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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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; include room or suite number (employer, if for a 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.	10/14/2013	MARK FAGAN
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a	Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address	**3b**	Administrator's EIN
		3c	Administrator's telephone number
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:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	480
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**	227
b	Retired or separated participants receiving benefits	**6b**	144
c	Other retired or separated participants entitled to future benefits	**6c**	91
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	462
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	20
f	Total. Add lines **6d** and **6e**	**6f**	482
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**	0
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 Characteristics Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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)** [ ] 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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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 2012			
2	Assets:			
	a Market value	**2a**		67400363
	b Actuarial value	**2b**		70421181
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	157	35323752
	b For terminated vested participants	**3b**	86	5468650
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		1537336
	(2) Vested benefits	**3c(2)**		26642383
	(3) Total active	**3c(3)**	240	28179719
	d Total	**3d**	483	68972121
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**		7.06 %
6	Target normal cost	**6**		1432865

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 — Date: 09/24/2013

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 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 -3.70%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		2907318
	b Interest on (a) using prior year's effective interest rate of 5.99% except as otherwise provided (see instructions)		174148
	c Total available at beginning of current plan year to add to prefunding balance		3081466
	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	102.10 %
15	Adjusted funding target attainment percentage	15	102.10 %
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	80.37 %
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
			Totals ► 18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

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

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

c If line 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:	
5.54%	6.85%	7.52 %	☐ 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 subject to 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**	1432865
b Excess assets, if applicable, but not greater than line 31a	**31b**	1432865

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		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**	0

	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**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
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 an election was made to use PRA 2010 funding relief for this plan:

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.**	**2012** **This Form is Open to Public Inspection.**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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	100000	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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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	0	303483
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	5430181	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	161738	177651
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	7853625	9250719
(2) U.S. Government securities	1c(2)	10463351	14163739
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	8794359	9812682
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	26551657	26801085
(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)	8301019	10359884
(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	67555930	70869243
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	72732	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	72732	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	67483198	70869243

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)		
(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)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1183	
(B) U.S. Government securities	2b(1)(B)	148238	
(C) Corporate debt instruments	2b(1)(C)	438419	
(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)		587840
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	548696	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	293499	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		842195
(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
(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

		(a) Amount	(b) Total
(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)		5729572
c Other income	2c		35
d Total income. Add all **income** amounts in column (b) and enter total	2d		7159642
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3355008	
(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)		3355008
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)	418589	
(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)		418589
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3773597
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3386045
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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	

			Yes	No	Amount
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)

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Brazos Electric Power Cooperative, Inc.
Pension Plan
Financial Statements and
Supplementary Information
December 31, 2012 and 2011
(With Independent Auditor's Report Thereon)

Brazos Electric Power Cooperative, Inc.
Pension Plan

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5 - 15
Supplementary Information:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	16 - 22
Schedule H, Line 4j - Schedule of Reportable Transactions	23 - 24

JRBT
Celebrating 100 Years

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 500 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Brazos Electric Power Cooperative, Inc. Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 summarized 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 schedules. 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 a certification from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Supplementary Information

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions, which is the responsibility of Plan management, is presented for the 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. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, 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 & Thenell, P.C.

October 11, 2013

Brazos Electric Power Cooperative, Inc.
Pension Plan

Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

	2012	2011
Assets		
Cash	$ 303,483	-
Investments, at fair value:		
Corporate bonds	9,812,682	8,794,359
Common stock	26,801,085	26,551,657
Mutual funds	10,359,884	8,301,019
U.S. government securities	14,163,739	10,463,351
Money market mutual funds	9,250,719	7,853,625
Total investments	70,388,109	61,964,011
Receivables:		
Employer's contribution	-	5,430,181
Accrued interest and dividends	167,954	161,738
Due from broker for securities sold	9,697	-
Total receivables	177,651	5,591,919
Total assets	70,869,243	67,555,930
Liabilities		
Due to broker for securities purchased	-	72,732
Net assets available for benefits	$ 70,869,243	67,483,198

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, 2012 and 2011

	2012	2011
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 5,729,572	(3,104,620)
Interest and dividends	1,430,035	1,360,423
Other	35	16,459
	7,159,642	(1,727,738)
Employer's contributions	-	7,954,930
Total additions	7,159,642	6,227,192
Deductions from net assets attributed to:		
Benefits paid directly to participants	3,355,008	3,054,152
Administrative expenses	418,589	589,580
Total deductions	3,773,597	3,643,732
Net increase	3,386,045	2,583,460
Net assets available for benefits, beginning of year	67,483,198	64,899,738
Net assets available for benefits, end of year	$ 70,869,243	67,483,198

See accompanying notes to financial statements.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements

December 31, 2012 and 2011

(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.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(1) Description of Plan (continued)

(b) Pension Benefits (continued)

The Plan also provides benefits for (1) disability, (2) early retirement at age 55 with 10 years of service, and (3) death. 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. 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. 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. 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.

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 2012 and 2011 met the minimum funding requirements of ERISA.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(1) Description of Plan (continued)

(c) Funding Policy (continued)

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.

(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.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies

(d) Risks and Uncertainties (continued)

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.

(3) Investments

The following table presents the fair value of investments held at December 31, 2012 and 2011. Investments that represent five percent or more of the Plan's net assets available for benefits are separately identified.

	2012	2011
Investments at fair value as determined by quoted market prices:		
Common stock	$ 26,801,085	26,551,657
Mutual funds:		
Vanguard 500 Index Fund-Sign	10,359,884	8,301,019

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(3) Investments (continued)

	2012	2011
Investments at estimated fair value:		
Corporate bonds	$ 9,812,682	8,794,359
U. S. government securities:		
U.S. Treasury N/B due 9/15/15	4,882,294	-
U.S. Treasury Notes due 8/31/14	3,572,975	-
Other securities	5,708,470	10,463,351
Total U.S. government securities	14,163,739	10,463,351
Money market mutual funds:		
Northern Instl Diversified Assets-SW	9,250,719	7,853,625
Total investments	$ 70,388,109	61,964,011

During 2012 and 2011, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	2012	2011
Corporate bonds	$ 275,553	(89,131)
Common stock	3,267,103	(3,416,703)
Mutual funds	2,129,061	6,593
U.S. government securities	57,855	394,621
	$ 5,729,572	(3,104,620)

(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, administrative expenses, and other deductions 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.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(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 2009.

(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, 2012 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 (5.02% and 5.5% as of January 1, 2012 and 2011, 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.

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, 2012 is as follows:

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

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

Vested benefits:	
Participants currently receiving payments	$ 41,273,084
Other participants	45,976,432
	87,249,516
Non-vested benefits	1,688,346
Total actuarial present value of accumulated plan benefits	$ 88,937,862

The following details the change in the actuarial present values from January 1, 2011 to January 1, 2012:

Total actuarial present value of accumulated plan benefits as of January 1, 2011	$ 80,060,150
Benefits accumulated	1,979,936
Actuarial losses	58,827
Decrease in the discount period	4,428,216
Assumption changes	5,464,885
Benefits paid	(3,054,152)
Total actuarial present value of accumulated plan benefits as of January 1, 2012	$ 88,937,862

(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.

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.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(7) Plan Termination (continued)

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 2012 and 2011, that ceiling which is adjusted periodically was $4,653 and $4,500, respectively, per month. 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.

(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

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(9) Fair Value Hierarchy and Measurements (continued)

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, 2012 and 2011:

		Fair Value Measurements at Reporting Date Using		
	Fair Value December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	$ 9,812,682	-	9,812,682	-
Common stock:				
Domestic	24,691,037	24,691,037	-	-
Foreign	2,110,048	2,110,048	-	-
Mutual funds:				
Domestic	10,359,884	10,359,884	-	-
U.S. government securities	14,163,739	-	14,163,739	-
Money market mutual fund	9,250,719	-	9,250,719	-
	$ 70,388,109	37,160,969	33,227,140	-

		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 funds	7,853,625	-	7,853,625	-
	$ 61,964,011	34,852,676	27,111,335	-

Brazos Electric Power Cooperative, Inc.
Pension Plan

Notes to Financial Statements
(Continued)

(10) Subsequent Event

Effective January 1, 2013, the Plan changed trustees from First State Trust Company to Comerica, Inc.

The Plan has evaluated subsequent events from the balance sheet date through October 11, 2013, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

Supplementary Information

Brazos Electric Power Cooperative, Inc.
Pension Plan

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

December 31, 2012

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Corporate Bonds			
	Bank of America Corp	7.625% interest, due 6/1/19	$ 440,433	479,839
	BB&T Corporation Mtn	5.70% interest, due 4/30/14	430,689	415,664
	Bear Stearns Co	6.40% interest, due 10/2/17	455,927	480,399
	Bottling Group	5.50% interest, due 4/1/16	134,804	154,269
	Caterpillar Finl Mtn	6.125% interest, due 2/17/14	473,914	458,443
	CSX Corp	5.50% interest, due 8/1/13	420,031	390,674
	CVS Caremark Corp	5.75% interest, due 6/1/17	376,922	453,121
	Florida Pwr & Lt	5.85% interest, due 2/1/33	24,942	32,467
	Gen Elec Cap Crp	4.375% interest, due 9/16/20	416,468	474,320
	Goldman Sachs Gp	5.75% interest, due 10/1/16	463,543	482,454
	HCP Inc.	5.375% interest, due 2/1/21	431,507	474,861
	Hewlett-Packard Co	2.125% interest, due 9/13/15	409,537	409,717
	Household Fin Corp	4.75% interest, due 7/15/13	19,917	20,417
	MetLife Inc	7.717% interest, due 2/15/19	427,982	478,518
	Oneok Partners Lp	3.375% interest, due 10/1/22	483,213	489,142
	Prin Life Inc Fd	5.10% interest, due 4/15/14	24,958	26,399
	Safeway Inc	6.25% interest, due 3/15/14	388,374	369,253
	Simon Property Group	4.375% interest, due 3/1/21	413,327	449,828
	Time Warner Cable	5.85% interest, due 5/1/17	435,988	472,527
	Toyota Motor Credit Corp	3.40% interest, due 9/15/21	397,536	432,358
	Verizon Wireless	5.55% interest, due 2/1/14	494,042	472,385
	Wells Fargo & Company	1.5% interest, due 7/1/15	478,178	478,098
	Bank of Nova Scotia	1.375% interest, due 12/18/17	484,462	485,672
	Conocophillips	5.625% interest, due 10/15/16	407,333	459,682
	Noble Holding Intl Ltd	3.95% interest, due 3/15/22	481,349	471,436
	Morgan Stanley CMO	6.39% interest, due 7/15/33	821	739
			9,416,197	9,812,682

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			
	Abbott Labs	2,093 shares	$ 128,576	137,092
	Acme Packet Inc	4,902 shares	131,991	108,432
	Actuant Corp Cl A New	1,889 shares	46,998	52,722
	Aes Corp	13,475 shares	160,255	144,183
	Airgas Inc	873 shares	57,279	79,696
	Alexion Pharmaceuticals Inc	1,773 shares	110,756	166,201
	Allergan Inc	2,344 shares	217,955	215,015
	Amazon Com Inc	765 shares	181,957	191,916
	American Electric Power Inc	5,040 shares	211,289	215,107
	American Express Co	4,696 shares	207,756	269,926
	Ameriprise Financial Inc.	8,005 shares	391,565	501,353
	Apple Computer Inc	1,397 shares	326,345	743,446
	Applied Matls Inc	7,727 shares	86,747	88,397
	AT&T Inc	6,509 shares	223,595	219,418
	Baker Hughes Inc	5,585 shares	243,161	228,134
	Bally Technologies Inc	1,789 shares	60,020	79,986
	Belo Corporation	10,349 shares	77,029	79,377
	Broadcom Corp Cl A	5,120 shares	166,351	170,035
	Buffalo Wild Win	1,349 shares	105,861	98,234
	Ca Inc	5,378 shares	113,443	118,208
	Cabot Oil & Gas Corp	2,220 shares	73,311	110,423
	Cadence Design Systems Inc	8,266 shares	102,997	111,674
	Capital One Finl Corp	2,805 shares	167,113	162,494
	Cavium Inc	3,399 shares	107,840	106,083
	Cbs Corporation Class B W/I	4,989 shares	182,267	189,831
	Celanese Corp-A	1,790 shares	72,456	79,709
	Centene Corp	2,838 shares	112,120	116,358
	Chart Industries	1,803 shares	118,621	120,240
	Chemtura Corp	5,602 shares	95,473	119,099
	Chevron Corporation	3,146 shares	253,425	340,208
	Chicos Fas Inc	6,915 shares	102,421	127,651
	Cigna Corp	1,943 shares	83,356	103,873

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)			
	Cinemark Holding Inc	3,622 shares	$ 77,265	94,100
	Cisco Sys Inc	10,690 shares	179,543	210,052
	Citigroup Inc	6,407 shares	186,371	253,461
	ComcAst Corp-Cl A	9,491 shares	215,864	354,584
	Comerica Inc	4,183 shares	130,134	126,912
	Constellation Brands Inc	2,362 shares	66,894	83,591
	Crown Castle Intl Corp	4,343 shares	237,220	313,391
	Crown Holdings Inc	2,409 shares	86,220	88,675
	Cummins Inc	1,895 shares	155,499	205,323
	Dana Holding	11,455 shares	176,255	178,813
	Danaher Corp	4,637 shares	246,753	259,208
	Dell Inc	9,259 shares	151,220	93,886
	Devon Energy Corporation New	2,597 shares	163,654	135,148
	Dollar General Corp	6,319 shares	273,036	278,605
	Dsw Inc-Cl A	1,433 shares	87,700	94,134
	eBay Inc	6,926 shares	233,183	353,210
	Energizer Hldgs Inc	2,274 shares	164,806	181,875
	Esterline Technologies Corp	1,649 shares	111,873	104,893
	First Horizon National Corp	9,648 shares	91,833	95,612
	Flowserve Corp	833 shares	92,608	122,284
	Gap Inc	6,593 shares	129,641	204,647
	General Elec Co	14,627 shares	336,883	307,021
	Gilead Sciences Inc	3,644 shares	177,249	267,652
	Google Inc-Cl A	519 shares	331,033	367,130
	Gulfport Energy Corp	1,796 shares	69,697	68,643
	Hancock Hldg Co	3,953 shares	127,208	125,429
	Hercules Offshore	24,279 shares	105,339	149,801
	Hertz Global Holdings	13,234 shares	201,760	215,317
	Hologic Inc	16,377 shares	294,727	327,705
	Home Depot Inc	8,566 shares	336,516	529,807
	Honeywell Intl Inc	4,604 shares	217,683	292,216

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)			
	Idex Corp	2,185 shares	$ 93,134	101,668
	Illumina Inc	1,884 shares	90,795	104,732
	Intel Corp	8,687 shares	177,743	179,126
	Intuitive Surgical Inc	322 shares	160,846	157,899
	J P Morgan Chase & Co	8,088 shares	328,188	355,622
	JDS Uniphase Corp	10,808 shares	117,732	145,908
	Johnson & Johnson	2,384 shares	149,748	167,118
	Kansas City Southn Inds Inc	1,579 shares	70,720	131,815
	Kbr Inc	4,081 shares	123,378	122,104
	Key Energy Group Inc	10,990 shares	91,037	76,381
	Kirby Corp	1,613 shares	90,096	99,829
	Kraft Foods Group Inc	2,293 shares	140,268	104,263
	Lam Research Corp	2,190 shares	90,835	79,125
	Lear Corp	1,976 shares	96,083	92,556
	Legg Mason Inc	3,325 shares	110,070	85,519
	Lennar Corp	6,883 shares	97,890	266,166
	Liberty Media Corp	2,077 shares	221,425	240,953
	Limited Brands Inc	6,179 shares	301,799	290,784
	LinkedIn Corporation	1,359 shares	142,611	156,040
	Madison Square Garden Inc	1,245 shares	56,026	55,216
	MeadWestvaco Corp	3,308 shares	83,205	105,426
	Medtronic Inc	3,491 shares	136,852	143,201
	MGM Resorts International	6,557 shares	75,483	76,323
	Mondelez International Inc	6,880 shares	74,128	175,118
	Monsanto Co New	3,195 shares	238,352	302,407
	Mylan Inc	6,620 shares	129,972	181,719
	Myriad Genetics Inc	3,495 shares	69,844	95,239
	Nisource Inc	2,741 shares	61,230	68,223
	Owens Corning Inc	3,175 shares	102,817	117,443
	Penn Natl Gaming Inc	1,689 shares	61,997	82,947
	Penske Auto Group	3,212 shares	89,120	96,649

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)			
	Pepsico Inc	2,467 shares	$ 167,185	168,817
	Pfizer Inc	15,166 shares	325,733	380,353
	Pioneer Natural Resources Co	1,910 shares	189,231	203,587
	Precision Castparts Corp	1,551 shares	218,666	293,790
	Priceline.Com Inc	290 shares	90,838	179,913
	QLIK Technologies	6,465 shares	139,984	140,420
	Qualcomm Inc	3,305 shares	173,168	204,446
	Regal Beloit Corp	1,463 shares	98,378	103,098
	Rf Micro Devices Inc	28,267 shares	144,765	126,636
	Riverbed Technology	5,942 shares	133,148	117,176
	Rowan Companies PLC	3,489 shares	119,399	109,101
	Salesforce.com	1,155 shares	182,480	194,156
	Sba Communications Corp	2,354 shares	72,014	167,087
	Sealed Air Corp New	936 shares	15,374	16,389
	Sinclair Broadcast Group Inc Cl A	10,174 shares	120,558	128,396
	Sim Corp	3,614 shares	61,238	61,908
	Smith A O Corp	1,582 shares	88,973	99,777
	Starbucks Corp	4,294 shares	192,899	230,287
	State Street Corp	6,661 shares	279,260	313,134
	Tenet Healthcare Corp	3,456 shares	89,386	112,216
	Terex Corp New	11,747 shares	259,023	330,208
	Textron Inc	11,315 shares	242,856	280,499
	The ADT Corp	1,944 shares	81,851	90,377
	The Hershey Company	2,439 shares	175,404	176,145
	Thermo Fisher Scientific Inc	1,897 shares	96,650	120,991
	Time Warner Inc	3,178 shares	114,766	152,004
	Timken Co	2,150 shares	90,067	102,835
	Tjx Cos Inc	5,814 shares	198,251	246,804
	Travelers Companies Inc	4,291 shares	218,175	308,180
	Trinity Industries Inc	2,931 shares	75,999	104,988
	Triquint Semiconductor Inc	15,729 shares	98,729	75,971
	Triumph Group Inc New	1,673 shares	101,674	109,247
	Union Pac Corp	2,402 shares	242,579	301,979

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)			
	UnitedHealth Group Inc	3,190 shares	$ 174,805	173,026
	Usg Corp	4,988 shares	106,221	140,013
	Valero Energy Corp	5,275 shares	133,164	179,983
	Valueclick Inc	1,360 shares	18,888	26,398
	Varian Medical Systems Inc	1,305 shares	66,865	91,663
	Vera Bradley, Inc.	3,872 shares	106,887	97,187
	Visa Inc-Class A	2,278 shares	220,378	345,299
	Vmware Inc.	2,584 shares	244,077	243,258
	Western Digital Corp	3,174 shares	112,180	134,863
	Whiting Petroleum Corp	2,478 shares	115,176	107,471
	Whole Foods Mkt Inc	2,820 shares	252,479	257,071
	Williams Cos Inc	5,115 shares	161,985	167,465
	Wms Inds Inc	4,192 shares	92,904	73,360
	Zions Bancorporation	6,413 shares	120,727	137,238
	Anheuser-Busch Invev Spons Adr	2,680 shares	236,763	234,259
	Arch Capital Group Ltd	2,963 shares	113,501	130,431
	Ensco PLC-CL A	4,820 shares	228,788	285,730
	Freescale Semiconductor Ltd	9,084 shares	85,584	100,015
	Harry Winston Diamond Corp	7,955 shares	107,843	111,927
	Icon Plc - Sponsored Adr	3,621 shares	78,905	100,519
	Lululemon Athletica Inc	2,201 shares	120,291	167,782
	Nabors Industries Ltd	6,126 shares	157,098	88,521
	Pentair Ltd	1,106 shares	18,846	54,360
	Sanofi-Aventis Adr	4,672 shares	220,770	221,359
	TE Connectivity Ltd	6,086 shares	171,392	225,912
	Tyco International Ltd	4,801 shares	86,516	140,428
	Ultra Pete Corp	3,140 shares	70,911	56,927
	Warner Chilicott Plc	6,875 shares	113,013	82,774
	Lasalle Hotel Pptys	3,854 shares	105,972	97,852
	Ryman Hospitality Properties	2,531 shares	61,732	97,357
	SI Green Realty Corp	476 shares	33,139	36,485
	Tanger Factory Outlet Ctrs Inc	3,160 shares	104,856	108,072
			22,990,777	26,801,085

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
	Mutual Funds			
	Vanguard 500 Index Fund-Sign	95,465 shares	9,596,861	10,359,884
	U.S. Government Securities			
	U.S. Treasury Notes	3.125% interest, due 5/15/21	1,507,617	1,479,849
	U.S. Treasury N/B	0.25% interest, due 9/15/15	4,883,026	4,882,294
	U.S. Treasury N/B	1.0% interest, due 3/31/17	3,133,910	3,131,033
	U.S. Treasury Notes	0.25% interest, due 8/31/14	3,572,505	3,572,975
	FHLMC	1.0% interest, due 3/8/17	836,984	850,706
	FHLMC Gd Pl #g02422	6.00% interest, due 12/1/36	11,278	12,229
	FHLMC Gd Pl #AB1149	5.00% interest, due 6/1/40	227,000	234,653
			14,172,319	14,163,739
	Money Market Mutual Funds			
	Northern Institutional Diversified Assets-SW	9,250,719 shares	9,250,719	9,250,719
	Cash			
*	First State Trust Company	Non-interest bearing cash	303,483	303,483
			$ 65,730,357	70,691,592

* Represents a party-in-interest to the Plan.

See accompanying independent auditor's report.

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2012

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	Harding Loevner International Equity					
	6 purchases	$ 3,045,530	-	-	3,045,529	-
First State Trust Company	FNMA					
	1 purchase	1,734,397	-	-	1,734,397	-
First State Trust Company	Northern Instl Diversified Assets - SW					
	654 purchases	44,771,004	-	-	44,771,004	-
First State Trust Company	Thornburg Intl Value Fd - I					
	7 purchases	3,049,782	-	-	3,049,782	-
First State Trust Company	U.S. Treasury Notes, 0.5% interest, due 10/15/14					
	2 purchases	1,753,358	-	-	1,753,358	-
First State Trust Company	U.S. Treasury Notes, 1% interest, due 10/31/16					
	3 purchases	1,121,828	-	-	1,121,828	-
First State Trust Company	U.S. Treasury Notes, 3.125% interest, due 05/15/21					
	3 purchases	2,384,462	-	-	2,384,462	-
First State Trust Company	U.S. Treasury N/B, 0.25% interest, due 09/15/15					
	2 purchases	5,372,071	-	-	5,372,071	-
First State Trust Company	U.S. Treasury N/B, 0.375% interest, due 03/15/15					
	2 purchases	3,632,664	-	-	3,632,664	-
First State Trust Company	U.S. Treasury N/B, 1% interest, due 03/31/17					
	4 purchases	3,755,394	-	-	3,755,394	-
First State Trust Company	U.S. Treasury Notes, 0.25% interest, due 08/31/14					
	4 purchases	3,572,505	-	-	3,572,505	-
First State Trust Company	Harding Loevner International Equity					
	3 sales	-	3,609,489	3,045,529	-	563,960
First State Trust Company	FNMA					
	1 sale	-	1,741,063	1,734,397	-	6,666

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions
(Continued)

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 330 sales	-	43,373,910	43,373,910	-	-
First State Trust Company	Thornburg Intl Value Fd - I 3 sales	-	3,481,004	3,049,783	-	431,221
First State Trust Company	U.S. Treasury Notes, 0.5% interest, due 10/15/14 2 sales	-	3,388,464	3,384,213	-	4,251
First State Trust Company	U.S. Treasury Notes, 1% interest, due 10/31/16 4 sales	-	2,298,463	2,273,697	-	24,766
First State Trust Company	U.S. Treasury Notes, 3.125% interest, due 05/15/21 6 sales	-	861,182	876,844	-	(15,662)
First State Trust Company	U.S. Treasury N/B, 0.25% interest, due 09/15/15 2 sales	-	488,601	489,045	-	(444)
First State Trust Company	U.S. Treasury N/B, 0.375% interest, due 03/15/15 2 sales	-	3,638,871	3,632,664	-	6,207
First State Trust Company	U.S. Treasury N/B, 1% interest, due 03/31/17 7 sales	-	621,963	621,484	-	479

See accompanying independent auditor's 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	0		0		0		0		0		0		0		0		0		0	
25 - 29	1		2		0		0		0		0		0		0		0		0	
30 - 34	0		4		11		1		0		0		0		0		0		0	
35 - 39	1		5		10		5		1		0		0		0		0		0	
40 - 44	2		7		7		5		4		1		0		0		0		0	
45 - 49	1		11		8		5		4		12		3		0		0		0	
50 - 54	3		6		4		7		9		18		15		3		0		0	
55 - 59	1		2		4		5		1		8		11		3		3		0	
60 - 64	0		0		3		3		2		4		3		2		1		0	
65 - 69	0		0		1		0		0		4		1		2		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

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	5.54%
• Second segment rate	6.85%
• Third segment rate	7.52%
• Effective interest rate	7.06%

Annual rates of increase:

• Compensation	4.00%
• 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 administrative expenses expected to be paid from plan assets during the plan year are the prior year's plan-related expenses paid from the trust, rounded to the nearest $50,000. For 2012, plan related expenses added to target normal cost are $50,000.

Mortality

• Healthy	Single blended table of rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2019 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 2011 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, 2012 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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: ☒ 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; include room or suite number (employer, if for a 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	Mark G. Fagan	10/14/13	Mark Fagan
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [X] Same as Plan Sponsor Address	**3b** Administrator's EIN	
	3c Administrator's telephone number	
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**	480
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**	227
b Retired or separated participants receiving benefits	**6b**	144
c Other retired or separated participants entitled to future benefits	**6c**	91
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	462
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	20
f Total. Add lines **6d** and **6e**	**6f**	482
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**	0
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 Characteristics Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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, 2012

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	Harding Loevner International Equity					
	6 purchases	$ 3,045,530	-	-	3,045,529	-
First State Trust Company	FNMA					
	1 purchase	1,734,397	-	-	1,734,397	-
First State Trust Company	Northern Instl Diversified Assets - SW					
	654 purchases	44,771,004	-	-	44,771,004	-
First State Trust Company	Thornburg Intl Value Fd - I					
	7 purchases	3,049,782	-	-	3,049,782	-
First State Trust Company	U.S. Treasury Notes, 0.5% interest, due 10/15/14					
	2 purchases	1,753,358	-	-	1,753,358	-
First State Trust Company	U.S. Treasury Notes, 1% interest, due 10/31/16					
	3 purchases	1,121,828	-	-	1,121,828	-
First State Trust Company	U.S. Treasury Notes, 3.125% interest, due 05/15/21					
	3 purchases	2,384,462	-	-	2,384,462	-
First State Trust Company	U.S. Treasury N/B, 0.25% interest, due 09/15/15					
	2 purchases	5,372,071	-	-	5,372,071	-
First State Trust Company	U.S. Treasury N/B, 0.375% interest, due 03/15/15					
	2 purchases	3,632,664	-	-	3,632,664	-
First State Trust Company	U.S. Treasury N/B, 1% interest, due 03/31/17					
	4 purchases	3,755,394	-	-	3,755,394	-
First State Trust Company	U.S. Treasury Notes, 0.25% interest, due 08/31/14					
	4 purchases	3,572,505	-	-	3,572,505	-
First State Trust Company	Harding Loevner International Equity					
	3 sales	-	3,609,489	3,045,529	-	563,960
First State Trust Company	FNMA					
	1 sale	-	1,741,063	1,734,397	-	6,666

Brazos Electric Power Cooperative, Inc.
Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions
(Continued)

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 330 sales	-	43,373,910	43,373,910	-	-
First State Trust Company	Thornburg Intl Value Fd - I 3 sales	-	3,481,004	3,049,783	-	431,221
First State Trust Company	U.S. Treasury Notes, 0.5% interest, due 10/15/14 2 sales	-	3,388,464	3,384,213	-	4,251
First State Trust Company	U.S. Treasury Notes, 1% interest, due 10/31/16 4 sales	-	2,298,463	2,273,697	-	24,766
First State Trust Company	U.S. Treasury Notes, 3.125% interest, due 05/15/21 6 sales	-	861,182	876,844	-	(15,662)
First State Trust Company	U.S. Treasury N/B, 0.25% interest, due 09/15/15 2 sales	-	488,601	489,045	-	(444)
First State Trust Company	U.S. Treasury N/B, 0.375% interest, due 03/15/15 2 sales	-	3,638,871	3,632,664	-	6,207
First State Trust Company	U.S. Treasury N/B, 1% interest, due 03/31/17 7 sales	-	621,963	621,484	-	479

See accompanying independent auditor's report.

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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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 Cooperative, 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 1 Day 1 Year 2012

2	Assets:			
	a Market value		**2a**	67,400,363
	b Actuarial value		**2b**	70,421,181
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	157	35,323,752
	b For terminated vested participants	**3b**	86	5,468,650
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		1,537,336
	(2) Vested benefits	**3c(2)**		26,642,383
	(3) Total active	**3c(3)**	240	28,179,719
	d Total	**3d**	483	68,972,121
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**	7.06 %
6	Target normal cost		**6**	1,432,865

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 — Signature of actuary

9/24/2013 — 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 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 (3.70) %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		2,907,318
	b Interest on (a) using prior year's effective interest rate of 5.99 % except as otherwise provided (see instructions)		174,148
	c Total available at beginning of current plan year to add to prefunding balance		3,081,466
	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	102.10 %
15	Adjusted funding target attainment percentage	15	102.10 %
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	80.37 %
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
			Totals ▶ 18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

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

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

c If line 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
5.54 %	6.85 %	7.52 %	☐

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 subject to 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: 1,432,865

b Excess assets, if applicable, but not greater than line 31a — 31b: 1,432,865

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		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: 0

	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: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — 37: 0

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

a Total (excess, if any, of line 37 over line 36) — 38a: 0

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 an election was made to use PRA 2010 funding relief for this plan:

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, Line 22 – Description of Weighted Average Retirement Age
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

See Statement of actuarial assumptions and methods for retirement rates. The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the tab.

Schedule SB – Statement by Enrolled Actuary
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Valuation Date	January 1, 2012
Enrolled Actuary	Steven C. Erickson
Enrollment Number	11-04118

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

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, 2012.

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

Table 1.		Table 2.	
Age	Early Retirement Factor for the benefit earned under the 1.7% benefit multiplier	Age	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, 2012

Employer identification number: 74-0524729
Plan Number: 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Corporate Bonds			
	Bank of America Corp	7.625% interest, due 6/1/19	$ 440,433	479,839
	BB&T Corporation Mtn	5.70% interest, due 4/30/14	430,689	415,664
	Bear Stearns Co	6.40% interest, due 10/2/17	455,927	480,399
	Bottling Group	5.50% interest, due 4/1/16	134,804	154,269
	Caterpillar Finl Mtn	6.125% interest, due 2/17/14	473,914	458,443
	CSX Corp	5.50% interest, due 8/1/13	420,031	390,674
	CVS Caremark Corp	5.75% interest, due 6/1/17	376,922	453,121
	Florida Pwr & Lt	5.85% interest, due 2/1/33	24,942	32,467
	Gen Elec Cap Crp	4.375% interest, due 9/16/20	416,468	474,320
	Goldman Sachs Gp	5.75% interest, due 10/1/16	463,543	482,454
	HCP Inc.	5.375% interest, due 2/1/21	431,507	474,861
	Hewlett-Packard Co	2.125% interest, due 9/13/15	409,537	409,717
	Household Fin Corp	4.75% interest, due 7/15/13	19,917	20,417
	MetLife Inc	7.717% interest, due 2/15/19	427,982	478,518
	Oneok Partners Lp	3.375% interest, due 10/1/22	483,213	489,142
	Prin Life Inc Fd	5.10% interest, due 4/15/14	24,958	26,399
	Safeway Inc	6.25% interest, due 3/15/14	388,374	369,253
	Simon Property Group	4.375% interest, due 3/1/21	413,327	449,828
	Time Warner Cable	5.85% interest, due 5/1/17	435,988	472,527
	Toyota Motor Credit Corp	3.40% interest, due 9/15/21	397,536	432,358
	Verizon Wireless	5.55% interest, due 2/1/14	494,042	472,385
	Wells Fargo & Company	1.5% interest, due 7/1/15	478,178	478,098
	Bank of Nova Scotia	1.375% interest, due 12/18/17	484,462	485,672
	Conocophillips	5.625% interest, due 10/15/16	407,333	459,682
	Noble Holding Intl Ltd	3.95% interest, due 3/15/22	481,349	471,436
	Morgan Stanley CMO	6.39% interest, due 7/15/33	821	739
			9,416,197	9,812,682

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			
	Abbott Labs	2,093 shares	$ 128,576	137,092
	Acme Packet Inc	4,902 shares	131,991	108,432
	Actuant Corp Cl A New	1,889 shares	46,998	52,722
	Aes Corp	13,475 shares	160,255	144,183
	Airgas Inc	873 shares	57,279	79,696
	Alexion Pharmaceuticals Inc	1,773 shares	110,756	166,201
	Allergan Inc	2,344 shares	217,955	215,015
	Amazon Com Inc	765 shares	181,957	191,916
	American Electric Power Inc	5,040 shares	211,289	215,107
	American Express Co	4,696 shares	207,756	269,926
	Ameriprise Financial Inc.	8,005 shares	391,565	501,353
	Apple Computer Inc	1,397 shares	326,345	743,446
	Applied Matls Inc	7,727 shares	86,747	88,397
	AT&T Inc	6,509 shares	223,595	219,418
	Baker Hughes Inc	5,585 shares	243,161	228,134
	Bally Technologies Inc	1,789 shares	60,020	79,986
	Belo Corporation	10,349 shares	77,029	79,377
	Broadcom Corp Cl A	5,120 shares	166,351	170,035
	Buffalo Wild Win	1,349 shares	105,861	98,234
	Ca Inc	5,378 shares	113,443	118,208
	Cabot Oil & Gas Corp	2,220 shares	73,311	110,423
	Cadence Design Systems Inc	8,266 shares	102,997	111,674
	Capital One Finl Corp	2,805 shares	167,113	162,494
	Cavium Inc	3,399 shares	107,840	106,083
	Cbs Corporation Class B W/I	4,989 shares	182,267	189,831
	Celanese Corp-A	1,790 shares	72,456	79,709
	Centene Corp	2,838 shares	112,120	116,358
	Chart Industries	1,803 shares	118,621	120,240
	Chemtura Corp	5,602 shares	95,473	119,099
	Chevron Corporation	3,146 shares	253,425	340,208
	Chicos Fas Inc	6,915 shares	102,421	127,651
	Cigna Corp	1,943 shares	83,356	103,873

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)			
	Cinemark Holding Inc	3,622 shares	$ 77,265	94,100
	Cisco Sys Inc	10,690 shares	179,543	210,052
	Citigroup Inc	6,407 shares	186,371	253,461
	ComcAst Corp-Cl A	9,491 shares	215,864	354,584
	Comerica Inc	4,183 shares	130,134	126,912
	Constellation Brands Inc	2,362 shares	66,894	83,591
	Crown Castle Intl Corp	4,343 shares	237,220	313,391
	Crown Holdings Inc	2,409 shares	86,220	88,675
	Cummins Inc	1,895 shares	155,499	205,323
	Dana Holding	11,455 shares	176,255	178,813
	Danaher Corp	4,637 shares	246,753	259,208
	Dell Inc	9,259 shares	151,220	93,886
	Devon Energy Corporation New	2,597 shares	163,654	135,148
	Dollar General Corp	6,319 shares	273,036	278,605
	Dsw Inc-Cl A	1,433 shares	87,700	94,134
	eBay Inc	6,926 shares	233,183	353,210
	Energizer Hldgs Inc	2,274 shares	164,806	181,875
	Esterline Technologies Corp	1,649 shares	111,873	104,893
	First Horizon National Corp	9,648 shares	91,833	95,612
	Flowserve Corp	833 shares	92,608	122,284
	Gap Inc	6,593 shares	129,641	204,647
	General Elec Co	14,627 shares	336,883	307,021
	Gilead Sciences Inc	3,644 shares	177,249	267,652
	Google Inc-Cl A	519 shares	331,033	367,130
	Gulfport Energy Corp	1,796 shares	69,697	68,643
	Hancock Hldg Co	3,953 shares	127,208	125,429
	Hercules Offshore	24,279 shares	105,339	149,801
	Hertz Global Holdings	13,234 shares	201,760	215,317
	Hologic Inc	16,377 shares	294,727	327,705
	Home Depot Inc	8,566 shares	336,516	529,807
	Honeywell Intl Inc	4,604 shares	217,683	292,216

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)			
	Idex Corp	2,185 shares	$ 93,134	101,668
	Illumina Inc	1,884 shares	90,795	104,732
	Intel Corp	8,687 shares	177,743	179,126
	Intuitive Surgical Inc	322 shares	160,846	157,899
	J P Morgan Chase & Co	8,088 shares	328,188	355,622
	JDS Uniphase Corp	10,808 shares	117,732	145,908
	Johnson & Johnson	2,384 shares	149,748	167,118
	Kansas City Southn Inds Inc	1,579 shares	70,720	131,815
	Kbr Inc	4,081 shares	123,378	122,104
	Key Energy Group Inc	10,990 shares	91,037	76,381
	Kirby Corp	1,613 shares	90,096	99,829
	Kraft Foods Group Inc	2,293 shares	140,268	104,263
	Lam Research Corp	2,190 shares	90,835	79,125
	Lear Corp	1,976 shares	96,083	92,556
	Legg Mason Inc	3,325 shares	110,070	85,519
	Lennar Corp	6,883 shares	97,890	266,166
	Liberty Media Corp	2,077 shares	221,425	240,953
	Limited Brands Inc	6,179 shares	301,799	290,784
	LinkedIn Corporation	1,359 shares	142,611	156,040
	Madison Square Garden Inc	1,245 shares	56,026	55,216
	MeadWestvaco Corp	3,308 shares	83,205	105,426
	Medtronic Inc	3,491 shares	136,852	143,201
	MGM Resorts International	6,557 shares	75,483	76,323
	Mondelez International Inc	6,880 shares	74,128	175,118
	Monsanto Co New	3,195 shares	238,352	302,407
	Mylan Inc	6,620 shares	129,972	181,719
	Myriad Genetics Inc	3,495 shares	69,844	95,239
	Nisource Inc	2,741 shares	61,230	68,223
	Owens Corning Inc	3,175 shares	102,817	117,443
	Penn Natl Gaming Inc	1,689 shares	61,997	82,947
	Penske Auto Group	3,212 shares	89,120	96,649

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)			
	Pepsico Inc	2,467 shares	$ 167,185	168,817
	Pfizer Inc	15,166 shares	325,733	380,353
	Pioneer Natural Resources Co	1,910 shares	189,231	203,587
	Precision Castparts Corp	1,551 shares	218,666	293,790
	Priceline.Com Inc	290 shares	90,838	179,913
	QLIK Technologies	6,465 shares	139,984	140,420
	Qualcomm Inc	3,305 shares	173,168	204,446
	Regal Beloit Corp	1,463 shares	98,378	103,098
	Rf Micro Devices Inc	28,267 shares	144,765	126,636
	Riverbed Technology	5,942 shares	133,148	117,176
	Rowan Companies PLC	3,489 shares	119,399	109,101
	Salesforce.com	1,155 shares	182,480	194,156
	Sba Communications Corp	2,354 shares	72,014	167,087
	Sealed Air Corp New	936 shares	15,374	16,389
	Sinclair Broadcast Group Inc Cl A	10,174 shares	120,558	128,396
	Sim Corp	3,614 shares	61,238	61,908
	Smith A O Corp	1,582 shares	88,973	99,777
	Starbucks Corp	4,294 shares	192,899	230,287
	State Street Corp	6,661 shares	279,260	313,134
	Tenet Healthcare Corp	3,456 shares	89,386	112,216
	Terex Corp New	11,747 shares	259,023	330,208
	Textron Inc	11,315 shares	242,856	280,499
	The ADT Corp	1,944 shares	81,851	90,377
	The Hershey Company	2,439 shares	175,404	176,145
	Thermo Fisher Scientific Inc	1,897 shares	96,650	120,991
	Time Warner Inc	3,178 shares	114,766	152,004
	Timken Co	2,150 shares	90,067	102,835
	Tjx Cos Inc	5,814 shares	198,251	246,804
	Travelers Companies Inc	4,291 shares	218,175	308,180
	Trinity Industries Inc	2,931 shares	75,999	104,988
	Triquint Semiconductor Inc	15,729 shares	98,729	75,971
	Triumph Group Inc New	1,673 shares	101,674	109,247
	Union Pac Corp	2,402 shares	242,579	301,979

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)			
	UnitedHealth Group Inc	3,190 shares	$ 174,805	173,026
	Usg Corp	4,988 shares	106,221	140,013
	Valero Energy Corp	5,275 shares	133,164	179,983
	Valueclick Inc	1,360 shares	18,888	26,398
	Varian Medical Systems Inc	1,305 shares	66,865	91,663
	Vera Bradley, Inc.	3,872 shares	106,887	97,187
	Visa Inc-Class A	2,278 shares	220,378	345,299
	Vmware Inc.	2,584 shares	244,077	243,258
	Western Digital Corp	3,174 shares	112,180	134,863
	Whiting Petroleum Corp	2,478 shares	115,176	107,471
	Whole Foods Mkt Inc	2,820 shares	252,479	257,071
	Williams Cos Inc	5,115 shares	161,985	167,465
	Wms Inds Inc	4,192 shares	92,904	73,360
	Zions Bancorporation	6,413 shares	120,727	137,238
	Anheuser-Busch Invev Spons Adr	2,680 shares	236,763	234,259
	Arch Capital Group Ltd	2,963 shares	113,501	130,431
	Ensco PLC-CL A	4,820 shares	228,788	285,730
	Freescale Semiconductor Ltd	9,084 shares	85,584	100,015
	Harry Winston Diamond Corp	7,955 shares	107,843	111,927
	Icon Plc - Sponsored Adr	3,621 shares	78,905	100,519
	Lululemon Athletica Inc	2,201 shares	120,291	167,782
	Nabors Industries Ltd	6,126 shares	157,098	88,521
	Pentair Ltd	1,106 shares	18,846	54,360
	Sanofi-Aventis Adr	4,672 shares	220,770	221,359
	TE Connectivity Ltd	6,086 shares	171,392	225,912
	Tyco International Ltd	4,801 shares	86,516	140,428
	Ultra Pete Corp	3,140 shares	70,911	56,927
	Warner Chilicott Plc	6,875 shares	113,013	82,774
	Lasalle Hotel Pptys	3,854 shares	105,972	97,852
	Ryman Hospitality Properties	2,531 shares	61,732	97,357
	SI Green Realty Corp	476 shares	33,139	36,485
	Tanger Factory Outlet Ctrs Inc	3,160 shares	104,856	108,072
			22,990,777	26,801,085

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
	Mutual Funds			
	Vanguard 500 Index Fund-Sign	95,465 shares	9,596,861	10,359,884
	U.S. Government Securities			
	U.S. Treasury Notes	3.125% interest, due 5/15/21	1,507,617	1,479,849
	U.S. Treasury N/B	0.25% interest, due 9/15/15	4,883,026	4,882,294
	U.S. Treasury N/B	1.0% interest, due 3/31/17	3,133,910	3,131,033
	U.S. Treasury Notes	0.25% interest, due 8/31/14	3,572,505	3,572,975
	FHLMC	1.0% interest, due 3/8/17	836,984	850,706
	FHLMC Gd Pl #g02422	6.00% interest, due 12/1/36	11,278	12,229
	FHLMC Gd Pl #AB1149	5.00% interest, due 6/1/40	227,000	234,653
			14,172,319	14,163,739
	Money Market Mutual Funds			
	Northern Institutional Diversified Assets-SW	9,250,719 shares	9,250,719	9,250,719
	Cash			
*	First State Trust Company	Non-interest bearing cash	303,483	303,483
			$ 65,730,357	70,691,592

* Represents a party-in-interest to the Plan.

See accompanying independent auditor's report.

Schedule SB, Line 24 – Change in actuarial assumptions
Plan Name: Brazos Electric Power Cooperative, Inc. Pension Plan
EIN/PN: 74-0524729/001

Changes in Assumptions and Methods Since Last Actuarial Valuation

- The salary increase assumption was changed from 5.00% to 4.00%.