Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1960

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

BRAZOS ELECTRIC POWER COOPERATIVE INC.

P. O. BOX 2585
WACO, TX 76702-2585

2b Employer Identification Number (EIN) 74-0524729

2c Sponsor's telephone number 254-750-6500

2d Business code (see instructions) 221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	LEE RAY III
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BRAZOS ELECTRIC POWER COOPERATIVE INC.

P. O. BOX 2585
WACO, TX 76702-2585

3b Administrator's EIN
74-0524729

3c Administrator's telephone number
254-750-6500

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	482
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	240
b	Retired or separated participants receiving benefits	**6b**	137
c	Other retired or separated participants entitled to future benefits	**6c**	86
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	463
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	17
f	Total. Add lines **6d** and **6e**	**6f**	480
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
BRAZOS ELECTRIC POWER COOPERATIVE INC.

D Employer Identification Number (EIN)
74-0524729

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		64703039
b	Actuarial value	**2b**		60325477
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	140	34371554
b	For terminated vested participants	**3b**	83	5457158
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		1724362
	(2) Vested benefits	**3c(2)**		33504982
	(3) Total active	**3c(3)**	262	35229344
d	Total	**3d**	485	75058056
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		5.99 %
6	Target normal cost	**6**		2083817

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/12/2012
Date

STEVEN C. ERICKSON
Type or print name of actuary

11-04118
Most recent enrollment number

TOWERS WATSON DELAWARE INC.
Firm name

214-530-4200
Telephone number (including area code)

500 N. AKARD STREET, SUITE 4100
DALLAS, TX 75201
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 12.97%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		627606
b	Interest on (a) using prior year's effective rate of 6.61% except as otherwise provided (see instructions)		41485
c	Total available at beginning of current plan year to add to prefunding balance		669091
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	80.37 %
15	Adjusted funding target attainment percentage	15	80.37 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.28 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2011	841583	0	04/13/2012	1060259	0
07/15/2011	841583	0	07/13/2012	1060259	0
10/14/2011	841583	0			
01/13/2012	866583	0			
03/15/2012	1443080	0			
03/30/2012	1000000	0			
			Totals ► 18(b)	7954930	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	7492271

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
2.94%	5.82%	6.46 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	2083817
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	14732579	2501136
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	4584953

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	4584953
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	7492271

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	2907318
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BRAZOS ELECTRIC POWER COOPERATIVE INC.

D Employer Identification Number (EIN)
74-0524729

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY SMITH BARNEY

13-2919773

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 17 27 28	NONE	193972	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BRAZOS ELECTRIC POWER COOPERATIVE INC.

D Employer Identification Number (EIN)
74-0524729

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4454635	5430181
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	193994	161738
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2587313	7853625
(2) U.S. Government securities	1c(2)	10331051	10463351
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	8483168	8794359
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	30119683	26551657
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	8780189	8301019
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	64950033	67555930
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	50295	72732
k Total liabilities (add all amounts in lines 1g through1j)	1k	50295	72732
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	64899738	67483198

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	7954930	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		7954930
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2136	
(B) U.S. Government securities	2b(1)(B)	185617	
(C) Corporate debt instruments	2b(1)(C)	469820	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		657573
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	531524	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	171326	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		702850
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-3104620
c Other income	2c		16459
d Total income. Add all **income** amounts in column (b) and enter total	2d		6227192
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3054152	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3054152
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	589580	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		589580
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3643732
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		2583460
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: JAYNES REITMEIER BOYD & THERRELL **(2)** EIN: 74-2533381

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)			
	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
	4d		X	
e	Was this plan covered by a fidelity bond?			
	4e	X		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?			
	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BRAZOS ELECTRIC POWER COOPERATIVE INC.

D Employer Identification Number (EIN)
74-0524729

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-3124172

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Brazos Electric Power Cooperative, Inc.
Pension Plan
Financial Statements and
Supplemental Information
December 31, 2011 and 2010
(With Independent Auditors' Report Thereon)

Brazos Electric Power Cooperative, Inc.
Pension Plan

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JAYNES, REITMEIER, BOYD & THERRELL, P.C.
Certified Public Accountants

5400 Bosque Blvd., Suite 500 Waco, Texas 76710
P.O. Box 7616 Waco, Texas 76714-7616
Phone 254.776.4190 Fax 254.776.8489
www.jrbt.com

Offices in Austin and Waco

Independent Auditors' Report

The Plan Administrator
Brazos Electric Power Cooperative, Inc.
Pension Plan:

We were engaged to audit the financial statements of Brazos Electric Power Cooperative, Inc. Pension Plan (the Plan) as of December 31, 2011 and 2010, and for the years then ended, and the supplemental information as of and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental information are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 4 which was certified by First State Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental information. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental information taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental information, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Jaynes, Reitmeier, Boyd & Therrell, P.C.

October 12, 2012

Brazos Electric Power Cooperative, Inc.
Pension Plan

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Assets		
Investments, at fair value:		
Corporate bonds	$ 8,794,359	8,483,168
Common stock	26,551,657	30,119,683
Mutual funds	8,301,019	8,780,189
U.S. government securities	10,463,351	10,331,051
Money market mutual funds	7,853,625	2,587,313
Total investments	61,964,011	60,301,404
Receivables:		
Employer's contribution	5,430,181	4,454,635
Accrued interest and dividends	161,738	193,994
Total receivables	5,591,919	4,648,629
Total assets	67,555,930	64,950,033
Liabilities		
Due to broker for securities purchased	72,732	50,295
Net assets available for benefits	$ 67,483,198	64,899,738

See accompanying notes to financial statements.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (3,104,620)	5,829,227
Interest and dividends	1,360,423	1,302,139
Other	16,459	9,444
	(1,727,738)	7,140,810
Employer's contributions	7,954,930	4,454,635
Total additions	6,227,192	11,595,445
Deductions from net assets attributed to:		
Benefits paid directly to participants	3,054,152	2,547,757
Administrative expenses	589,580	237,372
Total deductions	3,643,732	2,785,129
Net increase	2,583,460	8,810,316
Net assets available for benefits, beginning of year	64,899,738	56,089,422
Net assets available for benefits, end of year	$ 67,483,198	64,899,738

See accompanying notes to financial statements.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements

December 31, 2011 and 2010

(1) Description of Plan

The following brief description of the Brazos Electric Power Cooperative, Inc. (the Company) Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

(a) General

The Plan is a defined benefit pension plan covering substantially all employees of the Company, except for employees hired after December 31, 2006 due to frozen plan entry. Employees became eligible to participate after attaining age 21 and either (1) the first anniversary of their date of hire in which the employee completed 1,000 hours of service during the twelve-month period following their date of hire or (2) the next January 1 following the first plan year during which the employee completed 1,000 hours of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Pension Benefits

Plan participants who terminate employment on or after attaining normal retirement age (as defined in the Plan Document) shall be eligible to receive a normal retirement benefit starting the first day of the month following their termination of employment. The normal retirement benefit is based on "final average monthly compensation." "Final average monthly compensation" is a monthly average of a participant's pay, determined by selecting 60 successive months of service in which compensation is the highest out of the 120 successive months of service immediately preceding termination of employment. For participants who are eligible to receive nonmatching contributions under the Company's defined contribution plan, the monthly normal retirement benefit is equal to 1.7% of their "final average monthly compensation" as of December 31, 2007 times their credited service as of December 31, 2007. These participants' benefit accruals, credited service, and "final average monthly compensation" are frozen as of December 31, 2007. For participants who are not eligible to receive nonmatching contributions under the Company's defined contribution plan, the monthly normal retirement benefit is equal to 1.7% of their "final average monthly compensation" as of December 31, 2007 times their credited service as of December 31, 2007 plus 1.2% of their "final average monthly compensation" times their credited service earned after December 31, 2007. The Plan also provides benefits for (1) disability and (2) early retirement at age 55 with

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(1) Description of Plan (continued)

(b) Pension Benefits (continued)

10 years of service. A participant who becomes disabled will continue to accrue benefits under the Plan as if they were an active participant at the same rate of pay that was in effect on their disability date. The amount payable to a participant upon early retirement is equal to the monthly normal retirement benefit described above multiplied by an early retirement factor based on the participant's age. Participants may receive benefits in lump-sum distributions, as a life annuity payable monthly, or other actuarially equivalent payment forms.

(c) Funding Policy

Participants are not allowed to contribute to the Plan. The Company contributes amounts to the Plan required to maintain the benefits provided herein. The Company's contributions for 2011 and 2010 met the minimum funding requirements of ERISA.

Although they have not expressed any intention to do so, the Company has the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

(b) Investments

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 9 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(c) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(d) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

(e) Income Taxes

The Plan recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(3) Investments

The following table presents the fair value of investments held at December 31, 2011 and 2010. Investments that represent five percent or more of the Plan's net assets available for benefits are separately identified.

	2011	2010
Investments at fair value as determined by quoted market prices:		
Common stock	$ 26,551,657	30,119,683
Mutual funds:		
Vanguard 500 Index Fund-Sign	8,301,019	8,324,533
Other funds	-	455,656
Total mutual funds	8,301,019	8,780,189
Investments at estimated fair value:		
Corporate bonds	8,794,359	8,483,168
U. S. government securities	10,463,351	10,331,051
Money market mutual funds:		
Northern Instl Diversified Assets-SW	7,853,625	2,587,313
Total investments	$ 61,964,011	60,301,404

During 2011 and 2010, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	2011	2010
Corporate bonds	$ (89,131)	152,181
Common stock	(3,416,703)	4,402,156
Mutual funds	6,593	1,003,158
U.S. government securities	394,621	271,732
	$ (3,104,620)	5,829,227

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(4) Information Certified by the Trustee

The financial information included in the Plan financial statements, except for employer's contributions receivable, employer's contributions, benefits paid directly to participants, and administrative expenses, have been derived from information certified as complete and accurate by the trustee of the Plan, in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

(5) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated May 13, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code and, therefore, the related trust is exempt from taxation.

The Plan is no longer subject to examination by the Internal Revenue Service for years prior to 2008.

(6) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by a consulting actuary from Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or termination) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of January 1, 2011 were (a) life expectancy of participants (statutory optional tables using the blended static table option for smaller plans), (b) retirement age assumptions (the assumed retirement age was 65), and (c) discount rate (5.5% and 6% as of January 1, 2011 and 2010, respectively). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(6) Actuarial Present Value of Accumulated Plan Benefits (continued)

The Plan is actuarially valued as of January 1 of each year for the plan year ending December 31. The actuarial present value of accumulated plan benefits as of January 1, 2011 is as follows:

Vested benefits:	
Participants currently receiving payments	$ 34,972,503
Other participants	43,380,197
	78,352,700
Non-vested benefits	1,707,450
Total actuarial present value of accumulated plan benefits	$ 80,060,150

The following details the change in the actuarial present values from January 1, 2010 to January 1, 2011:

Total actuarial present value of accumulated plan benefits as of January 1, 2010	$ 69,749,879
Benefits accumulated	2,186,032
Actuarial losses	1,376,325
Decrease in the discount period	4,239,722
Assumption changes	5,055,949
Benefits paid	(2,547,757)
Total actuarial present value of accumulated plan benefits as of January 1, 2011	$ 80,060,150

(7) Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before termination.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(7) Plan Termination (continued)

2. Annuity benefits which former employees or their beneficiaries have been receiving for at least three years, or employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of an annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U. S. governmental agency) up to the applicable limitations.

4. All other vested benefits (that is, vested benefits not insured by the PBGC).

5. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2011 and 2010, that ceiling which is adjusted periodically was $4,500 per month, throughout both years. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefits obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

(8) Party-In-Interest Transactions

The Plan does not consider Company contributions to the Plan or benefits paid by the Plan to participants as party-in-interest transactions.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(9) Fair Value Hierarchy and Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a financial instrument in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Corporate bonds and U.S. government securities: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Common stock and mutual funds: Valued at the closing price reported in the active market in which the individual securities are traded.

Money market mutual fund: Valued at the net asset value of shares held by the Plan at year-end.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(9) Fair Value Hierarchy and Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2011 and 2010:

		Fair Value Measurements at Reporting Date Using		
	Fair Value December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	$ 8,794,359	-	8,794,359	-
Common stock:				
Domestic	18,430,851	18,430,851	-	-
Foreign	8,120,806	8,120,806	-	-
Mutual funds:				
Domestic	8,301,019	8,301,019	-	-
U.S. government securities	10,463,351	-	10,463,351	-
Money market mutual fund	7,853,625	-	7,853,625	-
	$ 61,964,011	34,852,676	27,111,335	-

		Fair Value Measurements at Reporting Date Using		
	Fair Value December 31, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	$ 8,483,168	-	8,483,168	-
Common stock:				
Domestic	21,092,721	21,092,721	-	-
Foreign	9,026,962	9,026,962	-	-
Mutual funds:				
Domestic	8,780,189	8,780,189	-	-
U.S. government securities	10,331,051	-	10,331,051	-
Money market mutual funds	2,587,313	-	2,587,313	-
	$ 60,301,404	38,899,872	21,401,532	-

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(10) Subsequent Event

The Plan has evaluated subsequent events from the balance sheet date through October 12, 2012, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

Supplemental Information

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2011

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Corporate Bonds			
	Alcoa Inc	6.150% interest, due 8/15	$ 415,196	400,006
	Bank of America Corp	7.625% interest, due 6/1/19	396,829	351,634
	BB&T Corporation Mtn	5.70% interest, due 4/30/14	430,689	426,655
	Bear Stearns Co	6.40% interest, due 10/2/17	414,917	407,789
	Boeing Cap Corp	6.50% interest, due 2/15/12	71,668	65,489
	Boeing Co	1.875% interest, due 11/20/12	341,098	338,494
	Bottling Group	5.50% interest, due 4/1/16	134,804	156,396
	Caterp Fin Serv Mtn	6.20% interest, due 9/30/13	444,012	430,593
	ConocoPhillips	5.625% interest, due 10/15/16	342,179	393,459
	CSX Corp	5.50% interest, due 8/1/13	420,031	403,561
	CVS Caremark Corp	5.75% interest, due 6/1/17	341,656	407,228
	Florida Pwr & Lt	5.85% interest, due 2/1/33	24,942	31,485
	Gen Elec Cap Crp	4.375% interest, due 9/16/20	399,877	418,973
	Goldman Sachs GP	5.75% interest, due 10/1/16	429,825	408,523
	HCP Inc.	5.375% interest, due 2/1/21	397,248	405,725
	Hewlett-Packard Co	2.125% interest, due 9/13/15	409,537	402,783
	Household Fin Corp	4.75% interest, due 7/15/13	19,917	20,423
	MetLife Inc	7.717% interest, due 2/15/19	427,349	457,690
	Prin Life Inc Fd	5.10% interest, due 4/15/14	24,958	26,408
	Safeway Inc	6.25% interest, due 3/15/14	388,374	385,487
	Simon Property Group	4.375% interest, due 3/1/21	402,215	412,669
	Telstra Corp Ltd	6.375% interest, due 4/1/12	22,579	20,276
	Time Warner Cable	5.85% interest, due 5/1/17	394,572	415,672
	Toyota Motor Credit Corp	3.40% interest, due 9/15/21	397,536	409,149
	Verizon Wireless	5.55% interest, due 2/1/14	413,614	407,423
	Wachovia Corp	5.75% interest, due 6/15/17	391,728	401,091
	Arcelormittal	9.85% interest, due 6/1/19	383,076	333,665
	Cs First Boston CMO	6.133% interest, due 4/15/37	13,580	12,596
	GMAC CMO	4.93% interest, due 7/10/39	36,131	35,530
	JP Morgan Chase CMO	4.275% interest, due 1/12/37	5,574	5,432
	Morgan Stanley CMO	6.39% interest, due 7/15/33	2,295	2,055
			8,738,006	8,794,359

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock			
	Actuant Corp CI A New	2,968 shares	$ 72,986	67,344
	Aes Corp	8,956 shares	107,966	106,039
	Agco Corp	575 shares	24,074	24,708
	Airgas Inc	1,209 shares	77,738	94,399
	Alcoa Inc	11,567 shares	156,931	100,055
	Alere Inc	2,638 shares	78,388	60,911
	Alexion Pharmaceuticals Inc	1,858 shares	103,510	132,847
	Allegheny Technologies Inc	1,773 shares	100,026	84,749
	Allergan Inc	1,615 shares	102,136	141,700
	Allscripts-Misys Healthcare Solution	5,836 shares	118,179	110,534
	Amazon Com Inc	1,026 shares	135,958	177,601
	American Electric Power Inc	4,279 shares	181,277	176,765
	American Express Co	3,658 shares	148,386	172,548
	American Tower Corp	3,484 shares	182,840	209,075
	Ameriprise Financial Inc.	3,384 shares	124,634	167,982
	Anadarko Petroleum Corp	1,121 shares	56,231	85,566
	Apple Computer Inc	1,672 shares	254,749	677,160
	AT&T Inc	5,180 shares	178,161	156,643
	Atmel Corp	11,218 shares	110,623	90,866
	Avis Budget Group	6,700 shares	91,478	71,824
	Baker Hughes Inc	3,043 shares	133,475	148,012
	Bally Technologies Inc	2,783 shares	91,622	110,095
	BankUnited Inc	2,959 shares	82,914	65,068
	Brocade Communications Sys Inc	25,480 shares	137,255	132,241
	Ca Inc	4,121 shares	78,437	83,306
	Camden Ppty Tr	988 shares	54,138	61,493
	Cameron International Corp	2,423 shares	128,423	119,187
	Carefusion Corp	2,496 shares	61,909	63,423
	Cavium Inc	3,143 shares	98,036	89,355
	Cbs Corporation Class B W/I	3,909 shares	57,906	106,090
	Cerner Corp Com	1,896 shares	109,125	116,130
	Chevron Corporation	2,881 shares	216,698	306,538
	Ciena Corp	8,036 shares	101,301	97,236
	Cinemark Holding Inc	3,886 shares	76,808	71,852
	Cisco Sys Inc	7,073 shares	114,416	127,880
	Citigroup Inc	2,091 shares	53,162	55,014
	Citrix Sys Inc	1,916 shares	118,093	116,340
	Cliffs Natural Resources Inc	1,162 shares	70,541	72,451

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Coach Inc	2,185 shares	$ 110,034	133,372
	Cognizant Technology Solutions Corp	2,211 shares	163,805	142,189
	Comcast Corp-CI A	9,212 shares	196,457	218,417
	Comerica Inc	6,168 shares	191,482	159,134
	Comstock Res Inc	1,601 shares	51,509	24,495
	Constellation Brands Inc	1,348 shares	19,038	27,863
	Costco Wholesale Corp New	1,895 shares	156,640	157,891
	Cummins Inc	1,751 shares	133,168	154,123
	Dana Holding	7,106 shares	118,365	86,338
	Danaher Corp	5,011 shares	267,289	235,717
	Davita Inc	456 shares	31,993	34,569
	Dell Inc	12,592 shares	207,218	184,221
	Devon Energy Corporation New	2,253 shares	141,579	139,686
	Diamondrock Hospital	9,077 shares	88,460	87,502
	Digital Riv Inc	4,807 shares	144,502	72,201
	DirecTV-CI A	5,633 shares	235,251	240,867
	Dolby Laboratories Inc CI A	1,887 shares	77,982	57,572
	Dollar General Corp	3,058 shares	116,783	125,806
	E M C Corp Mass	6,513 shares	112,792	140,290
	eBay Inc	5,044 shares	157,677	152,985
	Energizer Hldgs Inc	1,846 shares	133,180	143,028
	Enersys	3,048 shares	84,092	79,157
	Esterline Technologies Corp	1,313 shares	92,295	73,489
	Exco Resources Inc	7,104 shares	116,176	74,237
	Exxon Mobil Corp	1,996 shares	151,306	169,181
	F5 Networks Inc	841 shares	89,938	89,247
	Gap Inc	6,556 shares	118,469	121,614
	Gaylord Entertainment Co	3,876 shares	109,088	93,567
	General Electric Co	11,007 shares	263,899	197,135
	Google Inc-CI-A	470 shares	287,507	303,573
	Hancock Hldg Co	4,791 shares	153,406	153,168
	Hertz Global Holdings	9,218 shares	146,931	108,035
	Hologic Inc	18,742 shares	320,110	328,172
	Home Depot Inc	5,684 shares	152,052	238,955
	Honeywell Intl Inc	4,175 shares	184,504	226,911
	Intel Corp	8,452 shares	161,034	204,961
	Interpublic Group Cos Inc	9,336 shares	75,787	90,839
	J P Morgan Chase & Co	5,851 shares	247,596	194,546

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	JDS Uniphase Corp	11,430 shares	$ 123,816	119,329
	Johnson & Johnson	1,676 shares	101,330	109,912
	Kansas City Southn Inds Inc	966 shares	27,786	65,698
	Kimberly Clark Corp	2,506 shares	160,079	184,341
	Kraft Foods Inc-A	6,522 shares	193,519	243,662
	Leap Wireless	3,349 shares	37,858	31,112
	Lear Corp	3,078 shares	150,020	122,504
	Legg Mason Inc	3,340 shares	115,363	80,327
	Lennar Corp	8,101 shares	91,954	159,185
	Manitowoc Company Inc	9,595 shares	149,494	88,178
	Mastercard Inc-A	382 shares	102,152	142,417
	MeadWestvaco Corp	3,192 shares	86,038	95,600
	Monsanto Co New	2,396 shares	169,040	167,888
	Monster Worldwide Inc	7,460 shares	113,855	59,158
	Motorola Inc	704 shares	28,207	32,588
	Mylan Inc	5,448 shares	101,728	116,914
	Myriad Genetics Inc	5,733 shares	111,123	120,049
	Navistar Intl Corp New	2,012 shares	100,708	76,215
	Nii Holdings Inc CL B	4,792 shares	140,890	102,070
	Nisource Inc	3,353 shares	72,671	79,835
	Occidental Pete Corp	3,015 shares	267,653	282,506
	Oracle Corporation	6,843 shares	180,619	175,523
	Owens III Inc	5,475 shares	133,460	106,106
	Patterson-Uti Energy Inc	3,187 shares	90,690	63,676
	Penn Natl Gaming Inc	3,747 shares	137,196	142,648
	Pfizer Inc	12,926 shares	272,352	279,719
	Pinnacle Entertainment Inc	2,927 shares	37,632	29,738
	Pmc-Sierra Inc	14,945 shares	101,689	82,347
	Precision Castparts Corp	1,251 shares	169,071	206,152
	Priceline.Com Inc	499 shares	101,535	233,387
	Qualcomm Inc	5,197 shares	265,769	284,276
	Ralcorp Hldgs Inc New	903 shares	69,164	77,207
	Regal Beloit Corp	1,743 shares	117,419	88,841
	Rf Micro Devices Inc	14,160 shares	80,923	76,464
	Riverbed Technology	3,814 shares	96,224	89,629
	Rowan Cos Inc	3,774 shares	128,066	114,465
	Sba Communications Corp	2,835 shares	83,982	121,792
	Sealed Air Corp New	6,015 shares	121,393	103,518

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Sl Green Realty Corp	1,790 shares	$ 123,858	119,286
	Solutia Inc	5,672 shares	90,221	98,012
	Spirit Aerosystems Hold CI-A	6,424 shares	143,483	133,491
	Sprint Nextel Corp	36,558 shares	145,546	85,546
	Starbucks Corp	3,499 shares	127,263	160,989
	State Street Corp	4,169 shares	170,012	168,052
	Symantec Corporation	6,397 shares	104,777	100,113
	Tenet Healthcare Corp	17,623 shares	97,800	90,406
	Terex Corp New	6,813 shares	149,913	92,044
	Textron Inc	8,621 shares	177,229	159,402
	Thermo Fisher Scientific Inc	1,278 shares	61,644	57,472
	Time Warner Inc	2,770 shares	98,987	100,108
	Titanium Metals Corp	1,939 shares	36,724	29,046
	Tjx Cos Inc	2,883 shares	163,385	186,098
	Travelers Companies Inc	3,904 shares	190,546	231,000
	Trinity Industries Inc	3,253 shares	83,200	97,785
	Triquint Semiconductor Inc	15,986 shares	104,984	77,852
	Union Pac Corp	1,539 shares	140,514	163,042
	UnitedHealth Group Inc	4,306 shares	166,280	218,228
	Valero Energy Corp	4,433 shares	111,432	93,315
	Valueclick Inc	4,844 shares	64,966	78,909
	Varian Medical Systems Inc	1,450 shares	72,692	97,339
	Visa Inc-Class A	2,522 shares	217,954	256,059
	Visteon Corp	1,719 shares	114,669	85,847
	Warnaco Group Inc	2,201 shares	109,232	110,138
	Whiting Petroleum Corp	2,009 shares	91,155	93,800
	Yahoo Inc	4,079 shares	64,787	65,794
	Zion's Bancorpation	6,795 shares	125,894	110,623
	Advances Semiconductor E-Adr	9,333 shares	46,437	40,505
	Aegon NV	10,682 shares	80,833	42,942
	Agrium Inc	443 shares	33,015	29,730
	Allianz SE Spons Adr	13,924 shares	243,739	133,595
	Anglo American Plc Adr	3,330 shares	58,508	61,558
	Arcelormittal Adr	1,784 shares	31,267	32,451
	Arm Holdings Plc-Sponsored Adr	4,169 shares	111,743	115,356
	Asahi Glass Co LTD-UNSP ADR	12,319 shares	133,073	103,433
	AstraZeneca Plc Adr	4,531 shares	195,407	209,740
	Au Optonics Corp Spons Adr	13,436 shares	108,949	58,044

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Australia & New Zealand Spons Adr	1,679 shares	$ 42,659	35,338
	Avago Technologies Ltd	4,186 shares	136,667	120,808
	Aviva Plc Spns Adr	4,300 shares	49,536	39,775
	Baidu Inc Spons Adr	943 shares	78,682	109,831
	Banco Do Brasil Spons Adr	4,256 shares	73,067	54,077
	Barclays Plc Adr	6,392 shares	197,853	70,248
	Bayerische Motoren Werke Unspons Adr	2,830 shares	64,534	63,384
	Bnp Paribas Adr	2,101 shares	103,305	41,388
	BP Amoco Plc	6,370 shares	262,055	272,161
	Bridgestone Corp-Unspons ADR	3,479 shares	146,279	157,807
	British Amern Tob Plc Spns Adr	527 shares	34,376	50,002
	British Land Co. PLC-ADR	8,419 shares	64,592	60,513
	Cathay Pacific Airways ADR (Hong Kong)	2,386 shares	28,537	20,460
	China Pete & Chem Corp	407 shares	32,824	42,755
	Cia Saneamento Basico De Adr	975 shares	37,916	54,259
	Delhaize Group Adr	1,201 shares	84,156	67,676
	Deutsche Bank Ag-Reg	1,674 shares	74,978	63,378
	E On Ag Spons Adr	5,246 shares	205,386	113,524
	East Japan Railway Co-Adr	4,066 shares	41,745	43,158
	EDP-Engergias de Portugal, S.A. ADR	2,029 shares	78,940	62,977
	Eni S P A Spon Adr	2,056 shares	114,752	84,851
	Ensco Plc Spons Adr	6,583 shares	308,346	308,874
	Exxaro Resources Ltd-SP ADR	1,405 shares	39,078	29,237
	Fujitsu Ltd Unspons Adr	2,694 shares	82,819	70,029
	Gazprom Spon Adr	6,522 shares	76,139	69,559
	Glaxo Smithkline Sponsored Adr	2,283 shares	101,399	104,173
	Hsbc Hldgs Plc Sponsored Adr New	1,150 shares	44,229	43,815
	Icon Plc - Sponsored Adr	6,083 shares	132,779	104,080
	Imperial Tobacco Group Plc-Spsd Adr	1,377 shares	82,226	104,218
	Ing Groep Nv Sponsored Adr	14,139 shares	184,439	101,377
	Kb Financial Group Inc Spons Adr	1,883 shares	118,176	59,013
	Kon Dsm Nv-Adr	8,902 shares	112,555	103,571
	Koninklijke Ahold Spons Adr	5,617 shares	72,615	75,870
	LG Display Co Ltd Spons Adr	7,089 shares	94,835	74,647
	Lloyds Banking Group Plc-Spons Adr	26,304 shares	107,483	41,297
	Lufthansa Spons Adr	3,821 shares	67,408	45,560
	Lululemon Athletica Inc	2,379 shares	117,822	111,004

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Macquarie Bank Ltd-Adr	2,775 shares	$ 68,812	67,681
	Magna International Inc Class A	2,584 shares	133,129	86,073
	Mitsubishi Corp Spns Adr	1,876 shares	95,118	75,830
	Mitsubishi Ufj Financial-Adr	16,837 shares	79,133	70,547
	Mitsui & Co Ltd Spons Adr	113 shares	31,946	35,160
	Muenchener Unspons Adr	6,811 shares	97,981	83,801
	Nabors Industries Ltd.	11,115 shares	287,537	192,734
	National Australia Bk Ltd Spons Adr	4,940 shares	84,106	118,307
	Nestle Sa Spons Adr For Reg	1,002 shares	54,950	57,863
	New Gold Inc.	3,654 shares	40,635	36,832
	New World De Spons Adr	18,857 shares	73,564	30,397
	Nexen Inc	5,260 shares	121,610	83,687
	Nintendo Ltd Adr	1,571 shares	32,605	27,055
	Nippon Teleg & Tel Corp Spons Adr	6,108 shares	148,761	154,716
	Nissan Mtr Ltd Adr	11,239 shares	214,678	202,167
	Nomura Research Institute Ltd.	700 shares	31,392	31,661
	Novartis Ag Sponsored Adr	2,429 shares	123,429	138,866
	Ntt Docomo Inc Spons Adr	3,900 shares	69,223	71,565
	Oil Co Lukoil Spons Adr	1,115 shares	76,837	59,094
	Orix Corp Spons Adr	2,716 shares	94,043	111,410
	Petroleo Brasileiro Sa Petrobras	2,669 shares	67,496	62,695
	Rio Tinto Plc Spnsd Adr	2,440 shares	133,904	119,365
	Roche Hldg Ltd Spons Adr	3,183 shares	115,764	135,476
	Royal Dutch-Adr A	3,090 shares	223,033	225,848
	Sanofi Aventis Adr	949 shares	38,468	34,676
	Schlumberger Ltd	2,118 shares	144,341	144,681
	Seadrill Ltd	1,506 shares	50,114	49,969
	Seagate Technology	6,560 shares	92,945	107,584
	Sharp Corp	11,319 shares	155,039	99,008
	Shire Plc Spons Adr	1,175 shares	113,481	122,083
	Societe Generale-Spons Adr	14,444 shares	269,250	64,520
	Sony Corp Adr	4,340 shares	161,361	78,294
	Sumitomo Mitsui-Spons ADR	15,229 shares	204,852	83,912
	TE Connectivity Ltd	5,408 shares	147,058	166,620
	Telecom Italia Spa-Spon Adr	12,267 shares	161,969	130,644
	Turkiye Vakiflar ADR (Turkey)	2,011 shares	38,626	26,088
	Tyco International Ltd	3,692 shares	145,818	172,453

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Vale S.A. Adr	4,977 shares	$ 128,705	102,526
	Vivendi SA-Unsponsored ADR	3,439 shares	101,591	75,536
	Vodafone Group Adr	6,334 shares	153,780	177,542
	Volkswagen AG ADR (Germany)	4,102 shares	117,354	110,387
	Warner Chilcott Plc	2,999 shares	46,805	45,375
	Weatherford Intntl Ltd	4,661 shares	77,267	68,237
	Xstrata Plc Unspons Adr	26,218 shares	105,758	79,675
			27,473,965	26,551,657
	Mutual Funds			
	Vanguard 500 Index Fund-Sign	86,785 shares	8,671,523	8,301,019
	U.S. Government Securities			
	U.S. Treasury Notes	1.00% interest, due 10/31/16	1,151,869	1,155,083
	U.S. Treasury Notes	3.50% interest, due 5/15/20	1,514,520	1,639,307
	U.S. Treasury Notes	2.75% interest, due 2/15/19	553,565	591,426
	U.S. Treasury Notes	0.375% interest, due 6/30/13	2,114,444	2,114,026
	U.S. Treasury Notes	0.50% interest, due 10/15/14	1,630,855	1,630,725
	FHLMC	2.50% interest, due 5/27/16	819,176	847,260
	FNMA	0.625% interest, due 10/30/14	1,742,941	1,738,834
	FHLMC Gd Pl #g02422	6.00% interest, due 12/1/36	19,258	21,112
	FHLMC Gd Pl #AB1149	5.00% interest, due 6/1/40	313,670	320,771
	FNMA Pl #899717	6.00% interest, due 9/1/37	389,358	404,807
			10,249,656	10,463,351
	Money Market Mutual Fund			
	Northern Instl Diversified Assets-SW	7,853,625 shares	7,853,625	7,853,625
			$ 62,986,775	61,964,011

See accompanying independent auditors' report.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2011

Employer identification number: 74-0524729
Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain
First State Trust Company	Northern Instl Diversified Assets - SW 686 Purchases	$ 23,828,730	-	-	23,828,730	-
First State Trust Company	FNMA, 1.125% interest, due 6/27/14 1 purchase	1,723,235	-	-	1,723,235	-
First State Trust Company	FNMA, 0.75% interest, due 12/18/13 1 purchase	1,689,567	-	-	1,689,567	-
First State Trust Company	U.S. Treasury Notes, 0.625% interest, due 01/31/13 3 purchases	2,222,965	-	-	2,222,965	-
First State Trust Company	Northern Instl Diversified Assets - SW 396 sales	-	18,562,419	18,562,419	-	-
First State Trust Company	FNMA, 1.125% interest, due 6/27/14 1 sale	-	1,734,573	1,723,235	-	11,338
First State Trust Company	FNMA, 0.75% interest, due 12/18/13 1 sale	-	1,712,958	1,689,567	-	23,391
First State Trust Company	U.S. Treasury Notes, 0.625% interest, due 01/31/13 2 sales	-	2,232,598	2,222,965	-	9,633

See accompanying independent auditors' report.

Schedule SB, Line 26 – Schedule of Active Participant Data
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	2		0		0		0		0		0		0		0		0		0	
25 - 29	0		2		2		0		0		0		0		0		0		0	
30 - 34	1		5		11		2		0		0		0		0		0		0	
35 - 39	2		6		10		6		1		0		0		0		0		0	
40 - 44	1		9		7		6		5		1		0		0		0		0	
45 - 49	2		9		8		7		7		11		6		0		0		0	
50 - 54	2		6		8		4		11		20		10		1		0		0	
55 - 59	1		1		4		4		3		6		9		4		2		0	
60 - 64	0		0		2		5		2		8		4		6		2		0	
65 - 69	0		1		0		2		1		1		2		1		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

TOWERS WATSON

Schedule SB, Part V – Statement of actuarial assumptions and methods
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Interest rate basis:

• Applicable month	January
• Yield curve basis	3-Segment Rates

Interest rates:

• First segment rate	2.94%
• Second segment rate	5.82%
• Third segment rate	6.46%
• Effective interest rate	5.99%

Annual rates of increase:

• Compensation	5.00%
• Future Social Security wage bases	3.50%
• Statutory limits on compensation	None

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant. The plan was closed to all employees hired after December 31, 2006.

Plan-related Expenses

The amount included this year for plan-related expenses is $300,000.

Mortality

• Healthy	Single blended table of rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2026 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2018 using Scale AA).
• Disabled	Alternative disabled life mortality tables as defined under Revenue Ruling 96-7.

Schedule SB, Part V – Statement of actuarial assumptions and methods
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Disability Rates

70% of Wyatt 1985 Disability Study Class 1 unisex rates.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Retirement Rates (per 100 Employees)		
Attained Age	Males	Females
55	10.0	10.0
56	3.0	3.0
57	3.0	3.0
58	3.0	3.0
59	3.0	3.0
60	5.0	5.0
61	5.0	5.0
62	20.0	20.0
63	10.0	10.0
64	10.0	10.0
65	100.0	100.0

Representative Termination Rates not Due to Disability, Retirement or Mortality

Percentage leaving during the year		
Attained Age	Males	Females
20	14.9	24.9
25	9.9	14.9
30	6.9	9.9
35	4.9	6.9
40	2.8	4.9
45	1.7	2.8
50	0.4	1.7
55	0.0	0.4
60	0.0	0.0

Form of Payment

Single participants are assumed to elect the life only form of payment. Married participants are assumed to elect the joint and 50% contingent form of payment.

Schedule SB, Part V – Statement of actuarial assumptions and methods
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Marriage

80% of eligible participants are assumed to be married and male spouses are assumed to be three years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Plan Compensation

Compensation assumed paid in the current year beginning on the valuation date is the current annual rate of pay.

Asset Method

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2010 plan year.)

Participant Data

Employee data was supplied in electronic format as of the census date by the plan sponsor.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

Benefits not Included in Valuation

None.

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BRAZOS ELECTRIC POWER COOP INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1960

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

BRAZOS ELECTRIC POWER COOPERATIVE INC.

P. O. BOX 2585

WACO TX 76702-2585

2b Employer Identification Number (EIN) 74-0524729

2c Sponsor's telephone number 254-750-6500

2d Business code (see instructions) 221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/12/2012	Lee Ray III
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BRAZOS ELECTRIC POWER COOPERATIVE INC.

P. O. BOX 2585

WACO TX 76702-2585

3b Administrator's EIN
74-0524729

3c Administrator's telephone number
254-750-6500

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	482
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).		
a	Active participants	**6a**	240
b	Retired or separated participants receiving benefits	**6b**	137
c	Other retired or separated participants entitled to future benefits	**6c**	86
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	463
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	17
f	Total. Add lines **6d** and **6e**	**6f**	480
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	(1)	Insurance
(2)	Code section 412(e)(3) insurance contracts	(2)	Code section 412(e)(3) insurance contracts
(3)	[X] Trust	(3)	[X] Trust
(4)	General assets of the sponsor	(4)	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [ ] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2011

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain
First State Trust Company	Northern Instl Diversified Assets - SW 686 Purchases	$ 23,828,730	-	-	23,828,730	-
First State Trust Company	FNMA, 1.125% interest, due 6/27/14 1 purchase	1,723,235	-	-	1,723,235	-
First State Trust Company	FNMA, 0.75% interest, due 12/18/13 1 purchase	1,689,567	-	-	1,689,567	-
First State Trust Company	U.S. Treasury Notes, 0.625% interest, due 01/31/13 3 purchases	2,222,965	-	-	2,222,965	-
First State Trust Company	Northern Instl Diversified Assets - SW 396 sales	-	18,562,419	18,562,419	-	-
First State Trust Company	FNMA, 1.125% interest, due 6/27/14 1 sale	-	1,734,573	1,723,235	-	11,338
First State Trust Company	FNMA, 0.75% interest, due 12/18/13 1 sale	-	1,712,958	1,689,567	-	23,391
First State Trust Company	U.S. Treasury Notes, 0.625% interest, due 01/31/13 2 sales	-	2,232,598	2,222,965	-	9,633

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2011 This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▶	001
Brazos Electric Power Cooperative, Inc. Pension Plan		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
Brazos Electric Power Cooperative, Inc.	74-0524729	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B **F** Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2011

2	Assets:			
	a Market value		2a	64,703,039
	b Actuarial value		2b	60,325,477
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	140	34,371,554
	b For terminated vested participants	3b	83	5,457,158
	c For active participants:			
	(1) Non-vested benefits	3c(1)		1,724,362
	(2) Vested benefits	3c(2)		33,504,982
	(3) Total active	3c(3)	262	35,229,344
	d Total	3d	485	75,058,056
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5	Effective interest rate		5	5.99 %
6	Target normal cost		6	2,083,817

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	STEVEN C. ERICKSON SCE	10/12/2012
	Signature of actuary	Date
Steven C. Erickson		11-04118
Type or print name of actuary		Most recent enrollment number
Towers Watson Delaware Inc.		(214) 530-4200
Firm name		Telephone number (including area code)
500 N. Akard Street, Suite 4100		
Dallas	TX 75201	
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 12.97%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		627,606
b	Interest on (a) using prior year's effective rate of 6.61% except as otherwise provided (see instructions)		41,485
c	Total available at beginning of current plan year to add to prefunding balance		669,091
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	80.37 %
15	Adjusted funding target attainment percentage	15	80.37 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.28 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2011	841,583		04/13/2012	1,060,259	
07/15/2011	841,583		07/13/2012	1,060,259	
10/14/2011	841,583				
01/13/2012	866,583				
03/15/2012	1,443,080				
03/30/2012	1,000,000				
			Totals ▸ 18(b)	7,954,930	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	7,492,271

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:	1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
	2.94 %	5.82 %	6.46 %	

b Applicable month (enter code)	21b	0
22 Weighted average retirement age	22	62

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	2,083,817
b Excess assets, if applicable, but not greater than 31a	31b	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	14,732,579	2,501,136
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	4,584,953

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	36	4,584,953
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	7,492,271
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	2,907,318
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Plan Sponsor

Brazos Electric Power Cooperative, Inc.

Plan

Brazos Electric Power Cooperative, inc. Pension Plan

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1960. The plan was amended and restated effective January 1, 2009.

Plan Year

The twelve-month period ending December 31, 2011.

Coverage and Participation

Includes all employees who were participants in the superseded plan as of September 30, 1990, and all other employees on the later of the following dates: (a) October 1, 1990; or, (b) the date the employee has attained age 21 and either (1) the first anniversary of his date of hire if the employee completes 1,000 hours of service during the 12-month period following his date of hire or (2) the January 1 next following the first plan year during which he completes 1,000 hours of service.

The plan is closed to all employees hired after December 31, 2006.

Benefit Accruals

Participants eligible to receive the 6.5% of pay nonmatching contribution in the defined contribution plan have frozen benefit accruals as of December 31, 2007.

Credited Service

Credited service is the sum of (a) the number of years (and months) of pension credit, if any, that the participant had accrued under the superseded plan as of September 30, 1990, plus (b) the period of service computed in completed months from the later of (i) October 1, 1990, and (ii) the date that the employee became a participant in the plan, to the participant's date of termination, excluding any complete months of unpaid absence.

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Participants eligible to receive the 6.5% of pay nonmatching contribution in the defined contribution plan have their credited service frozen as of December 31, 2007.

Vesting Service

Vesting service is the sum of (a) the number of "Years of Service Credit," if any, that an employee accrued through December 31, 1990, under the terms of the superseded plan as in effect on September 30, 1990, plus (b) the number of calendar years since January 1, 1990, during which he completed 1,000 hours of service; provided, however, for service prior to October 1, 1990, any hours of service in a month in which an employee was eligible to make employee contributions to the plan but failed to do so will not be counted for determining Vesting service.

Participants eligible to receive the 6.5% of pay nonmatching contribution in the defined contribution plan continue to earn service after December 31, 2007 for the purposes of vesting and eligibility for early retirement benefits.

Final Average Compensation/Salary

Final average monthly compensation is the average monthly rate of compensation from the employer for the 60 successive calendar months out of the 120 successive calendar months immediately preceding the date on which the participant's service terminates, taking into account only those calendar months in which the participant received regular compensation.

Compensation for the plan means compensation actually paid by the employer as reported on the participant's federal income tax withholding statement (Form W-2 or its subsequent equivalent) excluding overtime, reimbursements or other expense allowances, fringe benefits (cash or noncash), moving expenses, deferred compensation, and welfare benefits. In addition, salary deferrals under an Internal Revenue Code Section 125 plan or an Internal Revenue Code Section 401(k) plan are counted as compensation for the plan if such amounts would have otherwise been counted had they not been deferred. Compensation for any 12-month period is limited to $200,000 (indexed beginning in 2002), as required.

Participants eligible to receive the 6.5% of pay nonmatching contribution in the defined contribution plan have their final average monthly compensation frozen as of December 31, 2007.

Normal Retirement Benefit

Normal Retirement Date: Later of age 65 and fifth anniversary of date of participation

Benefit Formula: Based on the following formula:

Group (1): Participants eligible to receive the 6.5% of pay nonmatching contribution:

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Monthly benefit: 1.7% of Final Average Monthly Compensation as of December 31, 2007 times Credited Service as of December 31, 2007

Group (2): Participants not eligible to receive the 6.5% of pay nonmatching contribution:

Monthly benefit: 1.7% of Final Average Monthly Compensation times Credited Service as of December 31, 2007

plus

1.2% of Final Average Monthly Compensation times Credited Service earned after December 31, 2007

Normal Form of Benefit: The normal form of payment for benefits earned under the 1.7% formula is joint and 50% contingent with 10 years certain for married participants and 10 years certain and life thereafter for nonmarried participants. The normal form of payment for benefits earned under the 1.2% formula is life only.

Late Retirement

If retirement occurs after the normal retirement date, the late retirement income will be based on the greater of:

a. The plan formula using credited service and final average monthly compensation as of the late retirement date; or

b. The income provided by the single-sum value of the retirement income as of normal retirement date, accumulated with interest to actual retirement.

Early Retirement Benefit

Eligibility: Age 55 and 10 years of service.

Benefit: The participant's accrued benefit is multiplied by the appropriate early retirement factor listed in Tables 1 and 2 below.

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Age	Table 1. Early Retirement Factor for the benefit earned under the 1.7% benefit multiplier	Age	Table 2. Early Retirement Factor for the benefit earned under the 1.2% benefit multiplier
65	100%	65	100%
64	98%	64	98%
63	96%	63	96%
62	94%	62	94%
61	92%	61	88%
60	90%	60	82%
59	84%	59	76%
58	78%	58	70%
57	72%	57	64%
56	66%	56	58%
55	60%	55	52%

Disability Benefit

Eligibility: Total and permanent disability of the participant after attaining age 30 and 5 years of vesting service and prior to reaching normal retirement age and the participant applies for benefits within six months after date of termination due to disability.

Disability Benefit: Commencing on the participant's normal retirement date, if he is then living and still disabled, the monthly income, payable in the normal form, shall be calculated according to the retirement benefit formula, assuming that his service with the Cooperative and his monthly rate of basic compensation as of his date of disability continued to his normal retirement date. A maximum of 5 years of credited service will be granted for absence due to disability.

Death of Disabled Participant Prior to Normal Retirement: Prior to normal retirement, disabled participants are entitled to a death benefit identical to the one for active employees. This is determined as if the disabled participant had remained in service until his date of death and his last rate of pay had continued unchanged. A maximum of 5 years of credited service will be granted for absence due to disability.

Vested Benefits upon Termination of Service

Vesting: A participant is 100% vested upon completion of 5 years of vesting service or attainment of normal retirement age.

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Termination Benefit: Vested accrued retirement income payable at normal retirement date in the normal form of payment. Payments may commence on or after the date that the participant turns age 55. If payments commence prior to normal retirement age, the amount will be reduced for early commencement using the actuarial early retirement factors specified in the plan, as shown on Table 3.

Table 3.

Age	Percentage of Vested Accrued Retirement Income Payable
65	100.00%
64	92.18%
63	85.26%
62	79.02%
61	73.38%
60	68.30%
59	63.76%
58	59.49%
57	55.70%
56	52.12%
55	49.00%

Death of Terminated Participant Prior to Commencement of Retirement Income: The surviving spouse or beneficiary will be entitled to the monthly retirement income that would have been payable if the terminated participant had survived to his earliest possible early retirement date, retired with his normal form of payment (based on marital status at date of death) and had died immediately after such retirement.

Death Benefits for Participants in Active Service

Eligibility: Completion of 5 years of vesting service.

Benefit for Married Participants: In the event of the death of an active participant who is married at the date of his death, the participant's surviving spouse will be entitled to the monthly income that would have been payable if the participant had (i) terminated employment on his date of death, (ii) survived to his earliest possible retirement date, (iii) retired with the normal form of payment for married participants with reduction for commencement before age 65 determined as if he had both attained age 55 and completed ten years of credited service while an active participant, and (iv) had died immediately after retirement.

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Benefit for Single Participants: In the event of the death of an active participant who is not married at the date of his death, the participant's beneficiary will be entitled to the monthly income that would have been payable if the participant had (i) terminated employment on his date of death, (ii) survived to his earliest possible retirement date, (iii) retired with the normal form of payment for participants who are not married with reduction for commencement before age 65 determined as if he had both attained age 55 and completed ten years of credited service while an active participant, and (iv) had died immediately after retirement.

Optional Forms of Retirement Income in Lieu of Normal Form

Life Only: An income payable for life (the normal form of payment for benefits accrued under the 1.2% benefit multiplier).

10-Year Certain and Life: A monthly income payable for 10 years certain and for the participant's lifetime thereafter (the normal form of payment for benefits accrued under the 1.7% benefit multiplier for single participants).

Joint and 50% Contingent with 10-years certain: A modified income payable as long as the participant survives. Upon the death of the participant, an income that is 50% of the original amount will be payable during the lifetime of the spouse, with a guarantee that the original amount will be payable for 10 years certain (the normal form of payment for benefits accrued under the 1.7% benefit multiplier for married participants).

Joint and 75% (or 100%) Contingent with 10-years certain: A modified income payable as long as the participant survives. Upon the death of the participant, an income that is 75% (or 100%) of the original amount will be payable during the lifetime of the spouse, with a guarantee that the original amount will be payable for 10 years certain.

Social Security Adjustment Option: A modified monthly income commencing on the participant's early retirement date and continuing for his remaining lifetime. The amount of monthly income will be in a greater amount before the date on which the participant expects to begin receiving Primary Insurance Benefits under the Federal Social Security Act ("his Social Security Commencement Date") and will be reduced after such date so that the initial adjusted monthly income will be as nearly equal as possible to the sum of the participant's reduced monthly income and his Primary Insurance Amount after his Social Security Commencement Date. In the event of the death of the participant within the ten-year period following the date payments commence, the reduced monthly income will be paid to a beneficiary for the remainder of such ten-year period.

Lump-Sum Payment: If the participant's monthly normal retirement benefit is less than $500, the participant will have the option to elect to receive their benefit as a one-time lump-sum payment.

Schedule SB, Part V – Summary of principal plan provisions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Pension Increases

All monthly benefits in payment status earned under the 1.7% benefit multiplier will be increased by 1.5% each January 1st as long as the income is payable.

Plan Participants' Contributions

Effective October 1, 1990, employee contributions to the plan were no longer required for participation. Voluntary employee contributions are not permitted under the plan.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2011

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Corporate Bonds			
	Alcoa Inc	6.150% interest, due 8/15	$ 415,196	400,006
	Bank of America Corp	7.625% interest, due 6/1/19	396,829	351,634
	BB&T Corporation Mtn	5.70% interest, due 4/30/14	430,689	426,655
	Bear Stearns Co	6.40% interest, due 10/2/17	414,917	407,789
	Boeing Cap Corp	6.50% interest, due 2/15/12	71,668	65,489
	Boeing Co	1.875% interest, due 11/20/12	341,098	338,494
	Bottling Group	5.50% interest, due 4/1/16	134,804	156,396
	Caterp Fin Serv Mtn	6.20% interest, due 9/30/13	444,012	430,593
	ConocoPhillips	5.625% interest, due 10/15/16	342,179	393,459
	CSX Corp	5.50% interest, due 8/1/13	420,031	403,561
	CVS Caremark Corp	5.75% interest, due 6/1/17	341,656	407,228
	Florida Pwr & Lt	5.85% interest, due 2/1/33	24,942	31,485
	Gen Elec Cap Crp	4.375% interest, due 9/16/20	399,877	418,973
	Goldman Sachs GP	5.75% interest, due 10/1/16	429,825	408,523
	HCP Inc.	5.375% interest, due 2/1/21	397,248	405,725
	Hewlett-Packard Co	2.125% interest, due 9/13/15	409,537	402,783
	Household Fin Corp	4.75% interest, due 7/15/13	19,917	20,423
	MetLife Inc	7.717% interest, due 2/15/19	427,349	457,690
	Prin Life Inc Fd	5.10% interest, due 4/15/14	24,958	26,408
	Safeway Inc	6.25% interest, due 3/15/14	388,374	385,487
	Simon Property Group	4.375% interest, due 3/1/21	402,215	412,669
	Telstra Corp Ltd	6.375% interest, due 4/1/12	22,579	20,276
	Time Warner Cable	5.85% interest, due 5/1/17	394,572	415,672
	Toyota Motor Credit Corp	3.40% interest, due 9/15/21	397,536	409,149
	Verizon Wireless	5.55% interest, due 2/1/14	413,614	407,423
	Wachovia Corp	5.75% interest, due 6/15/17	391,728	401,091
	Arcelormittal	9.85% interest, due 6/1/19	383,076	333,665
	Cs First Boston CMO	6.133% interest, due 4/15/37	13,580	12,596
	GMAC CMO	4.93% interest, due 7/10/39	36,131	35,530
	JP Morgan Chase CMO	4.275% interest, due 1/12/37	5,574	5,432
	Morgan Stanley CMO	6.39% interest, due 7/15/33	2,295	2,055
			8,738,006	8,794,359

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock			
	Actuant Corp CI A New	2,968 shares	$ 72,986	67,344
	Aes Corp	8,956 shares	107,966	106,039
	Agco Corp	575 shares	24,074	24,708
	Airgas Inc	1,209 shares	77,738	94,399
	Alcoa Inc	11,567 shares	156,931	100,055
	Alere Inc	2,638 shares	78,388	60,911
	Alexion Pharmaceuticals Inc	1,858 shares	103,510	132,847
	Allegheny Technologies Inc	1,773 shares	100,026	84,749
	Allergan Inc	1,615 shares	102,136	141,700
	Allscripts-Misys Healthcare Solution	5,836 shares	118,179	110,534
	Amazon Com Inc	1,026 shares	135,958	177,601
	American Electric Power Inc	4,279 shares	181,277	176,765
	American Express Co	3,658 shares	148,386	172,548
	American Tower Corp	3,484 shares	182,840	209,075
	Ameriprise Financial Inc.	3,384 shares	124,634	167,982
	Anadarko Petroleum Corp	1,121 shares	56,231	85,566
	Apple Computer Inc	1,672 shares	254,749	677,160
	AT&T Inc	5,180 shares	178,161	156,643
	Atmel Corp	11,218 shares	110,623	90,866
	Avis Budget Group	6,700 shares	91,478	71,824
	Baker Hughes Inc	3,043 shares	133,475	148,012
	Bally Technologies Inc	2,783 shares	91,622	110,095
	BankUnited Inc	2,959 shares	82,914	65,068
	Brocade Communications Sys Inc	25,480 shares	137,255	132,241
	Ca Inc	4,121 shares	78,437	83,306
	Camden Ppty Tr	988 shares	54,138	61,493
	Cameron International Corp	2,423 shares	128,423	119,187
	Carefusion Corp	2,496 shares	61,909	63,423
	Cavium Inc	3,143 shares	98,036	89,355
	Cbs Corporation Class B W/I	3,909 shares	57,906	106,090
	Cerner Corp Com	1,896 shares	109,125	116,130
	Chevron Corporation	2,881 shares	216,698	306,538
	Ciena Corp	8,036 shares	101,301	97,236
	Cinemark Holding Inc	3,886 shares	76,808	71,852
	Cisco Sys Inc	7,073 shares	114,416	127,880
	Citigroup Inc	2,091 shares	53,162	55,014
	Citrix Sys Inc	1,916 shares	118,093	116,340
	Cliffs Natural Resources Inc	1,162 shares	70,541	72,451

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Coach Inc	2,185 shares	$ 110,034	133,372
	Cognizant Technology Solutions Corp	2,211 shares	163,805	142,189
	Comcast Corp-CI A	9,212 shares	196,457	218,417
	Comerica Inc	6,168 shares	191,482	159,134
	Comstock Res Inc	1,601 shares	51,509	24,495
	Constellation Brands Inc	1,348 shares	19,038	27,863
	Costco Wholesale Corp New	1,895 shares	156,640	157,891
	Cummins Inc	1,751 shares	133,168	154,123
	Dana Holding	7,106 shares	118,365	86,338
	Danaher Corp	5,011 shares	267,289	235,717
	Davita Inc	456 shares	31,993	34,569
	Dell Inc	12,592 shares	207,218	184,221
	Devon Energy Corporation New	2,253 shares	141,579	139,686
	Diamondrock Hospital	9,077 shares	88,460	87,502
	Digital Riv Inc	4,807 shares	144,502	72,201
	DirecTV-CI A	5,633 shares	235,251	240,867
	Dolby Laboratories Inc CI A	1,887 shares	77,982	57,572
	Dollar General Corp	3,058 shares	116,783	125,806
	E M C Corp Mass	6,513 shares	112,792	140,290
	eBay Inc	5,044 shares	157,677	152,985
	Energizer Hldgs Inc	1,846 shares	133,180	143,028
	Enersys	3,048 shares	84,092	79,157
	Esterline Technologies Corp	1,313 shares	92,295	73,489
	Exco Resources Inc	7,104 shares	116,176	74,237
	Exxon Mobil Corp	1,996 shares	151,306	169,181
	F5 Networks Inc	841 shares	89,938	89,247
	Gap Inc	6,556 shares	118,469	121,614
	Gaylord Entertainment Co	3,876 shares	109,088	93,567
	General Electric Co	11,007 shares	263,899	197,135
	Google Inc-CI-A	470 shares	287,507	303,573
	Hancock Hldg Co	4,791 shares	153,406	153,168
	Hertz Global Holdings	9,218 shares	146,931	108,035
	Hologic Inc	18,742 shares	320,110	328,172
	Home Depot Inc	5,684 shares	152,052	238,955
	Honeywell Intl Inc	4,175 shares	184,504	226,911
	Intel Corp	8,452 shares	161,034	204,961
	Interpublic Group Cos Inc	9,336 shares	75,787	90,839
	J P Morgan Chase & Co	5,851 shares	247,596	194,546

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	JDS Uniphase Corp	11,430 shares	$ 123,816	119,329
	Johnson & Johnson	1,676 shares	101,330	109,912
	Kansas City Southn Inds Inc	966 shares	27,786	65,698
	Kimberly Clark Corp	2,506 shares	160,079	184,341
	Kraft Foods Inc-A	6,522 shares	193,519	243,662
	Leap Wireless	3,349 shares	37,858	31,112
	Lear Corp	3,078 shares	150,020	122,504
	Legg Mason Inc	3,340 shares	115,363	80,327
	Lennar Corp	8,101 shares	91,954	159,185
	Manitowoc Company Inc	9,595 shares	149,494	88,178
	Mastercard Inc-A	382 shares	102,152	142,417
	MeadWestvaco Corp	3,192 shares	86,038	95,600
	Monsanto Co New	2,396 shares	169,040	167,888
	Monster Worldwide Inc	7,460 shares	113,855	59,158
	Motorola Inc	704 shares	28,207	32,588
	Mylan Inc	5,448 shares	101,728	116,914
	Myriad Genetics Inc	5,733 shares	111,123	120,049
	Navistar Intl Corp New	2,012 shares	100,708	76,215
	Nii Holdings Inc CL B	4,792 shares	140,890	102,070
	Nisource Inc	3,353 shares	72,671	79,835
	Occidental Pete Corp	3,015 shares	267,653	282,506
	Oracle Corporation	6,843 shares	180,619	175,523
	Owens III Inc	5,475 shares	133,460	106,106
	Patterson-Uti Energy Inc	3,187 shares	90,690	63,676
	Penn Natl Gaming Inc	3,747 shares	137,196	142,648
	Pfizer Inc	12,926 shares	272,352	279,719
	Pinnacle Entertainment Inc	2,927 shares	37,632	29,738
	Pmc-Sierra Inc	14,945 shares	101,689	82,347
	Precision Castparts Corp	1,251 shares	169,071	206,152
	Priceline.Com Inc	499 shares	101,535	233,387
	Qualcomm Inc	5,197 shares	265,769	284,276
	Ralcorp Hldgs Inc New	903 shares	69,164	77,207
	Regal Beloit Corp	1,743 shares	117,419	88,841
	Rf Micro Devices Inc	14,160 shares	80,923	76,464
	Riverbed Technology	3,814 shares	96,224	89,629
	Rowan Cos Inc	3,774 shares	128,066	114,465
	Sba Communications Corp	2,835 shares	83,982	121,792
	Sealed Air Corp New	6,015 shares	121,393	103,518

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Sl Green Realty Corp	1,790 shares	$ 123,858	119,286
	Solutia Inc	5,672 shares	90,221	98,012
	Spirit Aerosystems Hold CI-A	6,424 shares	143,483	133,491
	Sprint Nextel Corp	36,558 shares	145,546	85,546
	Starbucks Corp	3,499 shares	127,263	160,989
	State Street Corp	4,169 shares	170,012	168,052
	Symantec Corporation	6,397 shares	104,777	100,113
	Tenet Healthcare Corp	17,623 shares	97,800	90,406
	Terex Corp New	6,813 shares	149,913	92,044
	Textron Inc	8,621 shares	177,229	159,402
	Thermo Fisher Scientific Inc	1,278 shares	61,644	57,472
	Time Warner Inc	2,770 shares	98,987	100,108
	Titanium Metals Corp	1,939 shares	36,724	29,046
	Tjx Cos Inc	2,883 shares	163,385	186,098
	Travelers Companies Inc	3,904 shares	190,546	231,000
	Trinity Industries Inc	3,253 shares	83,200	97,785
	Triquint Semiconductor Inc	15,986 shares	104,984	77,852
	Union Pac Corp	1,539 shares	140,514	163,042
	UnitedHealth Group Inc	4,306 shares	166,280	218,228
	Valero Energy Corp	4,433 shares	111,432	93,315
	Valueclick Inc	4,844 shares	64,966	78,909
	Varian Medical Systems Inc	1,450 shares	72,692	97,339
	Visa Inc-Class A	2,522 shares	217,954	256,059
	Visteon Corp	1,719 shares	114,669	85,847
	Warnaco Group Inc	2,201 shares	109,232	110,138
	Whiting Petroleum Corp	2,009 shares	91,155	93,800
	Yahoo Inc	4,079 shares	64,787	65,794
	Zion's Bancorpation	6,795 shares	125,894	110,623
	Advances Semiconductor E-Adr	9,333 shares	46,437	40,505
	Aegon NV	10,682 shares	80,833	42,942
	Agrium Inc	443 shares	33,015	29,730
	Allianz SE Spons Adr	13,924 shares	243,739	133,595
	Anglo American Plc Adr	3,330 shares	58,508	61,558
	Arcelormittal Adr	1,784 shares	31,267	32,451
	Arm Holdings Plc-Sponsored Adr	4,169 shares	111,743	115,356
	Asahi Glass Co LTD-UNSP ADR	12,319 shares	133,073	103,433
	AstraZeneca Plc Adr	4,531 shares	195,407	209,740
	Au Optonics Corp Spons Adr	13,436 shares	108,949	58,044

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Australia & New Zealand Spons Adr	1,679 shares	$ 42,659	35,338
	Avago Technologies Ltd	4,186 shares	136,667	120,808
	Aviva Plc Spns Adr	4,300 shares	49,536	39,775
	Baidu Inc Spons Adr	943 shares	78,682	109,831
	Banco Do Brasil Spons Adr	4,256 shares	73,067	54,077
	Barclays Plc Adr	6,392 shares	197,853	70,248
	Bayerische Motoren Werke Unspons Adr	2,830 shares	64,534	63,384
	Bnp Paribas Adr	2,101 shares	103,305	41,388
	BP Amoco Plc	6,370 shares	262,055	272,161
	Bridgestone Corp-Unspons ADR	3,479 shares	146,279	157,807
	British Amern Tob Plc Spns Adr	527 shares	34,376	50,002
	British Land Co. PLC-ADR	8,419 shares	64,592	60,513
	Cathay Pacific Airways ADR (Hong Kong)	2,386 shares	28,537	20,460
	China Pete & Chem Corp	407 shares	32,824	42,755
	Cia Saneamento Basico De Adr	975 shares	37,916	54,259
	Delhaize Group Adr	1,201 shares	84,156	67,676
	Deutsche Bank Ag-Reg	1,674 shares	74,978	63,378
	E On Ag Spons Adr	5,246 shares	205,386	113,524
	East Japan Railway Co-Adr	4,066 shares	41,745	43,158
	EDP-Engergias de Portugal, S.A. ADR	2,029 shares	78,940	62,977
	Eni S P A Spon Adr	2,056 shares	114,752	84,851
	Ensco Plc Spons Adr	6,583 shares	308,346	308,874
	Exxaro Resources Ltd-SP ADR	1,405 shares	39,078	29,237
	Fujitsu Ltd Unspons Adr	2,694 shares	82,819	70,029
	Gazprom Spon Adr	6,522 shares	76,139	69,559
	Glaxo Smithkline Sponsored Adr	2,283 shares	101,399	104,173
	Hsbc Hldgs Plc Sponsored Adr New	1,150 shares	44,229	43,815
	Icon Plc - Sponsored Adr	6,083 shares	132,779	104,080
	Imperial Tobacco Group Plc-Spsd Adr	1,377 shares	82,226	104,218
	Ing Groep Nv Sponsored Adr	14,139 shares	184,439	101,377
	Kb Financial Group Inc Spons Adr	1,883 shares	118,176	59,013
	Kon Dsm Nv-Adr	8,902 shares	112,555	103,571
	Koninklijke Ahold Spons Adr	5,617 shares	72,615	75,870
	LG Display Co Ltd Spons Adr	7,089 shares	94,835	74,647
	Lloyds Banking Group Plc-Spons Adr	26,304 shares	107,483	41,297
	Lufthansa Spons Adr	3,821 shares	67,408	45,560
	Lululemon Athletica Inc	2,379 shares	117,822	111,004

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Macquarie Bank Ltd-Adr	2,775 shares	$ 68,812	67,681
	Magna International Inc Class A	2,584 shares	133,129	86,073
	Mitsubishi Corp Spns Adr	1,876 shares	95,118	75,830
	Mitsubishi Ufj Financial-Adr	16,837 shares	79,133	70,547
	Mitsui & Co Ltd Spons Adr	113 shares	31,946	35,160
	Muenchener Unspons Adr	6,811 shares	97,981	83,801
	Nabors Industries Ltd.	11,115 shares	287,537	192,734
	National Australia Bk Ltd Spons Adr	4,940 shares	84,106	118,307
	Nestle Sa Spons Adr For Reg	1,002 shares	54,950	57,863
	New Gold Inc.	3,654 shares	40,635	36,832
	New World De Spons Adr	18,857 shares	73,564	30,397
	Nexen Inc	5,260 shares	121,610	83,687
	Nintendo Ltd Adr	1,571 shares	32,605	27,055
	Nippon Teleg & Tel Corp Spons Adr	6,108 shares	148,761	154,716
	Nissan Mtr Ltd Adr	11,239 shares	214,678	202,167
	Nomura Research Institute Ltd.	700 shares	31,392	31,661
	Novartis Ag Sponsored Adr	2,429 shares	123,429	138,866
	Ntt Docomo Inc Spons Adr	3,900 shares	69,223	71,565
	Oil Co Lukoil Spons Adr	1,115 shares	76,837	59,094
	Orix Corp Spons Adr	2,716 shares	94,043	111,410
	Petroleo Brasileiro Sa Petrobras	2,669 shares	67,496	62,695
	Rio Tinto Plc Spnsd Adr	2,440 shares	133,904	119,365
	Roche Hldg Ltd Spons Adr	3,183 shares	115,764	135,476
	Royal Dutch-Adr A	3,090 shares	223,033	225,848
	Sanofi Aventis Adr	949 shares	38,468	34,676
	Schlumberger Ltd	2,118 shares	144,341	144,681
	Seadrill Ltd	1,506 shares	50,114	49,969
	Seagate Technology	6,560 shares	92,945	107,584
	Sharp Corp	11,319 shares	155,039	99,008
	Shire Plc Spons Adr	1,175 shares	113,481	122,083
	Societe Generale-Spons Adr	14,444 shares	269,250	64,520
	Sony Corp Adr	4,340 shares	161,361	78,294
	Sumitomo Mitsui-Spons ADR	15,229 shares	204,852	83,912
	TE Connectivity Ltd	5,408 shares	147,058	166,620
	Telecom Italia Spa-Spon Adr	12,267 shares	161,969	130,644
	Turkiye Vakiflar ADR (Turkey)	2,011 shares	38,626	26,088
	Tyco International Ltd	3,692 shares	145,818	172,453

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
(Continued)

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Common Stock (continued)			
	Vale S.A. Adr	4,977 shares	$ 128,705	102,526
	Vivendi SA-Unsponsored ADR	3,439 shares	101,591	75,536
	Vodafone Group Adr	6,334 shares	153,780	177,542
	Volkswagen AG ADR (Germany)	4,102 shares	117,354	110,387
	Warner Chilcott Plc	2,999 shares	46,805	45,375
	Weatherford Intntl Ltd	4,661 shares	77,267	68,237
	Xstrata Plc Unspons Adr	26,218 shares	105,758	79,675
			27,473,965	26,551,657
	Mutual Funds			
	Vanguard 500 Index Fund-Sign	86,785 shares	8,671,523	8,301,019
	U.S. Government Securities			
	U.S. Treasury Notes	1.00% interest, due 10/31/16	1,151,869	1,155,083
	U.S. Treasury Notes	3.50% interest, due 5/15/20	1,514,520	1,639,307
	U.S. Treasury Notes	2.75% interest, due 2/15/19	553,565	591,426
	U.S. Treasury Notes	0.375% interest, due 6/30/13	2,114,444	2,114,026
	U.S. Treasury Notes	0.50% interest, due 10/15/14	1,630,855	1,630,725
	FHLMC	2.50% interest, due 5/27/16	819,176	847,260
	FNMA	0.625% interest, due 10/30/14	1,742,941	1,738,834
	FHLMC Gd Pl #g02422	6.00% interest, due 12/1/36	19,258	21,112
	FHLMC Gd Pl #AB1149	5.00% interest, due 6/1/40	313,670	320,771
	FNMA Pl #899717	6.00% interest, due 9/1/37	389,358	404,807
			10,249,656	10,463,351
	Money Market Mutual Fund			
	Northern Instl Diversified Assets-SW	7,853,625 shares	7,853,625	7,853,625
			$ 62,986,775	61,964,011

See accompanying independent auditors' report.

Schedule SB, Line 32 – Schedule of Amortization of Bases
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	01/01/2011	9,003,471	7	9,003,471	1,454,928
2 Shortfall	01/01/2010	6,259,962	6	5,729,108	1,046,208
Total				14,732,579	2,501,136