



**TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.**

**HEADQUARTERS:** P.O. BOX 33695 DENVER, COLORADO 80233-0695 303-452-6111

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*RUS*  
*FINANCIAL AND OPERATING REPORT*  
*ELECTRIC POWER SUPPLY*


**December 31, 2015**

(Prepared consistent with RUS requirements but not filed with RUS)

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The information provided on Part B SE (Sales of Electricity), Part B PP (Purchased Power), Part D, Part F IC, Part F CC (Operating Reports Electric Power Supply) includes data that may be used by industry competitors. As a result, Tri-State Generation and Transmission Association, Inc. requests that the detailed information on these forms be kept confidential.

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

A Touchstone Energy<sup>®</sup> Cooperative 

CRAIG STATION  
P.O. BOX 1307  
CRAIG, CO 81626-1307  
970-824-4411

ESCALANTE STATION  
P.O. BOX 577  
PREWITT, NM 87045  
505-876-2271

NUCLA STATION  
P.O. BOX 698  
NUCLA, CO 81424-0698  
970-864-7316

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY	BORROWER DESIGNATION		CO047	
	PERIOD ENDED		12/31/2015	
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Electric Energy Revenues	1,298,967,701	1,245,933,312	1,357,180,012	106,084,739
2 Income From Leased Property (Net)	0	0	0	0
3 Other Operating Revenue and Income	33,880,453	34,040,760	32,606,784	2,828,695
4 TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	1,332,848,154	1,279,974,072	1,389,786,796	108,913,434
5 Operating Expense - Production - Excluding Fuel	176,211,245	178,835,891	178,334,167	17,127,693
6 Operating Expense - Production - Fuel	293,418,210	234,744,797	347,702,827	22,918,106
7 Operating Expense - Other Power Supply	327,444,780	305,045,464	304,871,881	24,518,624
8 Operating Expense - Transmission	116,850,358	122,982,166	127,313,417	8,056,782
9 Operating Expense - RTO/ISO	0	0	0	0
10 Operating Expense - Distribution	1,515,754	1,138,546	1,272,336	85,033
11 Operating Expense - Customer Accounts	680,780	636,787	72,168	42,600
12 Operating Expense - Customer Service & Information	2,203,116	2,328,862	2,600,000	374,001
13 Operating Expense - Sales	0	946	-	796
14 Operating Expense - Administrative & General	17,365,444	11,705,219	22,049,335	2,728,456
15 TOTAL OPERATION EXPENSE (5 thru 14)	935,689,687	857,418,678	984,216,131	75,852,091
16 Maintenance Expense - Production	102,021,521	110,319,065	108,589,813	8,208,116
17 Maintenance Expense - Transmission	26,810,668	29,217,885	29,545,534	3,670,493
18 Maintenance Expense - RTO/ISO	0	0	0	0
19 Maintenance Expense - Distribution	218,987	103,894	209,112	30,895
20 Maintenance Expense - General Plant	8,341,483	10,036,684	8,149,641	992,319
21 TOTAL MAINTENANCE EXPENSE (16 thru 20)	137,392,659	149,677,528	146,494,100	12,901,823
22 Depreciation and Amortization Expense	95,481,055	117,409,213	103,835,188	15,252,144
23 Taxes	51,771	48,352	52,692	51
24 Interest on Long-Term Debt	120,773,685	121,137,929	122,470,230	10,086,313
25 Interest Charged to Construction - Credit	(14,329,958)	(13,909,170)	(16,200,000)	(1,038,045)
26 Other Interest Expense	219,511	185,035	296,148	5,769
27 Asset Retirement Obligations	164,242	1,186,848	0	18,157
28 Other Deductions	10,268,604	9,844,661	7,269,486	1,377,082
29 TOTAL COST OF ELECTRIC SERVICE (15 + 21 thru 28)	1,285,711,256	1,242,999,074	1,348,433,975	114,455,385
30 OPERATING MARGINS (4 less 29)	47,136,898	36,974,998	41,352,821	(5,541,951)
31 Interest Income	18,129,907	12,192,702	12,095,995	1,057,218
32 Allowance for Funds Used During Construction	0	0	0	0
33 Income (Loss) from Equity Investments	(13,972,480)	(10,263,406)	(771,667)	(4,467,432)
34 Other Non-operating Income (Net)	4,333,611	5,329,691	4,039,977	74,099
35 Generation & Transmission Capital Credits	5,034,037	4,625,511	5,208,763	4,625,511
36 Other Capital Credits and Patronage Dividends	3,573,904	4,553,832	4,752,325	(1,316,791)
37 Extraordinary Items	0	0	0	0
38 NET PATRONAGE CAPITAL OR MARGINS (30 thru 37)	64,235,877	53,413,328	66,678,214	(5,569,346)

RUS Financial and Operating Report Electric Power Supply - Part A - Financial

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC POWER SUPPLY</b>		<b>BORROWER DESIGNATION</b>	CO047
		<b>PERIOD ENDED</b>	12/31/2015
		<b>SECTION B. BALANCE SHEET</b>	
<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service	4,261,528,822	33. Memberships	220
2. Construction Work in Progress	199,319,369	34. Patronage Capital	
<b>3. TOTAL UTILITY PLANT (1+2)</b>	<b>4,460,848,191</b>	a. Assigned and Assignable	1,211,858,156
4. Accum. Provision for Depreciation and Amort	1,968,452,004	b. Retired This Year	10,000,000
<b>5. NET UTILITY PLANT (3-4)</b>	<b>2,492,396,187</b>	c. Retired Prior Years	302,944,005
6. Nonutility Property - Net	6,399,551	d. Net Patronage Capital	<b>898,914,151</b>
7. Investment in Subsidiary Companies	483,776,138	35. Operating Margins - Prior Years	0
8. Invest. in Assoc. Org. - Patronage Capital	123,221,365	36. Operating Margins - Current Year	36,974,998
9. Invest. in Assoc. Org. - Other - General Funds	1,169,835	37. Non-Operating Margins	16,438,329
10. Invest in Assoc. Org. - Other - Nongeneral Funds	16,458,581	38. Other Margins & Equities	588,951
11. Investments in Economic Development Projects	0	<b>39. TOTAL MARGINS &amp; EQUITIES (33 + 34d thru 38)</b>	<b>952,916,649</b>
12. Other Investments	9,643,430	40. Long-Term Debt - CFC (Net)	0
13. Special Funds	3,020,328	41. Long-Term Debt - Other (Net)	2,820,364,945
<b>14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)</b>	<b>643,689,228</b>	42. Payments - Unapplied	0
15. Cash-General Funds	8,606,836	<b>43. TOTAL LONG-TERM DEBT (40+41-42)</b>	<b>2,820,364,945</b>
16. Cash-Construction Funds-Trustee	0	44. Obligations Under Capital Leases - Non current	0
17. Special Deposits	860,129	45. Accumulated Operating Provisions - Asset Retirement Obligations	18,267,494
18. Temporary Investments	128,684,516	<b>46. TOTAL OTHER NONCURRENT LIABILITIES (44+45)</b>	<b>18,267,494</b>
19. Notes Receivable - Net	224,491	47. Notes Payable	0
20. Accounts Receivable - Net Sales of Energy	107,215,318	48. Accounts Payable	98,262,577
21. Accounts Receivable - Other (Net)	10,774,232	49. Current Maturities Long-Term Debt	45,906,182
22. Fuel Stock	54,506,284	50. Current Maturities Long-Term Debt - Rural Development	0
23. Renewable Energy Credits	890,289	51. Current Maturities Capital Leases	0
24. Materials & Supplies - Electric and Other	64,701,643	52. Taxes Accrued	25,289,056
25. Prepayments	12,158,177	53. Interest Accrued	19,913,885
26. Other Current & Accrued Assets	11,809,851	54. Other Current and Accrued Liabilities	22,777,006
<b>27. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 26)</b>	<b>400,431,766</b>	<b>55. TOTAL CURRENT &amp; ACCRUED LIABILITIES (47 thru 54)</b>	<b>212,148,706</b>
28. Unamortized Debt Discount & Extraor. Prop. Losses	21,200,612	56. Deferred Credits	105,523,685
29. Regulatory Assets	334,453,995	57. Accumulated Deferred Income Taxes	273,449,444
30. Other Deferred Debits	266,919,524	<b>58. TOTAL LIABILITIES AND OTHER CREDITS (39+43+46+55+56+57)</b>	<b>4,382,670,923</b>
31. Accumulated Deferred Income Taxes	223,579,611		
<b>32. TOTAL ASSETS AND OTHER DEBITS (5+14+27 thru 31)</b>	<b>4,382,670,923</b>		

RUS Financial and Operating Report Electric Power Supply - Part A - Financial

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION		CO047	
FINANCIAL AND OPERATING REPORT				PERIOD ENDED		12/31/2015	
ELECTRIC POWER SUPPLY							
SECTION A. UTILITY PLANT							
	ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)	
1	Total Intangible Plant (301 thru 303)	145,550,753	1,239,467	0	0	146,790,220	
2	Total Steam Production Plant (310 thru 317)	1,817,366,602	147,140,899	11,287,851	4,694,439	1,957,914,089	
3	Total Nuclear Production Plant (320 thru 326)	0	0	0	0	0	
4	Total Hydro Production Plant (330 thru 337)	0	0	0	0	0	
5	Total Other Production Plant (340 thru 347)	279,063,435	4,615,969	1,070,409	4,410	282,613,405	
6	TOTAL PRODUCTION PLANT (2 thru 5)	2,096,430,037	151,756,868	12,358,260	4,698,849	2,240,527,494	
7	Land and Land Rights (350)	66,873,773	29,957,722	0	(309,920)	96,521,575	
8	Structures and Improvements (352)	28,041,432	4,277,491	13,210	(84,127)	32,221,586	
9	Station Equipment (353)	407,880,438	39,437,176	2,769,051	(1,148,365)	443,400,198	
10	Other Transmission Plant (354 thru 359.1)	443,655,322	13,709,395	404,766	(616,914)	456,343,037	
11	TOTAL TRANSMISSION PLANT (7 thru 10)	946,450,965	87,381,784	3,187,027	(2,159,326)	1,028,486,396	
12	Land and Land Rights (360)	1,574,044	0	0	0	1,574,044	
13	Structures and Improvements (361)	9,211,719	0	0	0	9,211,719	
14	Station Equipment (362)	70,425,899	2,628,407	244,127	1,254,731	74,064,910	
15	Other Distribution Plant (363 thru 374)	0	0	0	0	0	
16	TOTAL DISTRIBUTION PLANT (12 thru 15)	81,211,662	2,628,407	244,127	1,254,731	84,850,673	
17	RTO/ISO Plant (380 thru 386)	0	0	0	0	0	
18	Total General Plant (389 thru 399.1)	378,175,008	44,873,323	5,597,915	633,830	418,084,246	
19	ELECTRIC PLANT IN SERVICE (1+6+11+16+17+18)	3,647,818,425	287,879,849	21,387,329	4,428,084	3,918,739,029	
20	Electric Plant Purchased or Sold (102)	0	0	0	0	0	
21	Electric Plant Leased to Others (104)	0	0	0	0	0	
22	Electric Plant Held for Future Use (105)	77,324,152	0	0	0	77,324,152	
23	Completed Construction Not Classified (106)	229,244,394	1,742,685	252,992	(4,431,560)	226,302,527	
24	Acquisition Adjustments (114)	36,630,773	2,532,341	0	0	39,163,114	
25	Other Utility Plant (118)	0	0	0	0	0	
26	Nuclear Fuel Assemblies (120.1 thru 120.4)	0	0	0	0	0	
27	TOTAL UTILITY PLANT IN SERVICE (19 thru 26)	3,991,017,744	292,154,875	21,640,321	(3,476)	4,261,528,822	
28	Construction Work in Progress (107)	192,896,167	6,423,202	0	0	199,319,369	
29	TOTAL UTILITY PLANT (27+28)	4,183,913,911	298,578,077	21,640,321	(3,476)	4,460,848,191	
SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT							
	ITEM	COMP. RATE (%) (a)	BALANCE BEGINNING OF YEAR (b)	ANNUAL ACCRUALS (c)	RETIREMENTS LESS NET SAVAGE (d)	ADJUSTMENTS AND TRANSFERS (e)	BALANCE END OF YEAR (f)
1	Depr. Of Steam Prod. Plant (108.1)	1.39	985,719,113	27,181,358	7,354,860	727,766	1,006,273,377
2	Depr. Of Nuclear Prod. Plant (108.2)	0.00	0	0	0	0	0
3	Depr. Of Hydraulic Prod. Plant (108.3)	0.00	0	0	0	0	0
4	Depr. Of Other Prod. Plant (108.4)	1.88	99,085,736	5,317,390	894,753	13	103,508,386
5	Depr. Of Transmission Plant (108.5)	3.56	412,917,482	36,642,626	2,361,927	(682,491)	446,515,690
6	Depr. Of Distribution Plant (108.6)	3.15	34,288,432	2,674,201	149,346	925,213	37,738,500
7	Depr. Of General Plant (108.7)		242,760,982	21,670,116	3,906,841	1,955	260,526,212
8	Retirement Work in Progress (108.8)		(1,827,429)	918,668	0	0	(908,761)
9	Total Depr. For Elec. Plant in Serv. (1 thru 8)		1,772,944,316			972,456	1,853,653,404
10	Depr. Of Plant Leased to Others (109)	0.00	0	0	0	0	0
11	Depr. Of Plant Held for Future Use (110)	0.00	0	0	0	0	0
12	Amort. Of Elec. Plant in Service (111)	0.00	80,168,244	3,951,001	0	0	84,119,245
13	Amort. Of Leased Plant (112)	0.00	0	0	0	0	0
14	Amort. Of Plant Held for Future Use	0.00	0	0	0	0	0
15	Amort. Of Acquisition Adj. (115)	0.00	29,700,079	914,179	0	65,096	30,679,354
16	Depr. & Amort. Other Plant (119)	0.00	0	0	0	0	0
17	Amort. Of Nuclear Fuel (120.5)	0.00	0	0	0	0	0
18	Total Prov. For Depr. & Amort. (9 thru 17)		1,882,812,639	99,269,539	14,667,727	1,037,552	1,968,452,003

RUS Financial and Operating Report Electric Power Supply - Part H

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY			BORROWER DESIGNATION	CO047
			PERIOD ENDED	12/31/2015
SECTION A. EXPENSE AND COSTS				
NO.	ITEM	ACCOUNT NUMBER	LINES (a)	STATIONS (b)
<b>TRANSMISSION OPERATION</b>				
1	Supervision and Engineering	560	6,849,433	10,274,149
2	Load Dispatching	561	9,359,568	
3	Station Expenses	562		14,432,960
4	Overhead Line Expenses	563	7,355,351	
5	Underground Line Expenses	564	0	
6	Miscellaneous Expenses	566	7,193,217	14,315,995
7	<b>SUB-TOTAL (1 thru 6)</b>		<b>30,757,569</b>	<b>39,023,104</b>
8	Transmission of Electricity by Others	565	51,412,000	
9	Rents	567	715,797	1,073,695
10	<b>TOTAL TRANSMISSION OPERATION (7 thru 9)</b>		<b>82,885,366</b>	<b>40,096,799</b>
<b>TRANSMISSION MAINTENANCE</b>				
11	Supervision and Engineering	568	6,203,833	9,305,750
12	Structures	569		0
13	Station Equipment	570		6,675,183
14	Overhead Lines	571	3,857,238	
15	Underground Lines	572	0	
16	Miscellaneous Transmission Plant	573	980,554	2,195,327
17	<b>TOTAL TRANSMISSION MAINTENANCE (11 thru 16)</b>		<b>11,041,625</b>	<b>18,176,260</b>
18	<b>TOTAL TRANSMISSION EXPENSE (10 + 17)</b>		<b>93,926,991</b>	<b>58,273,059</b>
19	RTO/ISO Expense -- Operation	575.1-575.8	0	0
20	RTO/ISO Expense -- Maintenance	576.1-576.5	0	0
21	<b>TOTAL RTO/ISO EXPENSE (19 + 20)</b>		<b>0</b>	<b>0</b>
22	Distribution Expense - Operation	580-589	0	1,138,546
23	Distribution Expense - Maintenance	590-598	0	103,894
24	<b>TOTAL DISTRIBUTION EXPENSE (22 + 23)</b>		<b>0</b>	<b>1,242,440</b>
25	<b>TOTAL OPERATION AND MAINTENANCE (18 + 21 + 24)</b>		<b>93,926,991</b>	<b>59,515,499</b>
<b>FIXED COSTS</b>				
26	Depreciation - Transmission	403.5	16,212,345	21,341,821
27	Depreciation - Distribution	403.6	0	2,674,201
28	Interest - Transmission	427	0	0
29	Interest - Distribution	427	0	0
30	<b>TOTAL TRANSMISSION (18 + 26 + 28)</b>		<b>110,139,336</b>	<b>79,614,880</b>
31	<b>TOTAL DISTRIBUTION (24 + 27 + 29)</b>		<b>0</b>	<b>3,916,641</b>
32	<b>TOTAL LINES AND STATIONS (21 + 30 + 31)</b>		<b>110,139,336</b>	<b>83,531,521</b>

RUS Financial and Operating Report Electric Power Supply - Part I - Lines & Stations

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		CO047
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY			PERIOD ENDED		12/31/2015
SECTION G. MATERIALS AND SUPPLIES INVENTORY					
No.	ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED & SALVAGED (b)	USED & SOLD (c)	BALANCE END OF YEAR (d)
1	Coal	27,895,997	376,958,282	356,253,513	48,600,766
2	Other Fuel	7,001,503	1,664,354	2,760,339	5,905,518
3	Production Plant Parts and Supplies	37,811,441	13,062,384	10,837,275	40,036,550
4	Station Transformers and Equipment	16,391,061	18,958,976	16,436,584	18,913,453
5	Line Materials and Supplies	4,984,573	5,765,484	4,998,417	5,751,640
6	Other Materials and Supplies	0	0	0	0
7	TOTAL (Sum of lines 1 thru 6)	94,084,575	416,409,480	391,286,128	119,207,927
SECTION H. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No.	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	National Rural Utilities Cooperative Finance Corporation	0	0	0	0
2	NCSC	0	0	0	0
3	Farmer Mac	0	0	0	0
4	CFC	189,842,807	5,510,744	6,040,923	11,551,666
5	CoBank	380,305,903	14,287,544	9,712,516	24,000,059
6	Private Placement	968,571,426	44,018,196	27,142,858	71,161,054
7	2010 First Mortgage Bonds	499,322,108	30,000,000	0	30,000,000
8	2014 First Mortgage Bonds	498,614,338	21,058,333	0	21,058,333
9	Pollution Control Bonds	57,764,545	808,374	5,025,000	5,833,374
10	Other	271,850,000	2,083,325	21,685,494	23,768,819
11	Principal Payments Received from Ultimate Recipients of IRP Loans			0	
12	Principal Payments Received from Ultimate Recipients of REDL Loans			0	
13	TOTAL	2,866,271,127	117,766,516	69,606,790	187,373,306
SECTION I. ANNUAL MEETING AND BOARD DATA					
1.	Date of Last Annual Meeting	04/08/2015	5. Number of Members Voting by Proxy or Mail		0
2.	Total Number of Members	44	6. Total Number of Board Members		44
3.	Number of Members Present at Meeting	44	7. Total Amount of Fees and Expenses for Board Members		1,946,909
4.	Was Quorum Present?	Yes	8. Does Manager Have Written Contract?		No
SECTION J. MAN-HOUR AND PAYROLL STATISTICS					
1.	Number of Full Time Employees	1,319	4. Payroll Expensed		101,767,087
2.	Man-Hours Worked - Regular Time	2,720,387	5. Payroll Capitalized		10,643,442
3.	Man-Hours Worked - Overtime	177,795	6. Payroll Other		19,834,699
SECTION K. LONG-TERM LEASES					
No.	NAME OF LESSOR	TYPE OF PROPERTY		RENTAL THIS YEAR	
1	Trinity Industries Leasing Co	Railcars		630,000	
2	Wilmington Trust Co	Springerville Generating Station		70,344,566	
3	Thermo Cogeneration Partnership	JM Shafer Generating Station		10,872,472	
4	Brush Cogeneration Partners	Brush Generating Station		5,276,716	
5		TOTAL:		87,123,754	

RUS Financial and Operating Report Electric Power Supply - Part H