



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2007

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)

Open to Public Inspection

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

A For the 2007 calendar year, or tax year beginning and ending

B Check if applicable: Address change Name change Initial return Termination Amended return Application pending

C Name of organization: **SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.**
 Number and street (or P O box if mail is not delivered to street address): **P.O. BOX 820**
 City or town, state or country, and ZIP + 4: **WILLCOX, AZ 85644-0820**

D Employer identification number: **86-0059728**

E Telephone number: **(520) 384-2221**

F Accounting method: Cash Accrual
 Other (specify) **▶**

G Website: **WWW.SSVEC.ORG**

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 **▶ N/A**
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 **▶ N/A**

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 96,638,607.**

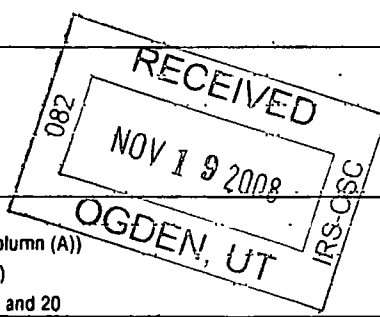
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

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

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

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b			
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)	1e			0.
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			92,175,491.
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			117,448.
5	Dividends and interest from securities	5			
6a	Gross rents	6a	839,073.		
b	Less: rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c	839,073.		
7	Other investment income (describe ▶ _____)	7			3,138,280.
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
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 1b)	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			
10a	Gross sales of inventory, less returns and allowances	10a	342,987.		
b	Less: cost of goods sold	10b	281,517.		
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c	61,470.		
11	Other revenue (from Part VII, line 103)	11			25,328.
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			96,357,090.
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			91,678,170.
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18			4,678,920.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19			45,020,056.
20	Other changes in net assets or fund balances (attach explanation)	20			-249,332.
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			49,449,644.

SCANNED DEC 16 2008



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

Form 990 (2007)

86-0059728 Page 2

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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	440,290.			
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.			
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c				
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27				
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone				
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest	6,166,659.			
42 Depreciation, depletion, etc. (attach schedule)	7,192,109.			
43 Other expenses not covered above (itemize):				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g SEE STATEMENT 5	77,879,112.			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	91,678,170.			

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 \$ N/A, (ii) the amount allocated to Program services \$ N/A;
 (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

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

Form 990 (2007)

86-0059728 Page 3

Part III Statement of Program Service Accomplishments (See the instructions.)

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.

What is the organization's primary exempt purpose? ► **SEE STATEMENT 6**

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

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.)

a PROVIDING ELECTRIC POWER TO OUR MEMBERS - 49,738 ACTIVE SERVICES WERE PROVIDED ELECTRIC POWER ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.

(Grants and allocations \$) If this amount includes foreign grants, check here ►

b WIRELESS INTERNET ACCESS AND SERVICE WAS PROVIDED TO OVER 400 MEMBERS ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.

(Grants and allocations \$) If this amount includes foreign grants, check here ►

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

(Grants and allocations \$) If this amount includes foreign grants, check here ►

d

(Grants and allocations \$) If this amount includes foreign grants, check here ►

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ►

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

Form 990 (2007)

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

Form 990 (2007)

86-0059728 Page 4

Part IV Balance Sheets (See the instructions.)

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	885,777.	45	728,014.	
	46 Savings and temporary cash investments		46		
	47 a Accounts receivable	5,228,511.			
	b Less: allowance for doubtful accounts	417,943.	5,672,249.	47c	4,810,568.
	48 a Pledges receivable				
	b Less: allowance for doubtful accounts			48c	
	49 Grants receivable			49	
	50 a Receivables from current and former officers, directors, trustees, and key employees			50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			50b	
	51 a Other notes and loans receivable				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use	523,057.	52	4,093,896.	
	53 Prepaid expenses and deferred charges	897,393.	53	1,526,716.	
	54 a Investments - publicly-traded securities ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a	
	b Investments - other securities ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b	
55 a Investments - land, buildings, and equipment: basis	115,029.				
b Less: accumulated depreciation STMT 7		115,029.	55c	115,029.	
56 Investments - other	SEE STATEMENT 8	10,539,346.	56	13,673,510.	
57 a Land, buildings, and equipment: basis	230,558,708.				
b Less: accumulated depreciation STMT 9	72,528,240.	141,288,457.	57c	158,030,468.	
58 Other assets, including program-related investments (describe ▶ OTHER CURRENT & ACCRUED ASSETS)		27,530.	58	33,521.	
59 Total assets (must equal line 74). Add lines 45 through 58		159,948,838.	59	183,011,722.	
Liabilities	60 Accounts payable and accrued expenses	6,910,847.	60	5,444,917.	
	61 Grants payable		61		
	62 Deferred revenue	5,349,050.	62	13,941,885.	
	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	95,642,387.	64b	107,623,333.	
	65 Other liabilities (describe ▶ SEE STATEMENT 12)	7,026,498.	65	6,551,943.	
66 Total liabilities. Add lines 60 through 65		114,928,782.	66	133,562,078.	
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	188,375.	70	190,550.	
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.	
	72 Retained earnings, endowment, accumulated income, or other funds	44,831,681.	72	49,259,094.	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		45,020,056.	73	49,449,644.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		159,948,838.	74	183,011,722.	

Form 990 (2007)

SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.

Form 990 (2007)

86-0059728 Page 5

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a Total revenue, gains, and other support per audited financial statements		a	N/A
b Amounts included on line a but not on Part I, line 12:			
1 Net unrealized gains on investments	b1		
2 Donated services and use of facilities	b2		
3 Recoveries of prior year grants	b3		
4 Other (specify):	b4		
Add lines b1 through b4		b	
c Subtract line b from line a		c	
d Amounts included on Part I, line 12, but not on line a :			
1 Investment expenses not included on Part I, line 6b	d1		
2 Other (specify):	d2		
Add lines d1 and d2		d	
e Total revenue (Part I, line 12). Add lines c and 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 Part I, line 17:			
1 Donated services and use of facilities	b1		
2 Prior year adjustments reported on Part I, line 20	b2		
3 Losses reported on Part I, line 20	b3		
4 Other (specify):	b4		
Add lines b1 through b4		b	
c Subtract line b from line a		c	
d Amounts included on Part I, line 17, but not on line a :			
1 Investment expenses not included on Part I, line 6b	d1		
2 Other (specify):	d2		
Add lines d1 and d2		d	
e Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 plans	(E) Expense account and other allowances
SEE STATEMENT 13		378,598.	61,692.	0.

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

Form 990 (2007)

86-0059728 Page 6

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ _____ 13		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c	X
d	Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)				
(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information <i>(See the instructions.)</i>		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	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.	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 ▶ <u>SEE STATEMENT 14</u>		
	and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.)	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X

SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.

Form 990 (2007)

86-0059728 Page 7

Part VI Other Information (continued)

		Yes	No
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.)		
	82b		N/A
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 <i>quid pro quo</i> contributions?		N/A
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?		N/A
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		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.		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 94,486,743.
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		87b 937,231.
88 a	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		88a X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		88b 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		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g X
90 a	List the states with which a copy of this return is filed ▶ AZ		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	179
91 a	The books are in care of ▶ CREDEN HUBER Telephone no ▶ (520) 384-2221		
	Located at ▶ 350 N. HASKELL AVE., WILLCOX, AZ ZIP + 4 ▶ 85643		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ N/A	91b	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Form 990 (2007)

SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.

Form 990 (2007)

86-0059728 Page 8

Part VI Other Information (continued) Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A
- 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 Yes No

Part VII Analysis of Income-Producing Activities (See 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					89,251,673.
b INTERNET ACCESS REVENUE					101,598.
c ELECTRIC DISTRIBUTION					
d SERVICES CONTRACT					
e REVENUE					2,822,220.
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	117,448.	
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	10,011.	
98 Net rental income or (loss) from personal property			11	829,062.	
99 Other investment income			15	27,777.	3,110,503.
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	61,470.			
103 Other revenue:					
a PHONE CARD REVENUES	517000	2,142.			
b OUTSIDE & TECH SERVICE	811000	23,186.			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		86,798.		984,298.	95,285,994.
105 Total (add line 104, columns (B), (D), and (E))					96,357,090.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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 15

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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 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).

SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.

Form 990 (2007)

86-0059728 Page 9

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No

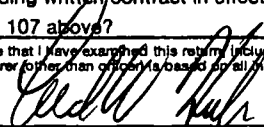
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				


107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. Yes No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? Yes No

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.

Please Sign Here Date

 Signature of officer
CREDEN W HUBER, CEO/GENERAL MANAGER
 Type or print name and title

Paid Preparer's Use Only
 Preparer's signature  Date **11/06/08** Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP + 4 **BOLINGER, SEGARS, GILBERT AND MOSS LLP**
8215 NASHVILLE AVENUE
LUBBOCK, TX 79423 EIN
 Phone no. **(806) 747-3806**

Form 990 (2007)

FORM 990	OTHER INVESTMENT INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
PATRONAGE DIVIDENDS		3,110,503.	
CREDIT CARD ROYALTIES		27,777.	
TOTAL TO FORM 990, PART I, LINE 7		3,138,280.	

FORM 990	RENTAL INCOME	STATEMENT	2
KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME	
ELECTRIC PLANT LEASED - NOT DEBT FINANCED	2	10,011.	
JOINT POLE RENTAL	3	829,062.	
TOTAL TO FORM 990, PART I, LINE 6A		839,073.	

FORM 990

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

STATEMENT 3

INCOME

1. GROSS RECEIPTS	342,987	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		342,987
4. COST OF GOODS SOLD (LINE 13)	281,517	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		61,470
COST OF GOODS SOLD		
6. INVENTORY AT BEGINNING OF YEAR	634,247	
7. MERCHANDISE PURCHASED	194,855	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		829,102
12. INVENTORY AT END OF YEAR	547,585	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		281,517

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
----------	----------------------------------------------	-----------	---

DESCRIPTION	AMOUNT
INCREASE IN MEMBERSHIPS	2,175.
CAPITAL CREDIT RETIREMENTS	-253,326.
GAIN ON RETIREMENT OF ESTATE CAPITAL CREDITS	1,819.
TOTAL TO FORM 990, PART I, LINE 20	-249,332.

FORM 990	OTHER EXPENSES	STATEMENT	5
----------	----------------	-----------	---

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COST OF PURCHASED POWER	58,128,432.			
TRANSMISSION EXPENSE	250,287.			
DISTRIBUTION EXPENSE	10,693,176.			
CUSTOMER ACCOUNTS EXPENSE	3,476,155.			
SALES EXPENSE	555,446.			
ADMINISTRATIVE & GENERAL EXPENSE	3,513,693.			
TAXES	1,049,738.			
OTHER DEDUCTIONS	171,756.			
ACCESS AND OTHER INTERNET EXPENSES	19,548.			
OUTSIDE & OTHER TECHNICAL SERVICE EXPENSES	16,539.			
PHONE CARD EXPENSES	4,342.			
TOTAL TO FM 990, LN 43	77,879,112.			

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	6
----------	----------------------------------------------------------------	-----------	---

EXPLANATION

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

FORM 990 DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND HELD FOR FUTURE SUBSTATION SITES	115,029.	0.	115,029.
TOTAL TO FORM 990, PART IV, LN 55	115,029.	0.	115,029.

FORM 990 OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
ASSOCIATED ORGANIZATIONS - PATRONAGE CAPITAL	COST	9,776,201.
ASSOCIATED ORGANIZATIONS - GENERAL FUNDS	COST	1,010.
INVESTMENT IN CTCS-CFC	COST	3,383,631.
OTHER INVESTMENTS	COST	192,452.
DEFERRED COMPENSATION EMPLOYEE	COST	320,216.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		13,673,510.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
DISTRIBUTION PLANT	176,903,445.	54,159,556.	122,743,889.
GENERAL PLANT	17,983,705.	11,058,731.	6,924,974.
HEADQUARTERS PLANT	7,827,072.	2,305,489.	5,521,583.
INTANGIBLES	46,500.	46,500.	0.
TRANSMISSION PLANT	9,971,659.	4,957,964.	5,013,695.
CONSTRUCTION WORK IN PROGRESS	17,826,327.	0.	17,826,327.
TOTAL TO FORM 990, PART IV, LN 57	230,558,708.	72,528,240.	158,030,468.

FORM 990

MORTGAGES PAYABLE

STATEMENT 10

DESCRIPTION

BALANCE DUE

RURAL UTILITIES SERVICE

97,760,014.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B

97,760,014.

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.	4.75%

<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.	9,863,319.
<u>TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B</u>		<u>9,863,319.</u>

FORM 990

OTHER LIABILITIES

STATEMENT 12

<u>DESCRIPTION</u>	<u>BEGINNING OF YEAR</u>	<u>END OF YEAR</u>
CONSUMER DEPOSITS	1,332,753.	1,675,774.
ACCUMULATED PROVISION - PENSIONS & BENEFITS	829,080.	885,816.
OTHER CURRENT & ACCRUED LIABILITIES	4,864,665.	3,990,353.
<u>TOTAL TO FORM 990, PART IV, LINE 65</u>	<u>7,026,498.</u>	<u>6,551,943.</u>

 FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 13
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD GENE MANRING P.O. BOX 820 WILLCOX, AZ 85644-0820	PRESIDENT 5.00	11,225.	0.	0.
KATHRYN THATCHER P.O. BOX 820 WILLCOX, AZ 85644-0820	VICE-PRESIDENT 4.00	9,900.	0.	0.
DANIEL BARRERA P.O. BOX 820 WILLCOX, AZ 85644-0820	TREASURER 3.00	7,750.	0.	0.
CURTIS NOLAN P.O. BOX 820 WILLCOX, AZ 85644-0820	SECRETARY 4.00	8,400.	0.	0.
DONALD KYTE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 3.00	6,350.	0.	0.
CECIL CARLILE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 6.00	13,800.	0.	0.
HAROLD HINKLEY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 3.00	6,450.	0.	0.
RONALD KLINE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	9,625.	0.	0.
ANDREW MAYBERRY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 3.00	6,475.	0.	0.
CHARLES BROWN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5.00	11,060.	0.	0.
PAT ENGLISH P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 6.00	12,175.	0.	0.

SULPHUR SPRINGS VALLEY ELECTRIC COOPERAT

86-0059728

JOSEPH FURNO P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	9,550.	0.	0.
DAVID LUNA P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	10,025.	0.	0.
CREDEN W. HUBER P.O. BOX 820 WILLCOX, AZ 85644-0820	GENERAL MANAGER 55.00	255,813.	61,692.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		378,598.	61,692.	0.

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 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 15

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 ACROSS ELECTRIC DISTRIBUTION PLANT OWNED, OPERATED AND MAINTAINED BY THE COOPERATIVE.
99	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESALE POWER FROM A GENERATION & TRANSMISSION COOPERATIVE. PATRONAGE DIVIDENDS ALSO RESULT FROM THE PAYMENT OF INTEREST FROM COOPERATIVE BANKS AND THE PURCHASE OF SUPPLIES AND SERVICES FROM OTHER COOPERATIVE ORGANIZATIONS. THE EXPENSES ASSOCIATED WITH PURCHASES FROM AND PAYMENTS TO SUCH COOPERATIVE ORGANIZATIONS ARE A DIRECT COMPONENT OF COST OF THE ELECTRIC SERVICE PROVIDED BY THE ORGANIZATION TO ITS MEMBERS.

GENERAL EXPLANATION
FORM AND LINE REFERENCES

STATEMENT 16

FORM/LINE IDENTIFIER

DESCRIPTION/RETURN REFERENCE

FORM 990, PAGE 2, PART II, LINE 42

TO PROVIDE DETAIL REGARDING THE
CALCULATION OF CURRENT YEAR
DEPRECIATION EXP

GENERAL EXPLANATION

STATEMENT 17

DEPRECIATION AND AMORTIZATION FOR THE YEAR ENDED DECEMBER 31 2007, WAS \$8,352,204 OF WHICH \$7,192,109 WAS CHARGED TO DEPRECIATION AND AMORTIZATION EXPENSE, AND \$1,160,095 ALLOCATED TO OTHER ACCOUNTS.

PROVISION FOR DEPRECIATION OF ELECTRIC PLANT IS COMPUTED USING STRAIGHT-LINE RATES AS FOLLOWS:

TRANSMISSION PLANT	
STATION EQUIPMENT	2.75%
POLES, TOWERS, AND FIXTURES	2.75%
OVERHEAD CONDUCTORS AND DEVICES	2.75%
DISTRIBUTION PLANT	
STATION EQUIPMENT	3.20%
POLES, TOWERS, AND FIXTURES	4.00%
OVERHEAD CONDUCTORS AND DEVICES	2.80%
UNDERGROUND CONDUIT	2.30%
UNDERGROUND CONDUCTORS AND DEVICES	5.90%
LINE TRANSFORMERS	3.10%
SERVICES	3.60%
METERS	3.40%
INSTALLATIONS ON CONSUMERS' PREMISES	4.40%
STREET LIGHTING AND SIGNAL SYSTEMS	4.30%

THE COOPERATIVE COMPUTES DEPRECIATION ON TRANSMISSION AND DISTRIBUTION PLANT BY APPLYING THE ABOVE RATES TO THE INDIVIDUAL PLANT ACCOUNTS. THIS IS DONE TO PROVIDE NECESSARY DETAIL INFORMATION TO THE ARIZONA CORPORATION COMMISSION.

GENERAL PLANT DEPRECIATION RATES HAVE BEEN APPLIED ON A STRAIGHT-LINE BASIS AND ARE AS FOLLOWS:

STRUCTURES AND IMPROVEMENTS	3.00%
OFFICE FURNITURE AND FIXTURES	6.00%
COMPUTER EQUIPMENT	12.50% AND 16.00%

TRANSPORTATION EQUIPMENT	20.00%
STORES EQUIPMENT	6.00%
POWER OPERATED EQUIPMENT	12.00%
COMMUNICATIONS EQUIPMENT	6.00%
MISCELLANEOUS EQUIPMENT	6.00%
TOOLS, SHOP, AND GARAGE EQUIPMENT	6.00%

GENERAL EXPLANATION STATEMENT 18
FORM AND LINE REFERENCES

FORM/LINE IDENTIFIER	DESCRIPTION/RETURN REFERENCE
FORM 990, PAGE 5, PART V-A: CURRENT OFFICERS, DIRECTORS, AND KEY EMPLOYEES	TO PROVIDE DETAIL REGARDING THE KEY EMPLOYEES BENEFITS

GENERAL EXPLANATION STATEMENT 19

IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE ORGANIZATION HAS ESTABLISHED A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE. AS PART OF THE PLAN DOCUMENT, THE ORGANIZATION PROVIDES A MATCHING CONTRIBUTION UP TO 3% OF A PARTICIPATING EMPLOYEE'S SALARY. ADDITIONALLY, THE ORGANIZATION PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN. CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF SUCH PLAN. EMPLOYER CONTRIBUTIONS FOR BOTH PLANS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING KEY EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS.

THE ORGANIZATION ALSO PROVIDES HEALTH, DENTAL, VISION AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING KEY EMPLOYEES, THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART V-A, COLUMN (D) FOR THE KEY EMPLOYEE IS THE TOTAL AMOUNT CONTRIBUTED BY THE ORGANIZATION TO THE PENSION PLAN AND INSURANCE PAID ON BEHALF OF AND FOR BENEFIT OF THE KEY EMPLOYEE.

IN ADDITION TO THE ABOVE PENSION PLANS, THE ORGANIZATION ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH AN UNFUNDED WELFARE BENEFIT PLAN. THE VALUE OF THESE BENEFITS HAS NOT ESTIMATED.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- 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. You must file original and one copy.	
Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	Employer identification number 86-0059728	
	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 HUBER**
Telephone No. **(520) 384-2221** FAX No. **(520) 384-5223**
- 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, 2008.**
- 5 For calendar year **2007** , 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 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.	8a	\$
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.	8b	\$
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.	8c	\$ 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 **▶** _____ Title **▶ CPA** Date **▶** _____