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Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2004

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2004 calendar year, or tax year beginning and ending

B Check if applicable: C Name of organization: SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. D Employer identification number: 86-0059728

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates

G Website: WWW.SSVEC.ORG

J Organization type (check only one) X 501(c)(12) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. M Check X if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 63,802,182.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

SCANNED DEC 30 2005

RECEIVED DEC 14 2005 INTERNAL REVENUE SERVICE

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**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

86-0059728

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. Page 2

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)	22				
(each \$ _____ noncash \$ _____)					
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	325,308.			
26 Other salaries and wages	26				
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29				
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33				
34 Telephone	34				
35 Postage and shipping	35				
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	3,523,319.			
42 Depreciation, depletion, etc. (attach schedule) ..	42	5,123,141.			
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e SEE STATEMENT 6	43e	51,031,331.			
44 <small>Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D) carry these totals to lines 13-15.</small>	44	60,003,099.			

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 7**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a PROVIDING ELECTRIC POWER TO OUR MEMBERS - 45,901 ACTIVE SERVICES WERE PROVIDED ELECTRIC POWER ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL. (Grants and allocations \$ _____)

b WIRELESS INTERNET ACCESS AND SERVICE WAS PROVIDED TO OVER 100 MEMBERS ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL. (Grants and allocations \$ _____)

c _____ (Grants and allocations \$ _____)

d _____ (Grants and allocations \$ _____)

e Other program services (attach schedule) (Grants and allocations \$ _____)

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	367,981.	45	11,687.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a 5,798,349.		
	b Less: allowance for doubtful accounts	47b 513,753.	3,621,838.	47c 5,284,596.
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees			50
	51 a Other notes and loans receivable	51a 24,180.		
	b Less: allowance for doubtful accounts	51b	37,583.	51c 24,180.
	52 Inventories for sale or use		468,746.	52 501,822.
	53 Prepaid expenses and deferred charges		894,956.	53 500,638.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55 a Investments - land, buildings, and equipment: basis	55a 115,029.		
b Less: accumulated depreciation	55b	115,029.	55c 115,029.	
56 Investments - other	SEE STATEMENT 8	9,424,487.	56 9,791,350.	
57 a Land, buildings, and equipment: basis	57a 169,729,049.			
b Less: accumulated depreciation	57b 57,271,438.	102,663,197.	57c 112,457,611.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 9)		21,446.	58 17,325.	
59 Total assets (add lines 45 through 58) (must equal line 74)		117,615,263.	59 128,704,238.	
Liabilities	60 Accounts payable and accrued expenses	4,763,017.	60	6,148,325.
	61 Grants payable		61	
	62 Deferred revenue	1,775,937.	62	5,474,676.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	STMT 10 STMT 11	68,762,150.	64b 74,274,080.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 12)		7,244,370.	65 5,130,286.
66 Total liabilities (add lines 60 through 65)		82,545,474.	66 91,027,367.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	175,843.	70	178,315.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	34,893,946.	72	37,498,556.
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		35,069,789.	73 37,676,871.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		117,615,263.	74 128,704,238.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains, and other support per audited financial statements	a	N/A
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 13		325,308.	3,190.	42,909.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. Yes No

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	X	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 a	501(c)(4), (5), or (6) organizations. Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86 a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87 a	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
90 a	List the states with which a copy of this return is filed		
b	Number of employees employed in the pay period that includes March 12, 2004		
91	The books are in care of		
Located at			
Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year			

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

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Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <u>SALE OF ELECTRICITY</u>					62,439,149.
b <u>INTERNET ACCESS REVENUE</u>					233,346.
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments ...			14	106,425.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	38,418.	
98 Net rental income or (loss) from personal property			11	316,132.	
99 Other investment income			15	938.	204,952.
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory	453000	135,096.			
103 Other revenue:					
a <u>PHONE CARD REVENUES</u>	517000	10,248.			
b <u>OUTSIDE & TECH SERVICE</u>	811000	11,642.			
c <u>REPAIR & MAINTENANCE</u>					
d <u>CONTRACT - FORT HUACHUCA</u>					
e <u>ARMY BASE</u>	221000	188,516.			
104 Subtotal (add columns (B), (D), and (E))		345,502.		461,913.	62,877,447.
105 Total (add line 104, columns (B), (D), and (E))					63,684,862.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 9670 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: William M. Miller Date: 11/28/05 Type or print name and title: William M. Miller CEO

Preparer's signature: William M. Miller, CPA Date: 11/21/05 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: BOLINGER, SEGARS, GILBERT AND MOSS LLP
1623 10TH STREET
LUBBOCK, TX 79401

EIN: _____ Phone no: (806) 747-3806

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box **X**
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension. Instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	Employer identification number 86-0059728
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 820	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WILLCOX, AZ 85644-0820	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **CREDEN W. HUBER**
 Telephone No. ▶ **(520) 384-2221** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until **AUGUST 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2004** or
 ▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print.	Name of Exempt Organization SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	Employer identification number 86-0059728
File by the extended due date for filing the return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 820	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WILLCOX, AZ 85644-0820	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **CREDEN W. HUBER**
Telephone No. **(520) 384-2221** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **NOVEMBER 15, 2005.**
- 5 For calendar year **2004**, or other tax year beginning _____ and ending _____.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NECESSARY TO GATHER THE INFORMATION NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____
- c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature *Martha L. Wilts* Title **CPA** Date **7/25/05**

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ By _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name BOLINGER, SEGARS, GILBERT AND MOSS LLP
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1623 10TH STREET
	City or town, province or state, and country (including postal or ZIP code) LUBBOCK, TX 79401

EXTENSION APPROVED
AUG 16 2005
 SUBMITTED TO DIRECTOR PROCESSING OGDEN
 Form 8868 (Rev. 12-2004)

FORM 990	OTHER INVESTMENT INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
PATRONAGE DIVIDENDS		204,952.	
CREDIT CARD ROYALTIES		938.	
TOTAL TO FORM 990, PART I, LINE 7		205,890.	

FORM 990	RENTAL INCOME	STATEMENT	2
KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME	
ELECTRIC PLANT LEASED - NOT DEBT FINANCED	2	42,739.	
JOINT POLE RENTAL	3	316,132.	
TOTAL TO FORM 990, PART I, LINE 6A		358,871.	

FORM 990	RENTAL EXPENSES	STATEMENT	3
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
ELECTRIC PLANT LEASED - EXPENSES		4,321.	
- SUBTOTAL -	2		4,321.
TOTAL TO FORM 990, PART I, LINE 6B			4,321.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

1. GROSS RECEIPTS	248,095	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		248,095
4. COST OF GOODS SOLD (LINE 13)	112,999	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		135,096

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	468,746	
7. MERCHANDISE PURCHASED	146,430	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		615,176
12. INVENTORY AT END OF YEAR	502,177	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		112,999

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
INCREASE IN MEMBERSHIPS	2,472.
CAPITAL CREDIT RETIREMENTS	<1,077,153.>
TOTAL TO FORM 990, PART I, LINE 20	<1,074,681.>

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COST OF PURCHASED POWER	35,213,316.			
TRANSMISSION EXPENSE	207,620.			
DISTRIBUTION EXPENSE	8,565,510.			
CUSTOMER ACCOUNTS EXPENSE	3,249,914.			
SALES EXPENSE	337,826.			
ADMINISTRATIVE & GENERAL EXPENSE	2,338,665.			
TAXES	634,195.			
OTHER DEDUCTIONS	77,192.			
ACCESS AND OTHER INTERNET EXPENSES	349,178.			
OUTSIDE & OTHER TECHNICAL SERVICE EXPENSES	42,573.			
PHONE CARD EXPENSES	15,342.			
TOTAL TO FM 990, LN 43	51,031,331.			

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 7
PART III

EXPLANATION

TO PROVIDE ELECTRIC POWER AND INTERNET SERVICES TO MEMBERS AT COST ON A COOPERATIVE BASIS.

FORM 990	OTHER INVESTMENTS	STATEMENT 8
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DESCRIPTION	VALUATION METHOD	AMOUNT
ASSOCIATED ORGANIZATIONS - PATRONAGE CAPITAL	COST	6,918,879.
ASSOCIATED ORGANIZATIONS - GENERAL FUNDS	COST	1,010.
INVESTMENT IN CTCS-CFC	COST	2,584,307.
OTHER INVESTMENTS	COST	173,932.
DEFERRED COMPENSATION EMPLOYEE	COST	113,222.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		9,791,350.

FORM 990	OTHER ASSETS	STATEMENT 9
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DESCRIPTION	AMOUNT	
OTHER CURRENT & ACCRUED ASSETS	17,325.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		17,325.

FORM 990	MORTGAGES PAYABLE	STATEMENT 10
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DESCRIPTION	BALANCE DUE	
RURAL UTILITIES SERVICE	70,888,659.	
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B		70,888,659.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 11

<u>LENDER'S NAME</u>	<u>TERMS OF REPAYMENT</u>
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP,	INTEREST IS PAID QUARTERLY. PRINCIPAL IS PAID AS NEEDED

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
VARIOUS	VARIOUS	5,000,000.	4.50%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN LINE OF CREDIT</u>

RELATIONSHIP OF LENDER

NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
	0.	3,385,421.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		<u>3,385,421.</u>

FORM 990

OTHER LIABILITIES

STATEMENT 12

<u>DESCRIPTION</u>	<u>AMOUNT</u>
CONSUMER DEPOSITS	1,028,849.
ACCUMULATED PROVISION - PENSIONS & BENEFITS	671,246.
OTHER CURRENT & ACCRUED LIABILITIES	3,430,191.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	<u>5,130,286.</u>

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HARVEY ALLEN P.O. BOX 820 WILLCOX, AZ 85644-0820	PRESIDENT 1	10,100.	0.	2,330.
LANCE HOOPES P.O. BOX 820 WILLCOX, AZ 85644-0820	VICE-PRESIDENT 1	9,600.	0.	2,483.
DONALD GENE MANRING P.O. BOX 820 WILLCOX, AZ 85644-0820	SECRETARY 1	12,100.	0.	4,465.
DANIEL BARRERA P.O. BOX 820 WILLCOX, AZ 85644-0820	TREASURER 1	4,785.	3,190.	2,350.
DONALD KYTE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	7,375.	0.	2,618.
CECIL CARLILE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	12,800.	0.	4,993.
JAMES COOPER P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	9,600.	0.	3,634.
MELISSA HERRERA-DEPESO P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	4,250.	0.	329.
HAROLD HINKLEY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	9,340.	0.	3,568.
KATHRYN THATCHER P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	11,175.	0.	3,857.
CHUCK MARSHALL P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	9,200.	0.	3,515.

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ANDREW MAYBERRY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	7,825.	0.	2,330.
CURTIS NOLAN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	10,200.	0.	3,759.
CHARLES BROWN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 1	5,950.	0.	2,678.
CREDEN W. HUBER P.O. BOX 820 WILLCOX, AZ 85644-0820	GENERAL MANAGER 40	201,008.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		325,308.	3,190.	42,909.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 14
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE FOUNDATION	X	
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE TRUST	X	

FORM 990 STATEMENT OF ACTIVITIES NOT PREVIOUSLY REPORTED - PART VI, LINE 76 STATEMENT 15

EXPLANATION

THE COOPERATIVE PURCHASED THE ELECTRIC DISTRIBUTION PLANT OF THE FORT HUACHUCA ARMY BASE FROM THE GOVERNMENT. THE COOPERATIVE SUBSEQUENTLY ENTERED INTO A LONG-TERM CONTRACT TO REPAIR, MAINTAIN AND REPLACE THE ELECTRIC DISTRIBUTION PLANT FOR THE BASE. THE CONTRACT IS BEING OPERATED AS AN UNRELATED TRADE OR BUSINESS.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 16

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	SALE OF ELECTRICITY TO MEMBERS AT COST ON A COOPERATIVE BASIS WAS THE REASON THE COOPERATIVE WAS FORMED
93B	SALE OF INTERNET SERVICES TO MEMBERS IS ONE OF THE EXEMPT PURPOSES OF THE COOPERATIVE.
99	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF SERVICES FROM OTHER

COOPERATIVES. THESE SERVICES OR PRODUCTS ARE AN INTEGRAL PART OF THE COOPERATIVE PROVIDING ELECTRICITY TO ITS PATRONS AT COST, SUCH AS INTEREST ON LOANS USED TO CONSTRUCT ELECTRIC UTILITY PLANT, SOFTWARE AND DATA PROCESSING SERVICES AND INSURANCE.

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
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 FYE: 12/31/04

Page 2; Part II; Line 42; Depreciation, Depletion, Etc.
 Page 3; Part IV; Line 57b; Accumulated Depreciation

	<u>Accumulated Depreciation</u>			
	<u>Beginning of Year 1/1/2004</u>	<u>Depreciation Accruals</u>	<u>Retirements</u>	<u>End of Year 12/31/2004</u>
Transmission Plant	\$ 4,085,828	\$ 196,188	\$ -	\$ 4,282,016
Distribution Plant	39,413,819	4,535,487	(735,441)	43,213,865
General Plant	9,300,705	991,611	(247,659)	10,044,657
Retirement Work in Progress	(192,332)		(118,618)	(310,950)
Amortization of FCC Licenses	32,550	9,300	-	41,850
Totals	<u>\$ 52,640,570</u>	<u>\$ 5,732,586</u>	<u>\$ (1,101,718)</u>	<u>\$ 57,271,438</u>

1 Charged to Depreciation and Amortization
 Expense - Form 990, Part II, Line 42 \$ 5,123,141

Charged to Clearing and Other Accounts 609,445

\$ 5,732,586

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
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Page 3; Part IV; Line 57a; Land Buildings, and Equipment: Basis

PART E. CHANGES IN UTILITY PLANT						
	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1.	Distribution Plant Subtotal	123,326,008	11,822,877	1,209,135	0	133,939,750
2.	General Plant Subtotal	11,332,679	849,426	279,631	0	11,902,474
3.	Headquarters Plant	4,645,517	407,897	0	0	5,053,414
4.	Intangibles	46,500	0	0	0	46,500
5.	Transmission Plant Subtotal	7,193,805	745	68	0	7,194,482
6.	Production Plant - Steam	0	0	0	0	0
7.	Production Plant - Nuclear	0	0	0	0	0
8.	Production Plant - Hydro	0	0	0	0	0
9.	Production Plant - Other	0	0	0	0	0
10.	All Other Utility Plant	102,157	19,622	2,056	0	119,723
11.	SUBTOTAL (1 thru 10)	146,646,666	13,100,567	1,490,890	0	158,256,343
12.	Construction Work in Progress	8,657,101	2,813,605			11,472,706
13.	TOTAL UTILITY PLANT (11 + 12)	155,303,767	15,916,172	1,490,890	0	169,729,049