

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

2014
Open to Public Inspection

A For the 2014 calendar year, or tax year beginning and ending


B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization PEDERNALES ELECTRIC COOPERATIVE, INC		D Employer identification number 74-0828412
	Doing business as		E Telephone number 800-868-4732
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 624,297,442.
	PO BOX 1		
	City or town, state or province, country, and ZIP or foreign postal code JOHNSON CITY, TX 78636		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F Name and address of principal officer: JOHN HEWA, CEO SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: WWW.PEC.COOP			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1938 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 <input type="checkbox"/> 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	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	778
	6 Total number of volunteers (estimate if necessary)	6	0
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	594,875,880.	619,296,312.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	406,104.	-179,295.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,068,090.	4,328,512.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	599,350,074.	623,445,529.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	504,443.	391,774.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	45,828,443.	34,069,527.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	60,011,500.	57,171,786.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	488,066,788.	532,741,242.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	594,411,174.	624,374,329.
19 Revenue less expenses. Subtract line 18 from line 12	4,938,900.	-928,800.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	1374213325.	1414715776.
	22 Net assets or fund balances. Subtract line 21 from line 20	885,939,660.	905,847,344.
		488,273,665.	508,868,432.

Part II Signature Block

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.

Sign Here	Signature of officer 	Date 5-19-15
	TRACY GOLDEN, CFO	Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name WILLIAM M. MILLER	Preparer's signature WILLIAM M. MILLER	Date 05/13/15	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00439459
	Firm's name ▶ BOLINGER, SEGARS, GILBERT AND MOSS LLP	Firm's EIN ▶ 75-0882037	Phone no. (806) 747-3806		
	Firm's address ▶ 8215 NASHVILLE AVENUE LUBBOCK, TX 79423				

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: TO FULFILL OUR VISION, WE WILL BE AN ORGANIZATION BASED ON INNOVATION AND EXCELLENCE.

VISION: OUR PEC FAMILY IS COMMITTED TO SERVING OUR COMMUNITIES THROUGH EXCELLENT MEMBER SERVICES AND SAFE, RELIABLE ENERGY SERVICES

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 [X] No

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ including grants of \$) (Revenue \$) PROVIDING ELECTRIC ENERGY TO OUR MEMBERS - 264,828 ACTIVE SERVICES AT YEAR END WERE PROVIDED ELECTRICITY ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

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

4e Total program service expenses

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)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i>		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	N/A	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b 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? <i>If "Yes," complete Schedule D, Part VII</i>		X
c 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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d 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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f 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 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 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>	X	
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 lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. 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>	N/A	
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>	N/A	
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
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>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
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>		X
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>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	N/A	
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>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Main table with columns for line numbers, descriptions, and Yes/No checkboxes. Includes lines 1a-14b with various tax-related questions and numerical inputs.

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

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who 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?		X
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
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	X	

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
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	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, 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?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **TRACY GOLDEN, CFO - (830) 868-7155**
201 SOUTH AVENUE F, JOHNSON CITY, TX 78636

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

Check if Schedule O contains a response or note to any line in this Part VII

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PATRICK COX PRESIDENT	25.00	X		X				38,250.	0.	0.
(2) KATHRYN SCANLON VICE PRESIDENT	10.00	X		X				39,000.	0.	0.
(3) CRISTI CLEMENT SECRETARY/TREASURER	28.00	X		X				38,750.	0.	0.
(4) WILLIAM BOGGS DIRECTOR (JAN - JUNE 2014)	27.00	X						21,500.	0.	0.
(5) LARRY LANDAKER DIRECTOR	20.00	X						37,500.	0.	0.
(6) CHRIS PERRY DIRECTOR	16.00	X						38,250.	0.	0.
(7) JAMES OAKLEY DIRECTOR	8.00	X						39,000.	0.	0.
(8) EMILY PATAKI DIRECTOR (JULY - DEC 2014)	20.00	X						18,000.	0.	0.
(9) JOHN HEWA CHIEF EXECUTIVE OFFICER	60.00			X				520,827.	0.	76,404.
(10) LAWANDA PARNELL CHIEF INFORMATION OFFICER	55.00			X				227,461.	0.	24,762.
(11) TRACY GOLDEN CHIEF FINANCIAL OFFICER	55.00			X				236,455.	0.	18,918.
(12) FREDDY WOLFF INTERIM CFO/CONTROLLER	55.00			X				181,625.	0.	25,359.
(13) MICHAEL J RACIS VP, COMMUNICATIONS	60.00			X				198,713.	0.	44,208.
(14) LLOYD W MCKEE VP, OPERATIONS	60.00			X				221,153.	0.	65,504.
(15) EDWARD A DAUTERIVE VP, MEMBER SERVICES	60.00			X				202,429.	0.	49,582.
(16) DALE A JONES VP, POWER SUPPLY	50.00			X				191,967.	0.	44,437.
(17) JULIE BEGGS VP, CORPORATE SERVICES	50.00			X				192,174.	0.	37,939.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) BRAD HICKS VP, ENGINEERING AND ENERGY INNOVATIO	58.00			X				220,547.	0.	29,173.
(19) DON BALLARD VP, LEGAL SERVICES	45.00			X				154,832.	0.	8,861.
(20) ROBERT PETERSON DIRECTOR, CONTROL CENTER & EMERGENCY	40.00					X		209,287.	0.	41,882.
(21) ROBERT DIFONZO DIRECTOR, DISTRICT OPERATIONS	45.00					X		189,569.	0.	39,491.
(22) HERBERT GREBE KEY ACCOUNTS MANAGER	40.00					X		180,218.	0.	47,112.
(23) MICHELLE GALLOWAY DIRECTOR, DISTRICT OPERATIONS	50.00					X		179,669.	0.	43,430.
(24) STEPHEN MALDONANDO DIRECTOR, DISTRICT OPERATIONS	40.00					X		184,572.	0.	49,357.
1b Sub-total								3,761,748.	0.	646,419.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								3,761,748.	0.	646,419.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **62**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 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>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
T&D SOLUTIONS LLC P.O. BOX 11948, ALEXANDRIA, LA 71315	ELECTRIC DIST LINE CONSTRUCTION	7,587,231.
JAMES POWER LINE CONSTRUCTION 43 SHOOTING CLUB RD, BOERNE, TX 78006	ELECTRIC DIST LINE CONSTRUCTION	4,505,470.
DAVEY RESOURCE GROUP P.O. BOX 92934, CLEVELAND, OH 44194	TREE TRIMMING AND SYSTEM INVENTORY	2,070,775.
SMARTSOFT INTERNATIONAL, 405 PARK AVE. 16TH FLOOR, NEW YORK, NY 10022	SOFTWARE SUPPORT AND CONSULTING	2,063,655.
WILLBROS T&D SERVICES LLC P.O. BOX 1207, HILLSBORO, TX 76645	ELECTRIC DIST LINE CONSTRUCTION	1,938,359.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **58**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII X

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a 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 similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a ELECTRIC SALES	Business Code 221000	593,328,197.	593,328,197.			
	b CUSTOMER SERVICE FEES	221000	11,123,469.	11,123,469.			
	c TRANSMISSION ACCESS	221000	7,946,821.	7,946,821.			
	d TRANSMISSION LEASE	221000	5,168,573.	5,168,573.			
	e PATRONAGE DIVIDEND	221000	985,866.	985,866.			
	f All other program service revenue	221000	743,386.	743,386.			
	g Total. Add lines 2a-2f		619,296,312.				
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		306,046.			306,046.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		(i) Real	(ii) Personal				
			4,179,008.				
		b Less: rental expenses		0.			
		c Rental income or (loss)		4,179,008.			
d Net rental income or (loss)			4,179,008.			4,179,008.	
7 a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other				
			366,572.				
		b Less: cost or other basis and sales expenses		851,913.			
		c Gain or (loss)		-485,341.			
d Net gain or (loss)			-485,341.			-485,341.	
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		a					
		b Less: direct expenses	b				
	c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a MISC NON-OPERATING REVENUE	221000	149,504.	149,504.				
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d		149,504.				
12 Total revenue. See instructions.		623,445,529.	619,445,816.	0.	3,999,713.		

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).

Check if Schedule O contains a response or note to any line in this Part IX X

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	391,774.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	34,069,527.			
5 Compensation of current officers, directors, trustees, and key employees	3,243,580.			
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	34,358,892.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,172,502.			
9 Other employee benefits	10,663,383.			
10 Payroll taxes	2,733,429.			
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
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	38,755,625.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	51,905,921.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED POWER	385,003,269.			
b DISTRIBUTION EXPENSE	23,078,502.			
c ADMIN & GENERAL EXPENSE	15,063,030.			
d CUSTOMER SERVICE	11,064,429.			
e All other expenses	7,870,466.			
25 Total functional expenses. Add lines 1 through 24e	624,374,329.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing	62,703,927.	1	36,792,681.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	53,918,392.	4	50,646,107.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	22,552,944.	8	27,433,715.
	9 Prepaid expenses and deferred charges	1,583,085.	9	2,338,360.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1497114232.		
	b Less: accumulated depreciation	10b 299,040,123.	10c	1198074109.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	14,000,000.	12	14,000,000.
	13 Investments - program-related. See Part IV, line 11	11,310,714.	13	11,434,891.
	14 Intangible assets	43,189,469.	14	62,495,989.
	15 Other assets. See Part IV, line 11	5,780,731.	15	11,499,924.
16 Total assets. Add lines 1 through 15 (must equal line 34)	1374213325.	16	1414715776.	
Liabilities	17 Accounts payable and accrued expenses	69,782,603.	17	79,836,955.
	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	478,624.	21	401,575.
	22 Loans and other 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	686,715,367.	23	660,194,912.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	128,963,066.	25	165,413,902.
	26 Total liabilities. Add lines 17 through 25	885,939,660.	26	905,847,344.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), 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 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	10,328,522.	30	10,734,531.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	477,945,143.	32	498,133,901.
33 Total net assets or fund balances	488,273,665.	33	508,868,432.	
34 Total liabilities and net assets/fund balances	1374213325.	34	1414715776.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	623,445,529.
2	Total expenses (must equal Part IX, column (A), line 25)	2	624,374,329.
3	Revenue less expenses. Subtract line 2 from line 1	3	-928,800.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	488,273,665.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	21,523,567.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	508,868,432.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c	If "Yes" to line 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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	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?		X
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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

OMB No. 1545-0047

2014

Open to Public Inspection

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization **PEDERNALES ELECTRIC COOPERATIVE, INC** Employer identification number **74-0828412**

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 value of contributions to (during year)		
3 Aggregate value of 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

- Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- Number of states where property subject to conservation easement is located ▶ _____
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?
- In Part XIII, 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.

- If the organization elected, as permitted under SFAS 116 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items.
- If the organization elected, as permitted under SFAS 116 (ASC 958), 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) Revenue included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____
- 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 (ASC 958) relating to these items:

a Revenue 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 acquisition, 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 XIII.

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 XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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 Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
- b Permanent endowment %
- c Temporarily restricted endowment %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,936,001.		11,936,001.
b Buildings		51,117,081.	12,041,588.	39,075,493.
c Leasehold improvements				
d Equipment		1380490869.	286,989,682.	1093501187.
e Other		53,570,281.	8,853.	53,561,428.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1198074109.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCUMULATED PROVISION FOR PENSION	
(3) AND BENEFITS	126,472,652.
(4) ACCRUED TAXES	8,278,302.
(5) ACCRUED INTEREST	4,337,949.
(6) CONSUMER DEPOSITS	5,563,618.
(7) OTHER CURRENT AND ACCRUED	
(8) LIABILITIES	3,886,654.
(9) DEFERRED CREDITS	16,874,727.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	165,413,902.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	623,445,529.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	623,445,529.
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 XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	623,445,529.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	590,304,802.
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 XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	590,304,802.
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 XIII.)	4b	34,069,527.
c	Add lines 4a and 4b	4c	34,069,527.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	624,374,329.

Part XIII Supplemental Information.

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, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B:

PURSUANT TO SECTION 74.3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED AN ECONOMIC DEVELOPMENT FUND WITH RETIREMENTS OF PATRONAGE CAPITAL, WHICH HAVE REMAINED UNCLAIMED FOR A PERIOD OF THREE YEARS. THE AMOUNTS DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR THE STIMULATION AND IMPROVEMENT OF BUSINESS AND COMMERCIAL ACTIVITY FOR ECONOMIC DEVELOPMENT IN RURAL COMMUNITIES. ANY AMOUNTS SO DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED.

ALSO PURSUANT TO SECTION 74.3013 OF THE TEXAS PROPERTY CODE, THE

Part XIII Supplemental Information (continued)

COOPERATIVE HAS ESTABLISHED AN ENERGY EFFICIENCY ASSISTANCE FUND WITH RETIREMENTS OF PATRONAGE CAPITAL, WHICH HAVE REMAINED UNCLAIMED FOR A PERIOD OF THREE YEARS. THE AMOUNTS DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED TO ASSIST MEMBERS OF AN ELECTRIC COOPERATIVE IN REDUCING THEIR ENERGY CONSUMPTION AND ELECTRICITY BILLS. ANY AMOUNTS SO DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED.

PART X, LINE 2:

THE COOPERATIVE FOLLOWS 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.

SCHEDULE D

PART VII

THE AMOUNT OF INVESTMENTS - OTHER SECURITIES ON FORM 990, PAGE 11, PART X, LINE 12 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 VII HAS BEEN LEFT BLANK.

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

Part XIII Supplemental Information (continued)

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.

PART XII, LINE 4B

PATRONAGE CAPITAL ASSIGNABLE - \$34,069,527

FOR THE AUDITED FINANCIAL STATEMENTS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID OR ALLOCATED TO THE MEMBERS IS REPORTED AS AN INCREASE IN EQUITY AND NOT AS AN EXPENSE. THEREFORE, NET INCOME PER THE AUDITED FINANCIAL STATEMENTS IS REPORTED GROSS OF THE AMOUNT OF PATRONAGE DIVIDENDS THAT ARE EITHER ALLOCATED OR TO BE ALLOCATED AT THE TIME THE AUDITED FINANCIAL STATEMENTS ARE PREPARED. HOWEVER, BECAUSE THE ALLOCATION OF PATRONAGE DIVIDENDS IS ONE ASPECT OF HOW THE COOPERATIVE FULFILLS ITS TAX EXEMPT PURPOSE OF OPERATING ON A COOPERATIVE BASIS, THE AMOUNT OF PATRONAGE DIVIDENDS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS IS REPORTED ON FORM 990, PART IX, LINE 4 AS "BENEFITS PAID TO MEMBERS". PATRONAGE DIVIDENDS ARE ALLOCATED ON A PATRONAGE BASIS AND DONE SO PURSUANT TO A PRE-EXISTING OBLIGATION AS PROVIDED FOR IN THE "NON-PROFIT OPERATION" ARTICLE OF THE COOPERATIVE'S BYLAWS.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization **PEDERNALES ELECTRIC COOPERATIVE, INC** Employer identification number **74-0828412**

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
PEC UNITED CHARITIES P.O. BOX 1 JOHNSON CITY, TX 78636	74-2491188	501 (C) (3)	141,607.	0.			EMPLOYER MATCHING DONATIONS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 1.

3 Enter total number of other organizations listed in the line 1 table ▶

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

Schedule I (Form 990) (2014)

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

FROM 990, SCHEDULE I, PART IV

THE COOPERATIVE SUPPORTS LOCAL GOVERNMENTS, SCHOOLS, CHARITIES, CIVIC

ORGANIZATIONS, VOLUNTEER FIRE DEPARTMENTS AND THE LIKE IN THE

TWENTY-FOUR COUNTY AREA IN WHICH IT PROVIDES ELECTRICITY TO ITS

MEMBERS. SUPPORT THROUGH GRANTS AND DONATIONS IS PROVIDED THROUGH

VARIOUS PROGRAMS, INCLUDING THE PEC COMMUNITY GRANT PROGRAM, LIGHT THE

WAY PROGRAM, PARTNERS IN LEARNING PROGRAM, PROJECT GRADUATION AND

LIVESTOCK SHOW CONTRIBUTIONS. THE COOPERATIVE'S WEBSITE, WWW.PEC.COOP,

PROVIDES A DESCRIPTION OF THE REQUIREMENTS AND APPLICATION PROCESS OF

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2014

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number

74-0828412

Part I Questions Regarding Compensation

1a 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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 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:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 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:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 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:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 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

8 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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		
5b		
6a		
6b		
7		
8		
9		

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

Schedule J (Form 990) 2014

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOHN HEWA CHIEF EXECUTIVE OFFICER	(i)	500,000.	8,391.	12,436.	50,000.	26,404.	597,231.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) LAWANDA PARNELL CHIEF INFORMATION OFFICER	(i)	207,838.	7,500.	12,123.	15,099.	9,663.	252,223.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) TRACY GOLDEN CHIEF FINANCIAL OFFICER	(i)	205,765.	17,571.	13,119.	5,100.	13,818.	255,373.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) FREDDY WOLFF INTERIM CFO/CONTROLLER	(i)	161,185.	7,450.	12,990.	16,119.	9,240.	206,984.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MICHAEL J RACIS VP, COMMUNICATIONS	(i)	183,039.	7,500.	8,174.	17,586.	26,622.	242,921.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) LLOYD W MCKEE VP, OPERATIONS	(i)	204,173.	7,500.	9,480.	38,974.	26,530.	286,657.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) EDWARD A DAUTERIVE VP, MEMBER SERVICES	(i)	191,804.	7,500.	3,125.	18,125.	31,457.	252,011.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) DALE A JONES VP, POWER SUPPLY	(i)	172,988.	7,500.	11,479.	26,382.	18,055.	236,404.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) JULIE BEGGS VP, CORPORATE SERVICES	(i)	178,202.	7,840.	6,132.	17,820.	20,119.	230,113.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) BRAD HICKS VP, ENGINEERING AND ENERGY INNOVATIO	(i)	194,162.	18,452.	7,933.	7,740.	21,433.	249,720.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) DON BALLARD VP, LEGAL SERVICES	(i)	141,923.	4,163.	8,746.	2,365.	6,496.	163,693.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) ROBERT PETERSON DIRECTOR, CONTROL CENTER & EMERGENCY	(i)	197,485.	11,420.	382.	30,869.	11,013.	251,169.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) ROBERT DIFONZO DIRECTOR, DISTRICT OPERATIONS	(i)	164,370.	10,520.	14,679.	29,644.	9,847.	229,060.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) HERBERT GREBE KEY ACCOUNTS MANAGER	(i)	163,573.	8,833.	7,812.	19,889.	27,223.	227,330.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) MICHELLE GALLOWAY DIRECTOR, DISTRICT OPERATIONS	(i)	163,570.	8,833.	7,266.	16,357.	27,073.	223,099.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) STEPHEN MALDONANDO DIRECTOR, DISTRICT OPERATIONS	(i)	168,608.	9,476.	6,488.	22,067.	27,290.	233,929.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number

74-0828412

FORM 990, PART I, LINE 19

IN GENERAL, WHEN AN ELECTRIC COOPERATIVE BASES THE PATRONAGE DIVIDEND CALCULATION ON ITS NET BOOK INCOME/(LOSS), PAGE 1, PART I, LINE 19 - REVENUE LESS EXPENSES - WILL BE \$0. FOR THE CURRENT YEAR, PAGE 1, PART I, LINE 19 REPORTS NET INCOME/(LOSS) OF \$(928,800), WHICH IS THE INCOME STATEMENT EFFECT OF ACCRUED UNBILLED REVENUE. THE GAAP BASIS FINANCIAL STATEMENTS INCLUDE AN ACCRUAL FOR UNBILLED REVENUE BECAUSE THE COOPERATIVE'S BILLING CYCLE DOES NOT END ON THE LAST DAY OF THE MONTH. THEREFORE, IT HAS REVENUE IN DECEMBER OF EACH YEAR THAT IT HAS EARNED BUT HAS NOT BILLED UNTIL THE FIRST BILLING CYCLE OF THE FOLLOWING YEAR. THE COOPERATIVE ESTIMATES THIS REVENUE AND RECORDS IT AS ACCRUED UNBILLED REVENUE IN ORDER TO MATCH THE REVENUE WITH THE YEAR EARNED. HOWEVER, THE COOPERATIVE ALLOCATES THE REVENUE TO MEMBERS IN THE YEAR IT IS BILLED, AND NOT WHEN ACCRUED AND RECORDED, IN ORDER TO MATCH THE BILLING RECORDS WITH THE PATRONAGE DIVIDENDS BEING ALLOCATED. THIS TIMING DIFFERENCE IS FAIR AND EQUITABLE BECAUSE IT MATCHES THE PATRONAGE DIVIDEND BEING ALLOCATED WITH THE MEMBER BEING BILLED FOR THE ELECTRICITY. DUE TO THE TIMING OF WHEN THE COOPERATIVE ALLOCATES ACCRUED UNBILLED REVENUE, PAGE 1, PART I, LINE 19 ANNUALLY REPORTS NET INCOME EQUAL TO THE NET INCREASE IN ACCRUED UNBILLED REVENUE OR A NET LOSS EQUAL TO THE NET DECREASE IN UNBILLED REVENUE. THE FOLLOWING SCHEDULE IS PROVIDED TO FURTHER EXPLAIN THE IMPACT OF THIS TRANSACTION:

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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UNBILLED REVENUE 12/31/14 \$25,475,400

UNBILLED REVENUE 12/31/13 (26,404,200)

DECREASE EQUALS LOSS ON LINE 19 (A) \$ (928,800)

NET MARGIN PER GAAP BASIS

INCOME STATEMENT FOR THE CURRENT YEAR (B) 33,140,727

PART I, LINE 14 - BENEFITS PAID TO MEMBERS

(I.E. PATRONAGE DIVIDENDS) B - A \$34,069,527

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

AT A COMPETITIVE PRICE; TO GUIDING RESPONSIBLE STEWARDSHIP OF OUR
RESOURCES; AND PROVIDING A REWARDING, FAIR, AND SAFE WORK PLACE FOR OUR
EMPLOYEES.

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.

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
--	--

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; AND
4. AMENDMENTS TO ARTICLES OF INCORPORATION.

ADDITIONALLY, PEC BYLAWS RESERVE TO MEMBERSHIP THE POWER TO REMOVE DIRECTORS FROM THE BOARD BY A VOTE OF 10% OF THE MEMBERSHIP, WITH NO REQUIREMENT FOR BOARD APPROVAL. THE BYLAWS ALSO ALLOW MEMBERS TO CALL A MEETING BY A PETITION SIGNED BY AT LEAST 10% OF MEMBERS.

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:

THE CONFLICT OF INTEREST POLICY REQUIRES ANNUAL AND ONGOING COMPLETION OF A CONFLICT OF INTEREST CERTIFICATION AND DISCLOSURE FORM BY ALL DIRECTORS, OFFICERS, KEY EMPLOYEES, OR MANAGERS OF THE COOPERATIVE. THE FORM, WHICH IS PART OF THE POLICY, INCLUDES AN AFFIRMATION THAT THE INDIVIDUAL WILL INFORM THE BOARD OF ANY NEW CONFLICT AFFECTING THEMSELVES OR ANY OTHER PERSON. EACH JANUARY, THESE DOCUMENTS ARE SOLICITED AND GATHERED BY THE CUSTODIAN OF THESE RECORDS, WHICH INCLUDES THE BOARD'S SECRETARY FOR BOARD MEMBERS AND PEC'S HUMAN RESOURCES DEPARTMENT FOR APPLICABLE EMPLOYEES. APPLICABLE PERSONS WHO JOIN THE COOPERATIVE ARE SUBJECT TO THE POLICY AND ARE REQUIRED TO FILE THE FORM AT THE OUTSET OF THEIR EMPLOYMENT OR DIRECTORSHIP. THE COMPLETED BOARD OF DIRECTORS DISCLOSURE AFFIRMATIONS ARE FORMALLY ACCEPTED BY THE BOARD PRESIDENT IN A MEETING OPEN TO THE PUBLIC

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number

74-0828412

AND ARE PART OF THE PUBLIC MINUTES OF THE COOPERATIVE.

FORM 990, PART VI, SECTION B, LINE 15:

A COMPREHENSIVE COMPENSATION ASSESSMENT IS RUN ON NEWLY PROMOTED OR NEWLY HIRED EXECUTIVE POSITIONS TO DETERMINE THE MOST APPROPRIATE BEGINNING SALARY FOR THAT POSITION. THE COMPARABLE MARKET USED IS THAT OF A COMPANY IN THE ENERGY AND UTILITIES INDUSTRY IN AUSTIN, TEXAS WITH 500-1000 FULL TIME EQUIVALENTS. INDIVIDUAL FACTORS ARE ALSO USED IN DETERMINING THE APPROPRIATE BEGINNING SALARY. THESE INDIVIDUAL FACTORS INCLUDE EMPLOYEE TRAITS, SUCH AS YEARS OF EXPERIENCE, EDUCATION, AND CERTIFICATIONS, AS WELL AS, JOB TRAITS, SUCH AS TO WHOM THE POSITION REPORTS, NUMBER OF DIRECT REPORTS, AND JOB DUTIES. POSITIONS ARE MOST CLOSELY MATCHED TO A JOB DESCRIPTION IN THE COMPENSATION DATABASE WITH SIMILAR JOB DUTIES, EDUCATION, AND EXPERIENCE REQUIREMENTS. IN SOME CASES, DEPENDING ON THE POSITION, A HYBRID OF THE JOB IS COMPLETED TO MORE ACCURATELY REFLECT THE PEC POSITION JOB DUTIES. THE BEGINNING PROPOSED BASE SALARY IS BETWEEN THE 25TH AND 50TH PERCENTILE OF THE PREDICTED MEDIAN MARKET SALARY TAKING INTO CONSIDERATION TOTAL COMPENSATION. THE COST OF BENEFITS FOR PEC AT THIS LEVEL IS TYPICALLY BETWEEN 21% AND 45%. THE COST OF BENEFITS FOR THE MARKET IS TYPICALLY BETWEEN 23% AND 32%.

FORM 990, PART VI, SECTION C, LINE 19:

THE COOPERTIVE'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC ON THE COOPERTIVE'S WEBSITE. INFORMATION NOT POSTED ON THE WEBSITE IS AVAILABLE UPON REQUEST.

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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FORM 990, PART VI, QUESTION 9

THE NAMES AND ADDRESSES OF DIRECTORS, OFFICERS, AND KEY EMPLOYEES, WHO CANNOT BE REACHED AT THE COOPERATIVE ARE AS FOLLOWS:

WILLIAM D. BOGGS
919 FLANAGAN DRIVE
LEANDER, TX 78641

FORM 990, PART VII, COLUMN F

IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE PROVIDES A DEFINED BENEFIT PLAN TO EMPLOYEES MEETING THE ELIGIBILITY REQUIREMENTS. HOWEVER, THE PLAN WAS CLOSED TO NEW PARTICIPANTS AFTER JANUARY 1, 2006. CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF SUCH PLAN. ADDITIONALLY, THE COOPERATIVE PARTICIPATES IN A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE. EMPLOYER CONTRIBUTIONS TO THE PLAN ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF THE PLAN.

THE COOPERATIVE ALSO PROVIDES HEALTH, DENTAL AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS, THROUGH A QUALIFIED PLAN. THE AMOUNT REPORTED ON PART VII COLUMN (F) FOR THE OFFICERS AND HIGHLY COMPENSATED EMPLOYEES IS COMPRISED OF THE ACTUARIAL INCREASE ASSOCIATED WITH PARTICIPATION IN THE DEFINED BENEFIT PLAN, IF APPLICABLE, THE TOTAL AMOUNT CONTRIBUTED BY THE COOPERATIVE TO THE 401(K) PLAN AND INSURANCE PAID ON BEHALF OF AND FOR BENEFIT OF THE OFFICERS AND HIGHLY

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number

74-0828412

COMPENSATED EMPLOYEES.

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

FORM 990, PART VIII, LINE 2

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

THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED SUBSTANTIALLY IN ACCORDANCE WITH THE UNIFORM SYSTEM OF ACCOUNTS AS PRESCRIBED BY THE FEDERAL ENERGY REGULATORY COMMISSION FOR CLASS A AND B ELECTRIC UTILITIES, MODIFIED FOR BORROWERS OF THE NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION. THE UNIFORM SYSTEM OF ACCOUNTING DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1 - 23. THE COOPERATIVE SEPARATELY REPORTS DONATIONS, 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 ARE REPORTED ON LINE 24

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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UNDER THE EXPENSE CATEGORIES REQUIRED BY THE UNIFORM SYSTEM OF ACCOUNTS.

FORM 990, PART IX, LINE 24A

THE COOPERATIVE'S WHOLESALE POWER SUPPLIERS ARE (1) THE LOWER COLORADO RIVER AUTHORITY AND (2) AEP ENERGY PARTNERS, INC. THE \$385,003,269 OF PURCHASED POWER EXPENSE, REPORTED ON LINE 24A, IS COMPRISED OF PAYMENTS MADE TO EACH.

FORM 990, PART IX, LINE 24C

THE FOLLOWING IS A BREAKDOWN OF GENERAL AND ADMINISTRATIVE EXPENSES REPORTED ON FORM 990, PART IX, LINE 24C.

OFFICE SUPPLIES EXPENSE	\$4,050,658
CONTRACT SERVICES	5,709,543
INJURIES & DAMAGES	369,898
RENTS	736,911
MAINTENANCE OF GENERAL PLANT	664,650
GENERAL EXPENSES	3,531,370

TOTAL ADMINISTRATIVE AND GENERAL EXPENSE PER 990	\$15,063,030
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FORM 990, PART IX, LINES 5-7

SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE. THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID:

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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TOTAL PER LINES 5-7 \$37,602,472

LESS DIRECTORS FEES REPORTED ON 1099-MISC (270,250)

LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (425,147)

PLUS SALARIES AND WAGES ALLOCATED TO ASSET ACCOUNTS 16,672,294

TOTAL WAGES ACCRUED AND/OR PAID \$53,579,369

FORM 990, PART IX, LINE 4

THE FORM 990 INSTRUCTIONS SPECIFICALLY STATE THAT THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS SHOULD BE REPORTED ON PART IX, LINE 4. THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS MEMBERS.

THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS MEMBERS AND TO DO SO ON A COOPERATIVE BASIS. TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST. THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS MEMBERS. PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR MEMBERS, AND (3) IN A FAIR AND EQUITABLE BASIS ON THE BASIS OF PATRONAGE (I.E. PURCHASES). ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S YEAR-END OF DECEMBER 31. EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE COOPERATIVE'S

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number

74-0828412

BYLAWS AND IS SUMMARIZED AS FOLLOWS:

(A) IN ORDER TO INDUCE PATRONAGE AND TO ASSURE THAT THE COOPERATIVE WILL OPERATE ON A NONPROFIT BASIS, THE COOPERATIVE IS OBLIGATED TO ACCOUNT ON A PATRONAGE BASIS TO ALL ITS MEMBERS FOR ALL AMOUNTS RECEIVED AND RECEIVABLE FROM THE FURNISHING OF ELECTRIC ENERGY IN EXCESS OF OPERATING COSTS AND EXPENSES PROPERLY CHARGEABLE AGAINST SUCH SERVICES (I.E. MARGINS FROM THE PROVISION OF ELECTRIC ENERGY).

(B) THE MARGINS FROM THE PROVISION OF ELECTRIC ENERGY ARE RECEIVED WITH THE UNDERSTANDING THAT THEY ARE FURNISHED BY THE MEMBERS AS CAPITAL.

(C) THE COOPERATIVE IS OBLIGATED TO PAY BY CREDITS TO A CAPITAL ACCOUNT FOR EACH MEMBER FOR ALL SUCH MARGINS. AND

(D) ALL SUCH AMOUNTS CREDITED TO THE CAPITAL ACCOUNT OF ANY MEMBER SHALL HAVE THE SAME STATUS AS THOUGH THEY HAD BEEN PAID TO THE MEMBER IN CASH IN PURSUANCE OF A LEGAL OBLIGATION TO DO SO AND THE MEMBER HAD THEN FURNISHED TO THE COOPERATIVE CORRESPONDING AMOUNTS OF CAPITAL.

THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2014 CALENDAR YEAR. AS NOTED ABOVE, SUCH AMOUNTS ARE ALLOCATED SUBSEQUENT TO YEAR-END IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). THE AMOUNTS ALLOCATED ARE REPRESENTATIVE OF THE MARGINS FROM THE PROVISION OF ELECTRIC ENERGY TO THE MEMBERS AND ARE DONE PURSUANT TO THE OBLIGATION THAT EXISTED IN THE

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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BYLAWS PRIOR TO THE COOPERATIVE PROVIDING ELECTRICITY TO ITS MEMBERS.

THEREFORE, THESE AMOUNTS MEET THE DEFINITION OF THE TERM "PATRONAGE DIVIDENDS PAID".

PLEASE NOTE, HOWEVER, THAT BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS MEMBERS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED THE AMOUNT OF ITS 2014 MARGIN THAT HAS BEEN OR IS TO BE ALLOCATED TO THE MEMBERS SUBSEQUENT TO YEAR-END. SUCH AMOUNTS ARE AN EXPENSE FOR FORM 990 REPORTING AND IS NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. AS A RESULT, THE DIFFERENCE BETWEEN THE COOPERATIVE'S GAAP BASIS FINANCIAL STATEMENTS AND THE REVENUE LESS EXPENSES REPORTED ON PART I, LINE 19 IS THE AMOUNT OF PATRONAGE DIVIDENDS REPORTED AS BENEFITS PAID TO MEMBERS.

FORM 990, PART IX, LINE 24E

THE FOLLOWING IS A BREAKDOWN OF THE EXPENSES REPORTED AS OTHER EXPENSES ON FORM 990, PART IX, LINE 24E

SALES EXPENSE	\$105,701
TRANSMISSION EXPENSE	2,067,074
FRANCHISE FEES	4,659,528
GROSS RECEIPTS TAXES	1,007,077
OTHER DEDUCTIONS	31,086
TOTAL OTHER EXPENSES PER FORM 990, LINE 24E	\$7,870,466

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

NET CHANGE IN MEMBERSHIPS	406,009.
PATRONAGE CAPITAL RETIRED - TOTAL	-45,119,650.
PATRONAGE CAPITAL RETIRED - DISCOUNT	32,262,531.
PATRONAGE CAPITAL ASSIGNABLE	34,069,527.
TRANSFERS TO OTHER EQUITIES	-94,850.
TOTAL TO FORM 990, PART XI, LINE 9	21,523,567.

FORM 990, PART XII, LINE 2C

THE BOARD OF DIRECTORS HAS ASSIGNED MEMBERS TO AN AUDIT COMMITTEE TO OVERSEE THE FINANCIAL STATEMENT AUDIT AND SELECT THE INDEPENDENT FINANCIAL STATEMENT AUDITOR.

SCHEDULE R, PART II - RELATED EXEMPT ORGANIZATIONS

IN RECENT YEARS, THE COOPERATIVE HAS NOT REPORTED PEC UNITED CHARITIES, INC. (74-2491188) AS A RELATED ORGANIZATION. THE COOPERATIVE TOOK THIS POSITION DUE TO THE FACT PEC UNITED CHARITIES (UC) WAS ORGANIZED BY EMPLOYEES OF THE COOPERATIVE AND HAS A SELF-PERPETUATING BOARD OF DIRECTORS. THE COOPERATIVE PROVIDES MATCHING CONTRIBUTIONS BUT DOES NOT EXERCISE CONTROL OVER DECISIONS MADE BY THE UC BOARD OF DIRECTORS. THE COOPERATIVE ALSO PROVIDES ACCOUNTING SUPPORT BUT DOES NOT HAVE THE ABILITY TO REPLACE OR APPOINT DIRECTORS TO THE BOARD OF UC OR DIRECT OR CONTROL THE ACTIVITIES OF UC. ADDITIONALLY, UC IS NOT REGARDED BY THE COOPERATIVE AS A SUBSIDIARY OR AFFILIATE. TO FURTHER ESTABLISH THAT UC IS NOT CONTROLLED BY OR A RELATED ORGANIZATION OF THE COOPERATIVE, THE UC BOARD OF DIRECTORS AMENDED THEIR BYLAWS SUBSEQUENT TO YEAR END SO

Name of the organization PEDERNALES ELECTRIC COOPERATIVE, INC	Employer identification number 74-0828412
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THAT NOT MORE THAN 50% OF ITS BOARD OF DIRECTORS IS COMPRISED OF
EMPLOYEES OF THE COOPERATIVE. BECAUSE OF THESE CHANGES IN THE
GOVERNANCE OF UC, THE COOPERATIVE DOES NOT REPORT UC ON SCHEDULE R AS A
RELATED ORGANIZATION.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization **PEDERNALES ELECTRIC COOPERATIVE, INC** Employer identification number **74-0828412**

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) 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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
PEDERNALES ELECTRIC COOPERATIVE SCHOLARSHIP FUND - 74-2897600, 201 S. AVENUE F, JOHNSON CITY, TX 78636	TO PROVIDE SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	TEXAS	501(C)(3)	PF	PEDERNALES ELECTRIC COOPERATIVE, INC.	X	

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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

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

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

	Yes	No
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, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

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) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) PEDERNALES ELECTRIC COOPERATIVE SCHOLARSHIP FUND - N/A LESS THAN \$50,000	O	0	CASH
(2) PEDERNALES ELECTRIC COOPERATIVE SCHOLARSHIP FUND - N/A LESS THAN \$50,000	Q	0	CASH
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

Horizontal lines for supplemental information.