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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0059
	PERIOD ENDED December, 2013 (Prepared with Audited Data)
	BORROWER NAME People's Cooperative Services

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	31,020,413	32,329,108	32,040,240	2,756,681
2. Power Production Expense				
3. Cost of Purchased Power	17,156,659	17,466,514	17,363,683	1,700,939
4. Transmission Expense	286,072	314,626	399,378	9,005
5. Regional Market Expense				
6. Distribution Expense - Operation	1,421,655	1,470,984	1,440,090	98,100
7. Distribution Expense - Maintenance	2,585,343	2,760,455	2,786,319	289,098
8. Customer Accounts Expense	618,786	689,714	663,893	81,466
9. Customer Service and Informational Expense	517,312	465,304	445,820	57,713
10. Sales Expense	153,184	75,023	170,216	9,756
11. Administrative and General Expense	1,939,788	1,623,869	1,649,871	102,550
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>24,678,799</b>	<b>24,866,489</b>	<b>24,919,270</b>	<b>2,348,627</b>
13. Depreciation and Amortization Expense	3,158,490	3,312,052	3,342,547	277,718
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	2,540,706	2,692,356	2,675,858	225,676
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	21,887	2,720	10,711	(51)
19. Other Deductions	12,862	17,268	12,555	330
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>30,412,744</b>	<b>30,890,885</b>	<b>30,960,941</b>	<b>2,852,300</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>607,669</b>	<b>1,438,223</b>	<b>1,079,299</b>	<b>(95,619)</b>
22. Non Operating Margins - Interest	216,005	344,480	328,563	29,422
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	68,701	(39,020)	(39,360)	2,646
25. Non Operating Margins - Other	652,159	508,303	561,221	28,851
26. Generation and Transmission Capital Credits	883,339	914,813	728,042	233,959
27. Other Capital Credits and Patronage Dividends	83,306	139,400	96,000	15,094
28. Extraordinary Items		2,020,100		
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>2,511,179</b>	<b>5,326,299</b>	<b>2,753,765</b>	<b>214,353</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MN0059		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.					
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	230	185	5. Miles Transmission	124.00	124.00
2. Services Retired	97	89	6. Miles Distribution -- Overhead	2,022.00	2,003.00
3. Total Services in Place	15,760	15,859	7. Miles Distribution - Underground	543.00	554.00
4. Idle Services (Exclude Seasonals)	1,180	1,170	8. Total Miles Energized (5 + 6 + 7)	2,689.00	2,681.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service		107,780,857	30. Memberships		0
2. Construction Work in Progress		1,329,642	31. Patronage Capital		19,791,750
3. Total Utility Plant (1 + 2)		109,110,499	32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.		22,983,527	33. Operating Margins - Current Year		2,353,036
5. Net Utility Plant (3 - 4)		86,126,972	34. Non-Operating Margins		2,973,263
6. Non-Utility Property (Net)		0	35. Other Margins and Equities		16,132,846
7. Investments in Subsidiary Companies		0	36. Total Margins & Equities (30 thru 35)		41,250,895
8. Invest. in Assoc. Org. - Patronage Capital		11,086,942	37. Long-Term Debt - RUS (Net)		9,978,158
9. Invest. in Assoc. Org. - Other - General Funds		937,789	38. Long-Term Debt - FFB - RUS Guaranteed		48,541,940
10. Invest. in Assoc. Org. - Other - Nongeneral Funds		815,316	39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects		248,796	40. Long-Term Debt Other (Net)		8,707,021
12. Other Investments		2,837,103	41. Long-Term Debt - RUS - Econ. Devel. (Net)		600,000
13. Special Funds		0	42. Payments - Unapplied		4,197,064
14. Total Other Property & Investments (6 thru 13)		15,925,946	43. Total Long-Term Debt (37 thru 41 - 42)		63,630,055
15. Cash - General Funds		3,024,182	44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee		183,299	45. Accumulated Operating Provisions and Asset Retirement Obligations		543,100
17. Special Deposits		0	46. Total Other Noncurrent Liabilities (44 + 45)		543,100
18. Temporary Investments		3,548,623	47. Notes Payable		0
19. Notes Receivable (Net)		0	48. Accounts Payable		2,514,308
20. Accounts Receivable - Sales of Energy (Net)		3,051,522	49. Consumers Deposits		196,185
21. Accounts Receivable - Other (Net)		190,738	50. Current Maturities Long-Term Debt		4,341,000
22. Renewable Energy Credits		0	51. Current Maturities Long-Term Debt - Economic Development		9,000
23. Materials and Supplies - Electric & Other		627,860	52. Current Maturities Capital Leases		0
24. Prepayments		271,210	53. Other Current and Accrued Liabilities		1,165,149
25. Other Current and Accrued Assets		14,781	54. Total Current & Accrued Liabilities (47 thru 53)		8,225,642
26. Total Current and Accrued Assets (15 thru 25)		10,912,215	55. Regulatory Liabilities		795,398
27. Regulatory Assets		0	56. Other Deferred Credits		436,005
28. Other Deferred Debits		1,915,962	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		114,881,095
29. Total Assets and Other Debits (5+14+26 thru 28)		114,881,095			

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  MN0059</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2013</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

(Part A, Line 1.b) In 2013 RUS approved a \$1,193,101 revenue deferral plan related to a refund from Dairyland Power Cooperative. These revenues will be recognized from 2013 - 2015. \$397,704 of this deferral has been recognized in 2013.

(Part A, Line 28) Extraordinary Items includes a gain of \$2,020,100 from the sale of our Rochester headquarters building.

(Part C, Line 28) Deferred Debits includes \$1,453,790 in NRECA R&S deferred charges, \$416,350 in GIS field inventory deferred charges, \$35,822 in long range work plan deferred charges and \$10,000 for the Southern MN Cooperative special project.

(Part C, Line 56) Deferred Credits includes \$354,016 in capital credits that are unclaimed or have not reached the minimum payout level and accounts receivable credit balances of \$81,989.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  MN0059
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0059
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**PART E. CHANGES IN UTILITY PLANT**

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	85,201,960	3,500,957	2,544,091		86,158,826
2. General Plant	6,285,119	80,033	462,371		5,902,781
3. Headquarters Plant	8,144,274	22,861	37,880		8,129,255
4. Intangibles	0				0
5. Transmission Plant	7,578,678	32,784	21,467		7,589,995
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
<b>8. Total Utility Plant in Service (1 thru 7)</b>	<b>107,210,031</b>	<b>3,636,635</b>	<b>3,065,809</b>		<b>107,780,857</b>
9. Construction Work in Progress	323,519	1,006,123			1,329,642
<b>10. Total Utility Plant (8 + 9)</b>	<b>107,533,550</b>	<b>4,642,758</b>	<b>3,065,809</b>		<b>109,110,499</b>

**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	625,439	1,099,488	7,117	1,110,996	4,169	(291)	616,588
2. Other	24,741	28,461	0	31	40,715	(1,184)	11,272

**PART G. SERVICE INTERRUPTIONS**

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	2.340	298.780	2.010	70.640	373.770
2. Five-Year Average	38.610	121.080	4.400	154.500	318.590

**PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS**

1. Number of Full Time Employees	46	4. Payroll - Expensed	1,957,381
2. Employee - Hours Worked - Regular Time	99,243	5. Payroll - Capitalized	883,661
3. Employee - Hours Worked - Overtime	5,091	6. Payroll - Other	786,074

**PART I. PATRONAGE CAPITAL**

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	671,707	16,815,092
	b. Special Retirements	127,662	3,917,746
	<b>c. Total Retirements (a + b)</b>	<b>799,369</b>	<b>20,732,838</b>
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	200,619	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	50,325	
	<b>c. Total Cash Received (a + b)</b>	<b>250,944</b>	

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

1. Amount Due Over 60 Days	\$ 70,022	2. Amount Written Off During Year	\$ 19,863
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION  MN0059				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2013				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Dairyland Power Cooperative (WI0064)	4716			246,912,517	17,466,514	7.07	47,607	(921,093)
	Total				246,912,517	17,466,514	7.07	47,607	(921,093)

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INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2013
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
No	Comments	
1		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION MN0059	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
<b>PART L. LONG-TERM LEASES</b>			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	<b>TOTAL</b>		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION MN0059	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 5/21/2013	2. Total Number of Members 11,818	3. Number of Members Present at Meeting 355	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 2,556	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 164,863	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  MN0059		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2013		
<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	9,978,158	496,261	196,249	692,510
2	National Rural Utilities Cooperative Finance Corporation	5,910,854	261,653	443,832	705,485
3	CoBank, ACB	2,745,569	179,943	2,633,013	2,812,956
4	Federal Financing Bank	48,541,940	1,753,119	956,480	2,709,599
5	RUS - Economic Development Loans	600,000	0	0	0
6	Payments Unapplied	4,197,064			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Dairyland Power Cooperative-Economic Dev Loans	50,598	2,174	18,654	20,828
	<b>TOTAL</b>	<b>63,630,055</b>	<b>2,693,150</b>	<b>4,248,228</b>	<b>6,941,378</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0059		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	14,215	14,205	
	b. kWh Sold			186,511,047
	c. Revenue			26,755,786
2. Residential Sales - Seasonal	a. No. Consumers Served	38	41	
	b. kWh Sold			88,016
	c. Revenue			27,420
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	416	418	
	b. kWh Sold			43,165,717
	c. Revenue			4,501,527
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	2	2	
	b. kWh Sold			1,725,145
	c. Revenue			222,861
6. Public Street & Highway Lighting	a. No. Consumers Served	18	17	
	b. kWh Sold			514,413
	c. Revenue			84,989
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		14,689	14,683	
11. Total kWh Sold (lines 1b thru 9b)				232,004,338
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				31,592,583
13. Transmission Revenue				
14. Other Electric Revenue				736,524
15. kWh - Own Use				969,931
16. Total kWh Purchased				246,912,517
17. Total kWh Generated				
18. Cost of Purchases and Generation				17,781,140
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				57,437

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MN0059  PERIOD ENDED December, 2013			
INSTRUCTIONS - See help in the online application.						
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	896	107,447	4,632	2,713	301,852	7,953
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	9	4,655	397	22	36,675	905
5. Comm. and Ind. Over 1000 KVA	1	6,746	557	2	8,419	651
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
<b>10. Total</b>	<b>906</b>	<b>118,848</b>	<b>5,586</b>	<b>2,737</b>	<b>346,946</b>	<b>9,509</b>

RUS Financial and Operating Report Electric Distribution

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0059			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Dairyland Power Coop Patronage Capital		10,380,269	914,813	
	NRU/CFC Patronage Capital		226,956	25,149	
	Federated Rural Electric	136,649		21,067	
	NISC Patronage	47,478		14,752	
	NRU/CFC Capital Term Certificates		815,316	37,828	
	NRU/CFC Membership		1,000		
	Dairyland Power Coop Membership		591		
	Coop Response Center Membership	12,000			
	NRTC Patronage Capital	441,165		3,479	
	NISC Membership	25			
	CRC Patronage	7,937		1,027	
	Minn Workers Comp Trust	24,393			
	Federated Rural Electric-RMS	1,256			
	Rural Electric Supply Coop	171,274		24,250	
	Oronoco Crossings Septic Connection	38,380			
	CoBank		115,123	50,334	
	Heartland Security	219,235		2,643	
	CFC Capital Securities		100,000	7,500	
	Minnesota Three LLC	101,000			
	Totals	1,200,792	11,639,255	1,102,842	
<b>3</b>	<b>Investments in Economic Development Projects</b>				
	Briese Iron Works	72,361		1,938	X
	Nationwide DI Water Solutions (3)	30,000		1,200	X
	City of Elgin (Dental Ofc)	20,397		863	X
	Boardman Auto	10,000		400	X
	Rochester Precision	3,147		240	X
	City of Eyota	17,143			X
	Nationwide DI Water Solutions	49,211		2,654	X
	Nationwide DE Water Solutions (2)	27,538		1,181	X
	City of Elgin	18,999		760	X
	Totals	248,796		9,236	
<b>4</b>	<b>Other Investments</b>				
	Greenway Coop Patronage	89			
	Land-Elgin Industrial Park	504,573		(6,814)	X
	Oronoco Development	2,332,441		(33,849)	X
	Totals	2,837,103		(40,663)	
<b>6</b>	<b>Cash - General</b>				
	Eastwood - Payroll	120			
	Eastwood - Econ Dev - Rev Fund	382,485	250,000		
	Cash - Working Funds	1,175			
	Eastwood - Econ Dev - Eyota	228,400			
	Eastwood - General Fund	2,147,427			
	Eastwood - Capital Credit	11,262			
	Eastwood Bank - Elgin	3,313			
	Totals	2,774,182	250,000		
<b>8</b>	<b>Temporary Investments</b>				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	BORROWER DESIGNATION MN0059
	PERIOD ENDED December, 2013

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)**

	Dairyland Power Coop - Power Bill Prepay				
	Dairyland Power Bill Prepayment	3,548,623			
	Totals	3,548,623			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Accounts Receivable Other	190,737			
	Totals	190,737			
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	<b>10,800,233</b>	<b>11,889,255</b>	<b>1,071,415</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	BORROWER DESIGNATION MN0059  PERIOD ENDED December, 2013
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION II. LOAN GUARANTEES**

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0059			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					9.90 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				



## Redwood Electric Cooperative

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MN0060
	PERIOD ENDED December, 2013
	BORROWER NAME Redwood Electric Cooperative

INSTRUCTIONS - See help in the online application.  
 This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,951,730	9,972,765	9,513,275	980,193
2. Power Production Expense				
3. Cost of Purchased Power	5,022,119	5,877,426	5,405,005	575,164
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	682,450	702,870	809,476	56,981
7. Distribution Expense - Maintenance	409,957	393,372	497,255	25,955
8. Customer Accounts Expense	265,202	322,131	307,635	36,105
9. Customer Service and Informational Expense	99,504	115,648	116,662	13,399
10. Sales Expense	6,591	4,905	4,645	346
11. Administrative and General Expense	727,457	653,672	689,342	65,382
12. Total Operation & Maintenance Expense (2 thru 11)	7,213,280	8,070,024	7,830,020	773,332
13. Depreciation and Amortization Expense	627,628	625,144	728,048	54,103
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				2
16. Interest on Long-Term Debt	472,563	460,692	501,913	39,174
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	6,497	8,853	13,962	533
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 19)	8,319,968	9,164,713	9,073,943	867,144
21. Patronage Capital & Operating Margins (1 minus 20)	631,762	808,052	439,332	113,049
22. Non Operating Margins - Interest	23,720	23,692	27,515	1,967
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	15,445	13,845	25,038	1,284
26. Generation and Transmission Capital Credits	240,859	254,182	279,397	254,182
27. Other Capital Credits and Patronage Dividends	36,517	40,740	42,359	2,376
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	948,303	1,140,511	813,641	372,858

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MN0060		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December, 2013		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	19	18	5. Miles Transmission		
2. Services Retired	40	14	6. Miles Distribution - Overhead	936.00	936.00
3. Total Services in Place	2,464	2,451	7. Miles Distribution - Underground	277.00	277.00
4. Idle Services (Exclude Seasonals)	23	11	8. Total Miles Energized (5 + 6 + 7)	1,213.00	1,213.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service		24,232,583	30. Memberships		10,060
2. Construction Work in Progress		103,451	31. Patronage Capital		10,172,155
3. Total Utility Plant (1 + 2)		24,336,034	32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.		7,947,106	33. Operating Margins - Current Year		808,052
5. Net Utility Plant (3 - 4)		16,388,928	34. Non-Operating Margins		332,459
6. Non-Utility Property (Net)		0	35. Other Margins and Equities		122,144
7. Investments in Subsidiary Companies		0	36. Total Margins & Equities (30 thru 35)		11,444,870
8. Invest. in Assoc. Org. - Patronage Capital		2,462,094	37. Long-Term Debt - RUS (Net)		4,995,743
9. Invest. in Assoc. Org. - Other - General Funds		0	38. Long-Term Debt - FFB - RUS Guaranteed		1,591,932
10. Invest. in Assoc. Org. - Other - Nongeneral Funds		0	39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects		0	40. Long-Term Debt Other (Net)		3,038,227
12. Other Investments		595,454	41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds		0	42. Payments - Unapplied		132,836
14. Total Other Property & Investments (6 thru 13)		3,057,548	43. Total Long-Term Debt (37 thru 41 - 42)		9,493,066
15. Cash - General Funds		227,632	44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee		0	45. Accumulated Operating Provisions and Asset Retirement Obligations		0
17. Special Deposits		0	46. Total Other Noncurrent Liabilities (44 + 45)		0
18. Temporary Investments		290,403	47. Notes Payable		200,000
19. Notes Receivable (Net)		0	48. Accounts Payable		889,703
20. Accounts Receivable - Sales of Energy (Net)		1,569,704	49. Consumers' Deposits		20,467
21. Accounts Receivable - Other (Net)		244,380	50. Current Maturities Long-Term Debt		568,225
22. Renewable Energy Credits		0	51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other		567,985	52. Current Maturities Capital Leases		0
24. Prepayments		83,153	53. Other Current and Accrued Liabilities		376,196
25. Other Current and Accrued Assets		4,827	54. Total Current & Accrued Liabilities (47 thru 53)		2,054,591
26. Total Current and Accrued Assets (15 thru 25)		2,988,084	55. Regulatory Liabilities		0
27. Regulatory Assets		0	56. Other Deferred Credits		17,975
28. Other Deferred Debits		575,942	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		23,010,502
29. Total Assets and Other Debits (5+14+26 thru 28)		23,010,502			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  MN0060
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  MN0060
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0060					
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013					
INSTRUCTIONS - See help in the online application.							
<b>PART E. CHANGES IN UTILITY PLANT</b>							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	21,130,585	757,464	206,984		21,681,065		
2. General Plant	2,148,517	32,410	11,026		2,169,901		
3. Headquarters Plant	311,222	70,067			381,289		
4. Intangibles	328				328		
5. Transmission Plant	0				0		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	23,590,652	859,941	218,010		24,232,583		
9. Construction Work in Progress	60,357	43,094			103,451		
10. Total Utility Plant (8 + 9)	23,651,009	903,035	218,010		24,336,034		
<b>PART F. MATERIALS AND SUPPLIES</b>							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	384,043	550,270	18,411	364,361	29,651	(4,716)	553,996
2. Other	16,220	393,279	0	73,176	324,076	1,742	13,989
<b>PART G. SERVICE INTERRUPTIONS</b>							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)		
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	26.490	22.970	1.520	18.400	69.380		
2. Five-Year Average	9.320	166.620	1.620	24.670	202.230		
<b>PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS</b>							
1. Number of Full Time Employees	14	4. Payroll - Expensed			788,811		
2. Employee - Hours Worked - Regular Time	31,221	5. Payroll - Capitalized			154,910		
3. Employee - Hours Worked - Overtime	1,169	6. Payroll - Other			170,188		
<b>PART I. PATRONAGE CAPITAL</b>							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a.	General Retirements	124,716	5,175,649			
	b.	Special Retirements	75,867	1,979,748			
	c.	Total Retirements (a + b)	200,583	7,155,397			
2. Capital Credits - Received	a.	Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power					
	b.	Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System					
	c.	Total Cash Received (a + b)					
<b>PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE</b>							
1. Amount Due Over 60 Days	\$	27,535	2. Amount Written Off During Year	\$	12,517		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION MN0060				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION									
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2013				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Great River Energy (MN0110)	7570			59,989,166	3,443,126	5.74		
2	East River Elec Pwr Coop, Inc (SD0043)	5552			38,015,091	2,427,787	6.39		
3	*Residential Renewable Supplier	700200			65,313	6,513	9.97		
	Total				98,069,570	5,877,426	5.99		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  MN0060
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2013
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
No	Comments	
1		
2		
3		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MN0060	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MN0060	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/4/2013	2. Total Number of Members 2,046	3. Number of Members Present at Meeting 115	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 146,196	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  MN0060			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013			
<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	4,995,743	233,385	100,397	333,782
2	National Rural Utilities Cooperative Finance Corporation	3,038,227	158,502	331,124	489,626
3	CoBank, ACB				
4	Federal Financing Bank	1,591,932	69,411	56,855	126,266
5	RUS - Economic Development Loans				
6	Payments Unapplied	132,836			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	<b>TOTAL</b>	<b>9,493,066</b>	<b>461,298</b>	<b>488,376</b>	<b>949,674</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0060		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	2,238	2,240	
	b. kWh Sold			47,098,806
	c. Revenue			5,700,218
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	205	197	
	b. kWh Sold			7,146,581
	c. Revenue			936,651
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	2	2	
	b. kWh Sold			39,700,086
	c. Revenue			3,257,558
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	
	b. kWh Sold			74,216
	c. Revenue			10,847
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		2,451	2,445	
11. Total kWh Sold (lines 1b thru 9b)				94,019,689
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				9,905,274
13. Transmission Revenue				
14. Other Electric Revenue				67,490
15. kWh - Own Use				
16. Total kWh Purchased				98,069,569
17. Total kWh Generated				
18. Cost of Purchases and Generation				5,877,426
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				17,537

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION HN0060			
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2013			
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	222	18,612	884	465	44,225	2,351
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total	222	18,612	884	465	44,225	2,351

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0060			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Great River Energy		1,854,337	121,927	
	Cooperative Finance		88,585	8,012	
	East River		215,689	49,933	
	Basin Electric		286,087	82,322	
			0	0	
			0	0	
			0	0	
	Southwood 2000		17,395	2,347	
			0	0	
	Totals		2,462,093	264,541	
<b>4</b>	<b>Other Investments</b>				
	NISC		6,305	1,553	
			0	0	
	Co-Bank		1,151	151	
			0	0	
	CFC Term Certificates		333,470	(1,057)	
			0	0	
	Federated Rural Electric		51,690	(120)	
	RESCO		92,112	9,724	
			0	0	
	Farmers Co-op		564		
			0	0	
	NRTC		121	(266)	
			0		
			0	0	
			0	0	
	Highwater Ethanol		110,000	0	X
	Touchstone Energy		41		
			0	0	X
	Totals		595,454	9,985	
<b>6</b>	<b>Cash - General</b>				
	Farmers and Merchants State Bank		146,900		
	First Independent Bank of Lucan		3,978		
			0		
	Bremer Bank		76,404		
	Working Fund	350			
			0		
		0			
	Totals	350	227,282		
<b>8</b>	<b>Temporary Investments</b>				
	Great River Energy		290,403		
	Totals		290,403		
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
		0	244,380	(554,867)	
	Totals	0	244,380	(554,867)	
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	350	3,819,612	(280,341)	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0060			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				
	<b>TOTAL (Included Loan Guarantees Only)</b>				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0060			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					0.00 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
<b>TOTAL</b>					



Sioux Valley Energy

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION SD0012
	PERIOD ENDED December, 2013 (Prepared with Audited Data)
	BORROWER NAME Sioux Valley - Southwestern Electric Cooperati

INSTRUCTIONS - See help in the online application.  
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Tim McCarthy

3/28/2014  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	59,390,127	65,630,520	65,363,122	4,976,061
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	38,915,690	43,218,563	42,256,883	4,241,476
4. Transmission Expense	0	0	0	0
5. Regional Market Expense	0	0	0	0
6. Distribution Expense - Operation	3,146,611	3,499,920	3,726,621	429,416
7. Distribution Expense - Maintenance	2,167,803	2,002,953	2,175,785	232,878
8. Customer Accounts Expense	1,048,358	1,124,722	1,082,495	120,135
9. Customer Service and Informational Expense	337,630	339,185	323,617	36,634
10. Sales Expense	285,916	300,996	303,498	26,946
11. Administrative and General Expense	3,455,876	3,627,189	3,754,272	366,846
12. Total Operation & Maintenance Expense (2 thru 11)	49,357,884	54,113,528	53,623,171	5,454,331
13. Depreciation and Amortization Expense	3,961,150	4,135,533	4,298,159	353,499
14. Tax Expense - Property & Gross Receipts	979,574	1,011,939	992,712	94,163
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	4,586,088	4,644,881	4,876,691	433,102
17. Interest Charged to Construction - Credit	0	0	0	0
18. Interest Expense - Other	53	117	60	103
19. Other Deductions	28,094	30,740	32,617	4,900
20. Total Cost of Electric Service (12 thru 19)	58,912,843	63,936,738	63,823,410	6,340,098
21. Patronage Capital & Operating Margins (1 minus 20)	477,284	1,693,782	1,539,712	(1,364,037)
22. Non Operating Margins - Interest	489,293	445,533	415,742	38,932
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	120,438	164,099	121,997	164,099
25. Non Operating Margins - Other	45,238	7,889	13,590	(2,851)
26. Generation and Transmission Capital Credits	2,821,862	2,288,005	2,182,000	2,302,620
27. Other Capital Credits and Patronage Dividends	472,951	379,134	322,000	26,956
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	4,427,066	4,978,442	4,595,041	1,165,719

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			SD0012		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December, 2013		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	369	365	5. Miles Transmission	0.00	0.00
2. Services Retired	159	206	6. Miles Distribution - Overhead	2,675.71	2,610.61
3. Total Services in Place	22,739	22,898	7. Miles Distribution - Underground	3,138.23	3,226.29
4. Idle Services (Exclude Seasonals)	602	465	8. Total Miles Energized (5 + 6 + 7)	5,813.94	5,837.10
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	161,231,228		30. Memberships		0
2. Construction Work in Progress	2,976,197		31. Patronage Capital		56,617,433
3. Total Utility Plant (1 + 2)	164,207,425		32. Operating Margins - Prior Years		150,203
4. Accum. Provision for Depreciation and Amort.	37,765,720		33. Operating Margins - Current Year		4,360,921
5. Net Utility Plant (3 - 4)	126,441,705		34. Non-Operating Margins		617,521
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,174,770
7. Investments in Subsidiary Companies	2,048,345		36. Total Margins & Equities (30 thru 35)		63,920,848
8. Invest. in Assoc. Org. - Patronage Capital	27,705,559		37. Long-Term Debt - RUS (Net)		882,605
9. Invest. in Assoc. Org. - Other - General Funds	64,402		38. Long-Term Debt - FFB - RUS Guaranteed		57,446,558
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,954,932		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	595,411		40. Long-Term Debt Other (Net)		43,101,580
12. Other Investments	669,355		41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds	0		42. Payments - Unapplied		3,481,017
14. Total Other Property & Investments (6 thru 13)	34,038,004		43. Total Long-Term Debt (37 thru 41 - 42)		97,949,726
15. Cash - General Funds	2,140,653		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	60		45. Accumulated Operating Provisions and Asset Retirement Obligations		0
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		0
18. Temporary Investments	1,724,790		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		4,888,720
20. Accounts Receivable - Sales of Energy (Net)	2,762,990		49. Consumers Deposits		502,492
21. Accounts Receivable - Other (Net)	213,321		50. Current Maturities Long-Term Debt		3,687,298
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	5,061,131		52. Current Maturities Capital Leases		0
24. Prepayments	152,495		53. Other Current and Accrued Liabilities		2,861,636
25. Other Current and Accrued Assets	4,281,901		54. Total Current & Accrued Liabilities (47 thru 53)		11,940,148
26. Total Current and Accrued Assets (15 thru 25)	16,337,341		55. Regulatory Liabilities		2,930,000
27. Regulatory Assets	0		56. Other Deferred Credits		254,550
28. Other Deferred Debits	178,222		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		176,995,272
29. Total Assets and Other Debits (5+14+26 thru 28)	176,995,272				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  SD0012
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
PART D. NOTES TO FINANCIAL STATEMENTS	
Part A Line 19 – Other Deductions \$ 30,740.13 is Donations.	
Part A Line 24 – Income (Loss) from Equity Investments \$164,099.11 is Equity in Earnings of Subsidiary Sioux Valley Rural Television.	
Part A Line 25 – Non Operating Margins – Other \$7,888.47:	
Revenues from Merchandising \$273,339.86 CR	
Expenses from Merchandising \$290,006.85	
Non Operating Rental Income \$ 18,920.36 CR	
Gain on Disposition of Property \$ 7,342.19	
Loss on Disposition of Property \$ 1,707.09 CR	
Part C Line 7 – Investment in Subsidiary Companies \$2,048,345.29:	
Sioux Valley Rural TV – Work in Progress \$2,627,121.65	
Investment in Sioux Valley Rural Television \$ 602,795.66 CR	
Investment in Utility Safety Innovations \$ 24,019.30	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  SD0012
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PART D. NOTES TO FINANCIAL STATEMENTS	
Part C Line 12 – Other Investments \$669,354.76:	
Other Investments	\$ 9,629.00
ERC Loan SD Weatherization	\$ 25,184.02
Provision for Uncollectible Loans	\$ 14,322.25 CR
ERC Loan SD Heat	\$320,050.11
ERC Loan MN Heat Pumps	\$172,568.88
Corson Development Assoc	\$156,245.00
Part C Line 25 – Other Current and Accrued Assets \$4,281,900.89:	
Unbilled Revenue	\$4,267,655.00
Interest Receivable - CFC Cap Cert	\$ 14,245.89
Part C Line 28 – Other Deferred Debits \$178,221.95:	
WIP - Service for Hire	\$81,533.83
WIP - Billable	\$ 2,595.84
Construction Work Plan	\$45,552.14
Other Empl Benefits and Exp	\$ 264.94
Windshield Replacement	\$ 615.20

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION SD0012
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PART D. NOTES TO FINANCIAL STATEMENTS		
Vehicle Repairs	\$ 40,100.00	
Application Software	\$ 7,560.00	
Part C Line 50 – Current Maturities of Long-Term Debt \$3,687,298.00:		
RUS	\$ 42,500.00	
CFC	\$ 1,805,546.00	
CoBank	\$ 488,652.00	
FFB	\$ 1,350,600.00	
Part C Line 53 – Other Current and Accrued Liabilities \$2,861,638.42:		
Accrued Property Taxes	\$ 65,347.95	CR
Accrued Federal Unemployment Taxes	\$ 11.84	CR
Accrued US Social Security Taxes	\$ 24,340.08	CR
Accrued State Unemployment Tax MN	\$ 77.58	CR
Accrued State Unemployment Tax SD	\$ 36.24	CR
Accrued State Sales Tax – Consumer	\$ 193,171.38	CR
Accrued Sales Tax – MN Electric	\$ 30,717.19	CR

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  SD0012
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
PART D. NOTES TO FINANCIAL STATEMENTS	
Accrued Gross Revenue Tax	\$ 960,108.84 CR
Accrued Gross Revenue – White	\$ 0.27 CR
Accrued Taxes-Misc Cities	\$ 16.60 CR
Accrued Taxes – Other	\$ 97.19 CR
Accrued Sales Tax – MN	\$ 52.20 CR
Accrued Taxes – Use Tax	\$ 1,444.78 CR
Accrued Sales Tax – White	\$ 2.70 CR
Accrued Sales Tax – Brandon	\$ 13,198.55 CR
Accrued Sales Tax – Hartford	\$ 3,300.89 CR
Accrued Sales Tax – Humboldt	\$ 942.22 CR
Accrued Sales Tax – Sioux Falls	\$ 6,792.87 CR
Accrued Sales Tax – Valley Springs	\$ 881.45 CR
Accrued Sales Tax – Colton	\$ 1,008.57 CR
Accrued Sales Tax – Santee Sioux	\$ 60.00 CR
Accrued State Excise Tax	\$ 269.94 CR
Accrued Sales Tax – Crooks	\$ 236.78 CR
Accrued Sales Tax – Brookings	\$ 2.91 CR
Accrued Sales Tax – Arlington	\$ 10.31 CR

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION SD0012
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
PART D. NOTES TO FINANCIAL STATEMENTS	
Accrued Sales Tax – Flandreau	\$ 2.66 CR
Accrued Sales Tax – Ramona	\$ 2.50 CR
Accrued Sales Tax – Trent	\$ 6.50 CR
Patronage Capital Payable – MN	\$ 12,273.31 CR
Tax Collections Payable – FITW	\$ 62,304.70 CR
Tax Collections Payable – MN Income	\$ 8,714.58 CR
Tax Collections Payable – FICA	\$ 24,340.08 CR
Accrued Payroll	\$ 230,776.00 CR
Dependent Care Cafeteria Plan Prior Year	\$ 4,207.54 CR
Vacation – Time Off	\$ 1,216,881.22 CR
Part C Line 55 – Regulatory Liability \$2,930,000.00:	
Deferred Revenue – Balance invested at RUS in Cushion of Credit. \$2,000,000 was added in 2013.	
Part C Line 56 – Other Deferred Credits \$254,550.19:	
Electric Energy Prepayments	\$ 247,125.19 CR
Aid to Construction	\$ 7,425.00 CR



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION SD0012					
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013					
INSTRUCTIONS - See help in the online application.							
<b>PART E. CHANGES IN UTILITY PLANT</b>							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	134,326,911	11,847,102	2,784,151	345,422	143,735,284		
2. General Plant	10,009,955	719,222	194,033	0	10,535,144		
3. Headquarters Plant	6,891,344	66,219	0	0	6,959,563		
4. Intangibles	1,236	0	0	0	1,236		
5. Transmission Plant	0	0	0	0	0		
6. Regional Transmission and Market Operation Plant	0	0	0	0	0		
7. All Other Utility Plant	0	0	0	0	0		
8. Total Utility Plant in Service (1 thru 7)	151,229,446	12,634,543	2,978,184	345,422	161,231,227		
9. Construction Work in Progress	4,579,639	(1,603,441)			2,976,198		
10. Total Utility Plant (8 + 9)	155,809,085	11,031,102	2,978,184	345,422	164,207,425		
<b>PART F. MATERIALS AND SUPPLIES</b>							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	3,667,919	5,732,064	130,234	4,409,207	52,662	(7,217)	5,061,331
2. Other	0						0
<b>PART G. SERVICE INTERRUPTIONS</b>							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	23.900	475.000	18.600	36.000	553.500		
2. Five-Year Average	13.900	129.200	18.200	51.200	222.500		
<b>PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS</b>							
1. Number of Full Time Employees	100	4. Payroll - Expensed	3,935,908				
2. Employee - Hours Worked - Regular Time	213,430	5. Payroll - Capitalized	1,954,232				
3. Employee - Hours Worked - Overtime	10,825	6. Payroll - Other	1,549,170				
<b>PART I. PATRONAGE CAPITAL</b>							
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)				
1. Capital Credits - Distributions	a. General Retirements	1,225,000	22,842,435				
	b. Special Retirements	276,660	4,439,861				
	c. Total Retirements (a + b)	1,501,660	27,282,296				
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	205,363					
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	155,552					
	c. Total Cash Received (a + b)	360,915					
<b>PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE</b>							
1. Amount Due Over 60 Days	\$ 65,672	2. Amount Written Off During Year	\$ 36,604				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION SD0012				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION									
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2013				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	East River Elec Pwr Coop. Inc (SD0043)	5552			624,879,749	36,792,452	5.89		
2	L & O Power Cooperative (JA0086)	10574			117,022,530	6,415,591	5.48		
3	*Commercial Renewable Supplier	700100			1,698,400	0	0.00		
4	*Residential Renewable Supplier	700200			113,455	9,535	8.40		
5	*Miscellaneous	700000				880	0.00		
6	*Residential Renewable Supplier	700200			30,707	105	.34		
	Total				743,744,841	43,218,563	5.81		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  SD0012
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2013
PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		
2		
3		
4		
5		
6		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION SD0012	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
TOTAL			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION SD0012	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/4/2013	2. Total Number of Members 18,467	3. Number of Members Present at Meeting 347	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 11	7. Total Amount of Fees and Expenses for Board Members \$ 222,601	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION SD0012			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	882,605	31,071	41,431	72,502
2	National Rural Utilities Cooperative Finance Corporation	35,736,075	2,172,496	1,803,762	3,976,258
3	CoBank, ACE	7,149,837	338,509	483,208	821,717
4	Federal Financing Bank	57,446,558	2,102,805	1,189,661	3,292,466
5	RUS - Economic Development Loans		0	0	0
6	Payments Unapplied	3,481,017			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	East River Electric	215,667		22,995	22,995
	<b>TOTAL</b>	<b>97,949,725</b>	<b>4,644,881</b>	<b>3,541,057</b>	<b>8,185,938</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION SD0012		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	19,864	19,778	
	b. kWh Sold			361,871,609
	c. Revenue			37,292,929
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
3. Irrigation Sales	a. No. Consumers Served	226	223	
	b. kWh Sold			4,146,291
	c. Revenue			833,813
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,276	2,263	
	b. kWh Sold			179,436,718
	c. Revenue			15,406,215
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	16	14	
	b. kWh Sold			165,319,178
	c. Revenue			11,433,653
6. Public Street & Highway Lighting	a. No. Consumers Served	24	24	
	b. kWh Sold			1,100,026
	c. Revenue			214,559
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. Total No. of Consumers (lines 1a thru 9a)		22,406	22,302	
11. Total kWh Sold (lines 1b thru 9b)				711,873,822
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				65,183,169
13. Transmission Revenue				0
14. Other Electric Revenue				447,351
15. kWh - Own Use				2,082,602
16. Total kWh Purchased				743,744,841
17. Total kWh Generated				0
18. Cost of Purchases and Generation				43,218,563
19. Interchange - kWh - Net				0
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				128,399

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION SD0012
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013

**PART P. ENERGY EFFICIENCY PROGRAMS**

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	1,503	362,708	2,778	11,029	1,591,352	13,025
2. Residential Sales - Seasonal	0	0	0	0	0	0
3. Irrigation Sales	0	0	0	0	0	0
4. Comm. and Ind. 1000 KVA or Less	27	34,869	624	105	165,728	8,315
5. Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6. Public Street and Highway Lighting	0	0	0	0	0	0
7. Other Sales to Public Authorities	0	0	0	0	0	0
8. Sales for Resale - RUS Borrowers	0	0	0	0	0	0
9. Sales for Resale - Other	0	0	0	0	0	0
10. Total	1,630	397,577	3,402	11,134	1,757,080	21,340

RUS Financial and Operating Report Electric Distribution

Revision Date 2013



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION SD0012			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (S) (b)	EXCLUDED (S) (c)	INCOME OR LOSS (S) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	East River Electric, Madison, SD, pat cap		22,242,926		
	L&O Power, Rock Rapids, IA, pat cap		3,255,031		
	NRUCFC, pat cap		1,541,609		
	RESCO, Madison, WI, stock		126,588		
	Federated Rural Elec Ins, pat cap		203,251		
	North Central Data Coop, pat cap	76			
	Splitrock Telecom Coop, pat cap	14,888			
	GoldenWest, pat cap	2,373			
	Interstate Telecom Coop, pat cap	3,386			
	Cenex Harvest States, pat cap	180			
	Cenex, pat cap	262			
	Farmers Union Coop Oil Co, pat cap	1,140			
	Farmers & Merchants	7,736			
	NISC, pat cap	136,332			
	CoBank, pat cap		169,781		
	NRUCFC Capital Certificates		1,953,538		
	NRUCFC Integrity Fund		1,001,394		
	SDREA, membership	25			
	East River Electric, membership	100			
	Basin Electric, membership	100			
	NRUCFC, membership		1,000		
	Central Area Data Coop, membership	26			
	NRTC, membership	1,000			
	Coop Response Center, membership	2,500			
	L&O Power Coop, membership	300			
	Touchstone Energy, membership	2,500			
	CoBank, membership		1,000		
	RESCO, stock	5,200			
	EN-TEL Communications	2,751			
	Minnesota Rural Electric Trust	7,900			
	Rural Elec Econ Development, Inc		40,000		X
	Sioux Valley Rural Television	2,024,326			
	Utility Safety Innovations	24,019			
	Totals	2,237,120	30,536,118		
3	Investments in Economic Development Projects				
	Value Added Ag. loans to members	582,686			X
	Craig Stegenga		3,722		X
	Ben Culver		2,286		X
	SAS Farms		6,717		X
	Totals	582,686	12,725		
4	Other Investments				
	Farmland Industries, pat cap	789			
	Brookings Area Development	1,100			X
	South Dakota Assoc of Coops, membership	10			
	Farmers Coop Elevator, preferred stock	25			

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<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>			
	Colton Community Housing, membership	25	
	Madison Development Corp	6,000	X
	Brandon Development Corp	1,400	X
	Flandreau Development Corp	250	X
	Midwest Elec Consumers Assoc, membership	25	
	Splitrock Telecom Coop, membership stock	5	
	Corson Development Assoc	156,245	X
	ERC Loans	183,431	X
	Heat System Loans	320,050	X
	Totals	669,355	
<b>6</b>	<b>Cash - General</b>		
	First Farmers & Merchants, Pipestone		36,029
	First Premier Bank, Sioux Falls	330,660	250,000
	Home Federal Savings Bank	1,273,079	250,000
	First National Bank, Brandon		65
	Petty Cash		880
	Totals	1,603,739	536,974
<b>8</b>	<b>Temporary Investments</b>		
	Basin Electric	1,724,790	
	Totals	1,724,790	
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>		
	Accounts Receivable	213,321	
	Totals	213,321	
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	<b>7,031,011</b>	<b>31,085,817</b>

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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
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SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I. 11b) and Loan Guarantees - Loan Balance (Section II. 5d) to Total Utility Plant (Line 3, Part C) of this report]					4.28 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	<b>TOTAL</b>				

Blank

## South Central Electric Association

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0055
	PERIOD ENDED December, 2013 (Prepared with Audited Data)
	BORROWER NAME South Central Electric Association

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Ronald Horman

3/14/2014

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	16,337,013	18,274,222	16,829,846	1,669,727
2. Power Production Expense				
3. Cost of Purchased Power	9,299,463	10,787,930	9,869,583	981,295
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	981,462	956,715	1,043,477	87,479
7. Distribution Expense - Maintenance	844,026	960,402	824,313	203,940
8. Customer Accounts Expense	381,906	369,781	401,168	30,088
9. Customer Service and Informational Expense	150,875	155,273	161,674	9,997
10. Sales Expense	189,062	162,313	180,500	15,620
11. Administrative and General Expense	1,377,572	1,272,734	1,283,454	155,501
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>13,224,366</b>	<b>14,665,148</b>	<b>13,764,169</b>	<b>1,483,920</b>
13. Depreciation and Amortization Expense	1,516,470	1,493,512	1,615,200	254,420
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,116,381	1,212,666	1,200,746	106,945
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	66,637	54,744	82,000	4,964
19. Other Deductions	4,779	4,207	6,100	3,050
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>15,928,633</b>	<b>17,430,277</b>	<b>16,668,215</b>	<b>1,853,299</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>408,380</b>	<b>843,945</b>	<b>161,631</b>	<b>(183,572)</b>
22. Non Operating Margins - Interest	26,494	37,326	26,000	5,242
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	128,566	86,423	100,000	2,347
25. Non Operating Margins - Other	70,030	1,096	10,000	7,432
26. Generation and Transmission Capital Credits	508,328	475,002	350,000	475,002
27. Other Capital Credits and Patronage Dividends	129,461	67,815	90,000	
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>1,271,259</b>	<b>1,511,607</b>	<b>737,631</b>	<b>306,451</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MN0055		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December, 2013		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	25	40	5. Miles Transmission		
2. Services Retired	39	32	6. Miles Distribution -- Overhead	1,264.00	1,187.50
3. Total Services in Place	3,908	3,916	7. Miles Distribution - Underground	739.00	816.25
4. Idle Services (Exclude Seasonals)	111	112	8. Total Miles Energized (5 + 6 + 7)	2,003.00	2,003.75
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	51,907,727		30. Memberships		19,985
2. Construction Work in Progress	125,801		31. Patronage Capital		14,098,081
3. Total Utility Plant (1 + 2)	52,033,528		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	11,649,601		33. Operating Margins - Current Year		1,386,762
5. Net Utility Plant (3 - 4)	40,383,927		34. Non-Operating Margins		124,845
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,648,328
7. Investments in Subsidiary Companies	1,212,488		36. Total Margins & Equities (30 thru 35)		18,278,001
8. Invest. in Assoc. Org. - Patronage Capital	6,159,360		37. Long-Term Debt - RUS (Net)		11,458,023
9. Invest. in Assoc. Org. - Other - General Funds	1,000		38. Long-Term Debt - FFB - RUS Guaranteed		13,497,490
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	512,780		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,316,005		40. Long-Term Debt Other (Net)		6,007,378
12. Other Investments	475,047		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,123,505
13. Special Funds	0		42. Payments -- Unapplied		51,171
14. Total Other Property & Investments (6 thru 13)	9,676,680		43. Total Long-Term Debt (37 thru 41 - 42)		32,035,225
15. Cash - General Funds	494,221		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		550,807
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		550,807
18. Temporary Investments	1,989		47. Notes Payable		1,575,000
19. Notes Receivable (Net)	135,988		48. Accounts Payable		2,370,702
20. Accounts Receivable - Sales of Energy (Net)	3,520,933		49. Consumers Deposits		77,437
21. Accounts Receivable - Other (Net)	177,162		50. Current Maturities Long-Term Debt		1,059,525
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		192,500
23. Materials and Supplies - Electric & Other	1,130,501		52. Current Maturities Capital Leases		0
24. Prepayments	71,962		53. Other Current and Accrued Liabilities		641,378
25. Other Current and Accrued Assets	5,205		54. Total Current & Accrued Liabilities (47 thru 53)		5,916,542
26. Total Current and Accrued Assets (15 thru 25)	5,537,961		55. Regulatory Liabilities		0
27. Regulatory Assets	73,439		56. Other Deferred Credits		20,665
28. Other Deferred Debits	1,129,233		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		56,801,240
29. Total Assets and Other Debits (5+14+26 thru 28)	56,801,240				



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  MN0055
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  MN0055
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PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0055
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PART E. CHANGES IN UTILITY PLANT					
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	42,735,944	5,248,471	896,758		47,087,657
2. General Plant	3,438,901	186,123	236,482		3,388,542
3. Headquarters Plant	1,308,103	118,845			1,426,948
4. Intangibles	4,581				4,581
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
<b>8. Total Utility Plant in Service (1 thru 7)</b>	<b>47,487,529</b>	<b>5,553,439</b>	<b>1,133,240</b>		<b>51,907,728</b>
9. Construction Work in Progress	1,475,748	(1,349,948)			125,800
<b>10. Total Utility Plant (8 + 9)</b>	<b>48,963,277</b>	<b>4,203,491</b>	<b>1,133,240</b>		<b>52,033,528</b>

PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,197,247	1,690,046	128,021	1,950,952	4,688	4,975	1,064,649
2. Other	57,563	136,040	0	126,499	1,134	(118)	65,852

PART G. SERVICE INTERRUPTIONS						
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)		
1. Present Year	86.880	595.040	27.190	58.250	767.360	
2. Five-Year Average	34.980	119.010	15.200	73.230	242.420	

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees	21	4. Payroll - Expensed	1,042,744
2. Employee - Hours Worked - Regular Time	45,016	5. Payroll - Capitalized	396,575
3. Employee - Hours Worked - Overtime	2,465	6. Payroll - Other	336,546

PART I. PATRONAGE CAPITAL			
ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	75,532	8,699,048
	b. Special Retirements	120,193	3,695,084
	<b>c. Total Retirements (a + b)</b>	<b>195,725</b>	<b>12,394,132</b>
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	30,444	
	<b>c. Total Cash Received (a + b)</b>	<b>30,444</b>	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. Amount Due Over 60 Days	\$	46,552	2. Amount Written Off During Year
			\$ 12,231

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PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Great River Energy (MN0110)	7570			175,450,206	9,559,753	5.45		
2	East River Elec Pwr Coop, Inc (SD0043)	5552			20,004,482	1,210,393	6.05		
3	*Residential Renewable Supplier	700200	Wind Turbines	Wind	174,383	15,836	9.08		
4	*Residential Renewable Supplier	700200	Solar Power	Solar - photovoltaic	19,835	1,948	9.82		
	Total				195,648,906	10,787,930	5.51		

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<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
No	Comments	
1		
2		
3		
4		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MN0055	
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PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	<b>TOTAL</b>		

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<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 4/6/2013	2. Total Number of Members 3,891	3. Number of Members Present at Meeting 189	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 180,968	8. Does Manager Have Written Contract? Y

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<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	11,458,023	553,288	239,594	792,882
2	National Rural Utilities Cooperative Finance Corporation	4,955,815	305,105	502,253	807,358
3	CoBank, ACB	1,051,563	21,309	26,966	48,275
4	Federal Financing Bank	13,497,490	332,911	213,135	546,046
5	RUS - Economic Development Loans	1,123,505		92,508	92,508
6	Payments Unapplied	51,171			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans			92,508	
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	<b>TOTAL</b>	<b>32,035,225</b>	<b>1,212,613</b>	<b>1,074,456</b>	<b>2,287,069</b>



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INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,412	3,421	
	b. kWh Sold			67,235,064
	c. Revenue			8,873,968
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	8	15	
	b. kWh Sold			630,372
	c. Revenue			87,340
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	394	388	
	b. kWh Sold			35,982,087
	c. Revenue			3,984,805
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	3	3	
	b. kWh Sold			83,389,736
	c. Revenue			5,067,086
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served	67	64	
	b. kWh Sold			1,336,216
	c. Revenue			153,198
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		3,884	3,891	
11. Total kWh Sold (lines 1b thru 9b)				188,573,475
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				18,166,397
13. Transmission Revenue				
14. Other Electric Revenue				107,825
15. kWh - Own Use				173,948
16. Total kWh Purchased				195,648,906
17. Total kWh Generated				
18. Cost of Purchases and Generation				10,787,930
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				39,128

## Steele-Waseca Cooperative Electric

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0053
	PERIOD ENDED December, 2013 (Prepared with Audited Data)
	BORROWER NAME Steele-Waseca Cooperative Electric

INSTRUCTIONS - See help in the online application.  
 This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

syd briggs

3/27/2014

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	27,025,211	29,107,583	28,482,000	2,834,698
2. Power Production Expense				
3. Cost of Purchased Power	16,978,460	17,924,692	18,259,000	1,681,823
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,031,242	1,009,553	1,043,000	169,459
7. Distribution Expense - Maintenance	1,092,759	1,091,824	1,151,000	101,148
8. Customer Accounts Expense	585,943	575,542	609,000	49,791
9. Customer Service and Informational Expense	453,213	431,455	478,000	40,342
10. Sales Expense	172,657	185,365	180,000	14,543
11. Administrative and General Expense	1,786,583	1,897,114	1,920,000	129,530
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>22,100,857</b>	<b>23,115,545</b>	<b>23,640,000</b>	<b>2,186,636</b>
13. Depreciation and Amortization Expense	2,157,240	2,286,650	2,262,000	195,708
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,801,684	1,812,443	1,820,000	155,941
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	264	551	600	48
19. Other Deductions	48,498	76,962	55,000	3,860
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>26,108,543</b>	<b>27,292,151</b>	<b>27,777,600</b>	<b>2,542,193</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>916,668</b>	<b>1,815,432</b>	<b>704,400</b>	<b>292,505</b>
22. Non Operating Margins - Interest	819,101	873,884	675,000	77,400
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	24,062	91,442	25,000	6,217
26. Generation and Transmission Capital Credits	979,819	880,000	640,000	880,000
27. Other Capital Credits and Patronage Dividends	109,586	108,742	85,000	
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>2,849,236</b>	<b>3,769,500</b>	<b>2,129,400</b>	<b>1,256,122</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MN0053		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2013		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	100	91	5. Miles Transmission		
2. Services Retired	11	15	6. Miles Distribution - Overhead	1,652.87	1,649.79
3. Total Services in Place	9,824	9,861	7. Miles Distribution - Underground	369.28	377.54
4. Idle Services (Exclude Seasonals)	242	242	8. Total Miles Energized (5 + 6 + 7)	2,022.15	2,027.33
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	61,425,264		30. Memberships		14,666
2. Construction Work in Progress	183,518		31. Patronage Capital		27,209,828
3. Total Utility Plant (1 + 2)	61,608,782		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	20,058,662		33. Operating Margins - Current Year		0
5. Net Utility Plant (3 - 4)	41,550,120		34. Non-Operating Margins		0
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		957,781
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)		28,182,275
8. Invest. in Assoc. Org. - Patronage Capital	9,424,850		37. Long-Term Debt - RUS (Net)		17,547,531
9. Invest. in Assoc. Org. - Other - General Funds	218,509		38. Long-Term Debt - FFB - RUS Guaranteed		16,768,320
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	591,269		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,149,292		40. Long-Term Debt Other (Net)		7,059,291
12. Other Investments	2,514,393		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,324,970
13. Special Funds	0		42. Payments - Unapplied		15,055,840
14. Total Other Property & Investments (6 thru 13)	13,898,313		43. Total Long-Term Debt (37 thru 41 - 42)		27,644,272
15. Cash - General Funds	651,852		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		3,007,661
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		3,007,661
18. Temporary Investments	2,074,543		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		3,100,149
20. Accounts Receivable - Sales of Energy (Net)	2,040,664		49. Consumers Deposits		288,860
21. Accounts Receivable - Other (Net)	107,060		50. Current Maturities Long-Term Debt		1,793,706
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		148,008
23. Materials and Supplies - Electric & Other	509,474		52. Current Maturities Capital Leases		0
24. Prepayments	4,788		53. Other Current and Accrued Liabilities		639,555
25. Other Current and Accrued Assets	2,664,284		54. Total Current & Accrued Liabilities (47 thru 53)		5,970,278
26. Total Current and Accrued Assets (15 thru 25)	8,052,665		55. Regulatory Liabilities		0
27. Regulatory Assets	381,300		56. Other Deferred Credits		22,935
28. Other Deferred Debits	945,023		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		64,827,421
29. Total Assets and Other Debits (5+14+26 thru 28)	64,827,421				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MN0053
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	
<p>Part C, Line 25 - AC 173 Accrued Utility Revenues, \$2,625,134. (Not included on Line 20.)</p> <p>Part C, Line 27 - AC 182.3 Other Regulatory Assets, \$381,300 amortization period determined by NRECA Actuarial Study for Postretirement Benefits Obligation.</p> <p>Part C, Line 28 - AC 186 Misc Deferred Debits - Pension Plan Prepayments, \$926,100 amortize 108 months.</p> <p>Part C, Line 28 - AC 186.03 Misc Deferred Debits, \$12,466 amortize 26 months.</p> <p>Part C, Line 35 - AC 217.1 Retired Capital Credits - Gain Donated to Cooperative, \$957,781.</p> <p>Part C, Line 45 - AC 228.3 Accumulated Provision for Pensions &amp; Benefits: Postretirement Benefits Obligation \$3,007,661.</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  MN0053
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION MN0053			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December, 2013			
INSTRUCTIONS - See help in the online application.							
<b>PART E. CHANGES IN UTILITY PLANT</b>							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	52,627,227	4,182,622	1,049,970		55,759,879		
2. General Plant	2,471,071	260,721	133,194		2,598,598		
3. Headquarters Plant	3,072,570		5,783		3,066,787		
4. Intangibles	0				0		
5. Transmission Plant	0				0		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	58,170,868	4,443,343	1,188,947		61,425,264		
9. Construction Work in Progress	626,995	(443,477)			183,518		
10. Total Utility Plant (8 + 9)	58,797,863	3,999,866	1,188,947		61,608,782		
<b>PART F. MATERIALS AND SUPPLIES</b>							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	541,975	799,103	76,377	905,421	1,514	(1,046)	509,474
2. Other	0						0
<b>PART G. SERVICE INTERRUPTIONS</b>							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)		
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	16,800	91,200	0,000	33,000	141,000		
2. Five-Year Average	21,360	42,000	0,000	39,720	103,080		
<b>PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS</b>							
1. Number of Full Time Employees	30		4. Payroll - Expensed	1,686,009			
2. Employee - Hours Worked - Regular Time	62,486		5. Payroll - Capitalized	456,514			
3. Employee - Hours Worked - Overtime	5,715		6. Payroll - Other	359,078			
<b>PART I. PATRONAGE CAPITAL</b>							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a. General Retirements		530,662	10,129,498			
	b. Special Retirements		91,173	1,317,597			
	c. Total Retirements (a + b)		621,835	11,447,095			
2. Capital Credits - 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		56,059				
	c. Total Cash Received (a + b)		56,059				
<b>PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE</b>							
1. Amount Due Over 60 Days	\$	1,710	2. Amount Written Off During Year	\$	8,419		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION MN0053				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION									
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2013				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Great River Energy (MN0110)	7570			271,229,709	17,850,763	6.58		1,876,216
2	*Miscellaneous	700000			1,019,686	73,929	7.25		
	Total				272,249,395	17,924,692	6.58		1,876,216



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  MN0053
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2013
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
No	Comments	
1		
2		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MN0053	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
TOTAL			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION MN0053	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 6/4/2013	2. Total Number of Members 7,355	3. Number of Members Present at Meeting 309	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 462,567	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  MN0053			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013			
<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	17,547,531	905,437	362,393	1,267,830
2	National Rural Utilities Cooperative Finance Corporation	2,057,663	85,683	462,922	548,605
3	CoBank, ACB	5,001,628	254,524	739,546	994,070
4	Federal Financing Bank	16,768,320	574,325	314,530	888,855
5	RUS - Economic Development Loans	1,324,970		148,008	148,008
6	Payments Unapplied	15,055,840			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	<b>TOTAL</b>	<b>27,644,272</b>	<b>1,819,969</b>	<b>2,027,399</b>	<b>3,847,368</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0053		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	8,099	8,086	
	b. kWh Sold			105,632,785
	c. Revenue			14,792,163
2. Residential Sales - Seasonal	a. No. Consumers Served	621	623	
	b. kWh Sold			1,729,502
	c. Revenue			405,384
3. Irrigation Sales	a. No. Consumers Served	17	15	
	b. kWh Sold			300,185
	c. Revenue			46,407
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	814	799	
	b. kWh Sold			50,334,090
	c. Revenue			5,972,130
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	12	12	
	b. kWh Sold			103,361,600
	c. Revenue			7,581,499
6. Public Street & Highway Lighting	a. No. Consumers Served	56	56	
	b. kWh Sold			568,968
	c. Revenue			81,578
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		9,619	9,591	
11. Total kWh Sold (lines 1b thru 9b)				261,927,130
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				28,879,161
13. Transmission Revenue				
14. Other Electric Revenue				228,422
15. kWh - Own Use				
16. Total kWh Purchased				272,249,395
17. Total kWh Generated				
18. Cost of Purchases and Generation				17,924,692
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				42,466

FINANCIAL AND STATISTICAL REPORT  
2013 POWER REQUIREMENTS DATA BASE

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RESIDENTIAL SALES	Consumers	8,085	8,088	8,083	8,084	8,080	8,078	8,084	8,082	8,085	8,093	8,088	8,099	
	Kwh	9,876,617	10,278,502	8,895,386	8,942,966	7,695,796	7,054,100	7,727,365	9,440,703	9,075,608	7,380,410	8,611,241	10,654,091	105,632,785
	Revenue	1,282,394	1,379,069	1,222,082	1,231,476	1,096,140	1,042,217	1,125,176	1,327,336	1,286,930	1,090,099	1,223,477	1,485,767	14,792,163
2. RESIDENTIAL SALES- SEASONAL	Consumers	625	624	623	624	623	624	623	624	624	626	622	621	
	Kwh	76,301	80,995	66,282	69,123	86,238	136,985	164,446	184,433	148,398	109,552	310,156	296,593	1,729,502
	Revenue	19,017	25,665	23,846	24,238	26,515	33,063	36,593	39,314	34,701	29,755	54,823	57,854	405,384
3. IRRIGATION SALES	Consumers	13	13	13	13	13	13	15	16	17	17	17	17	
	Kwh	7,418	7,171	6,297	6,700	7,991	11,946	16,713	55,275	96,984	65,363	13,044	5,283	300,185
	Revenue	1,334	1,497	1,398	1,445	1,777	2,643	3,156	7,758	11,798	8,823	2,915	1,863	46,407
4. COMM. AND IND. 1000 KVA OR LESS	Consumers	794	793	793	792	794	794	795	799	804	809	809	814	
	Kwh	4,008,301	4,256,891	3,810,100	4,020,135	3,835,557	4,355,304	3,542,172	4,489,037	4,334,935	3,860,397	4,793,814	5,027,447	50,334,090
	Revenue	461,681	495,078	451,797	470,552	450,991	493,455	438,865	527,211	510,987	460,142	585,973	625,398	5,972,130
5. COMM. AND IND. OVER 1000 KVA	Consumers	12	12	12	12	12	12	12	12	12	12	12	12	
	Kwh	8,095,680	8,480,910	7,690,980	8,293,380	8,279,010	8,682,570	8,803,890	9,224,880	8,939,250	8,848,940	9,138,150	8,883,960	103,361,600
	Revenue	597,776	625,252	580,668	609,058	610,097	622,763	666,813	688,663	667,574	637,053	640,269	635,513	7,581,499
6. PUBLIC STREET AND HIGHWAY LIGHTING	Consumers	55	56	55	56	56	56	56	56	56	56	56	56	
	Kwh	52,995	53,604	47,868	47,149	41,994	43,267	42,525	47,724	47,565	45,938	48,757	49,782	568,968
	Revenue	7,023	7,538	6,843	6,755	6,149	6,302	6,205	6,817	6,795	6,625	6,971	7,555	81,578
7. OTHER SALES TO PUBLIC AUTHORITY	Consumers													0
	Kwh													0
	Revenue													0
8. SALES FOR RESALES- REA BORROWERS	Consumers													0
	Kwh													0
	Revenue													0
9. SALES FOR RESALES OTHERS	Consumers													0
	Kwh													0
	Revenue													0
10. TOTAL NO. CONSUMERS		9,584	9,586	9,579	9,581	9,578	9,577	9,585	9,589	9,598	9,613	9,604	9,619	
11. TOTAL KWH SOLD		22,117,312	23,158,073	20,516,713	21,379,453	19,946,586	20,284,172	20,297,111	23,442,052	22,642,740	20,310,600	22,915,162	24,917,156	261,927,130
12. TOT REV REC'D FROM ELEC ENRGY		2,369,225	2,534,099	2,286,634	2,343,524	2,191,669	2,200,443	2,276,808	2,597,099	2,518,785	2,232,497	2,514,428	2,813,950	28,879,161
13. OTHER ELECTRIC REVENUE		20,240	22,357	21,629	17,330	20,091	18,368	15,192	16,253	18,072	16,696	21,446	20,748	228,422
14. KWH - OWN USE														
15. TOTAL KWH PURCHASED		24,066,745	21,359,017	22,239,672	20,542,876	20,553,023	20,980,482	22,283,724	21,677,644	19,140,644	30,510,598	24,185,578	24,709,392	272,249,395
16. TOTAL KWH GENERATED														
17. COST OF PURCH AND GEN		1,494,327	1,482,406	1,305,487	1,208,441	1,236,387	1,534,166	1,751,985	1,720,188	1,159,942	1,975,539	1,374,001	1,681,823	17,924,692
18. INTERCHANGE-KWH-NET														
19. PEAK-SUM ALL KW INPUT		37,805	36,291	34,143	32,155	31,799	40,990	33,662	35,729	39,573	42,466	38,246	37,245	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>			BORROWER DESIGNATION MN0053  PERIOD ENDED December, 2013			
INSTRUCTIONS - See help in the online application.						
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	9	72,658	3,352	7,991	704,670	18,371
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	13	16,289	758	38	74,010	4,521
5. Comm. and Ind. Over 1000 KVA				2	31,440	633
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
<b>10. Total</b>	<b>22</b>	<b>88,947</b>	<b>4,110</b>	<b>8,031</b>	<b>810,120</b>	<b>23,525</b>

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0053			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Patronage Capital in Great River Energy		9,171,042		
	Patronage Capital in NRUCFC		200,586		
	Patronage Capital - CoBank		53,222		
	Capital Term Certificates in NRUCFC		591,269		
	Other Membership Stock Cap Cr Certificates	216,509	2,000		
	Totals	216,509	10,018,119		
<b>3</b>	<b>Investments in Economic Development Projects</b>				
	Other Investments - Zero Int Econ Dev Loan		1,085,312		X
	Other Investments - Non-Fed Econ Dev Loan		63,980		X
	Totals		1,149,292		
<b>4</b>	<b>Other Investments</b>				
	Corporate Bonds - Edward Jones	2,514,393			
	Totals	2,514,393			
<b>6</b>	<b>Cash - General</b>				
	Cash - General Funds - US Bank		115,192		
	Cash - Lock Box - Wells Fargo		11,439		
	Cash - Econ Dev Grant Funds - Wells Fargo	274,461	250,000		X
	Cash - Working Funds	760			
	Totals	275,221	376,631		
<b>8</b>	<b>Temporary Investments</b>				
	Membership Investment Program Daily Rate - GRE	2,074,543			
	Totals	2,074,543			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Accounts Receivable - Other		92,871		
	Accounts Receivable - State Sales Tax		15,383		
	Accounts Receivable - Pension Plan		3,232		
	Accounts Receivable - Employer 401k		(4,426)		
	Totals		107,060		
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	5,080,666	11,651,102		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0053			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' investments must be reported. See help in the online application.					
<b>PART Q. SECTION II. LOAN GUARANTEES</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0053			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					8.25 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
3	Sage Electrochromics Inc - Rural Econ Dev Loan Non-Fed	7/1/2015	357,000	63,980	X
4	Ellingson Drainage Inc - Zero Int Econ Dev	10/1/2019	740,000	425,483	X
5	Sage Electrochromics Inc - Zero Int Econ Dev Loan	11/1/2022	740,000	659,829	X
<b>TOTAL</b>			1,837,000	1,149,292	

## Tri-County Electric Cooperative

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0032
	PERIOD ENDED December, 2013 (Prepared with Audited Data)
	BORROWER NAME Tri-County Electric Cooperative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Brian Krambeer 3/4/2014  
 \_\_\_\_\_ DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	38,217,388	37,473,694	38,377,161	1,705,834
2. Power Production Expense				
3. Cost of Purchased Power	25,498,289	24,719,025	25,061,192	2,441,411
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	2,018,430	2,059,578	2,109,688	104,371
7. Distribution Expense - Maintenance	1,922,237	2,008,582	2,035,537	78,421
8. Customer Accounts Expense	511,477	498,101	628,296	15,355
9. Customer Service and Informational Expense	496,769	483,581	529,384	36,527
10. Sales Expense	100,800	94,502	101,760	6,572
11. Administrative and General Expense	1,707,536	1,591,058	1,804,269	140,278
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>32,255,538</b>	<b>31,454,427</b>	<b>32,270,126</b>	<b>2,822,935</b>
13. Depreciation and Amortization Expense	2,814,785	2,925,619	2,981,472	248,562
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	2,280,951	2,349,368	2,541,678	212,104
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	54,792	53,835	59,708	4,587
19. Other Deductions	21,559	23,994	21,756	2,018
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>37,427,625</b>	<b>36,807,243</b>	<b>37,874,740</b>	<b>3,290,206</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>789,763</b>	<b>666,451</b>	<b>502,421</b>	<b>(1,584,372)</b>
22. Non Operating Margins - Interest	456,475	623,104	413,189	75,060
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	12,718	20,060	15,000	216
25. Non Operating Margins - Other	(6,399)	33,080	78,687	3,689
26. Generation and Transmission Capital Credits	1,239,119	1,300,197	1,057,690	331,117
27. Other Capital Credits and Patronage Dividends	158,707	184,761	100,000	11,113
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>2,650,383</b>	<b>2,827,653</b>	<b>2,166,987</b>	<b>(1,163,177)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MN0032		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.					
<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	97	83	5. Miles Transmission		
2. Services Retired	82	66	6. Miles Distribution – Overhead	2,731.00	2,698.00
3. Total Services in Place	13,230	13,247	7. Miles Distribution - Underground	608.00	649.00
4. Idle Services (Exclude Seasonals)	3	6	8. Total Miles Energized (5 + 6 + 7)	3,339.00	3,347.00
<b>PART C. BALANCE SHEET</b>					
<b>ASSETS AND OTHER DEBITS</b>			<b>LIABILITIES AND OTHER CREDITS</b>		
1. Total Utility Plant in Service	93,032,777		30. Memberships		0
2. Construction Work in Progress	490,846		31. Patronage Capital		29,850,453
3. Total Utility Plant (1 + 2)	93,523,623		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	24,520,311		33. Operating Margins - Current Year		2,151,409
5. Net Utility Plant (3 - 4)	69,003,312		34. Non-Operating Margins		3,916,627
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,358,682
7. Investments in Subsidiary Companies	259,639		36. Total Margins & Equities (30 thru 35)		38,277,171
8. Invest. in Assoc. Org. - Patronage Capital	13,794,057		37. Long-Term Debt - RUS (Net)		13,136,001
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		35,567,683
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	987,094		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)		11,478,557
12. Other Investments	566,882		41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds	0		42. Payments – Unapplied		17,363,771
14. Total Other Property & Investments (6 thru 13)	15,607,672		43. Total Long-Term Debt (37 thru 41 - 42)		42,818,470
15. Cash - General Funds	459,091		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		0
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		0
18. Temporary Investments	57,163		47. Notes Payable		1,800,000
19. Notes Receivable (Net)	37,181		48. Accounts Payable		3,339,911
20. Accounts Receivable - Sales of Energy (Net)	3,429,033		49. Consumers Deposits		54,925
21. Accounts Receivable - Other (Net)	423,048		50. Current Maturities Long-Term Debt		2,223,000
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	821,170		52. Current Maturities Capital Leases		0
24. Prepayments	102,757		53. Other Current and Accrued Liabilities		1,611,253
25. Other Current and Accrued Assets	9,773		54. Total Current & Accrued Liabilities (47 thru 53)		9,029,089
26. Total Current and Accrued Assets (15 thru 25)	5,339,216		55. Regulatory Liabilities		1,436,000
27. Regulatory Assets	0		56. Other Deferred Credits		204,476
28. Other Deferred Debits	1,815,006		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		91,765,206
29. Total Assets and Other Debits (5+14+26 thru 28)	91,765,206				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION MN0032</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2013</p>
<p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>	
<p>[This section contains a large grid of horizontal lines for entering notes to financial statements.]</p>	
<p>[This section contains a large empty box for additional notes or comments.]</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION  MN0032
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MN0032
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2013

**PART E. CHANGES IN UTILITY PLANT**

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	79,995,113	4,708,845	1,110,762		83,593,196
2. General Plant	4,552,440	415,929	180,016		4,788,353
3. Headquarters Plant	5,431,164	29,021	808,957		4,651,228
4. Intangibles	0				0
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
<b>8. Total Utility Plant in Service (1 thru 7)</b>	<b>89,978,717</b>	<b>5,153,795</b>	<b>2,099,735</b>		<b>93,032,777</b>
9. Construction Work in Progress	491,049	(203)			490,846
<b>10. Total Utility Plant (8 + 9)</b>	<b>90,469,766</b>	<b>5,153,592</b>	<b>2,099,735</b>		<b>93,523,623</b>

**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	832,055	1,802,264	39,169	1,856,172	41,278	(11,017)	765,021
2. Other	41,699	180,652		18,761	147,127	(314)	56,149

**PART G. SERVICE INTERRUPTIONS**

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)		
1. Present Year	1.250	33.030	3.670	44.020	81.970	
2. Five-Year Average	25.700	49.600	5.900	72.600	153.800	

**PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS**

1. Number of Full Time Employees	49	4. Payroll - Expensed	2,154,414
2. Employee - Hours Worked - Regular Time	103,219	5. Payroll - Capitalized	808,907
3. Employee - Hours Worked - Overtime	3,916	6. Payroll - Other	567,586

**PART I. PATRONAGE CAPITAL**

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	812,200	28,837,870
	b. Special Retirements	103,419	5,416,232
	<b>c. Total Retirements (a + b)</b>	<b>915,619</b>	<b>34,254,102</b>
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	255,024	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	81,178	
	<b>c. Total Cash Received (a + b)</b>	<b>336,202</b>	

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

1. Amount Due Over 60 Days	\$ 75,199	2. Amount Written Off During Year	\$ 20,842
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					MN0032				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2013				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Dairyland Power Cooperative (WI0064)	4716			367,764,792	24,709,616	6.72		(1,503,437)
2	*Miscellaneous	700000			261,749	7,821	2.99		
3	Peoples Cooperative Services (MN0059)	14468				1,588	0.00		
	Total				368,026,541	24,719,025	6.72		(1,503,437)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  MN0032
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2013
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
No	Comments	
1	Line 1(i) includes credit received of \$1,436,572 NWPAs lawsuit proceeds allocation and a class A rate refund of \$152,256	
2		
3		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  MN0032	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
<b>PART L. LONG-TERM LEASES</b>			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	<b>TOTAL</b>		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION MN0032	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013	
<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 4/24/2013	2. Total Number of Members 10,887	3. Number of Members Present at Meeting 88	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 1,103	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 191,204	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MN0032			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2013			
<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	13,136,001	556,205	355,696	911,901
2	National Rural Utilities Cooperative Finance Corporation	5,543,481	360,201	470,176	830,377
3	CoBank, ACB	5,935,076	207,392	334,328	541,720
4	Federal Financing Bank	35,567,683	1,217,845	837,290	2,055,135
5	RUS - Economic Development Loans				
6	Payments Unapplied	17,363,771			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	<b>TOTAL</b>	<b>42,818,470</b>	<b>2,341,643</b>	<b>1,997,490</b>	<b>4,339,133</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0032		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2013		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	12,432	12,407	
	b. kWh Sold			170,479,326
	c. Revenue			23,016,807
2. Residential Sales - Seasonal	a. No. Consumers Served	250	251	
	b. kWh Sold			439,449
	c. Revenue			143,795
3. Irrigation Sales	a. No. Consumers Served	4	5	
	b. kWh Sold			147,900
	c. Revenue			19,276
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	417	412	
	b. kWh Sold			47,357,759
	c. Revenue			5,031,837
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	2	2	
	b. kWh Sold			53,868,680
	c. Revenue			3,702,758
6. Public Street & Highway Lighting	a. No. Consumers Served	33	33	
	b. kWh Sold			370,221
	c. Revenue			57,383
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served	9	9	
	b. kWh Sold			82,593,029
	c. Revenue			6,641,695
10.	Total No. of Consumers (lines 1a thru 9a)	13,147	13,119	
11.	Total kWh Sold (lines 1b thru 9b)			355,256,364
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			38,613,551
13.	Transmission Revenue			
14.	Other Electric Revenue			(1,139,857)
15.	kWh - Own Use			380,100
16.	Total kWh Purchased			368,026,541
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			24,719,025
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident      Coincident X			70,196

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MN0032			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December, 2013			
INSTRUCTIONS - See help in the online application.						
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	532	146,399	3,553	1,989	307,112	6,417
2. Residential Sales - Seasonal						
3. Irrigation Sales				1	1,490	53
4. Comm. and Ind. 1000 KVA or Less	34	20,292	1,148	99	69,701	3,018
5. Comm. and Ind. Over 1000 KVA	1	9,172	1,957	2	9,928	2,207
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other	49	22,458	443	155	58,033	1,951
<b>10. Total</b>	<b>616</b>	<b>198,321</b>	<b>7,101</b>	<b>2,246</b>	<b>446,264</b>	<b>13,646</b>

RUS Financial and Operating Report Electric Distribution

Revision Date 2013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0032			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	DPC-Patronage Capital		13,177,612	1,045,173	
	NRUCFC-Patronage Capital		287,613	16,811	
	NRUCFC-CTC Subscription		730,167	36,483	
	NRUCFC-CFC Investments		86,176	(1,811)	
	Cooperative Response Center-Patronage Capital	7,128		(2,155)	X
	Federated Insurance - Patronage Capital	137,133		(992)	
	NISC	21,572		10,028	
	NRTC-Patronage	781		(606)	X
	RESCO - Patronage Capital	162,218		23,049	
	Minnowa Alliance LLC	94,575		(24,939)	X
	Cooperative Response Center-Stock	2,500			X
	Cooperative Response Center-Equity Investment	10,000		600	X
	Dairyland Power Member Shares	543			
	CFC Membership		1,000		
	RESCO - Preferred Stock	100			
	RESCO - Common Stock	5,000			
	Minnesota Rural Electric Trust	29,409			
	Co-Bank		122,198	21,456	
	Heartland Securities	64,064			X
	MN3 LLC	101,000			X
	Totals	636,023	14,404,766	1,123,097	
<b>4</b>	<b>Other Investments</b>				
	Ace Communications-Membership	174,160		(4,854)	X
	Renewable Rays	25,730			X
	Gforce Ink	366,992			X
	Totals	566,882		(4,854)	
<b>6</b>	<b>Cash - General</b>				
	General Funds	186,846	250,000		
	Petty Cash	700			
	Employee Cafeteria Plan		17,674		
	Capital Credits		3,871		
	Totals	187,546	271,545		
<b>8</b>	<b>Temporary Investments</b>				
	Dairyland Power - Powerbill Prepayment	57,163			
	Totals	57,163			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Accounts Receivable Other		423,048		
	Notes Receivable- Employees	896			
	Current Portion - Notes Rec -per part Q Section IV	36,285			
	Totals	37,181	423,048		
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	1,484,795	15,099,359	1,118,243	



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION MN0032
	PERIOD ENDED December, 2013

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION II. LOAN GUARANTEES**

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				
	<b>TOTAL (Included Loan Guarantees Only)</b>				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MN0032			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2013			
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SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					1.59 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors	12/26/2014	1,846	896	
2	Energy Resources Conservation Loans				
3	Gforce Ink-Current Portion	11/15/2020	36,285	36,285	X
<b>TOTAL</b>			38,131	37,181	