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Form

990

Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

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

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

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

C Name of organization  
BLUEBONNET ELECTRIC COOPERATIVE INC  
  
Doing Business As  
  
Number and street (or P O box if mail is not delivered to street address)  
PO BOX 729  
  
Room/suite  
  
City or town, state or country, and ZIP + 4  
BASTROP, TX 786020729

D Employer identification number  
74-0754103

E Telephone number  
(888) 622-2583

G Gross receipts \$ 188,097,555

F Name and address of principal officer  
MARK ROSE  
PO BOX 729  
BASTROP, TX 786020729

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

H(b) Are all affiliates included?  
☐ Yes ☐ No  
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c) ( 12 ) ◀(insert no ) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BLUEBONNETELECTRIC.COOP

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1939

M State of legal domicile TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities  
TO PROVIDE QUALITY AND RELIABLE ELECTRIC SERVICE TO MEMBERS OF THE COOPERATIVE

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) . . . . . 3 \_\_\_\_\_ 10

4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . . 4 \_\_\_\_\_ 10

5 Total number of employees (Part V, line 2a) . . . . . 5 \_\_\_\_\_ 30

6 Total number of volunteers (estimate if necessary) . . . . . 6 \_\_\_\_\_ 0

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . . 7a \_\_\_\_\_ 94,723

7b Net unrelated business taxable income from Form 990-T, line 34 . . . . . 7b \_\_\_\_\_ 0

Revenue

8 Contributions and grants (Part VIII, line 1h) . . . . . 8 \_\_\_\_\_ 0

9 Program service revenue (Part VIII, line 2g) . . . . . 9 192,599,295 187,047,552

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . . 10 678,119 243,672

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . 11 406,888 365,183

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . 12 193,684,302 187,656,407

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . . 13 \_\_\_\_\_ 0

14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . . 14 \_\_\_\_\_ 0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) . . . . . 15 16,703,871 19,290,899

16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . . 16a \_\_\_\_\_ 0

b Total fundraising expenses (Part IX, column (D), line 25) ▶<sup>0</sup>\_\_\_\_\_

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . . 17 169,176,738 163,735,639

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . . 18 185,880,609 183,026,538

19 Revenue less expenses Subtract line 18 from line 12 . . . . . 19 7,803,693 4,629,869

Net Assets or Fund Balances

20 Total assets (Part X, line 16) . . . . . 20 353,590,084 368,040,224

21 Total liabilities (Part X, line 26) . . . . . 21 216,398,602 227,128,301

22 Net assets or fund balances Subtract line 21 from line 20 . . . . . 22 137,191,482 140,911,923

Part II Signature Block

Sign Here

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

Signature of officer ELIZABETH KANA CFO Date 2010-10-04

Paid Preparer's Use Only

Preparer's signature Matt R Willis Date 2010-10-04 Check if self-employed ☐

Firm's name (or yours if self-employed), address, and ZIP + 4 EIN ▶ Phone no ▶ (806) 747-3806

**1** Briefly describe the organization's mission

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

|           |                                                                                                                                                                            |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4a</b> | (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )                                                                                                                |
|           | PROVIDING ELECTRIC ENERGY TO OUR MEMBERS - 80,475 ACTIVE SERVICES AT YEAR END WERE PROVIDED ELECTRICITY ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL |

[illegible][illegible]

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ including grants of \$ ) (Revenue \$ )

Part IV

Checklist of Required Schedules

|                                                                                           |                                                                                                                                                                                                                                                                                                                                                 |     |     |                                                                                           |     |  |  |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-------------------------------------------------------------------------------------------|-----|--|--|
|                                                                                           |                                                                                                                                                                                                                                                                                                                                                 | Yes | No  |                                                                                           |     |  |  |
| 1                                                                                         | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .                                                                                                                                                                                                     | 1   | No  |                                                                                           |     |  |  |
| 2                                                                                         | Is the organization required to complete Schedule B, Schedule of Contributors? . . . . .                                                                                                                                                                                                                                                        | 2   | No  |                                                                                           |     |  |  |
| 3                                                                                         | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .                                                                                                                                                  | 3   | No  |                                                                                           |     |  |  |
| 4                                                                                         | <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II . . . . .                                                                                                                                                                                                    | 4   |     |                                                                                           |     |  |  |
| 5                                                                                         | <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III . . . . .                                                                                                                          | 5   |     |                                                                                           |     |  |  |
| 6                                                                                         | Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I  . . . . .  | 6   | No  |                                                                                           |     |  |  |
| 7                                                                                         | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II  . . . . .                                     | 7   | No  |                                                                                           |     |  |  |
| 8                                                                                         | Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III  . . . . .                                                                                                   | 8   | No  |                                                                                           |     |  |  |
| 9                                                                                         | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  . . . . . | 9   | No  |                                                                                           |     |  |  |
| 10                                                                                        | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V  . . . . .                                                                                        | 10  | No  |                                                                                           |     |  |  |
| 11                                                                                        | Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. . . . .                                                                                                       | 11  | Yes |                                                                                           |     |  |  |
|                                                                                           | • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. . . . .                                                                                                                                                                                                  |     |     |                                                                                           |     |  |  |
|                                                                                           | • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. . . . .                                                                                                                                |     |     |                                                                                           |     |  |  |
|                                                                                           | • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. . . . .                                                                                                                                |     |     |                                                                                           |     |  |  |
|                                                                                           | • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. . . . .                                                                                                                                                 |     |     |                                                                                           |     |  |  |
|                                                                                           | • Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. . . . .                                                                                                                                                                                                                |     |     |                                                                                           |     |  |  |
|                                                                                           | • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X. . . . .                                                                                                 |     |     |                                                                                           |     |  |  |
| 12                                                                                        | Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII                                                                                                      | 12  | No  |                                                                                           |     |  |  |
| 12A                                                                                       | Was the organization included in consolidated, independent audited financial statements for the tax year? <table><tr><td>Yes</td><td>No</td></tr><tr><td> 12A</td><td>Yes</td></tr></table>                                                                | Yes | No  |  12A | Yes |  |  |
| Yes                                                                                       | No                                                                                                                                                                                                                                                                                                                                              |     |     |                                                                                           |     |  |  |
|  12A | Yes                                                                                                                                                                                                                                                                                                                                             |     |     |                                                                                           |     |  |  |
| 13                                                                                        | If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional . . . . .                                                                                                                                                                             |     |     |                                                                                           |     |  |  |
| 13                                                                                        | Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .                                                                                                                                                                                                                                     | 13  | No  |                                                                                           |     |  |  |
| 14a                                                                                       | Did the organization maintain an office, employees, or agents outside of the United States? . . . . .                                                                                                                                                                                                                                           | 14a | No  |                                                                                           |     |  |  |
| 14b                                                                                       | <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I . . . . .                                                                                                      | 14b | No  |                                                                                           |     |  |  |
| 15                                                                                        | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II . . . . .                                                                                                                                  | 15  | No  |                                                                                           |     |  |  |
| 16                                                                                        | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III . . . . .                                                                                                                                      | 16  | No  |                                                                                           |     |  |  |
| 17                                                                                        | Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I . . . . .                                                                                                                                           | 17  | No  |                                                                                           |     |  |  |
| 18                                                                                        | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .                                                                                                                                                        | 18  | No  |                                                                                           |     |  |  |
| 19                                                                                        | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .                                                                                                                                                                                  | 19  | No  |                                                                                           |     |  |  |
| 20                                                                                        | Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . . . .                                                                                                                                                                                                                                                     | 20  | No  |                                                                                           |     |  |  |

Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                            |     |     |    |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                          | 21  |     | No |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                           | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .                | 23  | Yes |    |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . . | 24a |     | No |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                                  | 24b |     |    |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                       | 24c |     |    |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                            | 24d |     |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                      | 25a |     |    |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .       | 25b |     |    |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                    | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .            | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                              |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                   | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                | 28b | Yes |    |
| c   | An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                           | 28c |     | No |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                                                  | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                        | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                      | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                      | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .                                                                                                                                         | 34  | Yes |    |
| 35  | Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                                                                   | 35  | Yes |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                           | 36  |     |    |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .                                             | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .                                                                                               | 38  | Yes |    |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

|                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                  |                                                                                 | Yes | No          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----|-------------|
| 1a                                                                                                                                                                                                                                                                                | Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .                                                                                       | 1a90                                                                            |     |             |
|                                                                                                                                                                                                                                                                                   | b                                                                                                                                                                                                                                                | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable |     |             |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .                                                                                                              |                                                                                                                                                                                                                                                  |                                                                                 | 1c  |             |
| 2a                                                                                                                                                                                                                                                                                | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .                                                    | 2a301                                                                           | 2b  | Yes         |
|                                                                                                                                                                                                                                                                                   | b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions) |                                                                                 |     |             |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .                                                                                                                                                 |                                                                                                                                                                                                                                                  |                                                                                 | 3a  | Yes         |
| b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .                                                                                                                                                                      |                                                                                                                                                                                                                                                  |                                                                                 | 3b  | Yes         |
| 4a 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)? . . . . .                           |                                                                                                                                                                                                                                                  |                                                                                 | 4a  | No          |
| b If "Yes," enter the name of the foreign country: <input type="text"/><br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts                                                                       |                                                                                                                                                                                                                                                  |                                                                                 |     |             |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .                                                                                                                                                                    |                                                                                                                                                                                                                                                  |                                                                                 | 5a  | No          |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                                |                                                                                                                                                                                                                                                  |                                                                                 | 5b  | No          |
| c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .                                                                                                                       |                                                                                                                                                                                                                                                  |                                                                                 | 5c  |             |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .                                                                                          |                                                                                                                                                                                                                                                  |                                                                                 | 6a  | No          |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .                                                                                                                         |                                                                                                                                                                                                                                                  |                                                                                 | 6b  |             |
| 7 Organizations that may receive deductible contributions under section 170(c).                                                                                                                                                                                                   |                                                                                                                                                                                                                                                  |                                                                                 |     |             |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .                                                                                                                       |                                                                                                                                                                                                                                                  |                                                                                 | 7a  |             |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .                                                                                                                                                                       |                                                                                                                                                                                                                                                  |                                                                                 | 7b  |             |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .                                                                                                                                  |                                                                                                                                                                                                                                                  |                                                                                 | 7c  |             |
| d If "Yes," indicate the number of Forms 8282 filed during the year . . . . .                                                                                                                                                                                                     |                                                                                                                                                                                                                                                  |                                                                                 | 7d  |             |
| e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .                                                                                                                                     |                                                                                                                                                                                                                                                  |                                                                                 | 7e  |             |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .                                                                                                                                                              |                                                                                                                                                                                                                                                  |                                                                                 | 7f  |             |
| g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .                                                                                                                                                                |                                                                                                                                                                                                                                                  |                                                                                 | 7g  |             |
| h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .                                                                                                                                                 |                                                                                                                                                                                                                                                  |                                                                                 | 7h  |             |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . |                                                                                                                                                                                                                                                  |                                                                                 | 8   |             |
| 9 Sponsoring organizations maintaining donor advised funds.                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                  |                                                                                 |     |             |
| a Did the organization make any taxable distributions under section 4966? . . . . .                                                                                                                                                                                               |                                                                                                                                                                                                                                                  |                                                                                 | 9a  |             |
| b Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .                                                                                                                                                                                |                                                                                                                                                                                                                                                  |                                                                                 | 9b  |             |
| 10 Section 501(c)(7) organizations. Enter                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                  |                                                                                 |     |             |
| a Initiation fees and capital contributions included on Part VIII, line 12 . . . . .                                                                                                                                                                                              |                                                                                                                                                                                                                                                  |                                                                                 | 10a |             |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities                                                                                                                                                                                     |                                                                                                                                                                                                                                                  |                                                                                 | 10b |             |
| 11 Section 501(c)(12) organizations. Enter                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                  |                                                                                 |     |             |
| a Gross income from members or shareholders . . . . .                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                  |                                                                                 | 11a | 185,095,141 |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .                                                                                                                                           |                                                                                                                                                                                                                                                  |                                                                                 | 11b | 2,871,957   |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                                    |                                                                                                                                                                                                                                                  |                                                                                 | 12a |             |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year                                                                                                                                                                                           |                                                                                                                                                                                                                                                  |                                                                                 | 12b |             |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

|    |                                                                                                                                                                                                                           | Yes | No |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1a | Enter the number of voting members of the governing body . . .                                                                                                                                                            |     |    |
| 1b | Enter the number of voting members that are independent . . .                                                                                                                                                             |     |    |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .                                           | Yes |    |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . |     | No |
| 4  | Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?                                                                                                     |     | No |
| 5  | Did the organization become aware during the year of a material diversion of the organization's assets? . . .                                                                                                             |     | No |
| 6  | Does the organization have members or stockholders? . . . . .                                                                                                                                                             | Yes |    |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .                                                                                     | Yes |    |
| 7b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .                                                                                                             | Yes |    |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                          |     |    |
| 8a | The governing body? . . . . .                                                                                                                                                                                             | Yes |    |
| 8b | Each committee with authority to act on behalf of the governing body? . . . . .                                                                                                                                           | Yes |    |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .    |     | No |

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

|     |                                                                                                                                                                                                                                                                                                          | Yes | No |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 10a | Does the organization have local chapters, branches, or affiliates? . . . . .                                                                                                                                                                                                                            |     | No |
| 10b | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .                                                                             |     |    |
| 11  | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?                                                                                                                                                                                       | Yes |    |
| 11A | Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .                                                                                                                                                                                                    |     |    |
| 12a | Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .                                                                                                                                                                                                       | Yes |    |
| 12b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .                                                                                                                                                              | Yes |    |
| 12c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .                                                                                                                                             | Yes |    |
| 13  | Does the organization have a written whistleblower policy? . . . . .                                                                                                                                                                                                                                     | Yes |    |
| 14  | Does the organization have a written document retention and destruction policy? . . . . .                                                                                                                                                                                                                | Yes |    |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?                                                                                     |     |    |
| 15a | The organization's CEO, Executive Director, or top management official . . . . .                                                                                                                                                                                                                         | Yes |    |
| 15b | Other officers or key employees of the organization . . . . .                                                                                                                                                                                                                                            | Yes |    |
|     | If "Yes" to line a or b, describe the process in Schedule O (See instructions )                                                                                                                                                                                                                          |     |    |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .                                                                                                                                          |     | No |
| 16b | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . |     |    |

Section C. Disclosure

|    |                                                                                                                                                                                                                                                                                                                                                          |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17 | List the States with which a copy of this Form 990 is required to be filed▶                                                                                                                                                                                                                                                                              |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request |
| 19 | Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.                                                                                                                                               |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶<br>ELIZABETH KANA<br>650 HWY 21 EAST<br>BASTROP, TX 78602<br>(888) 622-2583                                                                                                                                               |

## Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form 990 (2009)

|           |                        |           |   |         |
|-----------|------------------------|-----------|---|---------|
| <b>1b</b> | <b>Total</b> . . . . . | 2,042,260 | 0 | 377,839 |
|-----------|------------------------|-----------|---|---------|

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **10**

|          |                                                                                                                                                                                                                                               |            |           |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
|          |                                                                                                                                                                                                                                               | <b>Yes</b> | <b>No</b> |
| <b>3</b> | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .                                        | <b>3</b>   | No        |
| <b>4</b> | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . . | <b>4</b>   | Yes       |
| <b>5</b> | Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .                                     | <b>5</b>   | No        |

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

| (A)<br>Name and business address                                      | (B)<br>Description of services | (C)<br>Compensation |
|-----------------------------------------------------------------------|--------------------------------|---------------------|
| ASPLUNDH TREE EXPERT CO<br>1700 SOLUTIONS CENTER<br>CHICAGO, IL 60677 | RIGHT OF WAY                   | 3,206,918           |
| LINE TECH<br>402 TECHNOLOGY DRIVE<br>BASTROP, TX 78602                | CONSTRUCTION                   | 2,004,139           |
| MCCOY TREE SURGERY COMPANY<br>PO BOX 872119<br>KANSAS CITY, MO 64187  | RIGHT OF WAY                   | 1,186,679           |
| THE DAVEY TREE SURGERY COMPANY<br>PO BOX 5015<br>LIVERMORE, CA 94551  | RIGHT OF WAY                   | 1,059,402           |
| DIG TECH<br>402 TECHNOLOGY DRIVE<br>BASTROP, TX 78602                 | CONSTRUCTION                   | 989,781             |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **15**

Part VIII

Statement of Revenue

|                                                           |                                                                    |                                                                                                                                            |               | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |  |
|-----------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------|----------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|--|
| Contributions, gifts, grants<br>and other similar amounts | 1a                                                                 | Federated campaigns . . .                                                                                                                  | 1a            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | b                                                                  | Membership dues . . . . .                                                                                                                  | 1b            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | c                                                                  | Fundraising events . . . . .                                                                                                               | 1c            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | d                                                                  | Related organizations . . . .                                                                                                              | 1d            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | e                                                                  | Government grants (contributions)                                                                                                          | 1e            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | f                                                                  | All other contributions, gifts, grants, and<br>similar amounts not included above                                                          | 1f            |                      |                                                    |                                         |                                                                                 |  |
|                                                           | g                                                                  | Noncash contributions included in<br>lines 1a-1f \$ _____                                                                                  |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | h                                                                  | Total. Add lines 1a-1f . . . . .                                                                                                           |               |                      |                                                    |                                         |                                                                                 |  |
| Program Service Revenue                                   |                                                                    |                                                                                                                                            | Business Code |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 2a                                                                 | ELECTRICITY SALES                                                                                                                          | 221,000       | 184,429,322          | 184,429,322                                        |                                         |                                                                                 |  |
|                                                           | b                                                                  | TRANS LINE LEASE                                                                                                                           | 221,000       | 1,601,170            | 1,601,170                                          |                                         |                                                                                 |  |
|                                                           | c                                                                  | PATRONAGE DIVIDENDS                                                                                                                        | 221,000       | 1,017,060            | 1,017,060                                          |                                         |                                                                                 |  |
|                                                           | d                                                                  |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | e                                                                  |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | f                                                                  | All other program service revenue                                                                                                          |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | g                                                                  | Total. Add lines 2a-2f . . . . .                                                                                                           |               | 187,047,552          |                                                    |                                         |                                                                                 |  |
| Other Revenue                                             | 3                                                                  | Investment income (including dividends, interest<br>and other similar amounts) . . . . .                                                   |               | 191,267              |                                                    | 94,721                                  | 96,546                                                                          |  |
|                                                           | 4                                                                  | Income from investment of tax-exempt bond proceeds . . .                                                                                   |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 5                                                                  | Royalties . . . . .                                                                                                                        |               | 4,082                |                                                    |                                         | 4,082                                                                           |  |
|                                                           | 6a                                                                 | (i) Real                                                                                                                                   |               | (ii) Personal        |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 281,748                                                                                                                                    |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 373                                                                                                                                        |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 281,375                                                                                                                                    |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | b                                                                  | Less rental expenses                                                                                                                       |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | c                                                                  | Rental income or (loss)                                                                                                                    |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | d                                                                  | Net rental income or (loss) . . . . .                                                                                                      |               | 281,375              |                                                    |                                         | 281,375                                                                         |  |
|                                                           | 7a                                                                 | (i) Securities                                                                                                                             |               | (ii) Other           |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 72,639                                                                                                                                     |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 20,234                                                                                                                                     |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | 52,405                                                                                                                                     |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | b                                                                  | Less cost or other basis and sales expenses                                                                                                |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | c                                                                  | Gain or (loss)                                                                                                                             |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | d                                                                  | Net gain or (loss) . . . . .                                                                                                               |               | 52,405               |                                                    |                                         | 52,405                                                                          |  |
|                                                           | 8a                                                                 | Gross income from fundraising events (not including<br>\$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . |               | a                    |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | Less direct expenses . . . . .                                                                                                             |               | b                    |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | Net income or (loss) from fundraising events . . .                                                                                         |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 9a                                                                 | Gross income from gaming activities<br>See Part IV, line 19 . . . . .                                                                      |               | a                    |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | Less direct expenses . . . . .                                                                                                             |               | b                    |                                                    |                                         |                                                                                 |  |
|                                                           |                                                                    | Net income or (loss) from gaming activities . . .                                                                                          |               |                      |                                                    |                                         |                                                                                 |  |
| 10a                                                       | Gross sales of inventory, less<br>returns and allowances . . . . . |                                                                                                                                            | a             |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 447,070                                                            |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 420,541                                                            |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
| b                                                         | Less cost of goods sold . . . . .                                  |                                                                                                                                            | b             |                      |                                                    |                                         |                                                                                 |  |
| c                                                         | Net income or (loss) from sales of inventory . . .                 |                                                                                                                                            |               | 26,529               | 26,529                                             |                                         |                                                                                 |  |
| Miscellaneous Revenue                                     |                                                                    | Business Code                                                                                                                              |               |                      |                                                    |                                         |                                                                                 |  |
| 11a                                                       | MISCELLANEOUS INCOME                                               |                                                                                                                                            | 221,000       | 39,433               | 39,433                                             |                                         |                                                                                 |  |
| b                                                         | PURCHASE DISCOUNTS                                                 |                                                                                                                                            | 221,000       | 13,764               | 13,764                                             |                                         |                                                                                 |  |
| c                                                         |                                                                    |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
| d                                                         | All other revenue . . . . .                                        |                                                                                                                                            |               |                      |                                                    |                                         |                                                                                 |  |
| e                                                         | Total. Add lines 11a-11d . . . . .                                 |                                                                                                                                            |               | 53,197               |                                                    |                                         |                                                                                 |  |
| 12                                                        | Total revenue. See Instructions . . . . .                          |                                                                                                                                            |               | 187,656,407          | 187,127,278                                        | 94,721                                  | 434,408                                                                         |  |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |                                                                                                                                                                                                                         | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the U S See Part IV, line 21                                                                                                                            |                       |                                 |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the U S See Part IV, line 22                                                                                                                                              |                       |                                 |                                        |                             |
| 3                                                                              | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16                                                                                                 |                       |                                 |                                        |                             |
| 4                                                                              | Benefits paid to or for members                                                                                                                                                                                         |                       |                                 |                                        |                             |
| 5                                                                              | Compensation of current officers, directors, trustees, and key employees . . . . .                                                                                                                                      | 1,695,014             |                                 |                                        |                             |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .                                                                 |                       |                                 |                                        |                             |
| 7                                                                              | Other salaries and wages                                                                                                                                                                                                | 11,072,522            |                                 |                                        |                             |
| 8                                                                              | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .                                                                                                                 | 2,427,177             |                                 |                                        |                             |
| 9                                                                              | Other employee benefits . . . . .                                                                                                                                                                                       | 3,188,628             |                                 |                                        |                             |
| 10                                                                             | Payroll taxes . . . . .                                                                                                                                                                                                 | 907,558               |                                 |                                        |                             |
| 11                                                                             | Fees for services (non-employees)                                                                                                                                                                                       |                       |                                 |                                        |                             |
| a                                                                              | Management . . . . .                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| b                                                                              | Legal . . . . .                                                                                                                                                                                                         |                       |                                 |                                        |                             |
| c                                                                              | Accounting . . . . .                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| d                                                                              | Lobbying . . . . .                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| e                                                                              | Professional fundraising See Part IV, line 17 . . . . .                                                                                                                                                                 |                       |                                 |                                        |                             |
| f                                                                              | Investment management fees . . . . .                                                                                                                                                                                    |                       |                                 |                                        |                             |
| g                                                                              | Other . . . . .                                                                                                                                                                                                         |                       |                                 |                                        |                             |
| 12                                                                             | Advertising and promotion . . . . .                                                                                                                                                                                     |                       |                                 |                                        |                             |
| 13                                                                             | Office expenses . . . . .                                                                                                                                                                                               |                       |                                 |                                        |                             |
| 14                                                                             | Information technology . . . . .                                                                                                                                                                                        |                       |                                 |                                        |                             |
| 15                                                                             | Royalties . . . . .                                                                                                                                                                                                     |                       |                                 |                                        |                             |
| 16                                                                             | Occupancy . . . . .                                                                                                                                                                                                     |                       |                                 |                                        |                             |
| 17                                                                             | Travel . . . . .                                                                                                                                                                                                        |                       |                                 |                                        |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .                                                                                                                |                       |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings . . . . .                                                                                                                                                                        |                       |                                 |                                        |                             |
| 20                                                                             | Interest . . . . .                                                                                                                                                                                                      | 10,539,189            |                                 |                                        |                             |
| 21                                                                             | Payments to affiliates . . . . .                                                                                                                                                                                        |                       |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization . . . . .                                                                                                                                                                     | 14,217,095            |                                 |                                        |                             |
| 23                                                                             | Insurance . . . . .                                                                                                                                                                                                     |                       |                                 |                                        |                             |
| 24                                                                             | Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )                                                     |                       |                                 |                                        |                             |
| a                                                                              | PURCHASED POWER                                                                                                                                                                                                         | 124,486,377           |                                 |                                        |                             |
| b                                                                              | DISTRIBUTION EXPENSE                                                                                                                                                                                                    | 8,036,632             |                                 |                                        |                             |
| c                                                                              | ADMIN & GENERAL EXP                                                                                                                                                                                                     | 3,492,906             |                                 |                                        |                             |
| d                                                                              | CUSTOMER SERVICE                                                                                                                                                                                                        | 2,860,632             |                                 |                                        |                             |
| e                                                                              | TRANSMISSION EXPENSE                                                                                                                                                                                                    | 102,808               |                                 |                                        |                             |
| f                                                                              | All other expenses                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24f                                                                                                                                                                      | 183,026,538           |                                 |                                        |                             |
| 26                                                                             | Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |                                        |                             |

Part X

Balance Sheet

|                             |                                                                                                                                |                                                                                                                                                                               |     |             | (A)               |     | (B)         |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------|-------------------|-----|-------------|
|                             |                                                                                                                                |                                                                                                                                                                               |     |             | Beginning of year |     | End of year |
| Assets                      | 1                                                                                                                              | Cash—non-interest-bearing . . . . .                                                                                                                                           |     |             | 2,659,747         | 1   | 4,441,879   |
|                             | 2                                                                                                                              | Savings and temporary cash investments . . . . .                                                                                                                              |     |             | 9,170,948         | 2   | 11,043,181  |
|                             | 3                                                                                                                              | Pledges and grants receivable, net . . . . .                                                                                                                                  |     |             |                   | 3   |             |
|                             | 4                                                                                                                              | Accounts receivable, net . . . . .                                                                                                                                            |     |             | 15,556,586        | 4   | 12,107,365  |
|                             | 5                                                                                                                              | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .                  |     |             |                   | 5   |             |
|                             | 6                                                                                                                              | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .     |     |             |                   | 6   |             |
|                             | 7                                                                                                                              | Notes and loans receivable, net . . . . .                                                                                                                                     |     |             | 1,566,942         | 7   | 1,625,942   |
|                             | 8                                                                                                                              | Inventories for sale or use . . . . .                                                                                                                                         |     |             | 3,950,940         | 8   | 4,799,074   |
|                             | 9                                                                                                                              | Prepaid expenses and deferred charges . . . . .                                                                                                                               |     |             | 10,569,932        | 9   | 9,781,283   |
|                             | 10a                                                                                                                            | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D                                                                                             | 10a | 385,892,887 | 299,268,499       | 10c | 311,570,486 |
|                             | b                                                                                                                              | Less accumulated depreciation . . . . .                                                                                                                                       | 10b | 74,322,401  |                   |     |             |
|                             | 11                                                                                                                             | Investments—publicly traded securities . . . . .                                                                                                                              |     |             |                   | 11  |             |
|                             | 12                                                                                                                             | Investments—other securities See Part IV, line 11 . . . . .                                                                                                                   |     |             |                   | 12  |             |
|                             | 13                                                                                                                             | Investments—program-related See Part IV, line 11 . . . . .                                                                                                                    |     |             | 9,207,270         | 13  | 9,357,245   |
|                             | 14                                                                                                                             | Intangible assets . . . . .                                                                                                                                                   |     |             |                   | 14  |             |
|                             | 15                                                                                                                             | Other assets See Part IV, line 11 . . . . .                                                                                                                                   |     |             | 1,639,220         | 15  | 3,313,769   |
|                             | 16                                                                                                                             | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .                                                                                                           |     |             | 353,590,084       | 16  | 368,040,224 |
| Liabilities                 | 17                                                                                                                             | Accounts payable and accrued expenses . . . . .                                                                                                                               |     |             | 13,745,304        | 17  | 16,758,540  |
|                             | 18                                                                                                                             | Grants payable . . . . .                                                                                                                                                      |     |             |                   | 18  |             |
|                             | 19                                                                                                                             | Deferred revenue . . . . .                                                                                                                                                    |     |             |                   | 19  |             |
|                             | 20                                                                                                                             | Tax-exempt bond liabilities . . . . .                                                                                                                                         |     |             |                   | 20  |             |
|                             | 21                                                                                                                             | Escrow or custodial account liability Complete Part IV of Schedule D . . . . .                                                                                                |     |             |                   | 21  |             |
|                             | 22                                                                                                                             | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . . |     |             |                   | 22  |             |
|                             | 23                                                                                                                             | Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                      |     |             | 181,354,244       | 23  | 192,167,132 |
|                             | 24                                                                                                                             | Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                        |     |             |                   | 24  |             |
|                             | 25                                                                                                                             | Other liabilities Complete Part X of Schedule D . . . . .                                                                                                                     |     |             | 21,299,054        | 25  | 18,202,629  |
|                             | 26                                                                                                                             | Total liabilities. Add lines 17 through 25 . . . . .                                                                                                                          |     |             | 216,398,602       | 26  | 227,128,301 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                               |     |             |                   |     |             |
|                             | 27                                                                                                                             | Unrestricted net assets . . . . .                                                                                                                                             |     |             |                   | 27  |             |
|                             | 28                                                                                                                             | Temporarily restricted net assets . . . . .                                                                                                                                   |     |             |                   | 28  |             |
|                             | 29                                                                                                                             | Permanently restricted net assets . . . . .                                                                                                                                   |     |             |                   | 29  |             |
|                             | Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.    |                                                                                                                                                                               |     |             |                   |     |             |
|                             | 30                                                                                                                             | Capital stock or trust principal, or current funds . . . . .                                                                                                                  |     |             | 1,462,450         | 30  | 1,361,025   |
|                             | 31                                                                                                                             | Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                     |     |             | 0                 | 31  | 0           |
|                             | 32                                                                                                                             | Retained earnings, endowment, accumulated income, or other funds . . . . .                                                                                                    |     |             | 135,729,032       | 32  | 139,550,898 |
|                             | 33                                                                                                                             | Total net assets or fund balances . . . . .                                                                                                                                   |     |             | 137,191,482       | 33  | 140,911,923 |
|                             | 34                                                                                                                             | Total liabilities and net assets/fund balances . . . . .                                                                                                                      |     |             | 353,590,084       | 34  | 368,040,224 |

**Part XI Financial Statements and Reporting**

|                                                                                                                                                                                                                                                                                                                                                                   | Yes | No |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O                                                                        |     |    |
| <b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . .                                                                                                                                                                                                                                                   |     | No |
| <b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .                                                                                                                                                                                                                                                             | Yes |    |
| <b>c</b> If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . . | Yes |    |
| <b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis                     |     |    |
| <b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .                                                                                                                                                                                      |     | No |
| <b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .                                                                                                                               |     |    |

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

► **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**  
► **Attach to Form 990. ► See separate instructions.**

OMB No 1545-0047

2009

Open to Public  
Inspection

**Name of the organization**  
BLUEBONNET ELECTRIC COOPERATIVE INC

**Employer identification number**  
74-0754103

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   |                                                                                                                                                                                                                                                                                                                                        |                              |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|   | (a) Donor advised funds                                                                                                                                                                                                                                                                                                                | (b) Funds and other accounts |
| 1 | Total number at end of year                                                                                                                                                                                                                                                                                                            |                              |
| 2 | Aggregate contributions to (during year)                                                                                                                                                                                                                                                                                               |                              |
| 3 | Aggregate grants from (during year)                                                                                                                                                                                                                                                                                                    |                              |
| 4 | Aggregate value at end of year                                                                                                                                                                                                                                                                                                         |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>                                                            |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> |                              |

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------|---|----------------------------------------|---|----------------------------------------------------|---|------------------------------------------------------------------------------------|---|-------------------------------------------------------------------------|
| 1 | Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)<input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat<input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div> |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 2 | Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table> |  | Held at the End of the Year | a | Total number of conservation easements | b | Total acreage restricted by conservation easements | c | Number of conservation easements on a certified historic structure included in (a) | d | Number of conservation easements included in (c) acquired after 8/17/06 |
|   | Held at the End of the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| a | Total number of conservation easements                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| b | Total acreage restricted by conservation easements                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| c | Number of conservation easements on a certified historic structure included in (a)                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| d | Number of conservation easements included in (c) acquired after 8/17/06                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 3 | Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 4 | Number of states where property subject to conservation easement is located ► _____                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 5 | Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 6 | Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 7 | Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 8 | Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |
| 9 | In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                             |   |                                        |   |                                                    |   |                                                                                    |   |                                                                         |

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

|    |                                                                                                                                                                                                                                                                                                                                                                          |            |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1a | If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items |            |
| b  | If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items                                                    |            |
|    | (i) Revenues included in Form 990, Part VIII, line 1                                                                                                                                                                                                                                                                                                                     | ► \$ _____ |
|    | (ii) Assets included in Form 990, Part X                                                                                                                                                                                                                                                                                                                                 | ► \$ _____ |
| 2  | If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items                                                                                                                                                        |            |
| a  | Revenues included in Form 990, Part VIII, line 1                                                                                                                                                                                                                                                                                                                         | ► \$ _____ |
| b  | Assets included in Form 990, Part X                                                                                                                                                                                                                                                                                                                                      | ► \$ _____ |

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

|                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             |        |
| d Additions during the year     |        |
| e Distributions during the year |        |
| f Ending balance                |        |

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|                                                            | (a)Current Year | (b)Prior Year | (c)Two Years Back | (d)Three Years Back | (e)Four Years Back |
|------------------------------------------------------------|-----------------|---------------|-------------------|---------------------|--------------------|
| 1a Beginning of year balance . . . . .                     |                 |               |                   |                     |                    |
| b Contributions . . . . .                                  |                 |               |                   |                     |                    |
| c Investment earnings or losses . . . . .                  |                 |               |                   |                     |                    |
| d Grants or scholarships . . . . .                         |                 |               |                   |                     |                    |
| e Other expenditures for facilities and programs . . . . . |                 |               |                   |                     |                    |
| f Administrative expenses . . . . .                        |                 |               |                   |                     |                    |
| g End of year balance . . . . .                            |                 |               |                   |                     |                    |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ %

c

Term endowment ▶ %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

|                                                                                                 | Yes    | No |
|-------------------------------------------------------------------------------------------------|--------|----|
| (i) unrelated organizations . . . . .                                                           | 3a(i)  |    |
| (ii) related organizations . . . . .                                                            | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . . | 3b     |    |

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of investment                                                                            | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land . . . . .                                                                                    |                                      | 4,078,874                      |                              | 4,078,874      |
| b Buildings . . . . .                                                                                |                                      | 25,074,780                     | 3,878,665                    | 21,196,115     |
| c Leasehold improvements . . . . .                                                                   |                                      |                                |                              |                |
| d Equipment . . . . .                                                                                |                                      | 344,049,084                    | 70,443,736                   | 273,605,348    |
| e Other . . . . .                                                                                    |                                      | 12,690,149                     |                              | 12,690,149     |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . |                                      |                                |                              | 311,570,486    |



| Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements |                                                                                 |    |             |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----|-------------|
| 1                                                                                   | Total revenue (Form 990, Part VIII, column (A), line 12)                        | 1  | 187,656,407 |
| 2                                                                                   | Total expenses (Form 990, Part IX, column (A), line 25)                         | 2  | 183,026,538 |
| 3                                                                                   | Excess or (deficit) for the year Subtract line 2 from line 1                    | 3  | 4,629,869   |
| 4                                                                                   | Net unrealized gains (losses) on investments                                    | 4  |             |
| 5                                                                                   | Donated services and use of facilities                                          | 5  |             |
| 6                                                                                   | Investment expenses                                                             | 6  |             |
| 7                                                                                   | Prior period adjustments                                                        | 7  |             |
| 8                                                                                   | Other (Describe in Part XIV)                                                    | 8  | -909,428    |
| 9                                                                                   | Total adjustments (net) Add lines 4 - 8                                         | 9  | -909,428    |
| 10                                                                                  | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | 3,720,441   |

| Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return |                                                                                            |    |             |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----|-------------|
| 1                                                                                          | Total revenue, gains, and other support per audited financial statements . . . . .         | 1  | 187,533,640 |
| 2                                                                                          | Amounts included on line 1 but not on Form 990, Part VIII, line 12                         |    |             |
| a                                                                                          | Net unrealized gains on investments . . . . .                                              | 2a |             |
| b                                                                                          | Donated services and use of facilities . . . . .                                           | 2b |             |
| c                                                                                          | Recoveries of prior year grants . . . . .                                                  | 2c |             |
| d                                                                                          | Other (Describe in Part XIV) . . . . .                                                     | 2d |             |
| e                                                                                          | Add lines 2a through 2d . . . . .                                                          | 2e | 0           |
| 3                                                                                          | Subtract line 2e from line 1 . . . . .                                                     | 3  | 187,533,640 |
| 4                                                                                          | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                       |    |             |
| a                                                                                          | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                 | 4a |             |
| b                                                                                          | Other (Describe in Part XIV) . . . . .                                                     | 4b | 122,767     |
| c                                                                                          | Add lines 4a and 4b . . . . .                                                              | 4c | 122,767     |
| 5                                                                                          | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . . | 5  | 187,656,407 |

| Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return |                                                                                             |    |             |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----|-------------|
| 1                                                                                             | Total expenses and losses per audited financial statements . . . . .                        | 1  | 182,958,559 |
| 2                                                                                             | Amounts included on line 1 but not on Form 990, Part IX, line 25                            |    |             |
| a                                                                                             | Donated services and use of facilities . . . . .                                            | 2a |             |
| b                                                                                             | Prior year adjustments . . . . .                                                            | 2b |             |
| c                                                                                             | Other losses . . . . .                                                                      | 2c |             |
| d                                                                                             | Other (Describe in Part XIV) . . . . .                                                      | 2d |             |
| e                                                                                             | Add lines 2a through 2d . . . . .                                                           | 2e | 0           |
| 3                                                                                             | Subtract line 2e from line 1 . . . . .                                                      | 3  | 182,958,559 |
| 4                                                                                             | Amounts included on Form 990, Part IX, line 25, but not on line 1:                          |    |             |
| a                                                                                             | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                  | 4a |             |
| b                                                                                             | Other (Describe in Part XIV) . . . . .                                                      | 4b | 67,979      |
| c                                                                                             | Add lines 4a and 4b . . . . .                                                               | 4c | 67,979      |
| 5                                                                                             | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . . | 5  | 183,026,538 |

Part XIVSupplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

| Identifier                             | Return Reference                                    | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part X                                 | Description of Uncertain Tax Positions Under FIN 48 | ON JANUARY 1, 2009, THE COOPERATIVE ADOPTED THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THE PRIMARY TAX POSITION OF THE COOPERATIVE IS ITS FILING STATUS AS A TAX EXEMPT ENTITY. THE COOPERATIVE DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE, AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES.                                                               |
| Part XI, Line 8 - Other Adjustments    |                                                     | NET DECREASE IN MEMBERSHIPS -101425 EQUITY METHOD INCOME (LOSS) FROM INVESTMENT IN SUBSIDIARY -54788 OTHER COMPREHENSIVE INCOME (LOSS) PROVISION FOR PENSIONS AND BENEFITS 5504357 RETIREMENT OF PATRONAGE CAPITAL - 6257572                                                                                                                                                                                                                                                                                                                                               |
| Part XII, Line 4b - Other Adjustments  |                                                     | EQUITY METHOD INCOME (LOSS) FROM INVESTMENT IN SUBSIDIARY 54788 EXPENSES RECORDED IN NON-OPERATING MARGINS RECLASSSED TO EXPENSES 67979                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Part XIII, Line 4b - Other Adjustments |                                                     | EXPENSES RECORDED IN NON-OPERATING MARGINS RECLASSSED TO EXPENSES 67979                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                        |                                                     | Part VIII THE AMOUNT OF INVESTMENTS - PROGRAM RELATED ON FORM 990, PAGE 11, PART X, LINE 13 DOES NOT EQUAL OR EXCEED 5 PERCENT OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B. CONSEQUENTLY IN ACCORDANCE WITH IRS INSTRUCTIONS SCHEDULE D, PART VIII HAS BEEN LEFT BLANK. Part IX THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5 PERCENT OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B. CONSEQUENTLY IN ACCORDANCE WITH IRS INSTRUCTIONS SCHEDULE D, PART IX HAS BEEN LEFT BLANK. |

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
BLUEBONNET ELECTRIC COOPERATIVE INC

Employer identification number  
74-0754103

Part I

Questions Regarding Compensation

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div> |     |    |
| <div>1b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |    |
| <div>2</div> <div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |    |
| <div>3</div> <div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div> <div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>                                                                                                                                                                                                                   |     |    |
| <div>4</div> <div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |    |
| <div>4a</div> <div>Receive a severance payment or change-of-control payment?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | No |
| <div>4b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     | No |
| <div>4c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     | No |
| <div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |    |
| <div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| <div>5</div> <div>For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |    |
| <div>a</div> <div>The organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |    |
| <div>b</div> <div>Any related organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |    |
| <div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |    |
| <div>6</div> <div>For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |    |
| <div>a</div> <div>The organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |    |
| <div>b</div> <div>Any related organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |    |
| <div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |    |
| <div>7</div> <div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     |    |
| <div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |    |
| <div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |     |    |

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

[illegible]

Part III

Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

| Identifier               | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supplemental Information | Part III         | Part II, Column C INCLUDED IN THIS AMOUNT IS THE INCREASE IN ACTUARIAL VALUE OF BENEFITS PAYABLE UNDER A DEFINED BENEFIT RETIREMENT PLAN. THE CONTRIBUTION RATE FOR PARTICIPANTS IN THE NRECA R&S DEFINED BENEFIT PENSION PLAN ARE THE SAME FOR ALL INDIVIDUALS IN THIS MULTI-EMPLOYER PLAN. THE CHANGE IN ACTUARIAL VALUE FOR EACH PARTICIPANT, HOWEVER, VARIES WITH AGE. IN OTHER WORDS, THE OLDER A PLAN PARTICIPANT IS, THE GREATER THE INCREASE IN THAT INDIVIDUAL'S CHANGE IN ACTUARIAL VALUE, ALL OTHER THINGS BEING EQUAL. BECAUSE THIS RELATES TO A MULTI-EMPLOYER PLAN, CASH CONTRIBUTION TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS. MARK ROSE ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$50,588 401(K) EMPLOYER MATCH 7,350 TOTAL COLUMN C 57,938 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (50,588) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 48,143 TOTAL COOPERATIVE CASH CONTRIBUTION \$55,493 ELIZABETH KANA ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$33,521 401(K) EMPLOYER MATCH 6,015 TOTAL COLUMN C 39,536 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (33,521) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 37,139 TOTAL COOPERATIVE CASH CONTRIBUTION \$43,154 MATT BENTKE ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$36,246 401(K) EMPLOYER MATCH 6,449 TOTAL COLUMN C 42,695 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (36,246) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 37,139 TOTAL COOPERATIVE CASH CONTRIBUTION \$43,588 MICHAEL SIMMANG ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ -0- 401(K) EMPLOYER MATCH 11,445 TOTAL COLUMN C 11,445 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (-0-) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN -0- TOTAL COOPERATIVE CASH CONTRIBUTION \$11,445 ERIC KOCIAN ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$18,740 401(K) EMPLOYER MATCH 4,970 TOTAL COLUMN C 23,710 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (18,740) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,440 TOTAL COOPERATIVE CASH CONTRIBUTION \$36,410 JESSICA PANTANO ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ -0- 401(K) EMPLOYER MATCH 11,269 TOTAL COLUMN C 11,269 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (-0-) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN -0- TOTAL COOPERATIVE CASH CONTRIBUTION \$11,269 JOHN SANDERS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$26,377 401(K) EMPLOYER MATCH 3,443 TOTAL COLUMN C 29,820 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (26,377) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 21,713 TOTAL COOPERATIVE CASH CONTRIBUTION \$25,156 |

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501 (c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

|                |                                                 |                                                                                                             |
|----------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Loans to and/or From Interested Persons.</b> | Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a |
|----------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------|

**Part III** **Grants or Assistance Benefitting Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

**Part IV Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction                                                             | (e) Sharing of organization's revenues? |    |
|-------------------------------|-----------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|----|
|                               |                                                                 |                           |                                                                                            | Yes                                     | No |
| MARY ELLEN WHITSEL            | MARY ELLEN WHITSEL IS EMPLOYED BY THE COOPERATIVE               | 48,700                    | MARY ELLEN WHITSEL IS RELATED TO MICHAEL SIMMANG, WHO IS A KEY EMPLOYEE OF THE COOPERATIVE |                                         | No |

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

|                                                                 |                                              |
|-----------------------------------------------------------------|----------------------------------------------|
| Name of the organization<br>BLUEBONNET ELECTRIC COOPERATIVE INC | Employer identification number<br>74-0754103 |
|-----------------------------------------------------------------|----------------------------------------------|

| Identifier                             | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form 990, Part VI, Section A, line 2   |                  | ADLINE RATHMAN (DIRECTOR) AND JAMES KERSHAW (DIRECTOR) BOTH OWN STOCK IN FIRST NATIONAL BANK - BASTROP, AND BOTH SERVE ON FIRST NATIONAL BANK - BASTROP'S BOARD OF DIRECTORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Form 990, Part VI, Section A, line 6   |                  | THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Form 990, Part VI, Section A, line 7a  |                  | THE MEMBERS OF THE COOPERATIVE VOTE ON THE BOARD OF DIRECTORS ELECTIONS ARE DONE ON A ONE MEMBER ONE VOTE BASIS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Form 990, Part VI, Section A, line 7b  |                  | THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE 1 DISSOLUTION/LIQUIDATION OF THE COOPERATIVE 2 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION 3 THE DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Form 990, Part VI, Section B, line 11  |                  | MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION, REVIEW AND APPROVAL PRIOR TO FILING THE DISCUSSION AND REVIEW WAS PERFORMED AT THE BOARD MEETING IMMEDIATELY BEFORE FILING THE FORM 990                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Form 990, Part VI, Section B, line 12c |                  | BOARD MEMBERS, OFFICERS, AND EMPLOYEES OF THE COOPERATIVE ARE REQUIRED TO REVIEW AND BE FAMILIAR WITH THE POLICIES OUTLINED IN THE COOPERATIVE'S CONFLICT OF INTEREST POLICY OFFICERS, BOARD MEMBERS AND EMPLOYEES ARE REQUIRED TO DISCLOSE ANY ACTION OR SITUATION THAT MIGHT VIOLATE THE POLICY TO THE FULL BOARD OF DIRECTORS AS SOON AS POSSIBLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Form 990, Part VI, Section B, line 15  |                  | THE BOARD OF DIRECTORS USE A COMPENSATION SURVEY AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVE'S IRS FORM 990S WHEN DETERMINING THE COMPENSATION OF THE GENERAL MANAGER THE SURVEY SHOWS COMPARATIVE SALARIES FOR GENERAL MANAGERS FROM COOPERATIVES LOCATED IN TEXAS AND THE NATION INTERNAL AND /OR EXTERNAL RESOURCES ARE ALSO USED TO COMPARE ANNUAL COMPENSATION WITHIN THE INDUSTRY A WRITTEN EMPLOYMENT CONTRACT IS ALSO EMPLOYED THE BOARD AND GENERAL MANAGER USE THE EXPERTISE OF AN INDEPENDENT COMPENSATION CONSULTANT, A COMPENSATION SURVEY, AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVE'S IRS FORM 990S WHEN DETERMINING THE COMPENSATION OF THE COOPERATIVE'S OTHER EMPLOYEES MEETING THE DEFINITION OF OFFICER AND KEY EMPLOYEES, IF ANY THE SURVEY INCLUDES SALARIES FROM SIMILAR COOPERATIVES THROUGHOUT TEXAS AND THE NATION |
| Form 990, Part VI, Section C, line 19  |                  | THE COOPERATIVE PROVIDES A SUMMARIZED COPY OF THE AUDITED FINANCIAL STATEMENTS TO THE MEMBERS OF THE COOPERATIVE AT THE ANNUAL MEETING THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, OR GOVERNING DOCUMENTS TO ANY MEMBER WHO REQUESTS A COPY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Identifier                 | Return Reference | Explanation                                                                                                                                                        |
|----------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form 990, Part XI, Line 2c | AUDIT COMMITTEE  | THE BOARD OF DIRECTORS HAVE ASSIGNED MEMBERS TO AN AUDIT COMMITTEE TO OVERSEE THE FINANCIAL STATEMENT AUDIT AND SELECT THE INDEPENDENT FINANCIAL STATEMENT AUDITOR |

Form 990, Part VII, Column D TO PROVIDE DETAIL REGARDING DIRECTOR'S COMPENSATION THE COMPENSATION REPORTED FOR MEMBERS OF THE BOARD OF DIRECTORS INCLUDE HEALTH INSURANCE PREMIUMS PAID BY THE COOPERATIVE ON BEHALF OF THE BOARD OF DIRECTORS Form 990, Part VII, Column F TO PROVIDE DETAIL REGARDING OFFICER'S OTHER COMPENSATION IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE HAS ESTABLISHED A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE AS PART OF THE PLAN DOCUMENT, THE COOPERATIVE PROVIDES A MATCHING CONTRIBUTION UP TO 3% OF A PARTICIPATING EMPLOYEE'S BASE SALARY ADDITIONALLY, THE COOPERATIVE 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 OFFICERS AND KEY EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS THE COOPERATIVE ALSO PROVIDES HEALTH INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS AND KEY EMPLOYEES, THROUGH A QUALIFIED PLAN THE AMOUNT REPORTED ON PART VII, COLUMN (F) FOR THE OFFICER OR KEY EMPLOYEE IS COMPRISED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN FOR THE OFFICER OR KEY EMPLOYEE, THE TOTAL AMOUNT CONTRIBUTED TO THE 401(K) PENSION PLAN AND THE INSURANCE PREMIUMS PAID FOR THE BENEFIT OF THE OFFICER OR KEY EMPLOYEE IN ADDITION TO THE ABOVE PENSION PLANS, THE COOPERATIVE ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH AN UNFUNDED WELFARE BENEFIT PLAN THE VALUE OF THESE BENEFITS HAS NOT BEEN ESTIMATED Form 990, Part VIII, Line 2 PATRONAGE DIVIDENDS PATRONAGE DIVIDENDS 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 COOPERATIVE TO ITS MEMBERS Form 990, Part IX ACCOUNTING SYSTEM THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED IN ACCORDANCE WITH THE UNIFORM SYSTEM OF ACCOUNTS AS PRESCRIBED BY THE FEDERAL ENERGY REGULATORY COMMISSION FOR CLASS A AND B ELECTRIC UTILITIES THE UNIFORM SYSTEM OF ACCOUNTING DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1 - 23 THE COOPERATIVE WILL BREAK OUT SALARIES AND WAGES, EMPLOYEE BENEFITS AND PAYROLL TAXES THAT ARE ALLOCATED IN ACCORDANCE WITH THEIR ACCOUNTING SYSTEM, BUT OTHER EXPENSES THAT ARE DESCRIBED IN LINES 1 - 23 WILL BE REPORTED ON LINE 24 UNDER THE EXPENSE CATEGORIES REQUIRED BY THE UNIFORM SYSTEM OF ACCOUNTS Form 990, Part IX, Lines 5-7 RECONCILIATION OF WAGES PER RETURN TO FORM W-3 SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE IN AN EFFORT TO EXPLAIN WHY THE AMOUNTS REPORTED ON LINES 5-7 DO NOT AGREE TO THE W-3 THE FOLLOWING RECONCILIATION IS PROVIDED TOTAL PER LINES 5-7 \$12,767,536 LESS DIRECTORS FEES REPORTED ON 1099-MISC (287,880) LESS EMPLOYEE OFFICER & KEY EMPLOYEE BENEFITS INCLUDED IN LINE 5 (255,238) PLUS SALARIES AND WAGES ALLOCATED TO NONOPERATING MARGIN 400,089 PLUS SALARIES AND WAGES ALLOCATED TO ASSET ACCOUNTS 3,836,812 RECONCILIATION TO W-3 \$16,461,319 Form 990, Part IX, Line 24 BREAKDOWN OF EXPENSES INCLUDED IN ADMINISTRATIVE AND GENERAL THE FOLLOWING IS A BREAKDOWN OF THE EXPENSES REPORTED AS ADMINISTRATIVE AND GENERAL EXPENSE ON FORM 990, PART IX, LINE 24 OUTSIDE SERVICES EMPLOYED \$2,668,607 OFFICE SUPPLIES AND EXPENSE 160,265 INSURANCE EXPENSE 664,034 TOTAL ADMINISTRATIVE AND GENERAL EXPENSE PER 990 \$3,492,906

**For Paperwork Reduction Act Notice, see the Instructions for Form 990**

## Related Organizations and Unrelated Partnerships

# 2009

**Open to Public Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Employer identification number

74-0754103

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

| (a)                                          | (b)              | (c)                                       | (d)          | (e)                | (f)                       |
|----------------------------------------------|------------------|-------------------------------------------|--------------|--------------------|---------------------------|
| Name, address, and EIN of disregarded entity | Primary activity | Legal domicile (state or foreign country) | Total income | End-of-year assets | Direct controlling entity |

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

| (a)                                            | (b)              | (c)                                       | (d)                 | (e)                                          | (f)                       |
|------------------------------------------------|------------------|-------------------------------------------|---------------------|----------------------------------------------|---------------------------|
| Name, address, and EIN of related organization | Primary activity | Legal domicile (state or foreign country) | Exempt Code section | Public charity status (if section 501(c)(3)) | Direct controlling entity |

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

| (a)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total income | (g)<br>Share of end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    |
|----------------------------------------------------------|-------------------------|--------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------|-----------------------------------------|----|-------------------------------------------------------------------------|-------------------------------------------|----|
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       | Yes                                     | No |                                                                         | Yes                                       | No |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                         |    |                                                                         |                                           |    |

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

| (a)<br>Name, address, and EIN of related organization                              | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|--------------------------------------------------------|------------------------------|------------------------------------------|--------------------------------|
| BLUEBONNET RURAL WATER CORPORATION<br>PO BOX 729<br>BASTROP, TX78602<br>74-2532344 | WATER<br>DISTRIBUTION   | TX                                                        | N/A                                 | C                                                      | 700,449                      | 1,540,762                                | 100 000 %                      |

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

Yes

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

No

1p

Yes

1q

No

1r

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

|     | (a)<br>Name of other organization                       | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved |
|-----|---------------------------------------------------------|---------------------------------|------------------------|
| (1) | BLUEBONNET RURAL WATER CORPORATION - (I) INTEREST       | A                               | 94,721                 |
| (2) | BLUEBONNET RURAL WATER CORPORATION - (IV) BUILDING RENT | A                               | 2,700                  |
| (3) | BLUEBONNET RURAL WATER CORPORATION                      | P                               | 43,460                 |
| (4) | BLUEBONNET RURAL WATER CORPORATION                      | N                               | 274,545                |
| (5) |                                                         |                                 |                        |
| (6) |                                                         |                                 |                        |

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

| (a)<br>Name, address, and EIN of entity | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign<br>country) | (d)<br>Are all<br>partners<br>section<br>501(c)(3)<br>organizations? | (e)<br>Share of<br>end-of-year<br>assets | (f)<br>Disproportionate<br>allocations? | (g)<br>Code V—UBI<br>amount in box<br>20 of Schedule K-1<br>(Form 1065) | (h)<br>General or<br>managing<br>partner? |
|-----------------------------------------|-------------------------|--------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------|-------------------------------------------|
|                                         |                         |                                                        | Yes No                                                               |                                          | Yes No                                  |                                                                         | Yes No                                    |

Additional Data

Software ID:

Software Version:

EIN: 74-0754103

Name: BLUEBONNET ELECTRIC COOPERATIVE INC

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

| (A)<br>Name and Title                      | (B)<br>Average hours per week | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--------------------------------------------|-------------------------------|----------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                            |                               | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| RICHARD SCHMIDT<br>CHAIRMAN                | 7 10                          | X                                      |                       | X       |              |                              |        | 35,643                                                               | 0                                                                         | 0                                                                                             |
| E BENNIE FLENCER<br>VICE-CHAIRMAN          | 4 00                          | X                                      |                       | X       |              |                              |        | 32,101                                                               | 0                                                                         | 0                                                                                             |
| JAMES KERSHAW<br>SECRETARY-TREASURER       | 3 20                          | X                                      |                       | X       |              |                              |        | 25,330                                                               | 0                                                                         | 0                                                                                             |
| BYRON BALKE<br>ASST SECRETARY-TREASURE     | 5 20                          | X                                      |                       | X       |              |                              |        | 25,857                                                               | 0                                                                         | 0                                                                                             |
| FRED HANNES<br>DIRECTOR                    | 4 10                          | X                                      |                       |         |              |                              |        | 32,101                                                               | 0                                                                         | 0                                                                                             |
| GARY GERDES<br>DIRECTOR                    | 2 90                          | X                                      |                       |         |              |                              |        | 32,101                                                               | 0                                                                         | 0                                                                                             |
| KENNETH MUTSCHER<br>DIRECTOR               | 5 80                          | X                                      |                       |         |              |                              |        | 25,425                                                               | 0                                                                         | 0                                                                                             |
| ADLINIE RATHMAN<br>DIRECTOR                | 3 10                          | X                                      |                       |         |              |                              |        | 25,365                                                               | 0                                                                         | 0                                                                                             |
| LYLE WOLZ<br>DIRECTOR                      | 4 20                          | X                                      |                       |         |              |                              |        | 21,474                                                               | 0                                                                         | 0                                                                                             |
| ROBERT MIKESKA<br>DIRECTOR                 | 4 70                          | X                                      |                       |         |              |                              |        | 32,483                                                               | 0                                                                         | 0                                                                                             |
| MARK ROSE<br>GENERAL MANAGER & CEO         | 50 00                         |                                        |                       | X       |              |                              |        | 395,525                                                              | 0                                                                         | 74,718                                                                                        |
| ELIZABETH KANA<br>CFO                      | 50 00                         |                                        |                       | X       |              |                              |        | 194,298                                                              | 0                                                                         | 60,558                                                                                        |
| MATT BENTKE<br>COO                         | 50 00                         |                                        |                       | X       |              |                              |        | 212,405                                                              | 0                                                                         | 59,089                                                                                        |
| MICHAEL SIMMANG<br>GENERAL COUNSEL         | 50 00                         |                                        |                       |         | X            |                              |        | 184,456                                                              | 0                                                                         | 27,953                                                                                        |
| ERIC KOCIAN<br>MGR OF ELECTRICAL OP        | 50 00                         |                                        |                       |         | X            |                              |        | 165,213                                                              | 0                                                                         | 32,919                                                                                        |
| JESSICA PANTANO<br>MGR OF MEMBER SERVICES  | 50 00                         |                                        |                       |         | X            |                              |        | 141,021                                                              | 0                                                                         | 17,987                                                                                        |
| JOHN A SANDERS<br>MGR OF GOV AFFAIRS/ECON  | 50 00                         |                                        |                       |         | X            |                              |        | 117,017                                                              | 0                                                                         | 36,794                                                                                        |
| THOMAS ELLIS<br>MGR OF ENGINEERING         | 50 00                         |                                        |                       |         | X            |                              |        | 119,921                                                              | 0                                                                         | 22,453                                                                                        |
| LESLIE BARRIOS<br>MGR OF TECHNOLOGY/EMP SU | 50 00                         |                                        |                       |         | X            |                              |        | 118,727                                                              | 0                                                                         | 16,737                                                                                        |
| GRANT GUTIERREZ<br>CONTROLLER              | 50 00                         |                                        |                       |         | X            |                              |        | 105,797                                                              | 0                                                                         | 28,631                                                                                        |

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

| <i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i> | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|----------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| PURCHASED POWER                                                                  | 124,486,377           |                                 |                                        |                             |
| DISTRIBUTION EXPENSE                                                             | 8,036,632             |                                 |                                        |                             |
| ADMIN & GENERAL EXP                                                              | 3,492,906             |                                 |                                        |                             |
| CUSTOMER SERVICE                                                                 | 2,860,632             |                                 |                                        |                             |
| TRANSMISSION EXPENSE                                                             | 102,808               |                                 |                                        |                             |

Additional Data

Software ID:

Software Version:

EIN: 74-0754103

Name: BLUEBONNET ELECTRIC COOPERATIVE INC

Form 990, Schedule D, Part X, - Other Liabilities

| 1 | (a) Description of Liability                   | (b) Amount |
|---|------------------------------------------------|------------|
|   | ACCRUED PROPERTY & OTHER OPERATING TAXES       | 1,803,121  |
|   | ACCRUED EMPLOYEE COMPENSATED ABSENCES          | 1,203,785  |
|   | ACCRUED INTEREST                               | 913,635    |
|   | CONSUMER DEPOSITS                              | 3,632,754  |
|   | UNCLAIMED CAPITAL CREDIT RETIREMENTS           | 1,502,876  |
|   | ACCUMULATED PROVISION FOR PENSION AND BENEFITS | 8,671,512  |
|   | DEFICIT INVESTMENT IN AFFILIATED COMPANY       | 250,089    |
|   | DEFERRED CREDITS                               | 224,857    |