556 System control and load dispatching                       | 0                   | 0  |
| 25  | 557 Other expenses  | 0                   | 0  |
| 26  | Total other power supply expenses                             | 0                   | 0  |
| 27  | Total power production expenses                               | 8,757,150           | 824,940                                      |
| 28  | TRANSMISSION EXPENSES   |                     | 0  |
| 29  | <i>Operation</i>  |                     | 0  |
| 30  | 560 Operation supervision and engineering                     | 0                   | 0  |
| 31  | 561 Load dispatching  | 0                   | 0  |
| 32  | 562 Station expenses  | 1,218               | 0  |
| 33  | 563 Overhead line expenses                                    | 6,550               | 1,092  |
| 34  | 564 Underground line expenses                                 | 0                   | 0  |
| 35  | 565 Transmission of electricity by others                     | 0                   | 0  |
| 36  | 566 Miscellaneous transmission expenses                       | 0                   | 0  |
| 37  | 567 Rents   | 0                   | 0  |
| 38  | Total operation   | 7,768               | 1,092  |
| 39  | <i>Maintenance</i>  |                     | 0  |
| 40  | 568 Maintenance supervision and engineering                   | 0                   | 0  |
| 41  | 569 Maintenance of structures                                 | 0                   | 0  |
| 42  | 570 Maintenance of station equipment                          | 516                 | 15   |
| 43  | 571 Maintenance of overhead lines                             | 14,719              | 10,676                                       |
| 44  | 572 Maintenance of underground lines                          | 0                   | 0  |
| 45  | 573 Maintenance of miscellaneous transmission plant           | 0                   | 0  |
| 46  |   | 15,234              | 10,690                                       |
| 47  | Total transmission expenses                                   | 23,002              | 11,782                                       |
| 48  | DISTRIBUTION EXPENSES   |                     | 0  |
| 49  | <i>Operation</i>  |                     | 0  |
| 50  | 580 Operation supervision and engineering                     | 103,494             | -14,609                                      |
| 51  | 581 Load dispatching  | 0                   | 0  |
| 52  | 582 Station expenses  | 29,090              | 6,433  |
| 53  | 583 Overhead line expenses                                    | 1,055,831           | 74,151                                       |
| 54  | 584 Underground line expenses                                 | 72,648              | 16,974                                       |
| 55  | 585 Street lighting and signal system expenses                | 17,074              | 14,697                                       |



| ELECTRIC OPERATION & MAINTENANCE EXPENSES cont. |   |                        |   |
|---|---|------------------------|---|
| Line No.  | Account<br>(a)  | Amount for Year<br>(b) | Increase<br>or (Decrease)<br>From Preceding Year<br>© |
| 1   | DISTRIBUTION EXPENSES (Continued)                                 |                        |   |
| 2   | 586 Meter expenses  | 19,927                 | 64,323  |
| 3   | 587 Customer installation expenses                                | 29,480                 | -20,118   |
| 4   | 588 Miscellaneous distribution expenses                           | 381,925                | 69,039  |
| 5   | 589 Rents   | 0                      | 0   |
| 6   | Total Operation   | 1,709,469              | 210,890   |
| 7   | Maintenance   |                        |   |
| 8   | 590 Maintenance supervision and engineering                       | 48,580                 | -9,461  |
| 9   | 591 Maintenance of structures                                     | 0                      | 0   |
| 10  | 592 Maintenance of station equipment                              | 16,582                 | 16,582  |
| 11  | 593 Maintenance of overhead lines                                 | 503,894                | -71,056   |
| 12  | 594 Maintenance of underground lines                              | 6,522                  | -4,711  |
| 13  | 595 Maintenance of line transformers                              | 14,447                 | 12,160  |
| 14  | 596 Maintenance of street lighting and signal systems             | 648                    | 648   |
| 15  | 597 Maintenance of meters   | 0                      | 0   |
| 16  | 598 Maintenance of miscellaneous distribution plant               | 24,654                 | -15,371   |
| 17  | Total Maintenance   | 615,326                | -71,210   |
| 18  | Total Distribution expenses                                       | 2,324,795              | 139,680   |
| 19  | CUSTOMER ACCOUNTS EXPENSES  |                        | 0   |
| 20  | Operation   |                        | 0   |
| 21  | 901 Supervision   | 79,012                 | 54,276  |
| 22  | 902 Meter reading expenses  | 219,944                | -83,687   |
| 23  | 903 Customer records and collection expenses                      | 681,285                | 95,453  |
| 24  | 904 Uncollectible accounts  | 25,076                 | -2,866  |
| 25  | 905 Miscellaneous customer accounts expenses                      | 6,545                  | 1,111   |
| 26  | Total customer accounts expenses                                  | 1,011,862              | 64,286  |
|   | CUSTOMER SERVICE & INFORMATIONAL EXPENSES                         |                        | 0   |
|   | Operation   |                        | 0   |
|   | 907 Supervision   | 0                      | 0   |
|   | 908 Customer assistance   | 31,270                 | -15,312   |
|   | 909 Advertising expenses  | 1,062                  | 1,062   |
|   | 910 Miscellaneous   | 9,557                  | 2,484   |
|   | Total customer accounts expenses                                  | 41,889                 | -11,766   |
| 27  | SALES EXPENSES  |                        | 0   |
| 28  | Operation   |                        | 0   |
| 29  | 911 Supervision   | 21,712                 | 11,880  |
| 30  | 912 Demonstrating and selling expenses                            | 39,951                 | 10,227  |
| 31  | 913 Advertising expenses  | 10,435                 | -2,710  |
| 32  | 914 Revenues from merchandising, jobbing and contract work        | 0                      | 0   |
| 33  | 915 Cost and expenses of merchandising, jobbing and contract work | 0                      | 0   |
| 34  | 916 Miscellaneous sales expenses                                  | 697                    | -867  |
| 35  | Total sales expenses  | 72,795                 | 18,530  |
| 36  | ADMINISTRATIVE AND GENERAL EXPENSES                               |                        | 0   |
| 37  | Operation   |                        | 0   |
| 38  | 920 Administrative and general salaries                           | 318,713                | 479   |
| 39  | 921 Office supplies and expenses                                  | 227,263                | -43,607   |
| 40  | 922 Administrative expenses transferred-Cr                        | 0                      | 0   |
| 41  | 923 Outside services employed                                     | 139,600                | 32,827  |
| 42  | 924 Property insurance  | 0                      | 0   |
| 43  | 925 Injuries and damages  | 91,421                 | -12,364   |
| 44  | 926 Employee pensions and benefits                                | 22,264                 | 11,391  |
| 45  | 927 Franchise requirements  | 0                      | 0   |
| 46  | 928 Regulatory commission expenses                                | 81,161                 | 4,019   |
| 47  | 929 Duplicate charges-Cr  | 0                      | 0   |
| 48  | 930 Miscellaneous general expenses                                | 344,659                | 26,260  |
| 49  | 931 Rents   | 0                      | 0   |
| 50  | Total Operation   | 1,225,083              | 19,006  |
| 51  | Maintenance   |                        | 0   |
| 52  | 932 Maintenance of general plant                                  | 19,041                 | 2,508   |
| 53  | Total administrative and general expenses                         | 1,244,124              | 21,514  |
| 54  | Total Electric Operation and Maintenance Expenses                 | 13,475,617             | 1,068,667   |

## 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                       | 8,757,150     | -0-             | 8,757,150  |
| 8.       | Total Power Production Expenses                   | 8,757,150     | -0-             | 8,757,150  |
| 9.       | Transmission Expenses                             | 7,768         | 15,234          | 23,002     |
| 10.      | Distribution Expenses                             | 1,709,469     | 615,326         | 2,324,795  |
| 11.      | Customer Accounts Expenses                        | 1,011,862     | -0-             | 1,011,862  |
| 12.      | Sales Expenses                                    | 114,684       | -0-             | 114,684    |
| 13.      | Administrative and General Expenses               | 1,225,083     | 19,041          | 1,244,124  |
| 14.      | Total Electric Operation and Maintenance Expenses | 12,826,016    | 649,601         | 13,475,617 |

## NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

|     |  |          |
|-----|--|----------|
| 15. | Number of electric Department Employees, Payroll Period Ending | 12-31-03 |
| 16. | Total Regular Full-Time Employees                              | 79       |
| 17. | Total Part-Time and Temporary Employees                        | 1        |
| 18. | Total Employees  | 80       |

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.



## 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 costs, etc., which are directly chargeable construction are charged to construction, if this is the case. Engineering, supervisor, 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 # | Name of Overhead<br>(a) | Total overheads cleared to construction<br>(b) | Cost of construction to which overheads were charged (exclusive of overhead charges)<br>(c) | Percent overheads to construction cost<br>(d) |
|--------|-------------------------|--|---|---|
| 1      | *Labor                  | 918,593.94                                     |   | 0.269457009                                   |
| 2      | Ind. Labor              | 406,510.80                                     |   | 0.119244401                                   |
| 3      | *Material               | 870,451.42                                     |   | 0.255335057                                   |
| 4      | *Transportation         | 373,790.34                                     |   | 0.1096463                                     |
| 5      | Stores                  | 312,232.82                                     |   | 0.091589241                                   |
| 6      | *Taxes                  | 110,980.26                                     |   | 0.032554546                                   |
| 7      | Misc Overhead           | 6,596.82                                       |   | 0.001935087                                   |
| 8      | *Cash Distribution      | 329,361.48                                     |   | 0.0966137                                     |
| 9      | Engineering Services    | 68,742.79                                      |   | 0.02016476                                    |
| 10     | Amort Work Plan         | 27,927.45                                      |   | 0.008192137                                   |
| 11     | Benefits                | 726,928.57                                     |   | 0.213234586                                   |
| 12     | *Contributions          | -743,061.04                                    |   | -0.217966826                                  |
| 13     |                         |  |   |   |
| 14     | TOTAL                   | 3,409,055.65                                   |   | 1   |

## 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.

\* Items above are direct charges.

2. Spread to individual work orders based on Direct Labor (DL).

5. Stores are spread based on material issues to individual work orders.

7. & 11. Benefits

9. Engineering services are spread based on DL (charges applicable to construction only).

|   | 107.20    | 107.20 & 108.80 | January   | February   | March     | April     | May       | June      | July       | August    | September | October   | November   | December | YTD | Total      |
|---|-----------|-----------------|-----------|------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|----------|-----|------------|
| Yearend Construction Overheads-Electric--2003 |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Labor   | 59355.88  | 68339.04        | 146175.73 | -7562.36   | 53748.72  | 54784.45  | 55991.98  | 49260.08  | 53706.17   | 55028.14  | 47459.45  | 56569.12  | 692856.44  |          |     |            |
| Ind. Labor                                    | 34422.60  | 30587.31        | 29842.57  | 31923.80   | 34571.76  | 29546.46  | 34731.96  | 32883.71  | 33418.73   | 34174.14  | 30815.52  | 33245.56  | 388914.12  |          |     |            |
| Material                                      | 114444.73 | 63999.32        | 76990.93  | 99592.11   | 67330.13  | 108926.65 | 83857.95  | 54799.81  | 45119.09   | 51103.96  | 60349.59  | 66333.35  | 891789.92  |          |     |            |
| Transportation                                | 29258.35  | 34020.66        | 25125.42  | 24230.92   | 23907.06  | 25110.18  | 21498.68  | 23612.94  | 22929.84   | 24991.41  | 23283.26  | 25699.97  | 303639.39  |          |     |            |
| Stores  | 23127.99  | 22066.81        | 25399.96  | 26111.54   | 29243.24  | 23098.22  | 31357.49  | 27504.79  | 30098.57   | 25940.68  | 20860.78  | 28677.01  | 313485.98  |          |     |            |
| Taxes   | 8513.07   | 8404.31         | 8158.84   | 8380.79    | 7163.75   | 7196.34   | 7729.84   | 7004.79   | 7178.91    | 7141.42   | 6065.32   | 7695.41   | 90550.59   |          |     |            |
| Misc. Overhead                                | 375.00    | 0.00            | -2.31     | 4344.37    | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 4717.06    |          |     |            |
| Cash Disbursements                            | 132909.16 | 13601.54        | 52382.25  | 39238.55   | 88739.18  | 6564.12   | 8599.34   | 17443.67  | 12098.71   | 8840.42   | 9014.80   | 17931.43  | 328946.07  |          |     |            |
| Engineering Svs.                              | 340.72    | 7923.62         | 4236.60   | 2401.57    | 2454.20   | 0.00      | 0.00      | 0.00      | 46599.32   | 3486.66   | 380.00    | 917.92    | 68742.61   |          |     |            |
| Amort Work Plan                               | 2907.01   | 2514.98         | 2469.59   | 2514.28    | 2507.01   | 2507.01   | 2507.01   | 2507.01   | 2507.01    | 2873.15   | 1336.58   | 1336.58   | 27887.22   |          |     |            |
| Benefits                                      | 45084.63  | 57349.11        | 56035.61  | 56374.15   | 46024.61  | 51942.62  | 49784.25  | 45654.07  | 49834.34   | 49928.64  | 41273.55  | 53644.13  | 601939.11  |          |     |            |
| Contributions                                 | -1468.66  | -19279.80       | -27407.10 | -286079.82 | -68675.65 | -48938.62 | -43164.02 | -21498.73 | -129997.33 | -46283.49 | -24653.23 | -25314.59 | -743061.04 |          |     |            |
| 107/108 Adj                                   |           |                 |           |            |           |           |           |           | -75.17     |           |           |           | -388.72    |          |     |            |
| Job Cancel                                    |           |                 |           |            |           |           |           |           | 12.00      |           |           |           | 10430.14   |          |     |            |
| Meals   |           |                 |           |            |           |           |           |           |            |           |           |           | 86.19      |          |     |            |
| WO1 Spread clearing                           |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Transfer WO Cost                              |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Acct. Total Cost                              | 449890.48 | 289106.90       | 395589.89 | -78087.20  | 287114.01 | 260707.47 | 252654.48 | 238971.84 | 173430.29  | 318688.52 | 226401.95 | 265661.01 | 3083339.64 |          |     |            |
| 107.20 Monthly OH Avg.                        | 461%      | 202%            | 102%      | 6031%      | 181%      | 88%       | 125%      | 230%      | -103%      | 302%      | 197%      | 205%      | 109%       |          |     |            |
| 108.80  |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Labor   | 29978.61  | 15804.34        | 17346.01  | 18924.75   | 17614.64  | 16671.23  | 20700.83  | 18964.21  | 15803.77   | 20584.70  | 17534.57  | 15809.84  | 225737.50  |          |     | 918593.94  |
| Ind. Labor                                    | 1033.29   | 1211.12         | 2567.92   | 1414.21    | 1458.41   | 346.66    | 1372.57   | 1241.58   | 1111.81    | 1429.98   | 1376.03   | 1132.98   | 16596.68   |          |     | 405510.80  |
| Material                                      | 790.42    | -702.80         | -598.81   | -2887.67   | -1828.32  | -1539.47  | -1843.87  | -2421.57  | -1937.14   | -4137.11  | -1412.45  | -1230.77  | -21336.50  |          |     | 870491.42  |
| Transportation                                | 9929.26   | 5429.03         | 6520.13   | 6321.66    | 5429.33   | 7099.18   | 5319.73   | 6078.29   | 2879.03    | 4308.99   | 5612.13   | 5224.13   | 70150.95   |          |     | 373790.34  |
| Stores  | 0.00      | 0.00            | -38.08    | -309.56    | -413.76   | 51.18     | -180.81   | -299.47   | -58.66     | 0.00      | 0.00      | -4.00     | -1253.16   |          |     | 312232.82  |
| Taxes   | 2818.60   | 1453.01         | 1710.91   | 1595.12    | 1544.78   | 1538.70   | 1884.30   | 1726.50   | 1391.66    | 1768.74   | 1446.79   | 1550.25   | 20429.87   |          |     | 110580.26  |
| Misc. Overhead                                | 0.00      | 0.00            | 2.73      | 1877.03    | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 1879.76    |          |     | 6596.82    |
| Cash Disbursements                            | 0.00      | 0.00            | 404.61    | 0.00       | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 0.00       |          |     | 329361.48  |
| Engineering Svs.                              | 0.00      | 0.00            | 18.00     | 0.00       | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 0.18       |          |     | 68742.79   |
| Amort Work Plan                               | 0.00      | 0.00            | 40.23     | 0.00       | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 40.23      |          |     | 27927.45   |
| Benefits                                      | 14929.11  | 9887.32         | 11007.01  | 10582.87   | 9928.20   | 11101.87  | 12141.22  | 11210.78  | 9675.90    | 4339.97   | 9871.36   | 10254.25  | 124989.46  |          |     | 726928.57  |
| Contributions                                 | 0.00      | 0.00            | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 0.00      | 0.00       | 0.00      | 0.00      | 0.00      | 0.00       |          |     | -743061.04 |
| 107/108 Adj                                   |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Job Cancel                                    |           |                 |           |            |           |           |           |           |            |           |           |           | 150.37     |          |     |            |
| WO1 Spread clearing                           |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Transfer WO Cost                              |           |                 |           |            |           |           |           |           |            |           |           |           |            |          |     |            |
| Acct. Total Cost                              | 57898.45  | 33062.02        | 38962.84  | 37498.41   | 33733.29  | 36289.37  | 38394.07  | 36500.22  | 28866.27   | 40087.22  | 34678.80  | 30135.33  | 447096.29  |          |     | 3409055.65 |
| 108.80 Monthly OH Avg.                        | 96%       | 114%            | 128%      | 113%       | 102%      | 127%      | 99%       | 105%      | 95%        | 115%      | 106%      | 98%       | 108%       |          |     |            |
| Total Monthly OH Avg Both Accts               | 338%      | 185%            | 104%      | 3825%      | 162%      | 97%       | 118%      | 185%      | 58%        | 251%      | 173%      | 185%      | 109%       |          |     | 95%        |

## 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-worker 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            | 27,499                         | 14,248            | 224099.5                 |
| 2        | Additions during year:                 |                                |                   |                          |
| 3        | Purchases                              |                                |                   |                          |
| 4        | Associated with utility plant acquired |                                |                   |                          |
| 5        | Total additions                        | 1580                           | 250               | 4857.5                   |
| 6        | Reductions during year:                |                                |                   |                          |
| 7        | Retirements                            |                                |                   |                          |
| 8        | Associated with utility plant sold     |                                |                   |                          |
| 9        | Total reductions                       | -2426                          | -73               | -834.5                   |
| 10       | Number at end of year                  |                                |                   |                          |
| 11       | In stock                               |                                |                   |                          |
| 12       | Locked meters on customers' premises   |                                |                   |                          |
| 13       | Inactive transformers on system        |                                |                   |                          |
| 14       | In customers' use                      |                                |                   |                          |
| 15       | In company's use                       |                                |                   |                          |
| 16       | Total end of year (as above)           | 26,653                         | 14,425            | 228122.5                 |

| Meters   |         | Line Transformers |         |           |         |             |           |
|--|---------|-------------------|---------|-----------|---------|-------------|-----------|
| New  | Retired | New               | KVA New | Total KVA | Retired | KVA Retired | Total KVA |
| 24   | 73      | 50                | 10      | 500       | 9       | 3           | 27        |
| 4  | 52      | 6                 | 25      | 150       | 8       | 5           | 40        |
| 300  | 401     | 9                 | 15      | 135       | 3       | 5           | 15        |
| 288  | 2       | 10                | 25      | 250       | 7       | 10          | 70        |
| 192  | 430     | 10                | 15      | 150       | 33      | 10          | 330       |
| 80   | 1       | 10                | 10      | 100       | 1       | 15          | 15        |
| 192  | 238     | 10                | 15      | 150       | 5       | 15          | 75        |
| 96   | 1       | 4                 | 10      | 40        | 2       | 25          | 50        |
| 100  | 1       | 6                 | 15      | 90        | 1       | 25          | 25        |
| 192  | 289     | 9                 | 37.5    | 337.5     | 1       | 37.5        | 37.5      |
| 8  | 299     | 5                 | 10      | 50        | 3       | 50          | 150       |
| 4  | 252     | 10                | 15      | 150       |         |             |           |
| 8  | 36      | 6                 | 37.5    | 225       |         |             |           |
| 12   | 1       | 1                 | 37.5    | 37.5      |         |             |           |
| 8  | 165     | 2                 | 50      | 100       |         |             |           |
| 8  | 13      | 3                 | 50      | 150       |         |             |           |
| 8  | 2       | 3                 | 50      | 150       |         |             |           |
| 4  | 141     | 15                | 15      | 225       |         |             |           |
| 16   | 1       | 15                | 10      | 150       |         |             |           |
| 4  | 28      | 1                 | 25      | 25        |         |             |           |
| 32   |         | 1                 | 5       | 5         |         |             |           |
|  |         | 1                 | 10      | 10        |         |             |           |
|  |         | 1                 | 25      | 25        |         |             |           |
|  |         | 1                 | 50      | 50        |         |             |           |
|  |         | 1                 | 100     | 100       |         |             |           |
|  |         | 10                | 15      | 150       |         |             |           |
|  |         | 15                | 25      | 375       |         |             |           |
|  |         | 10                | 15      | 150       |         |             |           |
|  |         | 4                 | 10      | 40        |         |             |           |
|  |         | 3                 | 25      | 75        |         |             |           |
|  |         | 7                 | 25      | 175       |         |             |           |
|  |         | 1                 | 37.5    | 37.5      |         |             |           |
|  |         | 1                 | 50      | 50        |         |             |           |
|  |         | 9                 | 50      | 450       |         |             |           |
| 1580   | 2426    | 250               |         | 4857.5    | 73      |             | 834.5     |
| <p>Used the Purchase Order Report in the Purchase Order System<br/> Used Vendor #5005 (Zia Electrical Products) for the new Meters<br/> And Type 'S' for the new Transformers.</p> |         |                   |         |           |         |             |           |

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 Torrance

John P. Wheeler 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 Central New Mexico 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, 2003,

to and including December 31, 2003.

John P. Wheeler  
(Signature of affiant)

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

County above named, this 22nd day of April, 2004

My commission expires 10-19-2007

Lynnda C. ...  
(Signature of officer authorized to administer oaths)



LONG TERM DEBT ACCOUNTS (221-228)

| Line No.                             | Note Ident.          | To Whom Issued | PUC Decision# | Date of Issue | Date of Maturity | Principal Amount | Amount Outstanding |               | Def.Int. | For Bal. Sheet | Interest for Year 2003 |              |              |
|--------------------------------------|----------------------|----------------|---------------|---------------|------------------|------------------|--------------------|---------------|----------|----------------|------------------------|--------------|--------------|
|                                      |                      |                |               |               |                  |                  | Principal          | Interest      |          |                | Rate                   | Amount       |              |
| 1                                    | 4210                 |                |               |               |                  | 533,770.00       | 5,762.99           |               |          |                | 392.67                 |              |              |
| 2                                    | 4211                 |                |               |               |                  | 110,230.00       | 1,284.38           |               |          |                | 87.23                  |              |              |
| 3                                    | 14220                |                |               |               |                  | 481,000.00       | 103,224.26         |               |          |                | 2,295.60               |              |              |
| 4                                    | 14230                |                |               |               |                  | 1,180,000.00     | 389,537.81         |               |          |                | 8,311.18               |              |              |
| 5                                    | 14240                |                |               |               |                  | 800,000.00       | 278,236.94         |               |          |                | 5,914.06               |              |              |
| 6                                    | 14250                |                |               |               |                  | 2,097,000.00     | 839,186.52         |               |          |                | 17,672.19              |              |              |
| 7                                    | 1B260                |                |               |               |                  | 445,500.00       | 289,537.58         |               |          |                | 13,916.23              |              |              |
| 8                                    | 1B262                |                |               |               |                  | 445,500.00       | 289,537.58         |               |          |                | 13,916.23              |              |              |
| 9                                    | 1B270                |                |               |               |                  | 806,000.00       | 531,743.44         |               |          |                | 27,202.64              |              |              |
| 10                                   | 1B272                |                |               |               |                  | 806,000.00       | 533,039.88         |               |          |                | 27,285.73              |              |              |
| 11                                   | 1B280                |                |               |               |                  | 1,275,000.00     | 935,335.04         |               |          |                | 47,615.51              |              |              |
| 12                                   | 1B282                |                |               |               |                  | 971,000.00       | 712,321.73         |               |          |                | 36,282.47              |              |              |
| 13                                   | 1B283                |                |               |               |                  | 304,000.00       | 229,076.89         |               |          |                | 11,660.68              |              |              |
| 14                                   | 1B290                |                |               |               |                  | 1,594,000.00     | 1,291,038.43       |               |          |                | 65,451.74              |              |              |
| 15                                   | 1B292                |                |               |               |                  | 1,401,000.00     | 1,134,720.98       |               |          |                | 57,527.11              |              |              |
| 16                                   | 1B293                |                |               |               |                  | 193,000.00       | 160,513.54         |               |          |                | 8,137.05               |              |              |
| 17                                   | 1B300                |                |               |               |                  | 1,200,000.00     | 1,065,502.40       |               |          |                | 53,828.69              |              |              |
| 18                                   | 1B301                |                |               |               |                  | 47,500.00        | 42,175.54          |               |          |                | 2,130.69               |              |              |
| 19                                   | 1B305                |                |               |               |                  | 313,000.00       | 277,918.55         |               |          |                | 14,040.34              |              |              |
| 20                                   | 1B307                |                |               |               |                  | 934,500.00       | 851,675.50         |               |          |                | 43,024.29              |              |              |
| 21                                   | 1B310                |                |               |               |                  | 8,307,000.00     | 7,805,331.88       |               |          |                | 393,528.16             |              |              |
| 22                                   | 1B311                |                |               |               |                  | 2,378,000.00     | 2,234,390.18       |               |          |                | 112,653.48             |              |              |
| 23                                   | 1B312                |                |               |               |                  | 20,000.00        | 18,792.18          |               |          |                | 947.47                 |              |              |
| 24                                   | 1B320                |                |               |               |                  | 1,541,000.00     | 1,472,115.62       |               |          |                | 74,178.94              |              |              |
| 25                                   | 1B321                |                |               |               |                  | 791,000.00       | 755,641.45         |               |          |                | 38,076.28              |              |              |
| 26                                   | 1B322                |                |               |               |                  | 847,000.00       | 809,138.20         |               |          |                | 40,771.95              |              |              |
| 27                                   | 1B323                |                |               |               |                  | 670,000.00       | 640,050.24         |               |          |                | 32,251.70              |              |              |
| 28                                   | 1B324                |                |               |               |                  | 750,000.00       | 716,474.18         |               |          |                | 36,102.64              |              |              |
| 29                                   | CFC                  |                |               |               |                  | 4,600,000.00     | 3,662,788.74       |               |          |                | 111,814.21             |              |              |
| 30                                   | 1B325                |                |               |               |                  | 452,000.00       | 431,795.14         |               |          |                | 21,757.88              |              |              |
| 31                                   | 1B326                |                |               |               |                  | 3,221,000.00     | 3,089,614.83       |               |          |                | 155,662.49             |              |              |
| 32                                   | 1B327                |                |               |               |                  | 3,740,000.00     | 3,621,167.70       |               |          |                | 182,468.32             |              |              |
| 33                                   | 1B328                |                |               |               |                  | 240,000.00       | 233,974.68         |               |          |                | 11,789.37              |              |              |
| 34                                   | 1B330                |                |               |               |                  | 4,421,000.00     | 4,304,704.96       |               |          |                | 216,771.74             |              |              |
| 35                                   | 1B520                |                |               |               |                  | 1,933,000.00     | 1,886,206.87       |               |          |                | 95,044.19              |              |              |
| 36                                   | 1B521                |                |               |               |                  | 13,000.00        | 12,730.36          |               |          |                | 641.44                 |              |              |
| 37                                   | 9,8990 (Cr. Cushion) |                |               |               |                  | -1,511,444.76    | -4,687.90          |               |          |                | 0.00                   |              |              |
| Total                                |                      |                |               |               |                  |                  | 48,360,555.24      | 41,611,609.29 |          |                |                        | 1,981,133.79 |              |
| Less. Advance Payments Unapplied 227 |                      |                |               |               |                  |                  |                    |               |          |                |                        |              |              |
| Total                                |                      |                |               |               |                  |                  | 48,360,555.24      | 40,911,902.25 |          |                |                        |              | 2,036,711.76 |

FORM 1

New Mexico Jurisdictional Information  
Year Ending December 31, 2003

Electric Company Name Central New Mexico Electric Cooperative, Inc.

Address PO Box 157 Mountainair, NM 87036

Phone Number 505/ 832-4483

Person Completing Form Georgiana Cooper

| Customer Class                      | Residential  | Other        | Total         |
|-------------------------------------|--------------|--------------|---------------|
| Annual Average                      |              |              |               |
| Number of Customers                 | 14,806       | 1,340        | 16,146        |
| KWH Sales (Thousands)               | 95,998,977   | 84,228,520   | 180,227,497   |
| Gross Revenues                      | \$11,114,331 | \$ 6,665,233 | \$ 17,779,564 |
| Avg. Annual KWH Per Customer (1)    | 6,484        | 62,857       | 11,162        |
| Avg. Annual Bill per Customer (2)   | \$ 750.66    | \$ 4,974.05  | \$ 1,101.17   |
| Avg. Monthly Bill per Customer (3)  | \$ 62.56     | \$ 414.50    | \$ 91.76      |
| Avg. Gross Revenue per KWH sold (4) | .11578       | .07913       | .09865        |

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.

TRI-STATE GENERATION & TRANSMISSION ASSOC INC  
2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE

Monthly MCP Demand & Energy

| 2004         | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Total   |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Demand (MW)  | 33,150 | 31,597 | 30,750 | 32,704 | 35,980 | 41,309 | 41,121 | 41,629 | 37,676 | 32,880 | 32,451 | 35,441 | 426,686 |
| Energy (GWh) | 17,885 | 15,661 | 16,580 | 17,701 | 20,707 | 21,600 | 23,501 | 23,157 | 19,428 | 17,487 | 16,733 | 18,808 | 229,247 |
| Load Factor  | 72.515 | 73.755 | 72.474 | 75.173 | 77.353 | 72.624 | 76.816 | 74.767 | 71.619 | 71.487 | 71.617 | 71.329 | 73.599  |
| Hours        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 8,760   |

| 2005         | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Total   |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Demand (MW)  | 37,952 | 36,369 | 35,494 | 37,493 | 40,796 | 46,188 | 45,974 | 46,496 | 42,479 | 37,609 | 37,219 | 40,297 | 484,365 |
| Energy (GWh) | 21,283 | 18,722 | 19,947 | 20,998 | 24,144 | 24,931 | 26,957 | 26,607 | 22,713 | 20,842 | 19,998 | 22,227 | 269,370 |
| Load Factor  | 75.373 | 76.603 | 75.534 | 77.786 | 79.547 | 74.969 | 78.813 | 76.915 | 74.263 | 74.484 | 74.628 | 74.138 | 76.182  |
| Hours        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 8,760   |

2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Peak Demand and Purchased Energy

|                        | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | SUM     | WIN     | TOT     |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| <b>-2003-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 30,069 | 28,543 | 27,720 | 29,612 | 32,750 | 37,878 | 37,718 | 38,230 | 34,417 | 29,782 | 29,385 | 32,295 | 210,604 | 186,959 | 388,598 |
| Purchased Energy (GWh) | 15,765 | 13,753 | 14,489 | 15,627 | 18,472 | 19,367 | 21,172 | 20,847 | 17,291 | 15,366 | 14,695 | 16,661 | 112,776 | 96,848  | 203,504 |
| Load Factor (%)        | 70.47  | 71.70  | 70.25  | 73.30  | 75.81  | 71.01  | 75.45  | 73.29  | 69.78  | 69.35  | 69.46  | 69.34  | 73.15   | 71.16   | 71.78   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2004-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 33,150 | 31,597 | 30,750 | 32,704 | 35,980 | 41,309 | 41,121 | 41,629 | 37,676 | 32,880 | 32,451 | 35,441 | 230,418 | 210,586 | 426,686 |
| Purchased Energy (GWh) | 17,885 | 15,661 | 16,580 | 17,701 | 20,707 | 21,600 | 23,501 | 23,157 | 19,428 | 17,487 | 16,733 | 18,808 | 126,093 | 112,979 | 229,247 |
| Load Factor (%)        | 72.51  | 73.76  | 72.47  | 75.17  | 77.35  | 72.62  | 76.82  | 74.77  | 71.62  | 71.49  | 71.62  | 71.33  | 74.76   | 73.70   | 73.60   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2005-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 37,952 | 36,369 | 35,494 | 37,493 | 40,796 | 46,188 | 45,974 | 46,496 | 42,479 | 37,609 | 37,219 | 40,297 | 259,425 | 227,168 | 484,365 |
| Purchased Energy (GWh) | 21,283 | 18,722 | 19,947 | 20,998 | 24,144 | 24,931 | 26,957 | 26,607 | 22,713 | 20,842 | 19,998 | 22,227 | 146,352 | 124,141 | 269,370 |
| Load Factor (%)        | 75.37  | 76.60  | 75.53  | 77.79  | 79.55  | 74.97  | 78.81  | 76.92  | 74.26  | 74.48  | 74.63  | 74.14  | 77.07   | 75.06   | 76.18   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2006-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 38,731 | 37,106 | 36,206 | 38,247 | 41,594 | 47,093 | 46,861 | 47,359 | 43,247 | 38,292 | 37,963 | 41,137 | 264,400 | 231,773 | 493,835 |
| Purchased Energy (GWh) | 21,686 | 19,073 | 20,314 | 21,392 | 24,591 | 25,390 | 27,452 | 27,074 | 23,095 | 21,190 | 20,366 | 22,656 | 148,995 | 126,438 | 274,280 |
| Load Factor (%)        | 75.26  | 76.49  | 75.41  | 77.68  | 79.46  | 74.88  | 78.74  | 76.84  | 74.17  | 74.38  | 74.51  | 74.02  | 76.98   | 74.95   | 76.08   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2007-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 39,530 | 37,862 | 36,938 | 39,009 | 42,293 | 47,762 | 47,497 | 47,971 | 43,818 | 38,856 | 38,643 | 41,895 | 268,349 | 235,719 | 502,074 |
| Purchased Energy (GWh) | 22,101 | 19,433 | 20,692 | 21,791 | 24,982 | 25,729 | 27,806 | 27,406 | 23,379 | 21,477 | 20,702 | 23,043 | 151,093 | 128,454 | 278,542 |
| Load Factor (%)        | 75.15  | 76.38  | 75.29  | 77.58  | 79.39  | 74.82  | 78.69  | 76.79  | 74.10  | 74.29  | 74.41  | 73.93  | 76.92   | 74.85   | 76.00   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2008-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 40,240 | 38,523 | 37,562 | 39,637 | 42,837 | 48,275 | 47,997 | 48,469 | 44,292 | 39,342 | 39,252 | 42,598 | 271,507 | 239,501 | 509,023 |
| Purchased Energy (GWh) | 22,469 | 19,748 | 21,014 | 22,119 | 25,287 | 25,990 | 28,085 | 27,675 | 23,615 | 21,725 | 21,003 | 23,401 | 152,770 | 130,361 | 282,131 |
| Load Factor (%)        | 75.05  | 76.28  | 75.20  | 77.50  | 79.34  | 74.77  | 78.65  | 76.75  | 74.05  | 74.22  | 74.32  | 73.84  | 76.87   | 74.77   | 75.93   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2009-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 40,930 | 39,176 | 38,202 | 40,305 | 43,454 | 48,887 | 48,608 | 49,050 | 44,832 | 39,871 | 39,889 | 43,309 | 275,136 | 243,277 | 516,515 |
| Purchased Energy (GWh) | 22,827 | 20,059 | 21,345 | 22,468 | 25,632 | 26,300 | 28,426 | 27,990 | 23,883 | 21,995 | 21,318 | 23,764 | 154,699 | 132,265 | 286,008 |
| Load Factor (%)        | 74.96  | 76.19  | 75.10  | 77.42  | 79.28  | 74.72  | 78.60  | 76.70  | 73.99  | 74.15  | 74.23  | 73.75  | 76.81   | 74.68   | 75.85   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| <b>-2010-</b>          |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 41,606 | 39,803 | 38,799 | 40,911 | 43,985 | 49,390 | 49,093 | 49,528 | 45,281 | 40,327 | 40,455 | 43,956 | 278,188 | 246,738 | 523,134 |
| Purchased Energy (GWh) | 23,177 | 20,358 | 21,653 | 22,784 | 25,929 | 26,555 | 28,696 | 28,248 | 24,107 | 22,227 | 21,598 | 24,094 | 156,330 | 134,011 | 289,428 |
| Load Factor (%)        | 74.87  | 76.11  | 75.01  | 77.35  | 79.23  | 74.67  | 78.57  | 76.66  | 73.94  | 74.08  | 74.15  | 73.68  | 76.77   | 74.61   | 75.79   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |

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2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Peak Demand and Purchased Energy

|                        | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | SUM     | WIN     | TOT     |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| -2019-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 46,629 | 44,490 | 43,344 | 45,560 | 48,136 | 53,362 | 53,061 | 53,362 | 48,835 | 43,911 | 44,880 | 48,930 | 302,316 | 273,701 | 574,499 |
| Purchased Energy (GWh) | 25,782 | 22,591 | 24,000 | 25,214 | 28,253 | 28,568 | 30,909 | 30,323 | 25,874 | 24,055 | 23,784 | 26,633 | 169,141 | 147,609 | 315,986 |
| Load Factor (%)        | 74.32  | 75.56  | 74.42  | 76.86  | 78.89  | 74.36  | 78.29  | 76.38  | 73.59  | 73.63  | 73.60  | 73.16  | 76.43   | 74.08   | 75.35   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2020-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 47,152 | 44,990 | 43,839 | 46,075 | 48,599 | 53,808 | 53,508 | 53,793 | 49,230 | 44,311 | 45,372 | 49,480 | 305,012 | 276,666 | 580,155 |

2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Peak Demand and Purchased Energy

|                        | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | SUM     | WIN     | TOT     |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| -2011-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 42,231 | 40,395 | 39,373 | 41,503 | 44,521 | 49,914 | 49,612 | 50,032 | 45,756 | 40,801 | 41,038 | 44,618 | 281,337 | 250,281 | 529,794 |
| Purchased Energy (GWh) | 23,501 | 20,640 | 21,950 | 23,094 | 26,229 | 26,820 | 28,986 | 28,521 | 24,343 | 22,469 | 21,886 | 24,432 | 157,993 | 135,798 | 292,872 |
| Load Factor (%)        | 74.80  | 76.04  | 74.93  | 77.28  | 79.19  | 74.63  | 78.53  | 76.62  | 73.89  | 74.02  | 74.07  | 73.60  | 76.72   | 74.53   | 75.73   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2012-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 42,870 | 40,998 | 39,955 | 42,103 | 45,060 | 50,438 | 50,116 | 50,512 | 46,194 | 41,230 | 41,553 | 45,186 | 284,423 | 253,292 | 536,215 |
| Purchased Energy (GWh) | 23,833 | 20,927 | 22,250 | 23,408 | 26,531 | 27,086 | 29,267 | 28,781 | 24,561 | 22,688 | 22,140 | 24,722 | 159,633 | 137,316 | 296,193 |
| Load Factor (%)        | 74.72  | 75.96  | 74.85  | 77.22  | 79.14  | 74.59  | 78.49  | 76.58  | 73.85  | 73.96  | 74.00  | 73.54  | 76.67   | 74.47   | 75.67   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2013-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 43,408 | 41,493 | 40,422 | 42,567 | 45,457 | 50,800 | 50,471 | 50,854 | 46,505 | 41,547 | 41,946 | 45,625 | 286,653 | 255,690 | 541,095 |
| Purchased Energy (GWh) | 24,112 | 21,163 | 22,491 | 23,650 | 26,753 | 27,269 | 29,464 | 28,966 | 24,716 | 22,849 | 22,334 | 24,946 | 160,819 | 138,525 | 298,715 |
| Load Factor (%)        | 74.66  | 75.90  | 74.79  | 77.17  | 79.10  | 74.56  | 78.47  | 76.56  | 73.81  | 73.92  | 73.95  | 73.49  | 76.64   | 74.42   | 75.62   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2014-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 43,848 | 41,904 | 40,820 | 42,972 | 45,813 | 51,137 | 50,818 | 51,209 | 46,851 | 41,915 | 42,423 | 46,185 | 288,800 | 258,813 | 545,895 |
| Purchased Energy (GWh) | 24,339 | 21,359 | 22,697 | 23,862 | 26,952 | 27,441 | 29,658 | 29,158 | 24,888 | 23,037 | 22,570 | 25,232 | 161,958 | 140,101 | 301,193 |
| Load Factor (%)        | 74.61  | 75.85  | 74.73  | 77.12  | 79.07  | 74.53  | 78.44  | 76.53  | 73.78  | 73.87  | 73.89  | 73.43  | 76.61   | 74.36   | 75.58   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2015-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 44,431 | 42,468 | 41,391 | 43,578 | 46,378 | 51,698 | 51,386 | 51,737 | 47,322 | 42,373 | 42,968 | 46,772 | 292,101 | 261,923 | 552,503 |
| Purchased Energy (GWh) | 24,642 | 21,628 | 22,991 | 24,179 | 27,269 | 27,725 | 29,975 | 29,444 | 25,122 | 23,271 | 22,839 | 25,532 | 163,713 | 141,669 | 304,616 |
| Load Factor (%)        | 74.54  | 75.79  | 74.66  | 77.06  | 79.03  | 74.48  | 78.40  | 76.49  | 73.73  | 73.81  | 73.83  | 73.37  | 76.57   | 74.30   | 75.53   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |
| -2016-                 |        |        |        |        |        |        |        |        |        |        |        |        |         |         |         |
| System Peak Demand(MW) | 44,989 | 42,966 | 41,855 | 44,032 | 46,762 | 52,043 | 51,721 | 52,062 | 47,620 | 42,678 | 43,348 | 47,201 | 294,239 | 264,287 | 557,276 |
| Purchased Energy (GWh) | 24,931 | 21,865 | 23,231 | 24,416 | 27,483 | 27,900 | 30,161 | 29,620 | 25,270 | 23,426 | 23,027 | 25,751 | 164,850 | 142,861 | 307,081 |
| Load Factor (%)        | 74.48  | 75.73  | 74.60  | 77.01  | 79.00  | 74.46  | 78.38  | 76.47  | 73.70  | 73.78  | 73.78  | 73.33  | 76.54   | 74.25   | 75.48   |
| Hours per Month        | 744    | 672    | 744    | 720    | 744    | 720    | 744    | 744    | 720    | 744    | 720    | 744    | 4392    | 4368    | 8760    |

**2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Energy Use by Consumer Class**

| Rate Class       | Units                   | Historical  |             |             |             |             | Projected   |             |  |
|------------------|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
|                  |                         | 1998        | 1999        | 2000        | 2001        | 2002        | 2003        | 2004        |  |
| RESIDENTIAL      | Consumers               | 13,635      | 14,022      | 14,532      | 14,496      | 14,624      | 15,330      | 15,759      |  |
|                  | Use/Const(mo)           | 497         | 503         | 486         | 512         | 524         | 501         | 501         |  |
|                  | kWh                     | 81,370,989  | 84,699,533  | 84,816,759  | 89,070,947  | 91,933,616  | 92,150,060  | 94,726,694  |  |
| IRRIGATION       | Consumers               | 183         | 218         | 233         | 251         | 269         | 299         | 309         |  |
|                  | Use/Const(ann)          | 108,259     | 112,842     | 122,614     | 118,377     | 126,738     | 118,150     | 118,150     |  |
|                  | kWh                     | 19,832,966  | 24,622,233  | 28,618,175  | 29,665,365  | 34,067,056  | 35,269,458  | 36,450,955  |  |
| SMALL COMMERCIAL | Consumers               | 1,021       | 1,060       | 1,115       | 1,147       | 1,142       | 1,145       | 1,166       |  |
|                  | Use/Const(mo)(Modif)    | 2,574       | 2,540       | 2,735       | 2,714       | 2,715       | 2,583       | 2,577       |  |
|                  | kWh                     | 31,543,714  | 32,304,532  | 36,610,634  | 37,346,172  | 37,214,777  | 35,482,371  | 36,062,939  |  |
| LARGE COMMERCIAL | Consumers               | 8           | 8           | 9           | 9           | 10          | 13          | 13          |  |
|                  | Use/Const(ann)          | 693,899     | 756,842     | 921,445     | 949,499     | 1,098,299   | 1,413,728   | 2,953,557   |  |
|                  | kWh                     | 5,493,365   | 5,928,595   | 7,985,858   | 8,545,494   | 11,349,086  | 18,378,465  | 38,396,236  |  |
| STREET LIGHTING  | Consumers               | 7           | 7           | 7           | 7           | 7           | 7           | 7           |  |
|                  | Use/Const(ann)          | 85,756      | 88,930      | 89,146      | 87,369      | 80,783      | 88,424      | 88,424      |  |
|                  | kWh                     | 621,730     | 622,508     | 624,022     | 611,583     | 592,410     | 618,966     | 618,966     |  |
| TOTAL SALES      | Total Revenue kWh Sales | 138,862,764 | 148,177,401 | 158,655,448 | 165,239,561 | 175,156,945 | 181,899,321 | 206,255,790 |  |
|                  | Own Use kWh (ann)       | 641,829     | 673,611     | 571,581     | 554,773     | 601,867     | 595,587     | 595,587     |  |
|                  | Total kWh Sales         | 139,504,593 | 148,851,012 | 159,227,029 | 165,794,334 | 175,758,812 | 182,494,908 | 206,851,377 |  |
| LOSSES           | (%)                     | 11.36       | 8.58        | 11.94       | 8.83        | 9.18        | 10.32       | 9.77        |  |
|                  | Energy kWh              | 157,387,886 | 162,826,300 | 180,820,406 | 181,848,019 | 193,520,738 | 203,504,364 | 229,246,917 |  |
|                  | System Peak Demand kW   | 30,817      | 31,400      | 32,426      | 32,283      | 35,840      | 38,230      | 41,629      |  |
| PURCHASES        | Annual Load Factor(%)   | 58.30       | 59.20       | 63.48       | 64.30       | 61.64       | 60.77       | 62.86       |  |
|                  | Total Customers         | 14,855      | 15,315      | 15,897      | 15,909      | 16,053      | 16,793      | 17,253      |  |

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**2003 LOAD FORECAST UPDATE**  
**CENTRAL NEW MEXICO ELECTRIC COOPERATIVE**  
 Energy Use by Consumer Class

| Rate Class       | Units                                 | 2005        |             |             |             |             | Projected   |             |  |  |  |
|------------------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|--|--|
|                  |                                       | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        |  |  |  |
| RESIDENTIAL      | Consumers                             | 16,179      | 16,535      | 16,931      | 17,320      | 17,630      | 17,998      | 18,318      |  |  |  |
|                  | Use/Const(mo) kWh                     | 501         | 501         | 501         | 501         | 501         | 501         | 501         |  |  |  |
|                  |                                       | 97,256,145  | 99,395,222  | 101,772,354 | 104,112,057 | 105,978,111 | 108,188,675 | 110,109,628 |  |  |  |
| IRRIGATION       | Consumers                             | 314         | 319         | 319         | 319         | 319         | 319         | 319         |  |  |  |
|                  | Use/Const(ann) kWh                    | 118,150     | 118,150     | 118,150     | 118,150     | 118,150     | 118,150     | 118,150     |  |  |  |
|                  |                                       | 37,041,704  | 37,632,453  | 37,632,453  | 37,632,453  | 37,632,453  | 37,632,453  | 37,632,453  |  |  |  |
| SMALL COMMERCIAL | Consumers                             | 1,186       | 1,206       | 1,228       | 1,247       | 1,264       | 1,281       | 1,298       |  |  |  |
|                  | Use/Const(mo)(Mofdr) kWh              | 2,582       | 2,618       | 2,631       | 2,627       | 2,676       | 2,673       | 2,691       |  |  |  |
|                  |                                       | 36,747,415  | 37,875,300  | 38,775,360  | 39,311,466  | 40,578,393  | 41,092,360  | 41,917,219  |  |  |  |
| LARGE COMMERCIAL | Consumers                             | 18          | 18          | 18          | 18          | 18          | 18          | 18          |  |  |  |
|                  | Use/Const(ann) kWh                    | 4,044,011   | 4,073,744   | 4,103,476   | 4,122,087   | 4,140,698   | 4,159,309   | 4,177,920   |  |  |  |
|                  |                                       | 72,792,202  | 73,327,385  | 73,862,568  | 74,197,568  | 74,532,568  | 74,867,568  | 75,202,568  |  |  |  |
| STREET LIGHTING  | Consumers                             | 7           | 7           | 7           | 7           | 7           | 7           | 7           |  |  |  |
|                  | Use/Const(ann) kWh                    | 88,424      | 88,424      | 88,424      | 88,424      | 88,424      | 88,424      | 88,424      |  |  |  |
|                  |                                       | 618,966     | 618,966     | 618,966     | 618,966     | 618,966     | 618,966     | 618,966     |  |  |  |
| TOTAL SALES      | Total Revenue kWh Sales               | 244,456,433 | 248,849,326 | 252,661,701 | 255,872,510 | 259,340,490 | 262,400,022 | 265,480,834 |  |  |  |
|                  | Own Use kWh (ann)                     | 595,587     | 595,587     | 595,587     | 595,587     | 595,587     | 595,587     | 595,587     |  |  |  |
|                  | Total kWh Sales                       | 245,052,020 | 249,444,913 | 253,257,288 | 256,468,097 | 259,936,077 | 262,995,609 | 266,076,421 |  |  |  |
| LOSSES           | (%)                                   | 9.03        | 9.05        | 9.08        | 9.10        | 9.12        | 9.13        | 9.15        |  |  |  |
|                  |                                       |             |             |             |             |             |             |             |  |  |  |
| PURCHASES        | Energy kWh                            | 269,369,808 | 274,280,333 | 278,541,935 | 282,131,086 | 286,007,713 | 289,427,762 | 292,871,597 |  |  |  |
|                  | System Peak Demand kW                 | 46,496      | 47,359      | 47,971      | 48,469      | 49,050      | 49,528      | 50,032      |  |  |  |
|                  | Annual Load Factor(%) Total Customers | 66.13       | 66.11       | 66.28       | 66.45       | 66.56       | 66.71       | 66.82       |  |  |  |
|                  |                                       | 17,704      | 18,084      | 18,503      | 18,911      | 19,238      | 19,623      | 19,959      |  |  |  |

April 24, 2003

2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Energy Use by Consumer Class

| Rate Class       | Units   | Projected                                |  |  |  |  |  |  |
|------------------|---|--|--|--|--|--|--|--|
|                  |   | 2012                                     | 2013                                     | 2014                                     | 2015                                     | 2016                                     | 2017                                     | 2018                                     |
| RESIDENTIAL      | Consumers<br>Use/Const(mo)<br>kWh   | 18,657<br>501<br>112,151,687             | 18,977<br>501<br>114,074,703             | 19,263<br>501<br>115,790,120             | 19,607<br>501<br>117,860,026             | 19,909<br>501<br>119,676,532             | 20,243<br>501<br>121,680,920             | 20,514<br>501<br>123,310,451             |
| IRRIGATION       | Consumers<br>Use/Const(ann)<br>kWh  | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             | 319<br>118,150<br>37,632,453             |
| SMALL COMMERCIAL | Consumers<br>Use/Const(mo)(Modif)<br>kWh  | 1,313<br>2,698<br>42,511,691             | 1,329<br>2,687<br>42,844,479             | 1,340<br>2,695<br>43,346,021             | 1,355<br>2,726<br>44,338,119             | 1,371<br>2,719<br>44,727,109             | 1,385<br>2,706<br>44,979,514             | 1,398<br>2,777<br>46,606,185             |
| LARGE COMMERCIAL | Consumers<br>Use/Const(ann)<br>kWh  | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            | 18<br>4,196,532<br>75,537,568            |
| STREET LIGHTING  | Consumers<br>Use/Const(ann)<br>kWh  | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   | 7<br>88,424<br>618,966                   |
| TOTAL SALES      | Total Revenue kWh Sales<br>Own Use kWh (ann)<br>Total kWh Sales                 | 268,452,365<br>595,587<br>269,047,952    | 270,708,169<br>595,587<br>271,303,756    | 272,925,128<br>595,587<br>273,520,715    | 275,987,132<br>595,587<br>276,582,719    | 278,192,628<br>595,587<br>278,788,215    | 280,449,421<br>595,587<br>281,045,008    | 283,705,623<br>595,587<br>284,301,209    |
| LOSSES           | (%)   | 9.16                                     | 9.18                                     | 9.19                                     | 9.20                                     | 9.21                                     | 9.22                                     | 9.24                                     |
| PURCHASES        | Energy kWh<br>System Peak Demand kW<br>Annual Load Factor(%)<br>Total Customers | 296,193,276<br>50,512<br>66.94<br>20,314 | 298,714,891<br>50,854<br>67.05<br>20,650 | 301,193,083<br>51,209<br>67.14<br>20,947 | 304,615,895<br>51,737<br>67.21<br>21,306 | 307,081,273<br>52,062<br>67.33<br>21,624 | 309,603,993<br>52,422<br>67.42<br>21,972 | 313,243,886<br>52,994<br>67.48<br>22,256 |

April 24, 2003



2003 LOAD FORECAST UPDATE  
CENTRAL NEW MEXICO ELECTRIC COOPERATIVE  
Energy Use by Consumer Class

| Rate Class       | Units                                | Projected   |             |             |             |               | Annual Growth Rates (%) |               |  |  |  |
|------------------|--------------------------------------|-------------|-------------|-------------|-------------|---------------|-------------------------|---------------|--|--|--|
|                  |                                      | 2019        | 2020        | 2021        | 2022        | (2002 - 2007) | (2002 - 2012)           | (2002 - 2022) |  |  |  |
| RESIDENTIAL      | Consumers                            | 20,795      | 21,148      | 21,409      | 21,660      | 2.97          | 2.47                    | 1.98          |  |  |  |
|                  | Use/Cons(mo)<br>kWh                  | 501         | 501         | 501         | 501         | -0.89         | -0.45                   | -0.22         |  |  |  |
| IRRIGATION       | Consumers                            | 125,000,593 | 127,122,381 | 128,689,715 | 130,200,396 | 2.05          | 2.01                    | 1.76          |  |  |  |
|                  | Use/Cons(ann)<br>kWh                 | 319         | 319         | 319         | 319         | 3.45          | 1.71                    | 0.85          |  |  |  |
| SMALL COMMERCIAL | Consumers                            | 118,150     | 118,150     | 118,150     | 118,150     | -1.39         | -0.70                   | -0.35         |  |  |  |
|                  | Use/Const(mo)(Modif)<br>kWh          | 37,632,453  | 37,632,453  | 37,632,453  | 37,632,453  | 2.01          | 1.00                    | 0.50          |  |  |  |
| LARGE COMMERCIAL | Consumers                            | 1,413       | 1,427       | 1,437       | 1,449       | 1.46          | 1.40                    | 1.20          |  |  |  |
|                  | Use/Const(mo)(Modif)<br>kWh          | 2,793       | 2,796       | 2,826       | 2,823       | -0.63         | -0.06                   | 0.20          |  |  |  |
| STREET LIGHTING  | Consumers                            | 47,369,025  | 47,864,421  | 48,725,112  | 49,088,026  | 0.82          | 1.34                    | 1.39          |  |  |  |
|                  | Use/Const(ann)<br>kWh                | 18          | 18          | 18          | 18          | 11.74         | 5.71                    | 2.81          |  |  |  |
| TOTAL SALES      | Total Revenue kWh Sales              | 286,158,604 | 288,775,789 | 291,203,815 | 293,077,409 | 7.60          | 4.36                    | 2.61          |  |  |  |
|                  | Own Use kWh (ann)<br>Total kWh Sales | 595,587     | 595,587     | 595,587     | 595,587     | -0.21         | -0.10                   | -0.05         |  |  |  |
| LOSSES           | (%)                                  | 286,754,191 | 289,371,376 | 291,799,401 | 293,672,996 | 7.58          | 4.35                    | 2.60          |  |  |  |
|                  | (%)                                  | 9.25        | 9.26        | 9.27        | 9.28        | -0.22         | -0.02                   | 0.05          |  |  |  |
| PURCHASES        | Energy kWh                           | 315,985,912 | 318,911,490 | 321,625,620 | 323,719,987 | 7.56          | 4.35                    | 2.61          |  |  |  |
|                  | System Peak Demand kW                | 53,362      | 53,808      | 54,226      | 54,522      | 6.00          | 3.49                    | 2.12          |  |  |  |
| TOTAL CUSTOMERS  | Annual Load Factor(%)                | 67.60       | 67.66       | 67.71       | 67.78       | 1.46          | 0.83                    | 0.48          |  |  |  |
|                  | Total Customers                      | 22,552      | 22,918      | 23,189      | 23,452      | 2.88          | 2.38                    | 1.91          |  |  |  |

April 24, 2003

A CERTIFICATION OF COMPLIANCE WITH SECTION 6-6 CHAPTER 62 OF THE  
NEW MEXICO PUBLIC UTILITY ACT

Name of Cooperative: Central New Mexico Electric ("The Utility")  
Cooperative, Inc.

Cooperative ID#: NM021

Line of Credit Designation: Perpetual

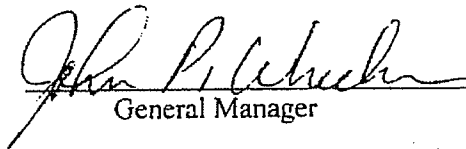
For the Period: January 1, 2003 to December 31, 2003

Acting on behalf of the Utility, I hereby certify that as of the date below: (1) the commitment amount and terms and conditions of the above-designated line of credit ("the Line of Credit") have not changed during the past twelve (12) months; and (2) the Line of Credit has been reduced to zero for a period of five consecutive business days during a 360 day period:

In addition, the Utility has made advances under the Line of Credit solely for one or more of the following purposes as set forth in Section 6-6 (B) of Chapter 62 of the New Mexico Public Utility Act:

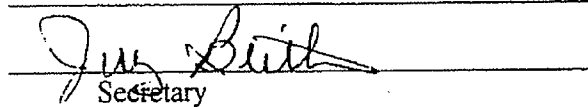
- (1) "making loans or grants from the proceeds of federal loans for economic development projects benefiting its service area;
- (2) the acquisition of property;
- (3) the construction, completion, extension or improvements of its facilities;
- (4) the improvement or maintenance of its service;
- (5) the discharge or lawful refunding of its obligations; or
- (6) the reimbursement of money actually expended for purposes set forth in items (1) through (5) above from income or from any other money in the treasury not secured by or obtained from the issue, assumption, or guarantee of securities, within five years next prior to the filing of and application with the commission for the required authorization."

Signed: \_\_\_\_\_

  
General Manager

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

  
Secretary

CORPORATE SEAL

number (the valid OMB Control Number for this information collection) and 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 NM0021

PERIOD ENDED 12/2003

**FINANCIAL AND STATISTICAL REPORT**

BORROWER NAME AND ADDRESS  
CENTRAL NEW MEXICO ELEC COOP INC  
PO Box 157  
Mountainair, NM 87036-

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2

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

**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.

  
Alena Brandenberger, Manager of Accounting & Finance  
04/02/2004  
DATE

  
John Wheeler, General Manager  
04/02/2004  
DATE

# FINANCIAL AND STATISTICAL REPORT

NM0021

PERIOD ENDED

12/2003

INSTRUCTIONS-See RUS Bulletin 1717B-2

## Part A. Statement of Operations

| ITEM   | Year-to-date<br>Last Year<br>(a) | Year-to-date<br>This Year<br>(b) | Year-to-date<br>Budget<br>(c) | This Month<br>(d) |
|--|----------------------------------|----------------------------------|-------------------------------|-------------------|
| 1. Operating Revenue and Patronage Capital             | 16,378,247                       | 18,094,290                       | 17,452,513                    | 1,579,918         |
| 2. Power Production Expense                            | 0                                | 0                                | 0                             | 0                 |
| 3. Cost of Purchased Power                             | 7,932,210                        | 8,757,150                        | 8,579,044                     | 761,625           |
| 4. Transmission Expense                                | 11,219                           | 23,003                           | 64,734                        | 6,060             |
| 5. Distribution Expense - Operation                    | 1,498,878                        | 1,709,468                        | 1,262,912                     | 331,262           |
| 6. Distribution Expense - Maintenance                  | 686,535                          | 615,326                          | 549,281                       | 80,457            |
| 7. Customer Accounts Expense                           | 947,576                          | 1,011,862                        | 1,137,175                     | 65,020            |
| 8. Customer Service and Informational Expense          | 53,655                           | 41,889                           | 133,408                       | 5,005             |
| 9. Sales Expense                                       | 54,266                           | 72,795                           | 90,532                        | 8,133             |
| 10. Administrative and General Expense                 | 1,222,610                        | 1,244,124                        | 1,108,715                     | 137,105           |
| 11. Total Operation & Maintenance Expense (2 thru 10)  | 12,406,949                       | 13,475,617                       | 12,925,801                    | 1,394,667         |
| 12. Depreciation and Amortization Expense              | 1,453,244                        | 1,594,345                        | 1,615,611                     | 136,321           |
| 13. Tax Expense - Property & Gross Receipts            | 0                                | 0                                | 0                             | 0                 |
| 14. Tax Expense - Other                                | 0                                | 0                                | 0                             | 0                 |
| 15. Interest on Long-Term Debt                         | 2,036,712                        | 1,981,134                        | 2,200,562                     | 158,450           |
| 16. Interest Charged to Construction - Credit          | 0                                | 0                                | 0                             | 0                 |
| 17. Interest Expense - Other                           | 47,301                           | 43,744                           | 27,180                        | 3,842             |
| 18. Other Deductions                                   | 155,615                          | 22,286                           | 0                             | 0                 |
| 19. Total Cost of Electric Service (11 thru 18)        | 16,099,821                       | 17,117,126                       | 16,769,154                    | 1,693,280         |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 278,426                          | 977,164                          | 683,359                       | ( 113,362)        |
| 21. Non Operating Margins - Interest                   | 262,368                          | 139,343                          | 114,619                       | 6,522             |
| 22. Allowance for Funds Used During Construction       | 0                                | 0                                | 0                             | 0                 |
| 23. Income (Loss) from Equity Investments              | 0                                | 0                                | 0                             | 0                 |
| 24. Non Operating Margins - Other                      | 31,020                           | ( 76,585)                        | 16,415                        | 55,244            |
| 25. Generation and Transmission Capital Credits        | 0                                | 0                                | 0                             | 0                 |
| 26. Other Capital Credits and Patronage Dividends      | 17,388                           | 21,698                           | 20,000                        | 4,201             |
| 27. Extraordinary Items                                | 0                                | 0                                | 0                             | 0                 |
| 28. Patronage Capital or Margins (20 thru 27)          | 589,202                          | 1,061,620                        | 834,393                       | ( 47,385)         |

## Part B. Data on Transmission and Distribution Plant

| ITEM                                 | Year-to-date<br>Last Year<br>(a) | Year-to-date<br>This Year<br>(b) |
|--------------------------------------|----------------------------------|----------------------------------|
| 1. New Services Connected            | 396                              | 361                              |
| 2. Services Retired                  | 59                               | 89                               |
| 3. Total Services in Place           | 19,421                           | 19,693                           |
| 4. Idle Services (Exclude Seasonal)  | 3,508                            | 3,545                            |
| 5. Miles Transmission                | 106.00                           | 106.00                           |
| 6. Miles Distribution - Overhead     | 3,768.00                         | 3,781.00                         |
| 7. Miles Distribution - Underground  | 281.00                           | 304.00                           |
| 8. Total Miles Energized (5 + 6 + 7) | 4,155.00                         | 4,191.00                         |

**FINANCIAL AND STATISTICAL REPORT**

NM0021

PERIOD ENDED

12/2003

INSTRUCTIONS-See RUS Bulletin 1717B-2

**Part C. Balance Sheet**

| ASSETS AND OTHER DEBITS                               |            | LIABILITIES AND OTHER CREDITS   |            |
|---|------------|---|------------|
| 1. Total Utility Plant in Service                     | 60,036,834 | 29. Memberships   | 0          |
| 2. Construction Work in Progress                      | 4,567,826  | 30. Patronage Capital   | 11,433,055 |
| 3. Total Utility Plant (1 + 2)                        | 64,604,660 | 31. Operating Margins - Prior Years                                   | 0          |
| 4. Accum. Provision for Depreciation and Amort.       | 15,201,075 | 32. Operating Margins - Current Year                                  | 998,862    |
| 5. Net Utility Plant (3 - 4)                          | 49,403,585 | 33. Non-Operating Margins   | 62,758     |
| 6. Non-Utility Property (Net)                         | 0          | 34. Other Margins and Equities  | 19,912     |
| 7. Investments in Subsidiary Companies                | 0          | 35. Total Margins & Equities (29 thru 34)                             | 12,514,587 |
| 8. Invest. in Assoc. Org. - Patronage Capital         | 196,961    | 36. Long-Term Debt - RUS (Net)  | 37,071,827 |
| 9. Invest. in Assoc. Org. - Other - General Funds     | 1,122      | (Payments - Unapplied)  | 0          |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds | 0          | 37. Long-Term Debt - RUS - Econ. Devel. (Net)                         | 0          |
| 11. Investments in Economic Development Projects      | 0          | 38. Long-Term Debt - FFB - RUS Guaranteed                             | 0          |
| 12. Other Investments                                 | 0          | 39. Long-Term Debt - Other - RUS Guaranteed                           | 0          |
| 13. Special Funds                                     | 0          | 40. Long-Term Debt Other (Net)  | 3,568,858  |
| 14. Total Other Property & Investments (6 thru 13)    | 198,083    | 41. Total Long-Term Debt (36 thru 40)                                 | 40,640,685 |
| 15. Cash - General Funds                              | 190,990    | 42. Obligations Under Capital Leases - Noncurrent                     | 0          |
| 16. Cash - Construction Funds - Trustee               | 10         | 43. Accumulated Operating Provisions and Asset Retirement Obligations | 293,138    |
| 17. Special Deposits                                  | 0          | 44. Total Other Noncurrent Liabilities (42 + 43)                      | 293,138    |
| 18. Temporary Investments                             | 1,000,000  | 45. Notes Payable   | 375,000    |
| 19. Notes Receivable (Net)                            | 0          | 46. Accounts Payable  | 922,982    |
| 20. Accounts Receivable - Sales of Energy (Net)       | 849,280    | 47. Consumers Deposits  | 430,834    |
| 21. Accounts Receivable - Other (Net)                 | 428,337    | 48. Current Maturities Long-Term Debt                                 | 970,924    |
| 22. Materials and Supplies - Electric & Other         | 827,807    | 49. Current Maturities Long-Term Debt-Economic Development            | 0          |
| 23. Prepayments                                       | 1,155,446  | 50. Current Maturities Capital Leases                                 | 0          |
| 24. Other Current and Accrued Assets                  | 24,217     | 51. Other Current and Accrued Liabilities                             | 778,601    |
| 25. Total Current and Accrued Assets (15 thru 24)     | 4,476,087  | 52. Total Current & Accrued Liabilities (45 thru 51)                  | 3,478,341  |
| 26. Regulatory Assets                                 | 3,978,805  | 53. Regulatory Liabilities  | 0          |
| 27. Other Deferred Debits                             | 946,861    | 54. Other Deferred Credits  | 2,076,670  |
| 28. Total Assets and Other Debits (5+14+25 thru 27)   | 59,003,421 | 55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54)    | 59,003,421 |

# FINANCIAL AND STATISTICAL REPORT

NM0021

PERIOD ENDED

12/2003

INSTRUCTIONS-See RUS Bulletin 1717B-2

## Part E. Changes in Utility Plant

| PLANT ITEM                                | Balance Beginning of Year | Additions | Retirements | Adjustments and Transfers | Balance End of Year |
|---|---------------------------|-----------|-------------|---------------------------|---------------------|
| Distribution Plant                        | 47,850,978                | 4,599,313 | 1,015,981   | 0                         | 51,434,310          |
| General Plant                             | 5,252,117                 | 302,206   | 164,267     | 0                         | 5,390,056           |
| Headquarters Plant                        | 1,415,379                 | 722,989   | 541         | 0                         | 2,137,827           |
| Intangibles                               | 478                       | 0         | 0           | 0                         | 478                 |
| Transmission Plant                        | 972,580                   | 6,370     | 97,653      | 0                         | 881,297             |
| All Other Utility Plant                   | 83,054                    | 115,873   | 6,061       | 0                         | 192,866             |
| Total Utility Plant in Service (1 thru 6) | 55,574,586                | 5,746,751 | 1,284,503   | 0                         | 60,036,834          |
| Construction Work in Progress             | 3,936,464                 | 631,362   |             |                           | 4,567,826           |
| TOTAL UTILITY PLANT (7 + 8)               | 59,511,050                | 6,378,113 | 1,284,503   | 0                         | 64,604,660          |

## 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 | 667,674                       | 1,415,278     | ( 284,945)   | 1,170,688      | 559      | 23,239         | 649,999                 |
| 2. Other    | 115,607                       | 208,997       | 0            | 134,415        | 0        | ( 12,381)      | 177,808                 |

## Part G. Service Interruptions

| ITEM                 | Avg. Hours per Consumer by Cause<br>Power Supplier (a) | Avg. Hours per Consumer by Cause<br>Extreme Storm (b) | Avg. Hours per Consumer by Cause<br>Prearranged (c) | Avg. Hours per Consumer by Cause<br>All Other (d) | TOTAL (e) |
|----------------------|--|---|---|---|-----------|
| 1. Present Year      | 0.01   | 0.09  | 0.10  | 4.19  | 4.39      |
| 2. Five-Year Average | 0.30   | 0.30  | 0.06  | 3.71  | 4.37      |

## Part H. Employee-Hour and Payroll Statistics

|   | Amount    |
|---|-----------|
| 1. Number of Full Time Employees          | 80        |
| 2. Employee - Hours Worked - Regular Time | 165,849   |
| 3. Employee - Hours Worked - Overtime     | 7,197     |
| 4. Payroll - Expensed                     | 1,682,382 |
| 5. Payroll - Capitalized                  | 1,303,643 |
| 6. Payroll - Other                        | 736,572   |

**FINANCIAL AND STATISTICAL REPORT**

NM0021

PERIOD ENDED

12/2003

INSTRUCTIONS-See RUS Bulletin (77) 7B-2

**Part I. Patronage Capital**

| ITEM                                | DESCRIPTION   | This Year<br>(a) | Cumulative<br>(b) |
|-------------------------------------|---|------------------|-------------------|
| 1. Capital Credits<br>Distributions | a. General Retirements  | 0                | 510,039           |
|                                     | b. Special Retirements  | 0                | 0                 |
|                                     | c. Total Retirements (a + b)  | 0                | 510,039           |
| 2. Capital Credits<br>Received      | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power                        | 0                |                   |
|                                     | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 10,071           |                   |
|                                     | c. Total Cash Received (a + b)  | 10,071           |                   |

**Part J. Due from Consumers for Electric Service**

|                                   | Amount |
|-----------------------------------|--------|
| 1. AMOUNT DUE OVER 60 DAYS        | 6,802  |
| 2. AMOUNT WRITTEN OFF DURING YEAR | 55,991 |

**FINANCIAL AND STATISTICAL REPORT**

NM0021

PERIOD ENDED

12/2003

INSTRUCTIONS-See RUS Bulletin 1717B-2

**Part K. kWh Purchased and Total Cost**

| Line No. | ITEM<br>(a)                        | RUS Use Only Supplier Code<br>(b) | kWh Purchased<br>(c) | Total Cost<br>(d) | Average Cost (Cents/kWh)<br>(e) | Included in Total Cost Fuel Cost Adjustment<br>(f) | Included in Total Cost Wheeling and Other Charges (or credits)<br>(g) |
|----------|------------------------------------|-----------------------------------|----------------------|-------------------|---------------------------------|--|---|
| 1        | Tri-State G & T Assn, Inc (CO0047) | 30151                             | 199,268,179          | 8,757,150         | 4.39                            | 0  | 0   |
| 2        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 3        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 4        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 5        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 6        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 7        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 8        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 9        |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 10       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 11       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 12       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 13       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 14       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 15       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 16       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 17       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 18       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 19       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
| 20       |                                    | 0                                 | 0                    | 0                 | 0.00                            | 0  | 0   |
|          | <b>Total</b>                       |                                   | 199,268,179          | 8,757,150         | 4.39                            | 0  | 0   |





|   |                                |
|---|--------------------------------|
| USDA-RUS<br><b>FINANCIAL AND STATISTICAL REPORT</b> | BORROWER DESIGNATION<br>NM0021 |
|   | PERIOD ENDED<br>12/2003        |

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**Part M. Annual Meeting and Board Data**

|   |   |   |  |
|---|---|---|--|
| 1. Date of Last Annual Meeting<br><br>04/26/2003      | 2. Total Number of Members<br><br>12,360  | 3. Number of Members Present at Meeting<br><br>229                    | 4. Was Quorum Present (Y/N) ?<br><br>Y                 |
| 5. Number of Members Voting by Proxy or Mail<br><br>0 | 6. Total Number of Board Members<br><br>8 | 7. Total Amount of Fees and Expenses for Board Members<br><br>135,154 | 8. Does Manager Have Written Contract (Y/N) ?<br><br>Y |

|   |               |
|---|---------------|
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|   | PERIOD ENDING |
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| Part N. Long-Term Debt and Debt Service Requirements                |                                   |  |   |   |
|---|-----------------------------------|--|---|---|
| ITEM  | Balance<br>End of Year<br><br>(a) | Billed This<br>Year<br><br>Interest<br>(b) | Billed This<br>Year<br><br>Principal<br>(c) | Billed This<br>Year<br><br>Total<br>(d) |
| Rural Utilities Service (Excludes RUS - Economic Development Loans) | 37,071,827                        | 1,836,073                                  | 880,301                                     | 2,716,374.00                            |
| National Rural Utilities Cooperative Finance Corporation            | 3,568,858                         | 111,814                                    | 86,335                                      | 198,149.00                              |
| Bank for Cooperatives   | 0                                 | 0  | 0   | 0.00                                    |
| Federal Financing Bank  | 0                                 | 0  | 0   | 0.00                                    |
| RUS - Economic Development Loans                                    | 0                                 | 0  | 0   | 0.00                                    |
| Other (List Separately)   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
|   | 0                                 | 0  | 0   | 0.00                                    |
| <b>TOTAL</b>  | 40,640,685                        | 1,947,887                                  | 966,636                                     | 2,914,523.00                            |

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## Part O. Power Requirements Data Base - Annual Summary

| CLASSIFICATION   | Consumer Sales & Revenue Data | December | Average No. Consumers Served | Total Year to Date |
|--|-------------------------------|----------|------------------------------|--------------------|
|  |                               | (a)      | (b)                          | (c)                |
| 1. Residential Sales<br>(excluding seasonal)                               | a. No. Consumers Served       | 14,896   | 14,806                       |                    |
|  | b kWh Sold                    |          |                              | 95,998,977         |
|  | c. Revenue                    |          |                              | 11,114,331         |
| 2. Residential Sales -<br>Seasonal   | a. No. Consumers Served       | 0        | 0                            |                    |
|  | b kWh Sold                    |          |                              | 0                  |
|  | c. Revenue                    |          |                              | 0                  |
| 3. Irrigation Sales  | a. No. Consumers Served       | 79       | 172                          |                    |
|  | b kWh Sold                    |          |                              | 32,260,033         |
|  | c. Revenue                    |          |                              | 1,889,158          |
| 4. Comm. and Ind.<br>1000 KVA or<br>Less                                   | a. No. Consumers Served       | 1,164    | 1,159                        |                    |
|  | b kWh Sold                    |          |                              | 45,897,432         |
|  | c. Revenue                    |          |                              | 4,322,229          |
| 5. Comm. and Ind.<br>Over 1000 KVA   | a. No. Consumers Served       | 2        | 2                            |                    |
|  | b kWh Sold                    |          |                              | 5,482,800          |
|  | c. Revenue                    |          |                              | 376,400            |
| 6. Public Street &<br>Highway<br>Lighting                                  | a. No. Consumers Served       | 7        | 7                            |                    |
|  | b kWh Sold                    |          |                              | 588,255            |
|  | c. Revenue                    |          |                              | 77,445             |
| 7. Other Sales to<br>Public Authorities                                    | a. No. Consumers Served       | 0        | 0                            |                    |
|  | b kWh Sold                    |          |                              | 0                  |
|  | c. Revenue                    |          |                              | 0                  |
| 8. Sales for Resales -<br>RUS Borrowers                                    | a. No. Consumers Served       | 0        | 0                            |                    |
|  | b kWh Sold                    |          |                              | 0                  |
|  | c. Revenue                    |          |                              | 0                  |
| 9. Sales for Resale -<br>Other   | a. No. Consumers Served       | 0        | 0                            |                    |
|  | b kWh Sold                    |          |                              | 0                  |
|  | c. Revenue                    |          |                              | 0                  |
| 10. TOTAL No. of Consumers (lines 1a thru 9a)                              |                               | 16,148   | 16,145                       |                    |
| 11. TOTAL kWh Sold (lines 1b thru 9b)                                      |                               |          |                              | 180,227,497        |
| 12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c) |                               |          |                              | 17,779,563         |
| 13. Other Electric Revenue   |                               |          |                              | 314,726            |
| 14. kWh - Own Use  |                               |          |                              | 648,204            |
| 15. TOTAL kWh Purchased  |                               |          |                              | 199,268,179        |
| 16. TOTAL kWh Generated  |                               |          |                              | 0                  |
| 17. Cost of Purchases and Generation and Transmission Expense              |                               |          |                              | 8,780,153          |
| 18. Interchange - kWh - Net  |                               |          |                              | 0                  |
| 19. System Peak - Sum Annual Peak kW Input from all Sources (Metered)      |                               |          |                              | 38,363             |

Non-coincident  Coincident

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| Line No.                     | Description (a) | Included (\$)<br>(b) | Excluded (\$)<br>(c) | Income or Loss (\$)<br>(d) | Rural Development (e) |
|------------------------------|-----------------|----------------------|----------------------|----------------------------|-----------------------|
| 44                           |                 |                      |                      |                            |                       |
| 45                           |                 |                      |                      |                            |                       |
| 46                           |                 |                      |                      |                            |                       |
| 47                           |                 |                      |                      |                            |                       |
| 48                           |                 |                      |                      |                            |                       |
| 49                           |                 |                      |                      |                            |                       |
| 50                           |                 |                      |                      |                            |                       |
| 51                           |                 |                      |                      |                            |                       |
| 52                           |                 |                      |                      |                            |                       |
| 53                           |                 |                      |                      |                            |                       |
| 54                           |                 |                      |                      |                            |                       |
| 55                           |                 |                      |                      |                            |                       |
| 56                           |                 |                      |                      |                            |                       |
| 57                           |                 |                      |                      |                            |                       |
| 58                           |                 |                      |                      |                            |                       |
| 59                           |                 |                      |                      |                            |                       |
| 60                           |                 |                      |                      |                            |                       |
| <b>11. TOTAL INVESTMENTS</b> |                 | 0                    | 0                    | 0                          |                       |

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**7a - Part I. Investments**

| Line No. | Description (a) | Included (\$)<br>(b) | Excluded (\$)<br>(c) | Income or Loss (\$)<br>(d) | Rural Development (e) |
|----------|-----------------|----------------------|----------------------|----------------------------|-----------------------|
| 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       |                 |                      |                      |                            |                       |
| 34       |                 |                      |                      |                            |                       |
| 35       |                 |                      |                      |                            |                       |
| 36       |                 |                      |                      |                            |                       |
| 37       |                 |                      |                      |                            |                       |
| 38       |                 |                      |                      |                            |                       |
| 39       |                 |                      |                      |                            |                       |
| 40       |                 |                      |                      |                            |                       |
| 41       |                 |                      |                      |                            |                       |
| 42       |                 |                      |                      |                            |                       |
| 43       |                 |                      |                      |                            |                       |

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**7a - Part II. Loan Guarantees/Part III. Ratio**

| Line No.                                     | Organization (a) | Maturity date (b) | Original Amount (\$) (c) | Loan Balance (\$) (d) | Rural Development (e) |
|--|------------------|-------------------|--------------------------|-----------------------|-----------------------|
| 1  |                  |                   | 0                        | 0                     |                       |
| 2  |                  |                   | 0                        | 0                     |                       |
| 3  |                  |                   | 0                        | 0                     |                       |
| 4  |                  |                   | 0                        | 0                     |                       |
| 5  |                  |                   | 0                        | 0                     |                       |
| 6  |                  |                   | 0                        | 0                     |                       |
| 7  |                  |                   | 0                        | 0                     |                       |
| 8  |                  |                   | 0                        | 0                     |                       |
| 9  |                  |                   | 0                        | 0                     |                       |
| 10   |                  |                   | 0                        | 0                     |                       |
| <b>TOTALS</b>                                |                  |                   | 0                        | 0                     |                       |
| <b>TOTAL (included Loan Guarantees only)</b> |                  |                   | 0                        | 0                     |                       |

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

00 %