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Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2004

Open to Public Inspection

Form **990**

Department of the Treasury
Internal Revenue Service

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or pntt or type See Specific Instructions	C Name of organization SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	D Employer identification number 86-0059728
	Number and street (or P O box if mail is not delivered to street address) P.O. BOX 820	Room/suite	E Telephone number (520) 384-2221

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? N/A Yes No (If "No," attach a list)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶

G Website: ▶ WWW.SSVEC.ORG

J Organization type (check only one) ▶ 501(c) (12) ◀ (insert no) 4947(a)(1) or 527

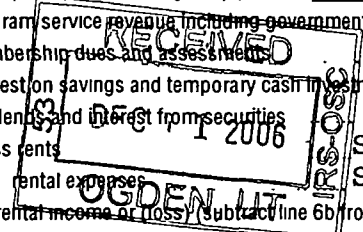
K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

M Check 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

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a			
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)			1d	0.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	62,861,011.
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	106,425.
	5 Dividend and interest from securities			5	
	6 a Gross rents	6a	358,871.		
	b Less rental expenses	6b	4,321.		
	c Net rental income or loss (subtract line 6b from line 6a)	6c			354,550.
7 Other investment income (describe ▶ SEE STATEMENT 1)			7	205,890.	
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	8a				
	b Less cost or other basis and sales expenses	8b			
	c Gain or (loss) (attach schedule)	8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))			8d		
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a				
b Less direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events (subtract line 9b from line 9a)			9c		
10 a Gross sales of inventory, less returns and allowances	10a	248,095.			
	b Less cost of goods sold	10b	200,479.		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		STMT 4	10c	47,616.
11 Other revenue (from Part VII, line 103)			11	21,890.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	63,597,382.	
Expenses	13 Program services (from line 44, column (B))		13		
	14 Management and general (from line 44, column (C))		14		
	15 Fundraising (from line 44, column (D))		15		
	16 Payments to affiliates (attach schedule)		16		
	17 Total expenses (add lines 16 and 44, column (A))			17	59,915,619.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)		18	3,681,763.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))		19	35,069,789.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5		20	<1,074,681.>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	37,676,871.	



SCANNED JAN 09 2007

15P

**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) (cash \$ _____ noncash \$ _____)	22				
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	50,943,851.			
44 <small>Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.</small>	44	59,915,619.			

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	Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)</small>
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. <small>(Grants and allocations \$ _____)</small>	
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. <small>(Grants and allocations \$ _____)</small>	
c SEE STATEMENT 8 <small>(Grants and allocations \$ _____)</small>	
d <small>(Grants and allocations \$ _____)</small>	
e Other program services (attach schedule) <small>(Grants and allocations \$ _____)</small>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	

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

Form 990 (2004)

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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				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 9	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 10)			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 11 STMT 12	68,762,150.	64b	74,274,080.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 13)			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.**

Form 990 (2004)

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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 **	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? ** SEE STATEMENT 16 If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b	If "Yes," enter the name of the organization SEE STATEMENT 15 _____ 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	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	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?	82a	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)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
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.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
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?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	66,071,416.
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	602,039.
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	88	X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 N/A; section 4912 N/A, section 4955 N/A		
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	89b	N/A
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		N/A
90 a	List the states with which a copy of this return is filed ARIZONA		
b	Number of employees employed in the pay period that includes March 12, 2004	90b	165
91	The books are in care of CREDEN W. HUBER Telephone no. (520) 384-2221		
Located at 350 N. HASKELL AVE., WILLCOX, AZ			ZIP +4 85643
92	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	92	N/A

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

Form 990 (2004)

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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 SALE OF ELECTRICITY					62,439,149.
b INTERNET ACCESS REVENUE					233,346.
c ELECTRIC DISTRIBUTION					
d SERVICES CONTRACT					
e REVENUE					188,516.
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	47,616.			
103 Other revenue:					
a PHONE CARD REVENUES	517000	10,248.			
b OUTSIDE & TECH SERVICE	811000	11,642.			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		69,506.		461,913.	63,065,963.
105 Total (add line 104, columns (B), (D), and (E))					63,597,382.

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 17

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 8870 and Form 4720 (see instructions).

Please Sign Here: Under penalties of perjury, I declare that I have prepared 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: *Matthew L. White* Date: 12/18/06 Type or print name and title: **Matthew L. White CPA**

Paid Preparer's Use Only: Preparer's signature: *Matthew L. White CPA* Date: 12/18/06 Check if self-employed: Preparer's SSN or PTIN: Preparer's EIN: Firm's name (or yours if self-employed), address, and ZIP + 4: **BOLINGER, SEGARS, GILBERT AND MOSS LLP
1623 10TH STREET
LUBBOCK, TX 79401** Phone no: **(806) 747-3806**

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.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Row 1: SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC., 86-0059728. Row 2: P.O. BOX 820. Row 3: WILLCOX, AZ 85644-0820.

Check type of return to be filed (File a separate application for each return):
[X] 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 Matt L. Wilts Title CPA Date 7/25/05

Notice to Applicant - To Be Completed by the IRS

- [X] 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.

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
SUBMISSIONS PROCESSING, OGDEN

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)	200,479	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		47,616

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	468,746	
7. MERCHANDISE PURCHASED	233,910	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		702,656
12. INVENTORY AT END OF YEAR	502,177	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		200,479

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
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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
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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	8,478,030.			
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	50,943,851.			

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

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

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 8

DESCRIPTION OF PROGRAM SERVICE THREE

ELECTRIC DISTRIBUTIONS SERVICES (THE DELIVERY, BUT NOT THE SALE OF ELECTRICITY, TO A CUSTOMER OVER LINES, OWNED, OPERATED AND MAINTAINED BY THE COOP) WERE PROVIDED TO THE CLASS B MEMBERSHIP ON A COOPERATIVE BASIS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE C		

FORM 990 OTHER INVESTMENTS STATEMENT 9

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 10

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 11

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 12

<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</u>
	LINE OF CREDIT

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		3,385,421.

FORM 990

OTHER LIABILITIES

STATEMENT 13

<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	5,130,286.

FORM 990

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

STATEMENT 14

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 5	10,100.	0.	2,330.
LANCE HOOPES P.O. BOX 820 WILLCOX, AZ 85644-0820	VICE-PRESIDENT 5	9,600.	0.	2,483.
DONALD GENE MANRING P.O. BOX 820 WILLCOX, AZ 85644-0820	SECRETARY 6	12,100.	0.	4,465.
DANIEL BARRERA P.O. BOX 820 WILLCOX, AZ 85644-0820	TREASURER 4	4,785.	3,190.	2,350.
DONALD KYTE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4	7,375.	0.	2,618.
CECIL CARLILE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 6	12,800.	0.	4,993.
JAMES COOPER P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5	9,600.	0.	3,634.
MELISSA HERRERA-DEPESO P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 2	4,250.	0.	329.
HAROLD HINKLEY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5	9,340.	0.	3,568.
KATHRYN THATCHER P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 6	11,175.	0.	3,857.
CHUCK MARSHALL P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5	9,200.	0.	3,515.

ANDREW MAYBERRY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4	7,825.	0.	2,330.
CURTIS NOLAN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5	10,200.	0.	3,759.
CHARLES BROWN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 3	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		<u>325,308.</u>	<u>3,190.</u>	<u>42,909.</u>

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 15
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 16

EXPLANATION

THE COOPERATIVE ACQUIRED THE ELECTRIC DISTRIBUTION PLANT OF THE FORT HUACHUCA ARMY BASE "THE BASE" FROM THE GOVERNMENT THROUGH A PERPETUAL EASEMENT. THE COOPERATIVE SUBSEQUENTLY ENTERED INTO A LONG-TERM CONTRACT TO OPERATE, MAINTAIN, REPAIR AND REPLACE THE ELECTRIC DISTRIBUTION PLANT FOR THE BASE. THE PURPOSE OF THE CONTRACT IS FOR THE COOPERATIVE TO DISTRIBUTE/ DELIVER ELECTRICITY FROM THE BASE'S PRIMARY METERING POINT TO THE FACILITIES USING THE ELECTRICITY. THE BASE WILL BE PROVIDED THIS SERVICE AS A CLASS B MEMBER ON A COOPERATIVE BASIS.

FORM 990

PART VIII - RELATIONSHIP OF ACTIVITIES TO
ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 17

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.
93C	PROVIDING ELECTRIC DISTRIBUTION SERVICES TO A CLASS B MEMBER ON A COOPERATIVE BASIS ACCOMPLISHES THE COOPERATIVE'S EXEMPT PURPOSE BY DISTRIBUTING ELECTRICITY, WHICH IS PURCHASED BY THE MEMBER, FROM A PRIMARY METERING POINT TO A SECONDARY POINT ACCROSS ELECTRIC DISTRIBUTION PLANT OWNED, OPERATED AND MAINTAINED BY 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.
 2004 FORM 990
 EIN: 86-0059728
 FYE: 12/31/04

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	2,813,603			11,472,706
13.	TOTAL UTILITY PLANT (11 + 12)	155,303,767	15,916,172	1,490,890	0	169,729,049

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
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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

1	Charged to Depreciation and Amortization Expense - Form 990, Part II, Line 42	\$ 5,123,141
	Charged to Clearing and Other Accounts	609,445
		<u>\$ 5,732,586</u>