

Acct No	Description	Total	Production	Transmission	Distribution
	<u>Hydraulic Generation</u>				
	<u>Operation</u>				
535	Operation Super. & Engineering	0	0	0	0
536	Water for Power	0	0	0	0
537	Hydraulic Expenses	0	0	0	0
538	Electric Expenses	0	0	0	0
539	Misc. Hydraulic Generation	0	0	0	0
540	Rents	0	0	0	0
	Subtotal	0	0	0	0
	<u>Maintenance</u>				
541	Maintenance Super. & Engin.	0	0	0	0
542	Maintenance of Structure	0	0	0	0
543	Maint. Reservoirs, Dams, & Waterways	0	0	0	0
544	Maint. of Electric Plant	0	0	0	0
545	Maint. Misc. Hydraulic Gen. Exp	0	0	0	0
	Subtotal	0	0	0	0
	<u>Other Power Generation</u>				
	<u>Operation</u>				
546	Operation Super. & Engineering	282,627	282,627	0	0
547	Fuel	0	0	0	0
548	Generation Expense	1,148,843	1,148,843	0	0
549	Misc. Other Power Generation	53,450	53,450	0	0
550	Rents	0	0	0	0
	Subtotal	1,484,920	1,484,920	0	0

Acct No	Description	Total	Production	Transmission	Distribution
<u>Maintenance</u>					
551	Maintenance Super. & Engin.	216,580	216,580	0	0
552	Maintenance of Structure	26,923	26,923	0	0
553	Maint. Generation & Electric Plant	643,909	643,909	0	0
554	Maint. Misc. Other Power	0	0	0	0
	Subtotal	887,413	887,413	0	0
<u>Other Power Supply</u>					
555	Purchased Power Demand	2,268	2,268	0	0
556	System Control & Load Dispatch	1,103,607	1,103,607	0	0
557	Other	0	0	0	0
	Subtotal (Other Power Supply)	1,105,875	1,105,875	0	0
	Total Power Production Expense	4,858,845	4,858,845	0	0
<u>Transmission Expense</u>					
<u>Operation</u>					
560	Operation Super. & Engin.	98,644	0	98,644	0
561	Load Dispatching	1,404,142	0	1,404,142	0
562	Station Equipment	767,488	0	767,488	0
563	Overhead Line Expense	399,922	0	399,922	0
564	Underground Line Expense	0	0	0	0
565	Wheeling	0	0	0	0
566	Misc. Transmission Expense	12,213	0	12,213	0
567	Rents	0	0	0	0
	Others	0	0	0	0
	Subtotal	2,682,409	0	2,682,409	0

Acct No	Description	Total	Production	Transmission	Distribution
<u>Maintenance</u>					
568	Maintenance Super. & Engin.	866	0	866	0
569	Maint. of Structure	0	0	0	0
570	Maint. of Station Equipment	1,154,158	0	1,154,158	0
571	Maint. of Overhead Lines	651,800	0	651,800	0
572	Maint. of Underground Lines	0	0	0	0
573	Maint. of Misc. Trans. Plant	0	0	0	0
	Others	0	0	0	0
	Subtotal	1,806,824	0	1,806,824	0
	Total Transmission Expenses	4,489,233	0	4,489,233	0
<u>Distribution Expense</u>					
<u>Operation</u>					
580	Operation Super. & Engin.	134,934	0	0	134,934
581	Load Dispatching	290,411	0	0	290,411
582	Station Equipment	531,016	0	0	531,016
583	Overhead Line Expense	0	0	0	0
584	Underground Line Expense	0	0	0	0
585	Street Light & Signal Systems	0	0	0	0
586	Meter Expenses	0	0	0	0
587	Customer Installation Expense	0	0	0	0
588	Misc. Distribution Expenses	13,407	0	0	13,407
589	Rents	0	0	0	0
	Subtotal	969,768	0	0	969,768

Acct No	Description	Total	Production	Transmission	Distribution
<u>Maintenance</u>					
590	Maintenance Super. & Engin.	0	0	0	0
591	Maint. of Structure	0	0	0	0
592	Maint. of Station Equipment	380,693	0	0	380,693
593	Maint. of Overhead Lines	0	0	0	0
594	Maint. of Underground Lines	0	0	0	0
595	Maint. of Line Transformers	0	0	0	0
596	Maint. of Street Lights	0	0	0	0
597	Maint. of Meters	0	0	0	0
598	Maint. of Misc. Dist. Plant	0	0	0	0
	Subtotal	380,693	0	0	380,693
Total Distribution Expenses		1,350,461	0	0	1,350,461
Customer and Information Expenses					
<u>Customer Accounts Expense</u>					
901	Supervision	0	0	0	0
902	Meter Reading Expense	2,612	0	0	2,612
903	Customer Records & Collect.	5,522	0	0	5,522
904	Uncollectible Accounts	0	0	0	0
905	Misc. Customer Account Exp.	0	0	0	0
	Subtotal	8,134	0	0	8,134

Acct No	Description	Total	Production	Transmission	Distribution
	<u>Cust. Service & Information Expense</u>				
906	Customer Service & Information	0	0	0	0
907	Supervision	0	0	0	0
908	Customer Assistance	0	0	0	0
909	Inform. & Instruct. Adv. Exp.	0	0	0	0
910	Misc. Cust. Service & Information	0	0	0	0
	Subtotal	0	0	0	0
	<u>Sales</u>				
911	Supervision	0	0	0	0
912	Demonstration & Selling Expense	0	0	0	0
913	Advertising Exp	0	0	0	0
916	Misc. Sales Exp	0	0	0	0
917	Sales Expense	0	0	0	0
	Subtotal	0	0	0	0
	Total Cust. Serv. & Information Expenses	8,134	0	0	8,134

Acct No	Description	Total	Production	Transmission	Distribution
Administrative & General Expenses					
920	Admin. & General Salaries	1,209,319	548,807	507,059	153,453
921	Office Supplies	0	0	0	0
923	Outside Service	0	0	0	0
924	Property Insurance Exp.	0	0	0	0
	Property Ins.- Prod. Plant	0	0	0	0
	Property Ins.- General Plant	0	0	0	0
	Property Ins.- Distribution	0	0	0	0
	Property Ins.- Other	0	0	0	0
925	Injuries & Damages	122,287	55,496	51,274	15,517
926	Pensions & Benefits	109,022	49,476	45,712	13,834
928	Regulatory Commission	345	0	122	223
929	Duplicate Charges (Credit)	0	0	0	0
930	Misc. General Expense	660,021	299,527	276,742	83,752
931	Rents	0	0	0	0
932	Maint. of General Plant	289,155	71,225	166,323	51,606
Total Administrative & General Expenses		2,390,149	1,024,530	1,047,233	318,386
Total Payroll Related Expenses		13,096,821	5,883,376	5,536,465	1,676,980

SCHEDULE D-5 SUMMARY OF EXCLUSIONS FROM REPORTING PERIOD

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Source: WP/D-5

Description	FERC Acct No	Reporting Period Amount
<u>Legislative Advocacy:</u>		
Assoc. of Texas Electric Cooperatives, Inc. Dues	930.600	5,233
National Rural Electric Cooperative Association Dues	930.600	21,076
Total Legislative Advocacy		<u>26,310</u>
<u>Penalties and Fines:</u>		
Assoc. of Texas Electric Cooperatives, Inc. Dues	930.600	0
National Rural Electric Cooperative Association Dues	930.600	0
Total Penalties and Fines		<u>0</u>
<u>Social/Recreational/Religious:</u>		
Assoc. of Texas Electric Cooperatives, Inc. Dues	930.600	506
National Rural Electric Cooperative Association Dues	930.600	0
Total Social/Recreation/Religious		<u>506</u>
<u>Political:</u>		
Assoc. of Texas Electric Cooperatives, Inc. Dues	930.600	1,769
National Rural Electric Cooperative Association Dues	930.600	0
Total Political		<u>1,769</u>
Total Exclusions		<u><u>28,585</u></u>

SCHEDULE E-1 DEPRECIATION EXPENSE

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Source: WP/E-1/1

Acct. No.	Description	Rate	Total	Production	Transmission	Distribution
Steam Production						
310	Land & Land Rights	0.000%	0	0	0	0
311	Structure and Improvements	3.000%	46,954	46,954	0	0
312	Boiler Plant Equipment	3.000%	1,060,779	1,060,779	0	0
313	Engines/Engine Driven Gen.	3.000%	19,186	19,186	0	0
314	Turbogenerator Units	3.000%	611,476	611,476	0	0
315	Accessory Electric Equip.	3.000%	287,137	287,137	0	0
316	Misc. Power Plant Equip.	3.000%	30,597	30,597	0	0
	Total Steam Production		2,056,129	2,056,129	0	0
Hydraulic Production						
330	Land & Land Rights	0.000%	0	0	0	0
331	Structure and Improvements	0.000%	0	0	0	0
332	Reservoirs, Dams, and Waterways	0.000%	0	0	0	0
333	Water Wheels, Turbines, & Generators	0.000%	0	0	0	0
334	Accessory Electric Equip.	0.000%	0	0	0	0
335	Misc. Power Plant Equip.	0.000%	0	0	0	0
336	Roads, Railroads, and Bridges	0.000%	0	0	0	0
	Total Hydraulic Production		0	0	0	0

Acct. No.	Description	Rate	Total	Production	Transmission	Distribution
Other Production						
340	Land & Land Rights	0.000%	0	0	0	0
341	Structure and Improvements	3.000%	227,959	227,959	0	0
342	Fuel Holder, Producer & Acc	3.000%	77,189	77,189	0	0
343	Prime Movers	3.000%	145,722	145,722	0	0
344	Generator	3.000%	7,594,495	7,594,495	0	0
345	Accessory Electric Equip.	3.000%	50,838	50,838	0	0
346	Misc. Power Plant Equip.	3.000%	24,558	24,558	0	0
	Total Other Production		8,120,761	8,120,761	0	0
	Total Production Plant		10,176,890	10,176,890	0	0
Transmission Plant						
350	Land and Land Rights	0.000%	0	0	0	0
352	Structures and Improvements	2.750%	93,939	0	93,939	0
353	Station Equipment	2.750%	100,305	100,305	0	0
353	Station Equipment - Comm Equip	2.750%	1,590,464	0	1,590,464	0
354	Towers and Fixtures	2.750%	0	0	0	0
355	Poles and Fixtures	2.750%	3,321,595	0	3,321,595	0
356	O.H. Conductors & Devices	2.750%	1,577,256	0	1,577,256	0
357	Underground Conduit	2.750%	0	0	0	0
358	Underground Conductors	2.750%	0	0	0	0
359	Roads and Trails	0.000%	46	0	46	0
	Others	0.000%	0	0	0	0
	Total Transmission Plant		6,683,606	100,305	6,583,300	0

Acct. No.	Description	Rate	Total	Production	Transmission	Distribution
Distribution						
360	Land and Land Rights	0.000%	0	0	0	0
361	Structures and Improvements	2.880%	18,841	32	7,706	11,102
362	Station Equipment	2.880%	5,279,014	9,048	2,159,288	3,110,678
363	Storage Battery Equipment	2.880%	0	0	0	0
364	Poles, Tower & Fixtures	2.880%	0	0	0	0
365	O.H. Conductors & Devices	2.880%	0	0	0	0
366	U.G. Conduits	2.880%	0	0	0	0
367	U.G. Conductors & Devices	2.880%	0	0	0	0
368	Line Transformers	2.880%	0	0	0	0
369	Service Drops	2.880%	0	0	0	0
370	Meters	2.880%	0	0	0	0
371	Install. on Customer Prem.	2.880%	0	0	0	0
372	Leased Prop. on Cust. Premises	2.880%	0	0	0	0
373	Street Lights & Signal Sys.	2.880%	0	0	0	0
	Total Distribution		5,297,854	9,080	2,166,995	3,121,779
General Plant						
389	Land and Land Rights	0.000%	0	0	0	0
390	Structures and Improvements	3.000%	466,805	127,203	212,720	126,882
391	Office Furniture & Equip.	6.000%	267,709	121,305	107,146	39,258
392	Transportation Equipment	16.000%	380,033	172,202	152,102	55,729
393	Store Equipment	6.000%	17,758	8,046	7,107	2,604
394	Tools, Shop & Garage Equip.	6.000%	53,440	24,215	21,388	7,837
395	Laboratory Equipment	6.000%	97,584	44,218	39,056	14,310
396	Power Operated Equipment	10.000%	214,233	97,074	85,743	31,416
397	Communication Equipment	6.000%	760,413	63,326	696,256	831
398	Misc. Equipment	6.000%	21,697	9,831	8,684	3,182
	Total General Plant		2,279,672	667,420	1,330,204	282,048
Total Depreciation Expense			<u>24,438,022</u>	<u>10,953,696</u>	<u>10,080,499</u>	<u>3,403,827</u>

SCHEDULE E-2 TAXES OTHER THAN FEDERAL INCOME TAXES

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Source: WP/E-1/1

Description	Booked	Adjustments	Total	Allocator	Production	Transmission	Distribution
Payroll Taxes	0	0	0	PAYXAG	0	0	0
FUTA	0	0	0	PAYXAG	0	0	0
FICA	0	0	0	PAYXAG	0	0	0
Unemployment	0	0	0	PAYXAG	0	0	0
Franchise Taxes	0	0	0	PLTSVC-N	0	0	0
Property Taxes	4,158,754	0	4,158,754	PLTSVC-NX	1,849,463	1,694,057	615,234
Production	0	0	0	Direct	0	0	0
Transmission	0	0	0	Direct	0	0	0
Distribution	0	0	0	Direct	0	0	0
General	0	0	0	GNLPLT-N	0	0	0
Use Tax	0	0	0	PAYXAG	0	0	0
Total	4,158,754	0	4,158,754		1,849,463	1,694,057	615,234

SCHEDULE E-5 OTHER REVENUE ITEMS (CREDIT)

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Reference: WP/E-5

Acct No.	Description	Allocation Factor	Total	Production	Transmission	Distribution
450	Forfeited Discount	Direct	0	0	0	0
451	Miscellaneous Service Revenue	Direct	0	0	0	0
453	Water & Water Power	Direct	0	0	0	0
454	Rent from Property	Direct	7,514	0	5,208	2,306
456	Other Electric Revenue	Direct	7,200	0	0	7,200
Subtotal Other Revenue			14,714	0	5,208	9,506
Total Other Revenue			14,714	0	5,208	9,506

SCHEDULE F-1 PAYROLL FUNCTIONALIZATION FACTORS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

	Reference	Total	Production	Transmission	Distribution
Production Payroll	WP/D-3	4,858,845	4,858,845	0	0
Transmission Payroll	WP/D-3	4,489,233	0	4,489,233	0
Distribution Payroll	WP/D-3	1,350,461	0	0	1,350,461
Customer Service, Information, & Sales Expense	WP/D-3	8,134	0	0	8,134
Total Payroll excluding A&G, excluding Contract Labor		\$10,706,673	\$4,858,845	\$4,489,233	\$1,358,595
PAYXAG Allocation Factor		100.00%	45.38%	41.93%	12.69%
Contract Labor		0	0	0	0
Total Payroll excluding A&G, including Contract Labor		\$10,706,673	\$4,858,845	\$4,489,233	\$1,358,595
PAYXAGIC Allocation Factor		100.00%	45.38%	41.93%	12.69%
A&G Payroll	WP/D-3	2,390,149	1,024,530	1,047,233	318,386
Total Payroll		\$13,096,821	\$5,883,376	\$5,536,465	\$1,676,980
PAYROLL Allocation Factor		100.00%	44.92%	42.27%	12.80%

SCHEDULE F-2 OPERATIONS & MAINTENANCE FUNCTIONALIZATION FACTOR

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Source: WP/D-1

	Total	Production	Transmission	Distribution	
Production O&M - excluding Fuel, Purchased Power	11,849,003	11,849,003	0	0	0
Transmission O&M	18,152,314	0	11,569,444	6,582,870	0
Distribution O&M	3,323,030	0	0	3,323,030	0
Customer Service and Information Expense	65,750	0	0	65,750	0
Subtotal Company O&M excluding Fuel, Purchased Power	33,390,096	11,849,003	11,569,444	9,971,650	0
TOMXFP Allocation Factor	100.00%	35.49%	34.65%	29.86%	0
Purchased Power	189,007,579	189,007,579	0	0	0
Fuel	20,403,235	20,403,235	0	0	0
Total Fuel & Purchased Power	209,410,814	209,410,814	0	0	0
Total Company O&M including Fuel	242,800,911	221,259,817	11,569,444	9,971,650	0

SCHEDULE F-3 NET PLANT FUNCTIONALIZATION FACTORS

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Source: WP/B-1/1

	Total	Production	Transmission	Distribution
Gross Plant				
Production	339,758,543	339,758,543	0	0
Transmission	259,416,412	3,647,461	255,768,951	0
Distribution	188,360,310	322,829	77,045,498	110,991,982
Subtotal Gross Utility Plant in Service	787,535,265	343,728,834	332,814,449	110,991,982
Accumulated Depreciation				
Production	(63,446,796)	(63,446,796)	0	0
Transmission	(73,024,038)	(1,095,919)	(71,928,120)	0
Distribution	(35,059,824)	(60,089)	(14,340,609)	(20,659,126)
Subtotal Accumulated Depreciation	(171,530,659)	(64,602,804)	(86,268,729)	(20,659,126)
Net Utility Plant excluding General Plant, Intangible Plant	616,004,606	279,126,030	246,545,720	90,332,856
Net Utility Plant excluding General Plant, Intangible Plant	616,004,606	279,126,030	246,545,720	90,332,856
Net Utility Plant less Net General Plant	9,544	4,331	4,002	1,211
Net Utility Plant less Net General Plant	616,014,150	279,130,361	246,549,722	90,334,067
PLTXGNL-N Allocation Factor	100.00%	45.31%	40.02%	14.66%
Gross General Plant	44,015,878	12,446,790	25,011,495	6,557,593
Accumulated Depreciation -- General Plant	(17,910,671)	(6,016,490)	(9,995,653)	(1,898,528)
Net General Plant	26,105,208	6,430,300	15,015,842	4,659,065
GNLPLT-N Allocation Factor	100.00%	24.63%	57.52%	17.85%
Net Utility Plant excluding General Plant, Intangible Plant	616,004,606	279,126,030	246,545,720	90,332,856
Net General Plant	26,105,208	6,430,300	15,015,842	4,659,065
Net Utility Plant less Intangible Plant	642,109,814	285,556,330	261,561,563	94,991,921
PLTSVC-NX Allocation Factor	100.00%	44.47%	40.73%	14.79%
Net Utility Plant excluding General Plant, Intangible Plant	616,004,606	279,126,030	246,545,720	90,332,856
Net General Plant	26,105,208	6,430,300	15,015,842	4,659,065
Net Utility Plant less Intangible Plant	642,119,358	285,560,661	261,565,565	94,993,132
PLTSVC-N Allocation Factor	100.00%	44.47%	40.73%	14.79%

SCHEDULE F-4 OTHER FUNCTIONALIZATION FACTORS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No	Description	Source	Total	Production	Transmission	Distribution
	Total Rate Base	Sch B	672,699,871	295,025,070	269,477,821	108,196,980
	TRB Allocation Factor		100.00%	43.86%	40.06%	16.08%
450	Forfeited Discount		0	0	0	0
451	Miscellaneous Service Revenue		0	0	0	0
453	Water & Water Power		0			0
454	Rent from Property	WP/E-5	7,514	0	5,208	2,306
456	Other Electric Revenue	WP/E-5	7,200	0	0	7,200
	Subtotal Other Revenues		14,714	0	5,208	9,506
456	Wheeling Revenues		0	0	0	0
	Total Other Revenue		14,714	0	5,208	9,506
	TOTREV Allocation Factor		100.00%	0.00%	35.40%	64.60%
581	Load Dispatching	WP/D-1	464,439	0	0	464,439
582	Station Equipment	WP/D-1	1,391,153	0	0	1,391,153
583	Overhead Line Expense		0	0	0	0
584	Underground Line Expense		0	0	0	0
585	Street Light & Signal Systems		0	0	0	0
586	Meter Expenses		0	0	0	0
587	Customer Installation Expense		0	0	0	0
589	Rents		100	0	0	100
	Total Distribution Operations, excl 580 & 588		1,855,692	0	0	1,855,692
	DISTOPX Allocation Factor		100.00%	0.00%	0.00%	100.00%

Acct No	Description	Source	Total	Production	Transmission	Distribution
591	Maint. of Structure		0	0	0	0
592	Maint. of Station Equipment	WP/D-1	1,208,796	0	0	1,208,796
593	Maint. of Overhead Lines		0	0	0	0
594	Maint. of Underground Lines		0	0	0	0
595	Maint. of Line Transformers		0	0	0	0
596	Maint. of Street Lights		0	0	0	0
597	Maint. of Meters		0	0	0	0
Total Distribution Maintenance, excl 590						
			1,208,796	0	0	1,208,796
DISTMAX Allocation Factor						
			100.00%	0.00%	0.00%	100.00%
361	Structures and Improvements	WP/B-1/1	654,184	1,121	267,583	385,480
C361 Allocation Factor						
			100.00%	0.17%	40.90%	58.93%
362	Station Equipment	WP/B-1/1	183,299,083	314,155	74,975,292	108,009,636
C362 Allocation Factor						
			100.00%	0.17%	40.90%	58.93%

WP/B-1/1 RATE BASE ACCOUNTS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
Intangible Plant										
301	Organization	Sch B-1	9,444	0	PAYXAG	9,444	9,444	4,286	3,960	1,198
302	Franchise and Consents	Sch B-1	100	0	PAYXAG	100	100	45	42	13
303	Miscellaneous Intangible Plant		0	0		0	0	0	0	0
	Total Intangible Plant		9,544	0		9,544	9,544	4,331	4,002	1,211
Steam Production										
310	Land & Land Rights	Sch B-1	142,979	0		142,979	142,979	142,979		
311	Structure and Improvements	Sch B-1	1,565,141	0		1,565,141	1,565,141	1,565,141		
312	Boiler Plant Equipment	Sch B-1	35,359,312	0		35,359,312	35,359,312	35,359,312		
313	Engines/Engine Driven Gen.	Sch B-1	639,524	0		639,524	639,524	639,524		
314	Turbogenerator Units	Sch B-1	20,382,537	0		20,382,537	20,382,537	20,382,537		
315	Accessory Electric Equip.	Sch B-1	9,571,234	0		9,571,234	9,571,234	9,571,234		
316	Misc. Power Plant Equip.	Sch B-1	1,019,888	0		1,019,888	1,019,888	1,019,888		
	Total Steam Production		68,680,615	0		68,680,615	68,680,615	68,680,615	0	0
Hydraulic Production										
330	Land & Land Rights	Sch B-1	0	0		0	0	0		
331	Structure and Improvements	Sch B-1	0	0		0	0	0		
332	Reservoirs, Dams, and Waterways	Sch B-1	0	0		0	0	0		
333	Water Wheels, Turbines, Generators	Sch B-1	0	0		0	0	0		
334	Accessory Electric Equip.	Sch B-1	0	0		0	0	0		
335	Misc. Power Plant Equip.	Sch B-1	0	0		0	0	0		
336	Roads, Railroads, and Bridges	Sch B-1	0	0		0	0	0		
	Total Hydraulic Production		0	0		0	0	0	0	0

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
Other Production										
340	Land & Land Rights	Sch B-1	385,885	0	0	385,885	385,885	385,885		
341	Structure and Improvements	Sch B-1	7,598,648	0	0	7,598,648	7,598,648	7,598,648		
342	Fuel Holder, Producer & Acc	Sch B-1	2,572,952	0	0	2,572,952	2,572,952	2,572,952		
343	Prime Movers	Sch B-1	4,857,389	0	0	4,857,389	4,857,389	4,857,389		
344	Generator	Sch B-1	253,149,841	0	0	253,149,841	253,149,841	253,149,841		
345	Accessory Electric Equip.	Sch B-1	1,694,609	0	0	1,694,609	1,694,609	1,694,609		
346	Misc. Power Plant Equip.	Sch B-1	818,605	0	0	818,605	818,605	818,605		
	Total Other Production		271,077,928	0	0	271,077,928	271,077,928	271,077,928	0	0
Transmission Plant										
	Total Production Plant		339,758,543	0	0	339,758,543	339,758,543	339,758,543	0	0
350	Land and Land Rights	Sch B-1	16,376,208	0	0	16,376,208	16,376,208	16,376,208		
352	Structures and Improvements	Sch B-1	3,415,968	0	0	3,415,968	3,415,968	3,415,968		
353	Station Equipment	Sch B-1	61,482,499	0	0	61,482,499	61,482,499	3,647,461	57,835,038	
354	Towers and Fixtures	Sch B-1	0	0	0	0	0	0	0	
355	Poles and Fixtures	Sch B-1	120,785,282	0	0	120,785,282	120,785,282	120,785,282		
356	O.H. Conductors & Devices	Sch B-1	57,354,778	0	0	57,354,778	57,354,778	57,354,778		
357	Underground Conduit	Sch B-1	0	0	0	0	0	0	0	
358	Underground Conductors	Sch B-1	0	0	0	0	0	0	0	
359	Roads and Trails	Sch B-1	1,677	0	0	1,677	1,677	1,677		
	Others	Sch B-1	0	0	0	0	0	0	0	
	Total Transmission Plant	Sch F-3, WPIE-1	259,416,412	0	0	259,416,412	259,416,412	3,647,461	255,768,951	0

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
Distribution Plant										
360	Land and Land Rights	Sch B-1	4,407,042	0	WP/B-1/1.1	4,407,042	4,407,042	7,553	1,802,624	2,596,865
361	Structures and Improvements	Sch B-1	654,184	0	WP/B-1/1.1	654,184	654,184	1,121	267,583	385,480
362	Station Equipment	Sch B-1	183,299,083	0	WP/B-1/1.1	183,299,083	183,299,083	314,155	74,975,292	108,009,636
363	Storage Battery Equipment		0	0		0	0	0		0
364	Poles, Tower & Fixtures		0	0		0	0	0		0
365	O.H. Conductors & Devices		0	0		0	0	0		0
366	Underground Conduit		0	0		0	0	0		0
367	U.G. Conductors & Devices		0	0		0	0	0		0
368	Line Transformers		0	0		0	0	0		0
369	Services		0	0		0	0	0		0
370	Meters		0	0		0	0	0		0
371	Install. on Customer Prem.		0	0		0	0	0		0
372	Leased Prop. on Cust. Premises		0	0		0	0	0		0
373	Street Lights		0	0		0	0	0		0
Total Distribution Plant			188,360,310	0		188,360,310	188,360,310	322,829	77,045,498	110,991,982
General Plant										
389	Land and Land Rights		0	0		0	0	0	0	0
390	Structures and Improvements	Sch B-2, B-5, WP/E-1	15,560,182	0	WP/B-4	15,560,182	15,560,182	4,240,098	7,090,677	4,229,407
391	Office Furniture & Equip.	Sch B-2/1, B-5, WP/E-1	5,866,587	(1,404,776)	PLTXGNLN	4,461,811	4,461,811	2,021,750	1,785,768	654,293
392	Transportation Equipment	Sch B-2, B-5, WP/E-1	4,282,801	0	PLTXGNLN	4,282,801	4,282,801	1,940,637	1,714,122	628,042
393	Store Equipment	Sch B-2, B-5, WP/E-1	295,963	0	PLTXGNLN	295,963	295,963	134,108	118,454	43,401
394	Tools, Shop & Garage Equip.	Sch B-2, B-5, WP/E-1	890,665	0	PLTXGNLN	890,665	890,665	403,581	356,474	130,610
395	Laboratory Equipment	Sch B-2, B-5, WP/E-1	1,626,402	0	PLTXGNLN	1,626,402	1,626,402	736,960	650,941	238,500
396	Power Operated Equipment	Sch B-2, B-5, WP/E-1	3,862,891	0	PLTXGNLN	3,862,891	3,862,891	1,750,366	1,546,060	566,465
397	Communication Equipment	Sch B-2, B-5, WP/E-1	12,673,549	0	Sch B-3	12,673,549	12,673,549	1,055,434	11,604,268	13,846
398	Misc. Equipment	Sch B-2, B-5, WP/E-1	361,616	0	PLTXGNLN	361,616	361,616	163,856	144,731	53,028
Total General Plant			45,420,654	(1,404,776)		44,015,878	44,015,878	12,446,790	25,011,495	6,557,593
TOTAL PLANT IN SERVICE			832,965,463	(1,404,776)		831,560,687	831,560,687	356,179,955	357,829,946	117,550,786

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
Accumulated Depreciation & Amortization										
Steam Production										
310	Land & Land Rights		0			0	0			
311	Structure and Improvements	Sch B-1	625,736		WP/B-5	625,736	625,736	625,736	0	0
312	Boiler Plant Equipment	Sch B-1	14,136,483		WP/B-5	14,136,483	14,136,483	14,136,483	0	0
313	Engines/Engine Driven Gen.	Sch B-1	255,678		WP/B-5	255,678	255,678	255,678	0	0
314	Turbogenerator Units	Sch B-1	8,148,841		WP/B-5	8,148,841	8,148,841	8,148,841	0	0
315	Accessory Electric Equip.	Sch B-1	3,826,534		WP/B-5	3,826,534	3,826,534	3,826,534	0	0
316	Misc. Power Plant Equip.	Sch B-1	407,746		WP/B-5	407,746	407,746	407,746	0	0
	Total Steam Production		27,401,018	0		27,401,018	27,401,018	27,401,018	0	0
Hydraulic Production										
330	Land & Land Rights		0			0	0	0		
331	Structure and Improvements		0			0	0	0		
332	Reservoirs, Dams, and Waterways		0			0	0	0		
333	Water Wheels, Turbines, Generators		0			0	0	0		
334	Accessory Electric Equip.		0			0	0	0		
335	Misc. Power Plant Equip.		0			0	0	0		
336	Roads, Railroads, and Bridges		0			0	0	0		
	Total Hydraulic Production		0	0		0	0	0	0	0
Other Production										
340	Land & Land Rights		0			0	0	0		
341	Structure and Improvements	Sch B-1	1,011,848		WP/B-5	1,011,848	1,011,848	1,011,848	0	0
342	Fuel Holder, Producer & Acc	Sch B-1	342,618		WP/B-5	342,618	342,618	342,618	0	0
343	Prime Mover	Sch B-1	646,818		WP/B-5	646,818	646,818	646,818	0	0
344	Generator	Sch B-1	33,709,831		WP/B-5	33,709,831	33,709,831	33,709,831	0	0
345	Accessory Electric Equip.	Sch B-1	225,657		WP/B-5	225,657	225,657	225,657	0	0
346	Misc. Power Plant Equip.	Sch B-1	109,007		WP/B-5	109,007	109,007	109,007	0	0
	Total Other Production		36,045,778	0		36,045,778	36,045,778	36,045,778	0	0
	Total Production Plant		63,446,796	0		63,446,796	63,446,796	63,446,796	0	0

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
Transmission Plant										
350	Land and Land Rights	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
352	Structures and Improvements	Sch B-1, B-5	1,026,364	0	WP/B-5	1,026,364	1,026,364	0	1,026,364	0
353	Station Equipment	Sch B-1, B-5	18,473,077	0	WP/B-5	18,473,077	18,473,077	1,095,919	17,377,158	0
354	Towers and Fixtures	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
355	Poles and Fixtures	Sch B-1, B-5	36,291,235	0	WP/B-5	36,291,235	36,291,235	0	36,291,235	0
356	O.H. Conductors & Devices	Sch B-1, B-5	17,232,859	0	WP/B-5	17,232,859	17,232,859	0	17,232,859	0
357	Underground Conduit	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
358	Underground Conductors	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
359	Roads and Trails	Sch B-1, B-5	504	0	WP/B-5	504	504	0	504	0
	Others	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
	Total Transmission Plant		73,024,038	0		73,024,038	73,024,038	1,095,919	71,928,120	0
Distribution Plant										
360	Land and Land Rights	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
361	Structures and Improvements	Sch B-1, B-5	124,682	0	WP/B-5	124,682	124,682	214	50,999	73,469
362	Station Equipment	Sch B-1, B-5	34,935,142	0	WP/B-5	34,935,142	34,935,142	59,875	14,289,611	20,585,657
363	Storage Battery Equipment	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
364	Poles, Tower & Fixtures	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
365	O.H. Conductors & Devices	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
366	Underground Conduit	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
367	U.G. Conductors & Devices	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
368	Line Transformers	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
369	Services	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
370	Meters	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
371	Install. on Customer Prem.	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
372	Leased Prop. on Cust. Premises	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
373	Street Lights	Sch B-1, B-5	0	0	WP/B-5	0	0	0	0	0
	Total Distribution Plant		35,059,824	0		35,059,824	35,059,824	60,089	14,340,609	20,659,126

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
General Plant										
389	Land and Land Rights	Sch B-5	0	0	WP/B-5	2,847,569	2,847,569	0	0	0
390	Structures and Improvements	Sch B-5	2,847,569	0	WP/B-5	2,847,569	2,847,569	1,194,121	1,175,518	477,929
391	Office Furniture & Equip.	Sch B-5	3,811,144	(1,046,030)	WP/B-5	2,765,114	2,765,114	1,252,938	1,106,692	405,484
392	Transportation Equipment	Sch B-5	2,848,050	0	WP/B-5	2,848,050	2,848,050	1,290,518	1,139,886	417,646
393	Store Equipment	Sch B-5	48,701	0	WP/B-5	48,701	48,701	22,067	19,492	7,142
394	Tools, Shop & Garage Equip.	Sch B-5	481,042	0	WP/B-5	481,042	481,042	217,971	192,529	70,541
395	Laboratory Equipment	Sch B-5	711,498	0	WP/B-5	711,498	711,498	322,397	284,766	104,336
396	Power Operated Equipment	Sch B-5	2,461,477	0	WP/B-5	2,461,477	2,461,477	1,115,352	985,166	360,958
397	Communication Equipment	Sch B-5	5,415,983	0	WP/B-5	5,415,983	5,415,983	451,035	4,959,031	5,917
398	Misc. Equipment	Sch B-5	331,237	0	WP/B-5	331,237	331,237	150,091	132,572	48,574
	Total General Plant		18,956,700	(1,046,030)		17,910,671	17,910,671	6,016,490	9,995,653	1,898,528
	Total Accumulated Dep. and Amort.		190,487,359	(1,046,030)		189,441,329	189,441,329	70,619,294	96,264,382	22,557,653
NET PLANT IN SERVICE										
Other Rate Base Items										
	Plant Held for Future Use		0	0		0	0	0	0	0
	Customer Deposits		0	0		0	0	0	0	0
	Construction Work in Progress		0	0		0	0	0	0	0
	Reserve for Insurance		0	0		0	0	0	0	0
	Injuries and Damages Reserve		0	0		0	0	0	0	0
	Pensions and Benefits Reserve		0	0		0	0	0	0	0
	Other		0	0		0	0	0	0	0
ADIT & FAS 109 Accounts										
281	ADIT--Accelerated Amortization		0	0		0	0	0	0	0
282	ADIT--Other Property		0	0		0	0	0	0	0
283	ADIT--Other		0	0		0	0	0	0	0
190	ADIT		0	0		0	0	0	0	0
	FAS 109 Regulatory Assets					0	0	0	0	0
	FAS 109 Regulatory Liabilities					0	0	0	0	0
	ADIT-FAS 109 Related Accounts					0	0	0	0	0
	Subtotal		0	0		0	0	0	0	0

Acct No.	Description	Reference	Total Company (1)	Account Transfer (2)	Source (3)	Total (4)	Texas (5)	Production (6)	Transmission (7)	Distribution (8)
<u>Working Capital</u>										
	Cash from Operations	Sch B	5,255,049		Sch B-9	5,255,049	5,255,049	2,095,919	1,767,304	1,391,827
	Fuel Inventory	Sch B	916,323			916,323	916,323	916,323		
	Material and Supplies	Sch B	17,668,050		Sch B-8	17,668,050	17,668,050	274,482	5,726,190	11,667,377
<u>Prepayments</u>										
	Insurance	Sch B, B-10	726,363			726,363	726,363	323,025	295,882	107,456
	Texas Franchise Tax					0	0			
	Texas Misc. City/County Taxes					0	0			
	Computer Software					0	0			
	Other	Sch B, B-10	6,014,728		WP/B-10	6,014,728	6,014,728	5,854,660	122,880	37,188
	Subtotal		6,741,091	0		6,741,091	6,741,091	6,177,685	418,762	144,644
	TOTAL RATE BASE	Sch F-4	673,058,617	(358,747)		672,699,871	672,699,871	295,025,070	269,477,821	108,196,980

Rate base allocated by function-net asset value of Competitive Retailer excluded.

WP/B-1/1.1 REFUNCTIONALIZATION OF DISTRIBUTION ACCOUNTS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No	Description	Reference	Source	Total
362	Station Equipment		WP/B-1/1.1.1	183,299,083
	Production	WP/B-1/1	WP/B-1/1.1.1	314,155
	Transmission	WP/B-1/1	WP/B-1/1.1.1	74,975,292
	Distribution	WP/B-1/1	WP/B-1/1.1.1	108,009,636
360	Land and Land Rights		WP/B-1/1	4,407,042
	Production	WP/B-1/1		7,553
	Transmission	WP/B-1/1		1,802,624
	Distribution	WP/B-1/1		2,596,865
361	Structures & Improvements		WP/B-1/1	654,184
	Production	WP/B-1/1		1,121
	Transmission	WP/B-1/1		267,583
	Distribution	WP/B-1/1		385,480
	Total Distribution Reassignments			188,360,310
	Production			322,829
	Transmission			77,045,498
	Distribution			110,991,982

Refunctionalization as determined by the specific substation functionalization
provided by WP/B-1/1.1.1

WP/B-1/1.1.1 SUBSTATION BREAKDOWN FOR ACCOUNT 362

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Item/Station	MW				Other	Dist	Total	Trans	Dist	Gen	Trans	Dist	Gen
	Total	Trans	SCADA	Gen									
Mobile Substations	2,360,234	265,778	-	-	-	2,094,456	2,360,234	11.26%	88.74%	0.00%	265,778	2,094,456	-
Temporary Mobile	332,518	-	-	-	-	332,518	332,518	0.00%	100.00%	0.00%	0	332,518	-
Mini Mobile	69,932	-	-	-	-	69,932	69,932	0.00%	100.00%	0.00%	0	69,932	-
10 MVA Mobile	494,875	3,248	-	-	-	491,626	494,875	0.66%	99.34%	0.00%	3,248	491,626	-
Metering	100,189	-	-	-	-	100,189	100,189	0.00%	100.00%	0.00%	0	100,189	-
Microwave Sit Equ	483	-	483	-	-	-	483	0.00%	0.00%	0.00%	178	305	-
Aqua Dulce	126,833	-	-	-	865	125,968	126,833	0.00%	100.00%	0.00%	0	126,833	-
Aloe	592,678	164,380	205,401	-	11,625	211,271	592,678	43.76%	56.24%	0.00%	259,348	333,329	-
Bay City	1,583,852	416,657	527,277	-	33,388	606,529	1,583,852	40.72%	59.28%	0.00%	644,969	938,883	-
Bee Prison	501,377	44,866	83,517	-	105,576	267,418	501,377	14.37%	85.63%	0.00%	72,033	429,344	-
Beeville	1,214,550	420,774	288,814	-	64,839	440,123	1,214,550	48.88%	51.12%	0.00%	593,626	620,924	-
Bonnieview	742,646	313,402	136,410	-	86,903	205,932	742,646	60.35%	39.65%	0.00%	448,164	294,482	-
Botines	2,222,743	440,105	72,367	-	641,377	1,068,894	2,222,743	29.17%	70.83%	0.00%	648,271	1,574,472	-
Calallen	5,699,454	1,702,505	463,733	-	2,199,297	1,333,920	5,699,454	56.07%	43.93%	0.00%	3,195,649	2,503,806	-
Calliham, North	327,089	31,309	72,725	-	127,726	95,329	327,089	24.72%	75.28%	0.00%	80,868	246,222	-
Calliham, South	502,347	208,309	89,353	-	114,388	90,298	502,347	69.76%	30.24%	0.00%	350,439	151,909	-
Carancahua	829,923	215,657	386,641	-	108,022	119,603	829,923	64.33%	35.67%	0.00%	533,850	296,073	-
Central	479,178	125,876	101,601	-	108,136	143,564	479,178	46.72%	53.28%	0.00%	223,860	255,318	-
Charco	323,380	39,249	119,505	-	74,317	90,310	323,380	30.29%	69.71%	0.00%	97,965	225,415	-
Charlotte	794,076	15,902	155,616	-	51,045	571,513	794,076	2.71%	97.29%	0.00%	21,497	772,579	-
Choke	509,261	52,959	123,068	-	147,991	185,243	509,261	22.23%	77.77%	0.00%	113,224	396,037	-
Clay West	1,122,227	173,547	105,659	-	230,469	612,553	1,122,227	22.08%	77.92%	0.00%	247,753	874,474	-
Clemville, North	483,934	14,497	186,475	-	20,590	262,373	483,934	5.24%	94.76%	0.00%	25,339	458,595	-
Clemville, South	689,303	299,154	74,882	-	166,351	148,917	689,303	66.76%	33.24%	0.00%	460,212	229,091	-
Corpus Christi	591,487	61,784	77,623	-	75,403	376,676	591,487	14.09%	85.91%	0.00%	83,348	508,140	-
Coy City	241,113	12,632	57,029	-	36,055	135,397	241,113	8.53%	91.47%	0.00%	20,575	220,538	-
Danewang	698,684	76,706	211,884	-	77,317	332,777	698,684	18.73%	81.27%	0.00%	130,879	567,804	-
Driscoll	1,029,411	342,195	485,212	-	32,160	169,843	1,029,411	66.83%	33.17%	0.00%	687,955	341,456	-
Ecleto	43,477	-	-	-	1,883	41,594	43,477	0.00%	100.00%	0.00%	0	43,477	-
Edna	619,262	255,643	117,878	-	9,340	236,401	619,262	51.96%	48.04%	0.00%	321,739	297,523	-
El Campo	1,374,640	543,910	395,540	-	14,246	420,945	1,374,640	56.37%	43.63%	0.00%	774,915	599,725	-
El Toro	488,515	28,056	307,305	-	32,961	120,193	488,515	18.92%	81.08%	0.00%	92,451	396,064	-
Fannin	561,424	48,879	12,002	-	111,345	389,198	561,424	11.16%	88.84%	0.00%	62,642	498,782	-
Fashioning	687,947	46,804	166,425	-	33,637	441,081	687,947	9.59%	90.41%	0.00%	65,996	621,950	-

Item/Station	MW				Other	Dist	Total	Trans				Gen	Dist	Trans	Gen
	Total	Trans	SCADA	Gen				Total	Trans	Dist	Gen				
Four Corners	1,218,665	132,665	144,897	-	292,745	648,359	1,218,665	16.99%	83.01%	0.00%	0.00%	207,003	1,011,662	-	-
Franklins Camp	758,636	339,479	56,207	-	55,375	307,576	758,636	52.47%	47.53%	0.00%	0.00%	398,021	360,616	-	-
Ganado	285,751	8,273	93,122	-	74,288	110,068	285,751	6.99%	93.01%	0.00%	0.00%	19,976	265,776	-	-
George West	734,844	206,333	71,594	-	253,193	203,725	734,844	50.32%	49.68%	0.00%	0.00%	369,759	365,085	-	-
Helena	351,659	351,659	-	-	-	-	351,659	100.00%	0.00%	0.00%	0.00%	351,659	0	-	-
Highlands	1,328,370	290,402	166,195	-	19,351	852,422	1,328,370	25.41%	74.59%	0.00%	0.00%	337,551	990,819	-	-
Hillje	983,138	184,079	102,803	-	483,530	212,726	983,138	46.39%	53.61%	0.00%	0.00%	456,080	527,058	-	-
Van Hum	122,186	13,245	40,381	-	7,834	60,726	122,186	0.17906	0.82094	0	0	21,879	100,308	-	-
Industrial Park	1,422,027	607,680	190,652	-	73,477	550,219	1,422,027	52.48%	47.52%	0.00%	0.00%	746,298	675,729	-	-
Inez	527,987	47,012	165,361	-	9,335	306,279	527,987	13.31%	86.69%	0.00%	0.00%	70,259	457,728	-	-
Kamey	196,489	32,096	72,834	-	10,714	80,845	196,489	28.42%	71.58%	0.00%	0.00%	55,840	140,650	-	-
Kenedy	1,046,915	260,382	133,358	-	112,607	540,568	1,046,915	32.51%	67.49%	0.00%	0.00%	340,344	706,572	-	-
Lolita	214,616	9,155	93,134	-	66,772	45,555	214,616	16.73%	83.27%	0.00%	0.00%	35,914	178,702	-	-
Lone Tree	881,189	282,552	192,584	-	14,068	391,986	881,189	0.41888	0.58112	0	0	369,114	512,075	-	-
Loop 463	2,399,940	242,793	763,613	-	425,396	968,137	2,399,940	20.05%	79.95%	0.00%	0.00%	481,191	1,918,749	-	-
Louise	468,568	147,667	204,468	-	9,452	106,981	468,568	57.99%	42.01%	0.00%	0.00%	271,717	196,852	-	-
Loyola	605,093	86,636	-	-	19,922	498,534	605,093	14.81%	85.19%	0.00%	0.00%	89,586	515,507	-	-
Lyssy	344,510	137,933	7,293	-	199,283	-	344,510	100.00%	0.00%	0.00%	0.00%	344,510	0	-	-
McFaddin	336,287	12,354	84,853	-	95,416	143,664	336,287	7.92%	92.08%	0.00%	0.00%	26,628	309,659	-	-
Mathis	1,402,736	562,074	533,374	-	79,720	227,568	1,402,736	71.18%	28.82%	0.00%	0.00%	998,480	404,256	-	-
Midfield West	175,265	12,475	-	-	99,638	63,153	175,265	0.16495	0.83505	0	0	28,910	146,355	-	-
Milton	280,885	78,124	5,582	-	197,179	-	280,885	100.00%	0.00%	0.00%	0.00%	280,885	0	-	-
Mineral	35,671	-	-	-	6,457	29,214	35,671	0.00%	100.00%	0.00%	0.00%	0	35,671	-	-
Montell	1,469,846	12,889	70,023	-	259,584	1,127,350	1,469,846	1.13%	98.87%	0.00%	0.00%	16,615	1,453,231	-	-
Nada	545,715	417,622	21,694	-	14,831	91,568	545,715	82.02%	17.98%	0.00%	0.00%	447,579	98,136	-	-
Nursery	1,338,983	689,319	110,712	-	108,329	430,624	1,338,983	61.55%	38.45%	0.00%	0.00%	824,137	514,846	-	-
North Fashing	16,041	-	-	-	-	16,041	16,041	0.00%	100.00%	0.00%	0.00%	0	16,041	-	-
Oaks	1,163,495	32,313	182,610	-	44,750	903,821	1,163,495	3.45%	96.55%	0.00%	0.00%	40,161	1,123,334	-	-
Olivia	435,963	16,472	134,068	-	60,341	225,082	435,963	6.82%	93.18%	0.00%	0.00%	29,730	406,233	-	-
Olmos	626,961	275,822	98,021	-	84,817	168,302	626,961	62.10%	37.90%	0.00%	0.00%	389,373	237,589	-	-
Orange Grove	1,705,706	373,185	50,916	-	202,821	1,078,784	1,705,706	25.70%	74.30%	0.00%	0.00%	438,401	1,267,305	-	-
Palacios	307,964	14,921	83,259	-	105,295	104,490	307,964	12.50%	87.50%	0.00%	0.00%	38,481	269,483	-	-
Placedo	671,775	338,579	108,244	-	10,567	214,384	671,775	61.23%	38.77%	0.00%	0.00%	411,327	260,447	-	-
Pioneer	249,150	45,138	37,001	-	118,263	48,748	249,150	48.08%	51.92%	0.00%	0.00%	119,785	129,365	-	-
Plainview	758,425	88,876	59,778	-	337,164	272,607	758,425	24.59%	75.41%	0.00%	0.00%	186,470	571,955	-	-
Pleasanton	1,965,193	400,845	373,769	-	275,701	914,879	1,965,193	30.47%	69.53%	0.00%	0.00%	598,711	1,366,482	-	-
Port Lavaca	1,398,367	235,400	434,098	-	128,675	600,194	1,398,367	28.17%	71.83%	0.00%	0.00%	393,941	1,004,425	-	-
Port O'Connor	2,757,520	568,885	346,970	-	977,759	863,906	2,757,520	39.70%	60.30%	0.00%	0.00%	1,094,864	1,662,656	-	-

Item/Station	MW				Gen	Other	Dist	Total	Trans		Gen	Dist	Trans	Dist	Gen
	Total	Trans	SCADA	Gen					Trans	Dist					
Poteet	1,541,095	787,118	25,082	-	81,514	647,381	1,541,095	54.87%	45.13%	0.00%	845,607	695,487	-	-	-
Red Bluff	2,671,294	388,094	142,283	-	1,426,404	714,513	2,671,294	35.20%	64.80%	0.00%	940,238	1,731,056	-	-	-
Refugio	421,786	162,104	74,661	-	18,270	166,751	421,786	49.29%	50.71%	0.00%	207,913	213,873	-	-	-
Ricardo	1,534,661	257,468	152,597	-	203,622	920,974	1,534,661	21.85%	78.15%	0.00%	335,296	1,199,365	-	-	-
Robstown	1,849,069	922,422	239,844	-	18,080	668,722	1,849,069	57.97%	42.03%	0.00%	1,071,947	777,122	-	-	-
Riverside	1,665,669	253,287	83,872	-	190,395	1,138,115	1,665,669	18.20%	81.80%	0.00%	303,214	1,362,455	-	-	-
Rivera	616,891	319,043	5,435	-	18,592	273,821	616,891	53.81%	46.19%	0.00%	331,973	284,918	-	-	-
Round Mott	498,184	106,015	109,686	-	68,398	214,086	498,184	33.12%	66.88%	0.00%	164,995	333,189	-	-	-
Rossville	2,415,919	896,469	236,687	-	340,290	942,473	2,415,919	48.75%	51.25%	0.00%	1,177,741	1,238,179	-	-	-
San Diego	1,547,899	684,122	85,170	-	25,663	752,943	1,547,899	47.61%	52.39%	0.00%	736,885	811,014	-	-	-
Sandia	433,800	12,199	79,426	-	108,948	233,227	433,800	4.97%	95.03%	0.00%	21,562	412,238	-	-	-
San Miguel	574,258	121,005	171,767	254,832	6,831	19,824	574,258	30.58%	5.01%	64.41%	175,625	28,772	369,861	-	-
Salt Dome	2,599,260	377,867	63,276	-	904,259	1,253,857	2,599,260	23.16%	76.84%	0.00%	601,925	1,997,335	-	-	-
Sargent	1,093,940	498,521	178,872	-	10,488	406,060	1,093,940	55.11%	44.89%	0.00%	602,879	491,062	-	-	-
Schroeder	580,469	228,452	159,906	-	5,580	186,531	580,469	55.05%	44.95%	0.00%	319,554	260,915	-	-	-
Seadrift	1,437,161	274,211	161,275	-	618,129	383,545	1,437,161	41.69%	58.31%	0.00%	599,137	838,025	-	-	-
Simmons	152,010	30,338	32,985	-	40,257	48,430	152,010	38.52%	61.48%	0.00%	58,548	93,462	-	-	-
Sioux	4,792,427	1,774,024	16,286	-	1,187,747	1,814,372	4,792,427	49.44%	50.56%	0.00%	2,369,271	2,423,157	-	-	-
Sodville	676,905	244,986	238,414	-	81,782	111,723	676,905	68.68%	31.32%	0.00%	464,896	212,009	-	-	-
Sunniland	1,157,716	95,371	98,706	-	532,882	430,758	1,157,716	18.13%	81.87%	0.00%	209,859	947,858	-	-	-
Taft	328,867	32,780	82,353	-	106,455	107,279	328,867	23.40%	76.60%	0.00%	76,969	251,898	-	-	-
Tilden	1,055,357	269,036	39,558	-	97,301	649,463	1,055,357	29.29%	70.71%	0.00%	309,123	746,234	-	-	-
Tin Top	567,340	96,118	90,157	-	148,949	232,117	567,340	29.28%	70.72%	0.00%	166,136	401,204	-	-	-
Twin Pines	708,503	287,438	66,361	-	206,245	148,459	708,503	65.94%	34.06%	0.00%	467,199	241,304	-	-	-
Van Vleck	605,526	18,020	241,492	-	27,522	318,491	605,526	5.35%	94.65%	0.00%	32,426	573,100	-	-	-
Vanderbilt	410,182	29,669	89,083	-	22,026	269,404	410,182	9.92%	90.08%	0.00%	40,692	369,491	-	-	-
W. George	489,247	34,746	109,105	-	70,333	275,062	489,247	11.22%	88.78%	0.00%	54,871	434,376	-	-	-
W. Sinton	572,570	67,373	100,634	-	82,965	321,598	572,570	17.32%	82.68%	0.00%	99,174	473,396	-	-	-
Bader	1,076,900	113,501	32,358	-	-	931,041	1,076,900	10.87%	89.13%	0.00%	117,017	959,883	-	-	-
Castroville	1,428,518	154,647	13,951	-	248,620	1,011,300	1,428,518	13.26%	86.74%	0.00%	189,474	1,239,045	-	-	-
Sabinal	146,848	9,107	13,951	-	-	123,790	146,848	6.85%	93.15%	0.00%	10,063	136,785	-	-	-
D'hanis	328,788	27,468	23,272	-	-	278,049	328,788	8.99%	91.01%	0.00%	29,560	299,228	-	-	-
Hondo	490,197	40,693	13,951	-	-	435,553	490,197	8.54%	91.46%	0.00%	41,885	448,312	-	-	-
Ferris	490,232	13,000	13,951	-	2,046	461,235	490,232	2.74%	97.26%	0.00%	13,438	476,794	-	-	-
Uvalde	300,206	108,775	13,951	-	-	177,481	300,206	38.00%	62.00%	0.00%	114,076	186,131	-	-	-
Leona	191,627	19,969	13,951	-	2,045	155,662	191,627	11.37%	88.63%	0.00%	21,788	169,839	-	-	-
Devine	1,216,357	110,941	13,951	-	14,719	1,076,746	1,216,357	9.34%	90.66%	0.00%	113,619	1,102,738	-	-	-
Dilley	475,446	108,684	38,483	-	25,887	302,392	475,446	26.44%	73.56%	0.00%	125,703	349,743	-	-	-

Item/Station	MW				Other	Dist	Total				Trans	Dist	Gen	Trans	Dist	Gen
	Total	Trans	SCADA	Gen			Total	Trans	Dist	Gen						
Dille Switch	1,129,375	1,008,215	49,232	-	7,922	64,005	1,129,375	94.03%	5.97%	0.00%	1,061,958	67,417	-	-	-	-
Moore	202,117	-	13,951	-	-	188,166	202,117	0.00%	100.00%	0.00%	0	202,117	-	0	202,117	-
Frio Town	162,659	9,495	13,951	-	10,404	128,809	162,659	6.87%	93.13%	0.00%	11,168	151,491	-	11,168	151,491	-
Batesville, North	501,070	22,021	13,951	-	-	465,098	501,070	4.52%	95.48%	0.00%	22,651	478,418	-	22,651	478,418	-
Batesville, South	512,265	47,289	13,951	-	-	451,025	512,265	9.49%	90.51%	0.00%	48,613	463,652	-	48,613	463,652	-
Derby	285,521	43,035	17,164	-	2,045	223,277	285,521	16.16%	83.84%	0.00%	46,140	239,381	-	46,140	239,381	-
Big Foot	494,279	2,349	13,951	-	9,196	468,782	494,279	0.50%	99.50%	0.00%	2,465	491,814	-	2,465	491,814	-
Natalia	549,807	15,774	13,951	-	-	520,082	549,807	2.94%	97.06%	0.00%	16,185	533,622	-	16,185	533,622	-
Big Wells	194,231	15,583	13,951	-	24,446	140,250	194,231	10.00%	90.00%	0.00%	19,423	174,808	-	19,423	174,808	-
Crystal City	167,100	-	13,951	-	-	153,149	167,100	0.00%	100.00%	0.00%	0	167,100	-	0	167,100	-
Cotulla	1,511,809	654,140	34,337	-	7,150	816,182	1,511,809	44.49%	55.51%	0.00%	672,598	839,212	-	672,598	839,212	-
Freer	751,371	221,137	48,982	-	253,503	227,749	751,371	49.26%	50.74%	0.00%	370,152	381,220	-	370,152	381,220	-
Holland	799,591	53,490	545,416	-	0	200,685	799,591	21.04%	78.96%	0.00%	168,271	631,320	-	168,271	631,320	-
Laredo	822,238	0	34,426	-	0	787,812	822,238	0.00%	100.00%	0.00%	0	822,238	-	0	822,238	-
Bruni	1,265,908	394,730	338,458	-	0	532,720	1,265,908	42.56%	57.44%	0.00%	538,780	727,128	-	538,780	727,128	-
Randado	207,300	19,021	0	-	0	188,279	207,300	9.18%	90.82%	0.00%	19,021	188,279	-	19,021	188,279	-
Lopeno	670,290	64,546	13,951	-	0	591,793	670,290	9.83%	90.17%	0.00%	65,918	604,372	-	65,918	604,372	-
Rio Grande	339,515	32,209	0	-	0	307,306	339,515	9.49%	90.51%	0.00%	32,209	307,306	-	32,209	307,306	-
Pearsall	4,066,249	3,584,013	84,620	-	2,046	395,570	4,066,249	90.06%	9.94%	0.00%	3,662,064	404,185	-	3,662,064	404,185	-
Ben Bolt	1,861,599	432,221	130,926	-	770,315	528,137	1,861,599	45.01%	54.99%	0.00%	837,836	1,023,763	-	837,836	1,023,763	-
Alton	5,658,545	1,708,698	0	-	79,212	3,870,635	5,658,545	30.63%	69.37%	0.00%	1,732,957	3,925,588	-	1,732,957	3,925,588	-
Aderhold	2,480,386	1,275,713	4,690	-	0	1,199,983	2,480,386	51.53%	48.47%	0.00%	1,278,130	1,202,256	-	1,278,130	1,202,256	-
Azteca	3,078,856	520,187	20,479	-	714,472	1,823,718	3,078,856	22.19%	77.81%	0.00%	683,296	2,395,560	-	683,296	2,395,560	-
Burns	3,319,594	1,809,006	7,662	-	0	1,502,926	3,319,594	54.62%	45.38%	0.00%	1,813,192	1,506,403	-	1,813,192	1,506,403	-
Doendyns	993,826	352,753	0	-	0	641,072	993,826	35.49%	64.51%	0.00%	352,753	641,072	-	352,753	641,072	-
Gandy	818,822	278,698	0	-	0	540,124	818,822	34.04%	65.96%	0.00%	278,698	540,124	-	278,698	540,124	-
Central Avenue	2,274,278	1,388,151	0	-	0	886,127	2,274,278	61.04%	38.96%	0.00%	1,388,151	886,127	-	1,388,151	886,127	-
F YTurria	782,291	290,146	0	-	0	492,145	782,291	37.09%	62.91%	0.00%	290,146	492,145	-	290,146	492,145	-
Faysville	786,474	170,259	0	-	0	616,216	786,474	21.65%	78.35%	0.00%	170,259	616,216	-	170,259	616,216	-
Heidelberg	5,614,815	2,218,028	8,989	-	22,536	3,365,262	5,614,815	39.73%	60.27%	0.00%	2,230,551	3,384,264	-	2,230,551	3,384,264	-
HiLine	2,277,129	1,638,897	0	-	0	638,232	2,277,129	71.97%	28.03%	0.00%	1,638,897	638,232	-	1,638,897	638,232	-
Hwy 511	2,421,935	1,162,351	0	-	0	1,259,585	2,421,935	47.99%	52.01%	0.00%	1,162,351	1,259,585	-	1,162,351	1,259,585	-
Las Milpas	2,861,819	839,837	0	-	0	2,021,982	2,861,819	29.21%	70.79%	0.00%	839,837	2,021,982	-	839,837	2,021,982	-
La Sara	849,490	459,779	0	-	0	389,711	849,490	54.12%	45.88%	0.00%	459,779	389,711	-	459,779	389,711	-
Laureles	852,542	481,146	0	-	0	371,396	852,542	56.44%	43.56%	0.00%	481,146	371,396	-	481,146	371,396	-
McCook 1	503,170	288,838	0	-	0	214,332	503,170	57.40%	42.60%	0.00%	288,838	214,332	-	288,838	214,332	-
McCook 2	385,993	190,206	0	-	0	195,787	385,993	49.28%	50.72%	0.00%	190,206	195,787	-	190,206	195,787	-
Merett	3,539,380	1,269,886	0	-	0	2,269,495	3,539,380	35.88%	64.12%	0.00%	1,269,886	2,269,495	-	1,269,886	2,269,495	-

Item/Station	MW				Other	Dist	Total	MW				Trans	Dist	Gen	Trans	Dist	Gen
	Total	Trans	SCADA	Gen				Total	Trans	Dist	Gen						
Palmhurst	2,620,524	1,771,020	0	-	0	849,503	2,620,524	2,620,524	67.58%	32.42%	0.00%	1,771,020	849,503	-	1,771,020	849,503	-
Pharr	5,232,658	3,047,507	0	-	0	2,185,151	5,232,658	5,232,658	58.24%	41.76%	0.00%	3,047,507	2,185,151	-	3,047,507	2,185,151	-
Rangerville	1,536,992	575,356	0	-	0	961,635	1,536,992	1,536,992	37.43%	62.57%	0.00%	575,356	961,635	-	575,356	961,635	-
East Raymondville	665,571	219,546	0	-	0	446,024	665,571	665,571	32.99%	67.01%	0.00%	219,546	446,024	-	219,546	446,024	-
East Rio Hondo	2,279,266	1,463,712	0	-	0	815,555	2,279,266	2,279,266	64.22%	35.78%	0.00%	1,463,712	815,555	-	1,463,712	815,555	-
Southmost	3,830,289	1,590,444	118,780	-	424,506	1,696,559	3,830,289	3,830,289	48.39%	51.61%	0.00%	1,853,318	1,976,972	-	1,853,318	1,976,972	-
Val Verde	2,540,673	1,300,553	0	-	0	1,240,119	2,540,673	2,540,673	51.19%	48.81%	0.00%	1,300,553	1,240,119	-	1,300,553	1,240,119	-
Mobile Subs-mvec	2,788,427	302,223	0	-	0	2,486,205	2,788,427	2,788,427	10.84%	89.16%	0.00%	302,223	2,486,205	-	302,223	2,486,205	-
West Edinburg	3,230,515	2,259,851	89,774	-	0	880,889	3,230,515	3,230,515	71.95%	28.05%	0.00%	2,324,446	906,069	-	2,324,446	906,069	-
Weslaco	3,465,831	1,430,282	5,753	-	0	2,029,795	3,465,831	3,465,831	41.34%	58.66%	0.00%	1,432,660	2,033,170	-	1,432,660	2,033,170	-
Total	183,299,083	60,817,541	15,289,875	254,832	19,322,898	87,613,937	183,299,083	183,299,083	40.90%	58.93%	0.17%	73,855,084	109,074,138	369,861	73,855,084	109,074,138	369,861

(to WP/B-1/1.1)

Specific substation breakdown into functions for account 362

WP/B-2/1 — COMPETITIVE RETAILER PLANT ADJUSTMENT

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

	Description	Total	Reference
<u>Plant in Service</u>			
391.00	General Plant -- Office Furniture & Equipment	5,866,586.84	
391.70	General Plant -- Office Furniture & Equipment for CR	1,404,776.29	WP/E-1/1.2, WP/B-1/1
391.00	Adjusted General Plant -- Office Furniture & Equipment	<u>\$4,461,810.55</u>	
<u>Accumulated Depreciation</u>			
108.70	General Plant -- Office Furniture & Equipment	3,811,143.73	
108.70	General Plant -- Office Furniture & Equipment-CR	1,046,029.57	WP/B-5
108.70	Adjusted General Plant -- Office Furniture & Equipment	<u>\$2,765,114.16</u>	

Detail of exclusion of Competitive Retailer General Plant Office & Equipment
and associated Accumulated Depreciation account

WP/B-2/2 ASSIGNMENT OF GENERAL PLANT STRUCTURES AND IMPROVEMENTS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Description	Reference	Total	Production	Transmission	Distribution
390 Pearsall Office		2,441,469	0	1,464,881	976,587
390 Donna Office		3,761,221	0	1,880,611	1,880,611
390 Other General Plant Structures & Improvements		9,357,492	4,240,098	3,745,185	1,372,209
					PLTXGNL-N
Total Account 390		15,560,182	4,240,098	7,090,677	4,229,407

Accumulated Depreciation-General Plant Structures and Improvements

108.70 Pearsall Office	146,488	0	87,893	58,595
108.70 Donna Office	65,769	0	32,885	32,885
108.70 Other	2,635,311	1,194,121	1,054,741	386,450
Total Account 108.70	2,847,569	1,194,121	1,175,518	477,929

WP/B-5

Functionalizing of plant structures and improvements and associated accumulated depreciation-Pearsall & Donna offices have no production function.

WP/B-3 ASSIGNMENT OF COMMUNICATION EQUIPMENT

South Texas Electric Cooperative, Inc.
 Test Year Ending December 31, 2012
 Reference: to Sch B-3

Description	Total	Production	Transmission	Distribution	Common Plant
Direct Assigned Communication Equipment	12,673,549	1,055,434	11,604,268	13,846	
Communication Equipment located at Substation	0	0	0	0	
Common Communication Equipment	0	0	0	0	
Other Communication Equipment	0				0
Total Account 397	<u>12,673,549</u>	<u>1,055,434</u>	<u>11,604,268</u>	<u>13,846</u>	<u>0</u>

Direct assignment of communication equipment.

WP/B-5 ACCUMULATED DEPRECIATION

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No.	Description	(1) Unadjusted Plant WP/B-1/1	(2) Percent of Plant	(3) Allocated Booked Accumulated Depreciation	(4) Plant Adjustments	(5) Total Accum Depreciation 3 + 4	(6) Production	(7) Transmission	(8) Distribution
Steam Production									
311	Structure and Improvements	1,565,141	2.28%	625,736		625,736	625,736		
312	Boiler Plant Equipment	35,359,312	51.59%	14,136,483		14,136,483	14,136,483		
313	Engines/Engine Driven Gen.	639,524	0.93%	255,678		255,678	255,678		
314	Turbogenerator Units	20,382,537	29.74%	8,148,841		8,148,841	8,148,841		
315	Accessory Electric Equip.	9,571,234	13.96%	3,826,534		3,826,534	3,826,534		
316	Misc. Power Plant Equip.	1,019,888	1.49%	407,746		407,746	407,746		
	Total Steam Production	68,537,636	100.00%	27,401,018	0	27,401,018	27,401,018	0	0
Hydraulic Production									
331	Structure and Improvements	0	0.00%	0		0	0		
332	Reservoirs, Dams, and Waterways	0	0.00%	0		0	0		
333	Water Wheels, Turbines, & Generators	0	0.00%	0		0	0		
334	Accessory Electric Equip.	0	0.00%	0		0	0		
335	Misc. Power Plant Equip.	0	0.00%	0		0	0		
336	Roads, Railroads, and Bridges	0	0.00%	0		0	0		
	Total Hydraulic Production	0	0.00%	0	0	0	0	0	0
Other Production									
341	Structure and Improvements	7,598,648	2.81%	1,011,848		1,011,848	1,011,848		
342	Fuel Holder, Producer & Acc	2,572,952	0.95%	342,618		342,618	342,618		
343	Prime Movers	4,857,389	1.79%	646,818		646,818	646,818		
344	Generator	253,149,841	93.52%	33,709,831		33,709,831	33,709,831		
345	Accessory Electric Equip.	1,694,609	0.63%	225,657		225,657	225,657		
346	Misc. Power Plant Equip.	818,605	0.30%	109,007		109,007	109,007		
	Total Other Production	270,692,044	100.00%	36,045,778	0	36,045,778	36,045,778	0	0
	Total Production Plant	339,229,680		63,446,796	0	63,446,796	63,446,796	0	0

Acct No.	Description	(1) Unadjusted Plant WP/B-1/1	(2) Percent of Plant	(3) Allocated Booked Accumulated Depreciation	(4) Plant Adjustments Depreciation	(5) Total Accum Depreciation 3 + 4	(6) Production	(7) Transmission	(8) Distribution
Transmission Plant									
352	Structures and Improvements	3,415,968	1.41%	1,026,364		1,026,364		1,026,364	
353	Station Equipment	61,482,499	25.30%	18,473,077		18,473,077	1,095,919	17,377,158	
354	Towers and Fixtures	0	0.00%	0		0		0	
355	Poles and Fixtures	120,785,282	49.70%	36,291,235		36,291,235		36,291,235	
356	O.H. Conductors & Devices	57,354,778	23.60%	17,232,859		17,232,859		17,232,859	
357	Underground Conduit	0	0.00%	0		0		0	
358	Underground Conductors	0	0.00%	0		0		0	
359	Roads and Trails	1,677	0.00%	504		504		504	
	Other	0	0.00%	0		0		0	
	Total Transmission Plant	243,040,204	100.00%	73,024,038	0	73,024,038	1,095,919	71,928,120	0
Distribution Plant									
361	Structures and Improvements	654,184	0.36%	124,682		124,682		50,999	73,469
362	Station Equipment	183,299,083	99.64%	34,935,142		34,935,142	59,875	14,289,611	20,585,657
363	Storage Battery Equipment	0	0.00%	0		0		0	0
364	Poles, Tower & Fixtures	0	0.00%	0		0		0	0
365	O.H. Conductors & Devices	0	0.00%	0		0		0	0
366	Underground Conduit	0	0.00%	0		0		0	0
367	U.G. Conductors & Devices	0	0.00%	0		0		0	0
368	Line Transformers	0	0.00%	0		0		0	0
369	Services	0	0.00%	0		0		0	0
370	Meters	0	0.00%	0		0		0	0
371	Install. on Customer Prem.	0	0.00%	0		0		0	0
372	Leased Prop. on Cust. Premises	0	0.00%	0		0		0	0
373	Street Lights	0	0.00%	0		0		0	0
	Total Distribution Plant	183,953,268	100.00%	35,059,824	0	35,059,824	60,089	14,340,609	20,659,126

Acct No.	Description	(1) Unadjusted Plant WP/B-1/1	(2) Percent of Plant	(3) Allocated Booked Accumulated Depreciation (from WP/B-1/1)	(4) Plant Adjustments (from WP/B-2/1)	(5) Total Accum Depreciation 3 + 4	(6) Production	(7) Transmission	(8) Distribution
General Plant									
390	Structures and Improvements	15,560,182		2,847,569		2,847,569	1,194,121	1,175,518	477,929
391	Office Furniture & Equip.	5,866,587		3,811,144	(1,046,030)	2,765,114	1,252,938	1,106,692	405,484
392	Transportation Equipment	4,282,801		2,848,050		2,848,050	1,290,518	1,139,886	417,646
393	Store Equipment	295,963		48,701		48,701	22,067	19,492	7,142
394	Tools, Shop & Garage Equip.	890,665		481,042		481,042	217,971	192,529	70,541
395	Laboratory Equipment	1,626,402		711,498		711,498	322,397	284,766	104,336
396	Power Operated Equipment	3,862,891		2,461,477		2,461,477	1,115,352	985,166	360,958
397	Communication Equipment	12,673,549		5,415,983		5,415,983	451,035	4,959,031	5,917
398	Misc. Equipment	361,616		331,237		331,237	150,091	132,572	48,574
	Total General Plant	45,420,654		18,942,556	(1,046,030)	17,910,671	6,016,490	9,995,653	1,898,528
	Total	811,643,806		190,473,215	(1,046,030)	189,441,329	70,619,294	96,264,382	22,557,653

Work sheet lists accumulated depreciation of all fixed asset accounts allocated to functions.
Adjustment made to accumulated depreciation for account 391 for exclusion of Competitive Retail assets.

WP/B-8 MATERIALS AND SUPPLIES

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No.	Description	Total	Production	Transmission	Distribution
Directly Assigned Inventory					
154.000	Materials & Supplies	17,668,050	274,482	5,726,190	11,667,377
154.000	Materials & Supplies	0	0	0	0
Total Direct Assigned Materials & Supplies		17,668,050	274,482	5,726,190	11,667,377
Allocation		100.00%	1.55%	32.41%	66.04%
Remaining Materials & Supplies					
154.000	Operating Supplies	0	0	0	0
155.000	Merchandise	0	0	0	0
155.100	Transportation	0	0	0	0
Total Unassigned Materials & Supplies		0	0	0	0
Total Materials & Supplies		17,668,050	274,482	5,726,190	11,667,377
Allocation		100.00%	1.55%	32.41%	66.04%

Worksheet depicts directly assigned materials & supplies inventory

WP/B-9 WORKING CAPITAL

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Description	Source	Total	Production	Transmission	Distribution
Cash From Operations	Sch B-9	5,255,049	2,095,919	1,767,304	1,391,827
Fuel Inventory	WP/B-1/1	916,323	916,323	0	0
Materials and Supplies	Sch B-8	17,668,050	274,482	5,726,190	11,667,377
Prepayments					
Insurance	Sch B-10	726,363	323,025	295,882	107,456
Other	Sch B-10	6,014,728	5,854,660	122,880	37,188
Total Working Capital		30,580,513	9,464,409	7,912,256	13,203,848

Working Capital allocated by functions.

WP/B-10 PREPAYMENTS

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Acct No.	Description	Total
165.100	Prepayments -- Insurance	726,363 from Sch B-10
165.200	Prepayments -- Other	6,014,728 from Sch B-10
	Total Prepayments	<u>6,741,091</u>

Acct No	Description	Reference	Functionalization	Total	Production	Transmission	Distribution
165.200	Prepayments -- Other		PAYXAG	293,065	132,997	122,880	37,188
165.200	Prepayments-Other CRR's		Direct	5,721,663	5,721,663		
	Total Prepayments-Other	WP/B-1/1		<u>6,014,728</u>	<u>5,854,660</u>	<u>122,880</u>	<u>37,188</u>

Worksheet to directly allocate Congestion Revenue Rights purchased that benefit future periods to Production.
Balance of Other Prepaids functionalized as payroll excluding Administrative and General.

WP/C-2/1 LONG TERM DEBT

South Texas Electric Cooperative, Inc.
Test Year Ending December 31, 2012

Lender	Note No.	Interest Rate	Test Year Ending December 31, 2012		
			Principal Outstanding	Principal Paid	Interest Paid
CFC	9012001	3.35%	2,144,373	115,013	81,065
CFC	9013001	4.20%	32,171	62,361	2,778
CFC	9015001	6.40%	12,005,425	218,744	745,687
CFC	9015002	3.35%	827,853	21,274	30,809
CFC	15003	3.50%	1,087,330	29,829	35,866
CFC	15004	3.35%	2,236,765	57,479	83,243
CFC	15005	6.00%	2,624,538	50,691	152,503
CFC	15006	3.50%	3,007,346	82,502	99,198
CFC	15007	6.00%	3,128,640	60,427	181,795
CFC	15008	6.50%	6,145,120	110,337	387,840
CFC	15010	3.50%	3,348,111	91,850	110,439
CFC	15011	4.35%	3,307,924	85,119	129,027
CFC	15012	4.35%	829,756	21,351	32,365
CFC	15013	3.55%	1,160,048	31,502	39,046
CFC	15014	3.55%	1,077,187	29,252	36,257
CFC	15015	3.55%	414,303	11,251	13,945
CFC	15016	3.55%	1,657,211	45,004	55,781
CFC	15017	3.35%	4,999,414	128,471	186,057
CFC	15018	4.55%	2,085,263	51,356	85,908
CFC	15019	4.55%	3,420,586	72,819	173,157
CFC	15020	4.35%	6,851,293	147,007	342,291
CFC	15021	6.05%	5,218,054	100,054	305,818
CFC	15022	6.05%	4,348,378	83,379	254,848
CFC	15023	4.15%	1,919,261	44,276	84,849
CFC	15024	3.75%	564,348	14,964	20,037
CFC	15025	7.10%	2,571,738	42,255	177,748
CFC	15026	3.35%	5,001,684	140,026	157,415
CFC	15027	3.25%	670,208	19,018	20,417
CFC	22001	7.10%	1,921,690	26,029	132,611
CFC	22002	4.00%	3,790,179	84,068	143,849
CFC	22003	3.35%	1,875,538	41,739	69,663
CFC	22004	4.55%	3,754,841	79,714	154,414
CFC	22005	5.85%	2,379,518	39,521	134,462
CFC	22006	4.20%	3,754,138	86,027	139,603
CFC	22007	4.55%	9,387,102	199,284	386,036
CFC	23001	7.45%	278,946	2,287	20,875
CFC	23002	7.45%	550,513	7,035	41,300
CFC	23003	7.45%	275,257	3,517	20,650
CFC	23004	7.45%	550,513	7,035	41,300
CFC	23005	7.45%	344,071	4,397	25,813

Lender	Note No.	Interest Rate	Test Year Ending December 31, 2012		
			Principal Outstanding	Principal Paid	Interest Paid
CFC	23006	7.45%	550,513	7,035	41,300
CFC	23007	7.45%	1,376,283	17,587	103,250
CFC	27001			777,322	959,211
CFC	27002	2.85%	1,322,753	1,322,753	33,234
CFC	27003	2.95%	2,645,506	0	42,151
CFC	27004	2.95%	2,645,506	0	42,151
CFC	27005	3.15%	2,645,506	0	45,253
CFC	27006	3.40%	2,645,506	0	49,130
CFC	27007	3.70%	2,645,506	0	53,783
CFC	27008	3.95%	2,645,506	0	57,661
CFC	27009	4.15%	2,645,506	0	60,763
CFC	27010	4.40%	2,645,506	0	64,641
CFC	27011	4.60%	2,645,506	0	67,743
CFC	27012	4.65%	2,645,506	0	68,519
CFC	27013	4.75%	2,645,506	0	70,070
CFC	27014	4.85%	2,645,506	0	71,621
CFC	27015	4.90%	2,645,506	0	72,396
CFC	27016	5.00%	2,645,506	0	73,947
CFC	27017	5.60%	2,645,506	0	83,254
CFC	27018	5.65%	2,645,506	0	84,029
CFC	27019	5.70%	2,645,506	0	84,805
CFC	27020	5.75%	2,645,506	0	85,580
CFC	27021	5.80%	2,645,506	0	86,356
CFC	27022	5.80%	2,645,506	0	86,356
CFC	27023	5.80%	2,645,506	0	86,356
CFC	27024	5.80%	2,645,506	0	86,356
CFC	27025	5.80%	2,645,506	0	86,356
CFC	27026	5.80%	2,645,506	0	86,356
CFC	27027	5.80%	2,645,506	0	86,356
CFC	27028	5.80%	2,645,506	0	86,356
CFC	28001	5.60%	10,260,183	159,098	580,361
CFC	29001	4.20%	19,678,207	321,793	782,914
CFC	29002	2.90%	53,966,603	1,033,397	1,703,407
CFC	30001	6.45%	10,598,934	118,566	716,416
CFC	31001	4.75%	2,105,866	42,327	95,803
CFC	31002	4.75%	2,123,881	42,689	96,622
CFC	31003	4.75%	4,162,826	83,671	189,381
CFC	31004	4.20%	4,167,812	96,978	155,014
CFC	31005	4.55%	4,165,720	89,873	171,343
CFC	31006	3.35%	2,562,843	57,932	95,211
CFC	31007	4.55%	1,710,284	36,898	70,347
CFC	31008	3.35%	4,186,118	94,625	155,517
CFC	31009	4.35%	4,279,423	76,874	221,771

Test Year Ending December 31, 2012					
<u>Lender</u>	<u>Note No.</u>	<u>Interest Rate</u>	<u>Principal Outstanding</u>	<u>Principal Paid</u>	<u>Interest Paid</u>
CFC	31010	4.35%	3,439,840	61,792	178,262
CFC	31011	4.35%	4,319,965	77,602	223,872
CFC	31012	4.35%	4,331,642	77,812	224,478
CFC	31013	3.35%	3,436,762	77,686	127,678
CFC	9032001	3.50%	<u>6,463,680</u>	<u>195,229</u>	<u>229,949</u>
Total CFC			329,539,926	7,417,804	14,360,452
Bonds	2009 due 2028	5.410%	169,411,763	10,588,237	9,165,176
	2009 due 2040	5.980%	<u>130,666,667</u>	<u>4,666,666</u>	<u>7,813,867</u>
Total Bonds (to Sch C-2)			300,078,430	15,254,903	16,979,043
Less capitalized interest					-214,856
Total Debt			629,618,356	22,672,707	31,124,639
Debt Service (P + I)					53,797,346

ARTICLE V

COVENANTS

Section 5.01 Covenants. The Borrower covenants and agrees with CFC that after the date hereof and until payment in full of the Notes and performance of all obligations of the Borrower hereunder:

A. Indenture Covenants. The Borrower shall comply in all material respects with each and every covenant in the Indenture.

B. DSC Ratio. The Borrower shall achieve an annual DSC Ratio of not less than 1.0, measured as of the end of each of its fiscal years. The Borrower shall not decrease its rates for electric service if it has failed to achieve a DSC Ratio of 1.0 for the fiscal year prior to such reduction subject only to an order from a Governmental Authority properly exercising jurisdiction over the Borrower.

C. Notice of Default. The Borrower shall provide CFC any notice delivered by the Borrower to the Trustee pursuant to Section 14.12 of the Indenture promptly after delivering such notice to the Trustee.

D. Annual Certificates. Within one hundred twenty (120) days after the close of each calendar year, commencing with the year in which this Agreement is effective, the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, signed by the Borrower's General Manager or Chief Executive Officer, stating that during such year, and that to the best of said person's knowledge, the Borrower has fulfilled all of its obligations in all material respects under this Agreement, the Notes, and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

E. Financial Books; Financial Reports; Right of Inspection.

(i) Within 120 days after the end of each fiscal year of the Borrower, the Borrower shall provide to CFC the audited consolidated balance sheet and related statements of operations, members' patronage capital and cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and supplemental statements of consolidating balance sheet and related statements of operations, members' patronage capital and cash flows for such period, all reported on by independent public accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated and consolidating financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated and consolidating basis in accordance with the Accounting Requirements.

(ii) Within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, the Borrower shall provide to CFC the consolidated balance sheet and related statements of operations, members' patronage capital and cash flows of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of

advanced by the Trustee, together with interest at the lesser of (i) 10% per annum or (ii) the maximum rate permitted by law, shall be repaid by the Company upon demand and such advances shall be secured under this Indenture prior to the Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any Trust Moneys at any time held by it under Article VII but no such use of Trust Moneys or advance shall relieve the Company from any default hereunder. Nothing contained herein shall be deemed to obligate the Trustee to advance its own monies for any purpose.

Section 14.12 Statement as to Compliance

The Company will deliver to the Trustee, within one hundred and twenty (120) days after the end of each calendar year, a written statement signed by the principal executive officer and by the principal financial officer or principal accounting officer of the Company stating that a review of the Company's activities during the preceding calendar year has been made under their supervision and that the Company has fulfilled its obligations hereunder in all material respects during such calendar year.

Promptly after any Officer of the Company may reasonably be deemed to have knowledge of a default hereunder, the Company will deliver to the Trustee a written notice specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto.

Section 14.13 Waiver of Certain Covenants

The Company may omit in any particular instance to comply with any covenant or condition set forth in this Article except Sections 14.1, 14.2, 14.3, 14.4, 14.5, 14.9, 14.10, 14.11 and the first sentence of Section 14.14 if before or after the time for such compliance the Holders of at least a majority in principal amount of all Obligations then Outstanding, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

Section 14.14 Rate Covenant

The Company shall establish and collect rates, rents, charges, fees and other compensation (collectively, "**Rates**") that, together with other moneys available to the Company, produce moneys sufficient to enable the Company to comply with all its covenants under this Indenture. Subject to any necessary regulatory approval or determination, the Company also shall establish and collect Rates that, together with other revenues available to the Company, are reasonably expected to yield a Margins for Interest Ratio for each fiscal year of the Company equal to at least 1.10 for such period. Promptly upon any material change in the circumstances which were contemplated at the time such Rates were most recently reviewed, but not less frequently than once every twelve (12) months, the Company shall review the Rates so established and shall, within three (3) months of such review, establish or revise such Rates as necessary to comply with the foregoing requirements; **PROVIDED, HOWEVER**, that if (i)

Notes due November 29, 2009, (vi) \$75,000,000.00 principal amount of Notes due December 31, 2012, (vii) \$10,717,500.00 principal amount of Notes due December 31, 2012, (viii) \$75,000,000.00 principal amount of Notes due December 31, 2039, and (ix) \$48,000,000.00 principal amount of Notes due February 28, 2038.

The Series 2009A Notes shall bear interest from their date of issuance as provided in Article III and Schedule 1 of the Loan Agreement, payable quarterly on the last day of February, May, August and November of each year, commencing on November 30, 2009. The principal and the Redemption Price of, and interest on, the Series 2009A Notes shall be paid in accordance with the Loan Agreement to the Person in whose name that Obligation (or one or more Predecessor Obligations) is registered at the close of business on Business Day preceding such Interest Payment Date or Redemption Date. Interest on the Series 2009A Notes shall be computed in accordance with the Loan Agreement. The Series 2009A Notes shall be dated the date of authentication.

The Series 2009A Notes shall be issued as fully registered Notes without coupons and in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The Series 2009A Notes shall be registered in the name of Holder thereof. The Trustee may impose a charge sufficient to reimburse the Company or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2009A Note. The cost, if any, of preparing each new Series 2009A Note issued upon such exchange or transfer, and any other expenses of the Company or the Trustee incurred in connection therewith, shall be paid by the person requesting such exchange or transfer.

Section 1.2 Mandatory Principal Repayment.

(a) Prepayment of the 2009A Notes shall be in such amounts and on such dates as provided in Article III of the Loan Agreement, together with such premiums and fees as provided therein.

(b) The Series 2009A Notes that the Company acquires and surrenders (other than by means of mandatory prepayments as provided herein) will be credited against future mandatory prepayments for such Series 2009A Notes and the principal payment to be made on the maturity date of such Series 2009A Notes, in proportion to the respective amounts of those mandatory prepayments, subject to authorized denominations.

Section 1.3 Optional Prepayment. The Company may prepay the Series 2009A Notes, in whole or in part, on or prior to their stated maturity only to the extent permitted by Article III of the Loan Agreement and for the amount, together with a make-whole premium, as provided therein.

Section 1.4 Form of the Series 2009A Notes. The Series 2009A Notes and the Trustee's authentication certificate to be executed on the Series 2009A Notes shall be substantially in the form of Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities

(f) Investments for the acquisition or ownership by the Borrower of individual ownership interests in electric power generation plant or equipment or associated facilities used in the ordinary course of business and to service the Members' load or demand (or equity interests in special purpose Persons directly or indirectly owning such electric power generation facilities); and

(g) additional Investments, at any time outstanding, of up to, in the aggregate, five percent (5%) of the Borrower's total assets (with the Borrower's total assets being determined in accordance with GAAP as of the end of the Borrower's fiscal year immediately preceding such sale, lease, transfer or other disposition).

Section 6.06. Transactions with Affiliates. The Borrower will not sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except transactions in the ordinary course of business at prices and on terms and conditions that are, in the aggregate, not less favorable to the Borrower than could reasonably be obtained on an arm's-length basis from unrelated third parties.

Section 6.07. Certain Financial Covenants.

(a) Margins for Interest Ratio. The Borrower shall maintain a minimum Margins for Interest Ratio of 1.10 at the end of each fiscal year of the Borrower.

(b) Minimum Equity Balance. The Borrower shall, at all times, maintain a minimum Equity Balance of \$85,000,000, calculated at the end of each fiscal quarter and at fiscal year end of the Borrower.

Section 6.08. Certain Documents; Accounting Changes.

(a) Wholesale Power Contracts. The Borrower will not, and will not consent to, the termination of any one or more Wholesale Power Contracts that, individually or in the aggregate, represent 10% or more of the Borrower's total revenues (with the Borrower's total revenues being determined in accordance with GAAP as of the end of the Borrower's most recent fiscal year).

(b) Corporate Documents; Fiscal Year. The Borrower will not make or permit any modification, supplement or waiver of any of the provisions of its certificate of incorporation, bylaws or any other organizational document that would reasonably be expected to result in a Material Adverse Effect. The Borrower shall not make or permit any change in (i) accounting policies or reporting practices, except as required by applicable law or as required by generally accepted accounting principles, or (ii) the last day of its fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30, and September 30, respectively.

Section 6.09. Hedging Agreements. Borrower will not enter into Hedging Agreements (including Specified Hedging Agreements) (i) other than in the ordinary course of the Borrower's business (and not for speculative purposes) and (ii) exceeding, at any given time, an aggregate notional amount of \$500,000,000.

executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, no more than one time during any calendar year, all at such reasonable times as may be reasonably requested in writing; and

(b) *Default* — if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 8. COVENANTS.

The Company covenants that so long as any of the Bonds are outstanding:

Section 8.1 Compliance with Other Covenants and Conditions. The Company will comply with all covenants, terms and conditions contained in the Indenture (including the Second Supplemental Indenture).

Section 8.2 Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, ERISA and the USA Patriot Act, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 8.3 Line of Business. The Company will not, and will not permit any Subsidiary to, engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum.

Section 8.4 Bond Documents. As security for the Bonds and all other obligations of the Company hereunder and under any other Bond Documents, the Company has granted and shall maintain Liens on the Trust Estate in the scope and manner as set forth in the Indenture. The Company covenants and agrees that all properties and assets constituting the Trust Estate which are for the benefit of the Holders of the Company's Secured Obligations shall equally and

ratably secure the Bonds and all other obligations of the Company hereunder and under any other Bond Document.

Section 8.5 Terrorism Sanctions Regulations. The Company will not, and will not permit any Subsidiary to, (a) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (b) knowingly engage in any dealings or transactions with any such Person.

SECTION 9. BPA EVENT OF DEFAULT

A "*BPA Event of Default*" shall exist if any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made and, with respect to representations and warranties made after the date hereof, for which accurate information has not since been provided in writing to the Purchasers.

SECTION 10. REMEDIES ON BPA EVENT OF DEFAULT

If a BPA Event of Default shall have occurred and be continuing, the additional interest payable pursuant to the Bonds with respect to the occurrence and continuance of an Interest Rate Adjustment Event (as defined in the Bonds) relating to such BPA Event of Default shall commence and continue as provided in the Bonds and the Required Holders may pursue any rights and remedies available to the holders of the Bonds at law or in equity; *provided*, that the holders acknowledge and agree that a BPA Event of Default shall not constitute an Event of Default under the Indenture, the Supplemental Indenture or any Bond and any rights or remedies of any holder relating to a BPA Event of Default shall not include enforcement rights or remedies under the Indenture, the Supplemental Indenture or any Bond, including the right to declare the principal of any Bond to be immediately due and payable.

SECTION 11. PAYMENTS ON BONDS.

Section 11.1 Place of Payment. Subject to Section 11.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Bonds shall be made in accordance with the terms of the Master Indenture.

Section 11.2 Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Bond, and notwithstanding anything contained in Section 11.1 or in such Bond to the contrary, the Company or the Paying Agent will pay all sums becoming due on such Bond for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company or the Paying Agent in writing for such purpose, without the presentation or surrender of such Bond or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Bond, such Purchaser shall surrender such Bond for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently

on the basis of a 360-day year of twelve 30-day months.

The principal of, premium (including the Make-Whole Amount), if any, and interest on the Series 2009B Bonds shall be paid to the 2009B Holders thereof in immediately available funds as described in such Bonds. Any payment of principal of or premium (including the Make-Whole Amount, if any) or interest on any Series 2009B Bond that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; *provided* that if the maturity date of any Series 2009B Bond is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

If the Company fails to make any payment with respect to the Series 2009B Bonds when due, then such payment shall be due and payable on demand, and shall accrue interest from the date due until the date paid at the Default Rate.

Section 2.2 Form of the Series 2009B Bonds. The Series 2009B Bonds shall each be a bond substantially in the form of Exhibit C hereto, and the Trustee's authentication certificate to be executed on the Series 2009B Bonds shall be substantially in the form attached thereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Indenture.

Section 2.3 Required Prepayments.

(a) On January 1, 2012 and on each January 1 thereafter to and including January 1, 2027, the Company will prepay a portion of the aggregate principal amount of the Series 2009B Bonds due January 1, 2028 at par and without payment of any premium (including the Make-Whole Amount), provided that upon any partial prepayment of such Series 2009B Bonds pursuant to Section 2.4 or partial purchase of such Series 2009B Bonds permitted by Section 2.8, the principal amount of each required prepayment of such Series 2009B Bonds becoming due under this Section 2.3(a) on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of such Series 2009B Bonds is reduced as a result of such prepayment or purchase. The aggregate principal amount of the Series 2009B Bonds due January 1, 2028 to be prepaid and the dates of such prepayments, as well as the principal amount payable on the maturity date, are set forth below:

<u>Date</u>	<u>Amount</u>
January 1, 2012	\$10,588,237
January 1, 2013	10,588,237
January 1, 2014	10,588,237
January 1, 2015	10,588,237
January 1, 2016	10,588,237
January 1, 2017	10,588,237
January 1, 2018	10,588,237
January 1, 2019	10,588,237
January 1, 2020	10,588,237
January 1, 2021	10,588,237

January 1, 2022	10,588,237
January 1, 2023	10,588,237
January 1, 2024	10,588,237
January 1, 2025	10,588,237
January 1, 2026	10,588,237
January 1, 2027	10,588,237
January 1, 2028 ⁽¹⁾	10,588,208

⁽¹⁾ The final maturity date of such Series 2009B Bonds.

(b) On January 1, 2011 and on each January 1 thereafter to and including January 1, 2039, the Company will prepay a portion of the aggregate principal amount of the Series 2009B Bonds due January 1, 2040 at par and without payment of any premium (including the Make-Whole Amount), provided that upon any partial prepayment of such Series 2009B Bonds pursuant to Section 2.4 or partial purchase of such Series 2009B Bonds permitted by Section 2.8, the principal amount of each required prepayment of such Series 2009B Bonds becoming due under this Section 2.3(b) on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of such Series 2009B Bonds is reduced as a result of such prepayment or purchase. The aggregate principal amount of the Series 2009B Bonds due January 1, 2040 to be prepaid and the dates of such prepayments, as well as the principal amount payable on the maturity date, are set forth below:

<u>Date</u>	<u>Amount</u>
January 1, 2011	\$4,666,667
January 1, 2012	4,666,667
January 1, 2013	4,666,667
January 1, 2014	4,666,667
January 1, 2015	4,666,667
January 1, 2016	4,666,667
January 1, 2017	4,666,667
January 1, 2018	4,666,667
January 1, 2019	4,666,667
January 1, 2020	4,666,667
January 1, 2021	4,666,667
January 1, 2022	4,666,667
January 1, 2023	4,666,667
January 1, 2024	4,666,667
January 1, 2025	4,666,667
January 1, 2026	4,666,667
January 1, 2027	4,666,667
January 1, 2028	4,666,667
January 1, 2029	4,666,667
January 1, 2030	4,666,667
January 1, 2031	4,666,667