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GALLAGHER & KENNEDY
P.A.
ATTORNEYS AT LAW

MICHAEL M. GRANT
DIRECT DIAL: (602) 530-8291
E-MAIL: MMG@GKNET.COM

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2575 EAST CAMELBACK ROAD
PHOENIX, ARIZONA 85016-9225
PHONE: (602) 530-8000
FAX: (602) 530-8500
WWW.GKNET.COM

February 29, 2012

Arizona Corporation Commission
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HAND DELIVERED

Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Re: *SWTC's Financial Metrics Quarterly Report – 4th Quarter 2011 – Compliance Filing; Decision No. 72030; Docket No. E-04100A-09-0496*

Dear Mr. Olea:

In Decision No. 72030 (its Third Ordering Paragraph at page 10), the Commission instructed Southwest Transmission Cooperative, Inc. ("SWTC") to "file the quarterly reports of financial metrics as discussed in Staff's testimony, commencing May 31, 2011, for the period ended March 31, 2011, and continuing thereafter with reports due by the end of the second month following the end of each quarter."

The attached reports concerning (1) the statement of revenue and expense; (2) the balance sheet; (3) the TIER/DSC analysis and comments; (4) the SWTC cash position; (5) its cash flow projection for calendar year 2012; and (6) the summary of debt balances as of January 3, 2012 are submitted herewith. Should Staff have questions or need additional information concerning this filing, please contact Gary Pierson or Joe King.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: Michael M. Grant

MMG/plp
15169-13/2985790
Enclosures

Original and 13 copies filed with Docket Control this 29th day of February, 2012.

Southwest Transmission Cooperative, Inc.

Statement of Revenue and Expense

for the month of December 2011

(in thousands of dollars)

Ln #	Monthly Actual	Monthly Budget	$ Var.	%	Descriptions	2011 YTD Actual	2011 YTD Budget	$ Var.	%	YTD 2010 Actual	% Var 2011/2010	Ln #
	Operating Revenues					***Operating Revenues***						
1	2,259.5	2,303.3	(43.7)	98%	Class A - Firm Transmission	26,996.6	27,172.4	(175.8)	99%	*20,929.4*	*129%*	1
2	160.0	156.9	3.1	102%	Class A - DAF	1,939.1	1,915.9	23.2	101%	*1,844.1*	*105%*	2
3	173.7	106.4	67.3	163%	Class A - Ancilary	1,634.9	1,620.0	14.9	101%	*1,833.0*	*89%*	3
4	2,593.2	2,566.6	26.7	101%		30,570.6	30,708.3	(137.6)	100%	*24,606.5*	*124%*	4
5	353.8	353.6	0.2	100%	Class B - Firm Transmission	4,280.8	4,243.0	37.8	101%	*6,082.6*	*70%*	5
6	24.0	24.0	0.0	100%	Class B - Other Services	293.3	288.1	5.2	100%	*513.5*	*57%*	6
7	377.8	377.6	0.2	100%		4,574.1	4,531.1	43.0	101%	*6,596.1*	*69%*	7
8	146.4	125.0	21.4		Non-Member - Firm Transm.	1,806.7	1,525.7	281.1		*1,722.1*	*105%*	8
9	63.6	45.8	17.8		Non-Member - NonFirm Transm.	1,314.8	549.6	765.2		*584.5*	*225%*	9
10	37.7	48.2	(10.5)		Non-Member - Other Services	463.0	608.8	(145.8)		*462.8*	*100%*	10
11	247.7	219.0	28.7	113%		3,584.5	2,684.0	900.5	134%	*2,769.4*	*129%*	11
12	65.3	48.1	17.2	136%	Other Operating Revenue	620.5	580.9	39.6	107%	*570.6*	*109%*	12
13	**3,284.0**	**3,211.2**	**72.7**	**102%**	***Total Operating Revenues***	**39,349.8**	**38,504.3**	**845.5**	**102%**	*34,542.6*	*114%*	13
	Operating Expenses					***Operating Expenses***						
14	452.4	395.5	56.9	114%	Wheeling & Ancilary Services	5,051.0	4,968.6	82.4	102%	*5,335.5*	*95%*	14
15	280.6	299.5	(18.9)	94%	System Control & Dispatch	3,465.0	3,723.2	(258.2)	93%	*3,843.5*	*90%*	15
16	326.7	320.3	6.3	102%	Operations	3,135.4	3,817.3	(681.9)	82%	*3,283.6*	*95%*	16
17	348.1	422.1	(74.0)	82%	Maintenance	4,324.9	5,122.1	(797.2)	84%	*4,760.6*	*91%*	17
18	390.5	394.2	(3.7)	99%	Administrative & General	4,675.6	4,640.9	34.7	101%	*4,778.9*	*98%*	18
19	450.9	423.3	27.7	107%	Depreciation	5,384.6	5,079.0	305.6	106%	*5,431.6*	*99%*	19
20	260.9	150.0	110.9	174%	Taxes	2,022.2	1,800.0	222.2	112%	*1,783.1*	*113%*	20
21	466.2	486.8	(20.6)	96%	Interest on Long Term Debt	5,348.0	5,731.7	(383.7)	93%	*5,362.3*	*100%*	21
22	0.1	0.0	0.1	0%	Other Interest Expense	7.6	0.0	7.6	0%	*5.5*	*139%*	22
23	(0.3)	(24.2)	23.9	1%	Interest During Construction	(20.2)	(290.0)	269.8	7%	*(21.0)*	*96%*	23
24	14.4	17.9	(3.5)	0%	Other Deductions	172.4	215.0	(42.6)	0%	*199.8*	*86%*	24
25	**2,990.5**	2,885.4	**105.1**	**104%**	***Total Cost of Service***	**33,566.6**	**34,807.8**	**(1,241.2)**	**96%**	***34,763.4***	*97%*	25
26	**293.5**	325.8	**(32.3)**	**90%**	***Total Operating Margins***	**5,783.2**	**3,696.4**	**2,086.7**	**156%**	***(220.8)***	*-2619%*	26
	Other Income & Expenses					***Other Income & Expenses***						
27	59.0	3.2	55.8	1828%	Interest Income	181.2	38.0	143.2	477%	*81.3*	*223%*	27
28	(66.5)	7.9	(74.4)	-840%	Other Non-Operating Income	111.4	95.0	16.4	117%	*111.0*	*100%*	28
29	0.0	1.3	(1.3)	0%	Capital Credits	13.8	15.0	(1.2)	0%	*1.8*	*0%*	29
30	**(7.5)**	**12.4**	**(19.9)**	**-61%**	***Total Other Income & Exp.***	**306.4**	**148.0**	**158.4**	**207%**	***194.1***	*158%*	30
31	**286.0**	**338.2**	**(52.2)**	**85%**	**Net Margins**	**6,089.5**	**3,844.4**	**2,245.1**	**158%**	***(26.7)***	*-22807%*	31

Southwest Transmission Cooperative, Inc.
Balance Sheet - Unaudited
as of December 31, 2011

	Assets	12/31/2011	12/31/2010
	Utility Plant		
1	Total Plant in Service	176,901.1	176,999.3
2	Construction Work in Progress	8,948.1	6,576.7
3	**Total Plant**	185,849.1	183,576.0
4	Accum. Provision for Depr. & Amort.	(81,751.9)	(76,788.5)
5	**Net Plant**	104,097.2	106,787.5
	Investments and Other Property		
6	Investments Assoc. Org. & Patronage Capital	71.6	62.2
7	Other Non General Funds	3,145.5	2,430.0
8	**Total Investments and Other Property**	3,217.0	2,492.2
	Current Assets		
9	Cash - General Fund	618.2	740.0
10	Special Deposits	43.2	43.1
11	Temporary Investments	11,651.3	6,451.3
12	Accounts Receivable - Customers	3,245.5	2,712.7
13	Other Accounts Receivable	180.9	657.4
14	Materials & Supplies - Other	4,153.0	2,176.1
15	Prepayments	1,764.1	2,080.4
16	**Total Current Assets**	21,656.2	14,861.0
	Deferred Debits		
17	Unamortized Debt Discount	281.5	453.8
18	Misc Deferred Debits	2,369.8	2,267.9
19	**Total Deferred Debits**	2,651.2	2,721.7
20	**Total Assets**	131,621.6	126,862.4
	Membership Capital and Liabilities		
	Membership Capital (Deficiency)		
21	Memberships & Patronage Capital	9,439.2	9,439.2
22	Net Margins - Prior Years	(671.1)	0.8
23	Net Margin - Current Year	6,085.0	(676.4)
24	**Total Margins & Equities**	14,853.1	8,763.6
	Long-Term Debt		
25	Long-Term Debt - FFB	96,931.0	99,803.0
26	Other Long-Term Debt (Net)	15,552.0	13,965.0
27	**Total Long Term Debt**	112,483.0	113,768.0
28	**Other Long Term Liabilities-ARO**		
	Current Liabilities		
29	Notes Payable/NPP/PPP	349.3	332.9
30	Accounts Payable	1,062.7	1,103.7
31	Other Current & Accrued Liabilities	2,873.5	2,894.2
32	**Total Current Liabilities**	4,285.6	4,330.8
33	**Total Membership Capital & Liabilities**	131,621.6	126,862.4

Southwest Transmission Cooperative, Inc.
Analysis and Comments
TIER/DSC
As of December 31, 2011

For month of December 2011

TIER Calculation

Net Margins	6,089,517
LTD Interest	5,348,024
	11,437,541

YTD TIER Calc	2.139

DSC Calculation

Net Margins	6,089,517
LTD Interest	5,348,024
Depr & Amort	5,384,647
Principle Pmts	4,755,562

YTD DSC Calc	1.665

2811100 FFB	3,234,820	Quarterly
2811200 RUS	0	Monthly
2811300 Poll Ctl	0	
2811400 Solid Waste	325,771	Annual
2811500 Central Bank	1,087,425	Annual
2811600 CFC	107,547	Quarterly
	4,755,562	

SWTC CASH POSITION
VARIANCE BETWEEN ACTUAL AND BUDGET
December-12

	MONTH			
	BUDGET	ACTUAL	VARIANCE	COMMENTS
BEGINNING CASH BALANCE	$4,452,051	$9,609,342	$5,157,291	
OPERATING CASH FLOWS				
WHOLESALE POWER RECEIPTS	3,137,021	3,343,086	206,065	
OTHER RECEIPTS	121,149	1,125,009	1,003,861	$1.0MM Smart Grid
PROPERTY TAXES	0	0	0	
ACCOUNTS PAYABLE	(1,894,536)	(2,543,299)	(648,763)	$830K Smart Grid
NET CASH FLOW FROM OPERATIONS	1,363,633	1,924,796	561,163	
FINANCIAL CASH FLOWS				
TPP INVESTMENTS (MATURITIES)	0	(47,103)	(47,103)	
NPP INVESTMENTS (MATURITIES)	0	0	0	
FFB LOAN FUNDS DRAW	0	0	0	
RUS LOAN FUNDS DRAW	0	0	0	
CFC LOAN FUNDS DRAW	0	5,000,000	5,000,000	* Interim Financing; FFB Draw to Follow
CAPITAL EXPENDITURES	(173,103)	(159,339)	13,764	
DEBT SERVICE PAYMENTS	(2,164,621)	(28,672)	2,135,950	* FFB Debt $2.0MM due 1/3/12
CFC LOC DRAWS (PAYMENTS)	0	0	0	
TPP INTEREST	(250)	(76)	174	
NPP INTEREST	0	0	0	
NET CASH FLOW FROM FINANCIAL	(2,337,974)	4,764,811	7,102,785	
INVESTMENT CASH FLOWS				
INTEREST INCOME	0	493	493	
NET CASH FLOW FROM INVESTMENTS	0	493	493	
NET CHANGE IN CASH POSITION	(974,341)	6,690,100	7,664,441	
ENDING CASH BALANCE	$3,477,710	$16,299,442	$12,821,732	

SWTC CASH POSITION
VARIANCE BETWEEN ACTUAL AND BUDGET
December-12

	YEAR-TO-DATE			
	BUDGET	ACTUAL	VARIANCE	COMMENTS
OPERATING CASH FLOWS				
WHOLESALE POWER RECEIPTS	$37,207,017	$38,484,155	$1,277,138	
OTHER RECEIPTS	1,760,002	13,462,929	11,702,927	$8.9MM Smart Grid Grant; $2.49MM Trico
PROPERTY TAXES	(2,162,107)	(1,896,606)	265,501	
ACCOUNTS PAYABLE	(22,696,185)	(30,993,227)	(8,297,042)	$7.2MM Smart Grid Sub-recipient disbursements
NET CASH FLOW FROM OPERATIONS	14,108,728	19,057,252	4,948,524	
FINANCIAL CASH FLOWS				
TPP INVESTMENTS (MATURITIES)	0	(35,151)	(35,151)	
NPP INVESTMENTS (MATURITIES)	0	0	0	
FFB LOAN FUNDS DRAW	10,183,710	0	(10,183,710)	*No draws due to Cap Ex Underbudget
RUS LOAN FUNDS DRAW	0	0	0	
CFC LOAN FUNDS DRAW	0	5,000,000	5,000,000	* Interim Financing; FFB Draw to Follow
CAPITAL EXPENDITURES	(17,025,832)	(6,234,427)	10,791,405	
DEBT SERVICE PAYMENTS	(12,459,733)	(10,231,088)	2,228,645	* FFB Debt $2.0MM due 1/3/12
CFC LOC DRAWS (PAYMENTS)	0	0	0	
TPP INTEREST	(3,000)	(1,316)	1,684	
NPP INTEREST	0	(404)	(404)	
NET CASH FLOW FROM FINANCIAL	(19,304,855)	(11,502,386)	7,802,469	
INVESTMENT CASH FLOWS				
INTEREST INCOME	0	70,740	70,740	
NET CASH FLOW FROM INVESTMENT	0	70,740	70,740	
NET CHANGE IN CASH POSITION	($5,196,127)	$7,625,605	$12,821,732	

SWTC
CASH FLOW PROJECTION
CALENDAR YEAR 2011

		JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ACTUAL
1	**OPERATING CASH FLOWS**						
2	WHOLESALE POWER RECEIPTS	$ 2,741,733	$ 3,039,036	$ 2,995,022	$ 3,219,801	$ 2,706,957	$ 3,228,424
3	OTHER OPERATING RECEIPTS	$ 62,607	$ 2,763,916	$ 1,083,480	$ 828,569	$ 1,530,455	$ 1,053,160
4	PROPERTY TAXES	$ -	$ -	$ -	$ (889,083)	$ -	$ -
5	OTHER ACCOUNTS PAYABLE	$ (1,510,723)	$ (4,404,558)	$ (2,821,904)	$ (2,531,726)	$ (3,133,960)	$ (2,718,172)
6	NET CASH FLOW FROM OPERATIONS	$ 1,293,617	$ 1,398,393	$ 1,256,598	$ 627,561	$ 1,103,452	$ 1,563,411
7	**FINANCIAL CASH FLOWS**						
8	TRANSMISSION PREPAYMENT INVESTMENTS	$ 59,514	$ (50,156)	$ 25,449	$ (48,773)	$ (48,740)	$ -
9	NOTE PARTICIPATION INVESTMENTS(MATURITIES)	$ -	$ -	$ -	$ -	$ -	$ -
10	FFB LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -
11	RUS LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -
12	CFC LOAN FUNDS DRAW(PAYMENT)	$ -	$ -	$ -	$ -	$ -	$ -
13	CFC LINE OF CREDIT DRAW	$ -	$ -	$ -	$ -	$ -	$ -
14	CAPITAL EXPENDITURES	$ (626,149)	$ (1,222,418)	$ (843,972)	$ (540,019)	$ (1,605,110)	$ -
15	CFC LINE OF CREDIT REPAYMENT	$ -	$ -	$ -	$ -	$ -	$ -
16	CFC LINE OF CREDIT INTEREST	$ -	$ -	$ -	$ -	$ -	$ -
17	FFB DEBT SERVICE PAYMENTS (1)	$ (1,956,319)	$ -	$ (2,003,467)	$ -	$ -	$ (2,004,288)
18	RUS DEBT SERVICE PAYMENTS	$ -	$ -	$ -	$ -	$ -	$ -
19	SERIES 1994A DEBT SERVICE PAYMENTS	$ -	$ (42,415)	$ -	$ -	$ -	$ -
20	COBANK DEBT SERVICE PAYMENTS	$ -	$ (315,609)	$ -	$ -	$ -	$ -
21	CFC DEBT SERVICE PAYMENTS	$ -	$ -	$ (29,495)	$ -	$ -	$ (29,484)
22	TRANSMISSION PREPAYMENT INTEREST	$ (189)	$ (117)	$ (222)	$ (214)	$ (175)	$ -
23	NOTE PARTICIPATION INTEREST	$ (160)	$ -	$ (69)	$ (148)	$ (19)	$ (8)
24	NET CASH FLOW FROM FINANCIAL ACTIVITIES	$ (2,523,302)	$ (1,630,715)	$ (2,851,776)	$ (589,155)	$ (1,654,045)	$ (2,033,780)
25	**INVESTMENT CASH FLOWS**						
26	INTEREST INCOME	$ 9,616	$ 810	$ 511	$ 20,634	$ 625	$ 318
27	NET CASH FLOW FROM INVESTMENT ACTIVITIES	$ 9,616	$ 810	$ 511	$ 20,634	$ 625	$ 318
28	TOTAL NET CASH FLOWS	$ (1,220,069)	$ (231,512)	$ (1,594,667)	$ 59,041	$ (549,967)	$ (470,051)
29	BEGINNING CASH BALANCE	$ 8,673,837	$ 7,453,768	$ 7,222,257	$ 5,627,589	$ 5,686,630	$ 5,136,663
30	ENDING CASH BALANCE	$ 7,453,768	$ 7,222,257	$ 5,627,589	$ 5,686,630	$ 5,136,663	$ 4,666,613
31							
32	BEGINNING LINE OF CREDIT BALANCE	$0	$0	$0	$0	$0	$0
33	LINE OF CREDIT DRAW	$0	$0	$0	$0	$0	$0
34	LINE OF CREDIT Repayment	$0	$0	$0	$0	$0	$0
35	LINE OF CREDIT REPAYMENT	$0	$0	$0	$0	$0	$0

SWTC
CASH FLOW PROJECTION
CALENDAR YEAR 2011

		JULY ACTUAL	AUGUST ACTUAL	SEPTEMBER ACTUAL	OCTOBER ACTUAL	NOVEMBER ACTUAL	DECEMBER ACTUAL	TOTAL ACTUAL
1	**OPERATING CASH FLOWS**							
2	WHOLESALE POWER RECEIPTS	$ 3,574,931	$ 3,355,694	$ 3,244,344	$ 3,558,624	$ 3,476,504	$ 3,343,086	$ 38,484,155
3	OTHER OPERATING RECEIPTS	$ 419,018	$ 3,054,600	$ 365,357	$ 346,757	$ 830,001	$ 1,125,009	$ 13,462,929
4	PROPERTY TAXES	$ -	$ -	$ -	$ (1,007,523)	$ -	$ -	$ (1,896,606)
5	OTHER ACCOUNTS PAYABLE	$ (2,262,168)	$ (2,527,126)	$ (1,446,395)	$ (2,283,263)	$ (2,809,933)	$ (2,543,299)	$ (30,993,227)
6	NET CASH FLOW FROM OPERATIONS	$ 1,731,782	$ 3,883,168	$ 2,163,306	$ 614,595	$ 1,496,572	$ 1,924,796	$ 19,057,252
7	**FINANCIAL CASH FLOWS**							
8	TRANSMISSION PREPAYMENT INVESTMENTS	$ (48,733)	$ 25,907	$ 26,754	$ 118,334	$ (47,605)	$ (47,103)	$ (35,151)
9	NOTE PARTICIPATION INVESTMENTS(MATURITIES)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	FFB LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	RUS LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	CFC LOAN FUNDS DRAW(PAYMENT)	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
13	CFC LINE OF CREDIT DRAW	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	CAPITAL EXPENDITURES	$ (235,030)	$ (175,199)	$ (141,585)	$ (408,952)	$ (276,656)	$ (159,339)	$ (6,234,427)
15	CFC LINE OF CREDIT REPAYMENT	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	CFC LINE OF CREDIT INTEREST	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	FFB DEBT SERVICE PAYMENTS (1)	$ -	$ -	$ (2,004,361)	$ -	$ -	$ -	$ (7,968,435)
18	RUS DEBT SERVICE PAYMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	SERIES 1994A DEBT SERVICE PAYMENTS	$ -	$ -	$ (368,529)	$ -	$ -	$ -	$ (410,944)
20	COBANK DEBT SERVICE PAYMENTS	$ -	$ (1,419,265)	$ -	$ -	$ -	$ -	$ (1,734,874)
21	CFC DEBT SERVICE PAYMENTS	$ -	$ -	$ (29,183)	$ -	$ -	$ (28,672)	$ (116,834)
22	TRANSMISSION PREPAYMENT INTEREST	$ (88)	$ (64)	$ (75)	$ (27)	$ (69)	$ (76)	$ (1,316)
23	NOTE PARTICIPATION INTEREST	$ -	$ -	$ -	$ -	$ -	$ -	$ (404)
24	NET CASH FLOW FROM FINANCIAL ACTIVITIES	$ (283,850)	$ (1,568,621)	$ (2,516,979)	$ (290,645)	$ (324,330)	$ 4,764,811	$ (11,502,386)
25	**INVESTMENT CASH FLOWS**							
26	INTEREST INCOME	$ 18,524	$ 324	$ 370	$ 18,066	$ 449	$ 493	$ 70,740
27	NET CASH FLOW FROM INVESTMENT ACTIVITIES	$ 18,524	$ 324	$ 370	$ 18,066	$ 449	$ 493	$ 70,740
28	TOTAL NET CASH FLOWS	$ 1,466,455	$ 2,314,871	$ (353,304)	$ 342,016	$ 1,172,691	$ 6,690,100	$ 7,625,605
29	BEGINNING CASH BALANCE	$ 4,666,613	$ 6,133,067	$ 8,447,938	$ 8,094,635	$ 8,436,651	$ 9,609,342	$ 8,673,837
30	ENDING CASH BALANCE	$ 6,133,067	$ 8,447,938	$ 8,094,635	$ 8,436,651	$ 9,609,342	$ 16,299,442	$ 16,299,442
31								
32	BEGINNING LINE OF CREDIT BALANCE	$0	$0	$0	$0	$0	$0	$0
33	LINE OF CREDIT DRAW	$0	$0	$0	$0	$0	$0	$0
34	LINE OF CREDIT Repayment	$0	$0	$0	$0	$0	$0	$0
35	LINE OF CREDIT REPAYMENT	$0	$0	$0	$0	$0	$0	$0

SWTC
CASH FLOW PROJECTION
CALENDAR YEAR 2012

		JANUARY PROJECTED	FEBRUARY PROJECTED	MARCH PROJECTED	APRIL PROJECTED	MAY PROJECTED	JUNE PROJECTED
1	**OPERATING CASH FLOWS**						
2	WHOLESALE POWER RECEIPTS	$ 2,888,811	$ 2,986,135	$ 2,984,640	$ 2,985,202	$ 2,986,163	$ 2,986,750
3	OTHER OPERATING RECEIPTS	$ 308,875	$ 279,046	$ 283,732	$ 332,357	$ 243,934	$ 263,738
4	PROPERTY TAXES	$ -	$ -	$ -	$ -	$ (941,718)	$ -
5	OTHER ACCOUNTS PAYABLE	$ (1,843,932)	$ (1,896,147)	$ (1,623,569)	$ (1,611,563)	$ (1,384,012)	$ (1,670,948)
6	NET CASH FLOW FROM OPERATIONS	$ 1,353,754	$ 1,369,034	$ 1,644,803	$ 1,705,996	$ 904,368	$ 1,579,540
7	**FINANCIAL CASH FLOWS**						
8	TRANSMISSION PREPAYMENT INVESTMENTS	$ -	$ -	$ -	$ -	$ -	$ -
9	NOTE PARTICIPATION INVESTMENTS(MATURITIES)	$ -	$ -	$ -	$ -	$ -	$ -
10	FFB LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -
11	RUS LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -
12	CFC LOAN FUNDS DRAW(PAYMENT)	$ -	$ -	$ -	$ -	$ -	$ -
13	CFC LINE OF CREDIT DRAW	$ -	$ -	$ -	$ -	$ -	$ -
14	CAPITAL EXPENDITURES	$ (218,648)	$ (79,183)	$ (107,722)	$ (324,823)	$ (253,942)	$ (263,035)
15	CFC LINE OF CREDIT REPAYMENT	$ -	$ -	$ -	$ -	$ -	$ -
16	CFC LINE OF CREDIT INTEREST	$ -	$ -	$ -	$ -	$ -	$ -
17	FFB DEBT SERVICE PAYMENTS (1)	$ -	$ -	$ (1,981,617)	$ -	$ -	$ (1,981,617)
18	RUS DEBT SERVICE PAYMENTS	$ -	$ -	$ -	$ -	$ -	$ -
19	SERIES 1994A DEBT SERVICE PAYMENTS	$ -	$ -	$ (32,577)	$ -	$ -	$ -
20	CFC 9046 & 9047 COBANK REFI DEBT SERVICE PAYMENTS	$ -	$ -	$ (357,635)	$ -	$ -	$ (357,635)
21	CFC DEBT SERVICE PAYMENTS	$ -	$ -	$ (73,697)	$ -	$ -	$ (74,270)
22	TRANSMISSION PREPAYMENT INTEREST	$ (125)	$ (125)	$ (125)	$ (125)	$ (125)	$ (125)
23	NOTE PARTICIPATION INTEREST	$ -	$ -	$ -	$ -	$ -	$ -
24	NET CASH FLOW FROM FINANCIAL ACTIVITIES	$ (218,773)	$ (79,308)	$ (2,553,373)	$ (324,948)	$ (254,067)	$ (2,676,682)
25	**INVESTMENT CASH FLOWS**						
26	INTEREST INCOME	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667
27	NET CASH FLOW FROM INVESTMENT ACTIVITIES	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667
28	TOTAL NET CASH FLOWS	$ 1,176,648	$ 1,331,393	$ (866,903)	$ 1,422,715	$ 691,968	$ (1,055,475)
29	BEGINNING CASH BALANCE	$ 16,299,442	$ 17,476,091	$ 18,807,484	$ 17,940,581	$ 19,363,296	$ 20,055,263
30	ENDING CASH BALANCE	$ 17,476,091	$ 18,807,484	$ 17,940,581	$ 19,363,296	$ 20,055,263	$ 18,999,788
31							
32	BEGINNING LINE OF CREDIT BALANCE	$0	$0	$0	$0	$0	$0
33	LINE OF CREDIT DRAW	$0	$0	$0	$0	$0	$0
34	LINE OF CREDIT Repayment	$0	$0	$0	$0	$0	$0
35	LINE OF CREDIT REPAYMENT	$0	$0	$0	$0	$0	$0

SWTC
CASH FLOW PROJECTION
CALENDAR YEAR 2012

		JULY PROJECTED	AUGUST PROJECTED	SEPTEMBER PROJECTED	OCTOBER PROJECTED	NOVEMBER PROJECTED	DECEMBER PROJECTED	TOTAL PROJECTED
1	**OPERATING CASH FLOWS**							
2	WHOLESALE POWER RECEIPTS	$ 2,986,629	$ 2,987,224	$ 2,987,236	$ 2,987,858	$ 2,987,436	$ 2,987,911	$ 35,741,996
3	OTHER OPERATING RECEIPTS	$ 258,747	$ 259,505	$ 238,859	$ 234,853	$ 236,615	$ 335,360	$ 3,275,620
4	PROPERTY TAXES	$ -	$ -	$ -	$ -	$ (941,718)	$ -	$ (1,883,436)
5	OTHER ACCOUNTS PAYABLE	$ (1,686,600)	$ (1,580,310)	$ (1,794,877)	$ (1,805,149)	$ (1,794,849)	$ (1,794,849)	$ (20,486,803)
6	NET CASH FLOW FROM OPERATIONS	$ 1,558,776	$ 1,666,419	$ 1,431,217	$ 1,417,562	$ 487,485	$ 1,528,423	$ 16,647,378
7	**FINANCIAL CASH FLOWS**							
8	TRANSMISSION PREPAYMENT INVESTMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	NOTE PARTICIPATION INVESTMENTS(MATURITIES)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	FFB LOAN FUNDS DRAW	$ -	$ -	$ -	$ 8,000,000	$ -	$ -	$ 8,000,000
11	RUS LOAN FUNDS DRAW	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	CFC LOAN FUNDS DRAW(PAYMENT)	$ -	$ -	$ -	$ (5,715,000)	$ -	$ -	$ (5,715,000)
13	CFC LINE OF CREDIT DRAW	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	CAPITAL EXPENDITURES	$ (277,573)	$ (134,322)	$ (147,823)	$ (220,608)	$ (158,881)	$ (272,860)	$ (2,459,420)
15	CFC LINE OF CREDIT REPAYMENT	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	CFC LINE OF CREDIT INTEREST	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	FFB DEBT SERVICE PAYMENTS (1)	$ -	$ -	$ (1,981,617)	$ -	$ -	$ (2,037,923)	$ (7,982,774)
18	RUS DEBT SERVICE PAYMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	SERIES 1994A DEBT SERVICE PAYMENTS	$ -	$ -	$ (358,348)	$ -	$ -	$ -	$ (390,926)
20	CFC 9046 & 9047 COBANK REFI DEBT SERVICE PAYMENTS	$ -	$ -	$ (357,635)	$ -	$ -	$ (357,635)	$ (1,430,541)
21	CFC DEBT SERVICE PAYMENTS	$ -	$ -	$ (74,852)	$ -	$ -	$ (28,955)	$ (251,774)
22	TRANSMISSION PREPAYMENT INTEREST	$ (125)	$ (125)	$ (125)	$ (125)	$ (125)	$ (125)	$ (1,500)
23	NOTE PARTICIPATION INTEREST	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	NET CASH FLOW FROM FINANCIAL ACTIVITIES	$ (277,698)	$ (134,447)	$ (2,920,400)	$ 2,064,267	$ (159,006)	$ (2,697,498)	$ (10,231,934)
25	**INVESTMENT CASH FLOWS**							
26	INTEREST INCOME	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 500,004
27	NET CASH FLOW FROM INVESTMENT ACTIVITIES	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 500,004
28	TOTAL NET CASH FLOWS	$ 1,322,745	$ 1,573,639	$ (1,447,516)	$ 3,523,496	$ 370,146	$ (1,127,408)	$ 6,915,448
29	BEGINNING CASH BALANCE	$ 18,999,788	$ 20,322,533	$ 21,896,173	$ 20,448,657	$ 23,972,153	$ 24,342,299	$ 16,299,442
30	ENDING CASH BALANCE	$ 20,322,533	$ 21,896,173	$ 20,448,657	$ 23,972,153	$ 24,342,299	$ 23,214,890	$ 23,214,890
31								
32	BEGINNING LINE OF CREDIT BALANCE	$0	$0	$0	$0	$0	$0	$0
33	LINE OF CREDIT DRAW	$0	$0	$0	$0	$0	$0	$0
34	LINE OF CREDIT Repayment	$0	$0	$0	$0	$0	$0	$0
35	LINE OF CREDIT REPAYMENT	$0	$0	$0	$0	$0	$0	$0

Southwest Transmission Cooperative, Inc.

Summary of Debt Balances

As of January 3, 2012

NATURE OF OBLIGATION	TOTAL AMOUNT OUTSTANDING	PERCENT TO TOTAL	FACE RATE	ANNUALIZED INTEREST EXPENSE
FFB DEBT	$96,155,252.13	80.921%	4.786%	$4,601,761.59
CFC SERIES 1994A BONDS	6,515,426.00	5.483%	1.000%	65,154.26
CENTRAL BANK FOR COOPERATIVES	7,300,860.60	6.144%	7.740%	565,086.61
NRUCFC *	8,853,827.28	7.451%	3.398%	300,850.94
Total	$118,825,366.02	100.000%	4.656%	$5,532,853.40

2012 Debt Service Breakout

	Interest	Principal	Total
Quarter 1	$1,281,544	$1,147,973	$2,429,517
Quarter 2	$1,284,099	$1,146,176	$2,430,275
Quarter 3	$1,273,855	$1,482,686	$2,756,541
Quarter 4	$1,273,387	$1,167,793	$2,441,180
Totals	$5,112,885	$4,944,628	$10,057,513

* $8.7 MM Drawn to Payoff CoBank Debt
Placed in Escrow until 2/1/12 Bond Call