

Statement of Operations

	2012 Projected	Proposed 2013 budget
1. Operating Revenue and Patronage Capital	24,617,261	24,452,144
3. Cost of Purchased Power (555 - 567)	13,911,239	14,262,369
4. Transmission Expense (560-573)	39,504	15,694
5. Distribution Expense - Operation (580s)	992,148	872,948
6. Distribution Expense - Maintenance (590s)	1,294,128	1,035,299
7. Consumer Accounts Expense (901-905)	843,015	991,243
8. Customer Service and Informational Expense (907-910)	40,578	10,381
9. Sales Expense (911-916)	23,676	21,550
10. Administrative and General Expense (920-935)	1,599,354	1,871,283
11. Total Operation & Maintenance Expense (2 thru 10)	18,743,642	19,080,767
12. Depreciation & Amortization Expense	2,095,247	2,137,901
14. Tax Expense - Other	331,649	123,728
15. Interest on Long-Term Debt:	2,108,951	2,182,800
17. Interest Expense - Other	7,731	600
18. Other Deductions	86,241	91,200
19. Total Cost of Electric Service (11 thru 18)	23,373,459	23,616,996
20. Patronage Capital & Operating Margins (1 minus 19)	1,243,802	835,148
21. Non Operating Margins - Interest	77,669	83,003
23. Income (Loss) from Equity Investments	19,230	17,662
25. Generation & Transmission Capital Credits	1,000,000	1,000,000
26. Other Capital Credits & Patronage Dividends	77,300	77,300
28. Patronage Capital or Margins (20 thru 27)	2,418,001	2,013,113

Revenue by Class

Class	Proposed 2013 Budget				
	KWH	KWH	KW	Fixed Charge	Revenue
Residential	71,221,527	8,902,691		2,059,695	10,962,386
Irrigation	501,779	55,195			55,195
Small Commercial	49,391,275	6,173,908	1,316,709	445,775	7,936,392
Large Commercial	9,857,061	763,922	198,993	2,700	965,615
Public Street & Highway	789,291	102,291			102,291
VLA	13,884,590	1,013,574	83,257	6,204	1,103,035
WSMR	6,136,340	475,566	205,671	900	682,137
New Mexico Tech	21,159,059	1,639,828	689,633	900	2,330,361
Total Revenue by Class	172,940,922	19,126,975	2,494,263	2,516,174	24,137,412
Other Operating Revenue					314,732
Total Per Line 1 on Statement of Operations					24,452,144

Revenue Assumptions - January through August for the proposed 2013 budget is based on 2012 actual KWH sales.
September through December for the scenario is based on 2011 actual KWH Sales.

KEY INDUSTRY RATIOS

	2011	2012 Projected	Proposed 2013 budget
TIER	2.22	1.63	1.92
OTIER	1.71	1.58	1.42
DSC	1.80	2.65	1.76
ODSC	1.17	1.95	1.46
MDSC	1.51	2.04	1.47

Summary of Payroll Costs

2013 projected*

Base Earnings	
Base Pay	2,139,124
Overtime Pay	306,360
Total Base Earnings	<u>2,445,484</u>
Insurance	
Medical Premium	667,728
Dental Premium	29,070
Vision Premium	13,270
Workers Comp	123,152
Basic Life Insurance	4,882
Long-Term Disability	13,450
Total Insurance	<u>851,551</u>
Required Employer Expenses	
Federal Unemployment, 1st \$7,000	17,640
State Unemployment, 1st \$20,800	2,621
Social Security, 1st \$106,800	147,397
Medicare	35,460
Total	<u>203,117</u>
Retirement and Other Benefits	
NRECA R&S plan	294,509
NRECA 401k plan	149,739
Cash Bonus	4,200
Total Retirement and Other Benefits	<u>448,448</u>
Total Earnings and Benefits	<u>3,948,599.27</u>
Benefits as a Percent of Base Pay	70.27%
Benefits as a Percent of Total Earnings	61.46%
Benefits as a Percent of Total Earnings & Benefits	38.07%

* - Includes 7% raise as of 1/1/13

2013 Proposed Capital Expenditures

Transmission Plant

69kv General Capital Purchases	40,000
Total Transmission Plant	40,000

Distribution Plant

Meters, Lock Rings, CT's	89,000
AMR Substaion Metering Eq	62,000
Substation General Capital	24,000
Line Breakers	22,000
Special Equipment Reclosures	89,000
Special Equipment Capacitors	23,400
Special Equipment URD Switchgear	16,345
Special Equipment Voltage Regulator	52,000
Conversion and Line Upgrades	392,130
Total Distribution Plant	769,875

General Plant

1/2 Ton 4wd Truck	60,000
One Ton 4WD Truck w/ Utility Box	65,000
Misc. Tools and Equipment	23,000
Skid Steer with attachments	110,000
Furniture for Office	5,000
Security Camera System	21,500
Main office Standby Generator	70,000
New Software/Hardware	45,000
45' Bucket Truck	135,000
45' Bucket Truck	135,000
45' Bucket Truck	135,000
45' Bucket Truck	135,000
Trailer	25,000
GIS system Inventory	385,000
Equipment for Tri-State Fiber connection	30,000
Total Distribution Plant	1,379,500