



North Plains Electric Cooperative, Inc.

Message From Management



IRA HARBOUR
Board President

The board of directors, management and employees of North Plains Electric Cooperative, Inc. invite you to attend the cooperative's 61st annual meeting on April 18, 2005. The meeting will be held at the Ochiltree County Expo Center in Perryton. The cooperative will provide a barbecue dinner with all the trimmings, door prizes, and an opportunity for you to discuss the operation of the cooperative with management and staff during the meet-

ing. Robert W. Bryant, president and general manager of Golden Spread Electric Cooperative, will be our guest speaker and will update you on Golden Spread EC's growth and the future of the wholesale electric industry at this meeting. The election of directors will be conducted during the business meeting.

2004 ended with continued economic improvement within our service territory. Members used 6 percent more electric energy in 2004 with only 12 more connected services than the year before. Business activity was strong throughout the year, and a good portion of the improvement was driven by the oil and gas industry and also ample rainfall. The agricultural community experienced an outstanding summer and fall for cattle and growing crops, and electric energy continues to be utilized more. Our national economy was able to withstand a strongly contested presidential election, \$55-per-barrel oil prices, and a continuing war in Iraq, while our local service area experienced somewhat of a boom economy around Canadian and Perryton.

Electricity furnished by North Plains Electric Cooperative, Inc. in 2004 cost all members more than in 2003. The average wholesale price of electricity was higher by 7.5 mills and was included in the PCRF (Power Cost Recovery Factor) each month. Fuel refineries working at peak capacity, oil demand and weather seemed to drive the oil and gas market up and down at a high level all year. We were very fortunate that wholesale prices were not higher. Near record rainfall throughout the Panhandle and South Plains area during the growing season reduced the impact

Ira Harbour
Ira Harbour, President

of high natural gas cost on electricity since Golden Spread EC and its co-op members' reliance on natural gas was lower than normal.

NPEC continues to work diligently to reduce your outage time. Crews continue to re-sag and re-tie lines in problem areas. Trees continue to be trimmed throughout the system. Ten percent of our distribution poles were inspected under our normal rotation and the rejected poles were replaced. During the fall months, five motorized operators with remote switching capabilities were installed on the transmission system and are in operation at this time to reduce restoration time during transmission line outages. All of these efforts and additions have a positive effect on the transmission and distribution system, making it stronger and more reliable.

The Outage Management System (OMS) that we have informed you about in Texas Co-op Power magazine is in place. The system maintains an accurate set of records on outages which will make us more efficient and responsive during each power failure. Along with the OMS, an Interactive Voice Response system (IVR), given the name "Wanda," is in place to take overflow calls during times when the number of outage calls overwhelms our dispatcher and customer service personnel.

All member classes used more energy in 2004 and NPEC continued to be financially strong, with operating margins topping \$1 million. Due to this financial strength, directors approved the retirement of \$750,000 of assigned patronage capital from 1984 and 1985 to members of that time; those refund checks were mailed in November. NPEC has retired almost \$2.3 million of patronage capital in the past three years.

Your directors and employees are making every effort to furnish high-quality electric service while using sound business judgment and maintaining an economically reasonable price. Our focus is on the future and the annual meeting is a great opportunity for all members to be involved. We hope to see you at the annual meeting of the members on April 18.

Randy Mahannah
Randy Mahannah, General Manager



RANDY MAHANNAH
General Manager

Employees

NAME	TITLE	YEARS OF SERVICE
Earl Bates	Meter Reader/Collections	28
Charley Cagle	Apprentice Lineman	7
Bill Carson	Member Service Specialist	6
Galen Cooksey	Office Manager	28
Lewis Crain, PE	Engineer & Operations Manager	24
Monte Eisenman	Apprentice Lineman	10
Marvin Evans	Engineering Assistant	18
Larry Franks	Serviceman (Journeyman)	22
Doug Gassett	Custodian/Warehouseman	21
Alfred Godino	First Class Lineman	12
Ronald Harvey	Serviceman (Journeyman)	23
Jeff Hinshaw	Construction Foreman	23
Travis Holderman	Groundman	2 months
Becky Karber	Administrative Secretary	28
Robbin Ketch	Serviceman (Journeyman)	18
Joe Lane	Purchasing/Work Order Clerk	3
Paula Lehw	Executive Secretary	29
Randy Mahannah	General Manager	9
Chris Mendenhall	Operations Superintendent	30
Marc Padgett	Canadian District Manager	25
Steven Palmer	Groundman	1.5 months
Jerry Pshigoda	Administrative Assistant	30
Vernon Pshigoda	Data Processing Manager	34
Sean Roberts	Journeyman Lineman	7
Crystal Skimmer	Operations Clerk/Dispatcher	14
Sheron Tigratt	Accounting Assistant	25
Cynthia Turner	Cashier/Receptionist	4 months
Esmeralda Thurman	Office Assistant	2 months
Jenifer Williams	Accountant	1
Elbie Wilson	Groundman	1
Kelly Wright	Apprentice Lineman	7

Director Representatives



District 2

James Greene has been serving as a board member since 1987. He lives approximately 4 miles west of Waka where he has a farming and cattle operation.



District 2

Dosey Schad has been serving as a board member since 1986. Dosey lives northwest of Gruver where he is engaged in a farming operation.



District 3

Jim Hagg was elected to the board in 2000. He lives 8 miles south of Perryton and is owner/operator of Jade Cattle Feeders Inc.



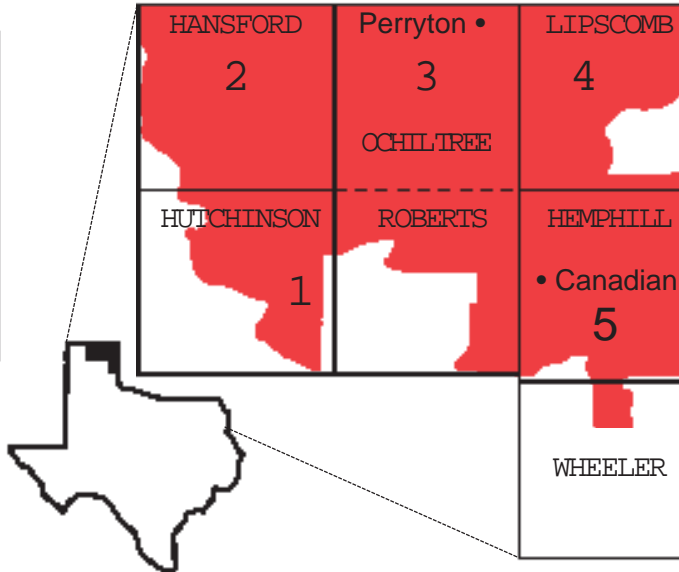
District 3

Johnny Scribner joined the board of directors in 1998. He is manager of Perryton Feeders Inc. Johnny has lived in Perryton since 1985.



District 1

Ira Harbour, president of your board of directors, has been serving as director since 1944. He lives approximately 15 miles southwest of Spearman where he is involved in farming and ranching.



District 4

David Sell, CPA, secretary/treasurer of your board of directors, has been serving on the board since 1984. He resides 2 miles north of Booker where he is engaged in farming.



Cooperative Attorney

Keith Good
Lemon, Shearer, Phillips,
and Good



District 5

Jarel Norris was elected to serve as a board member in 1994. Jarel lives approximately 10 miles south of Canadian where he has a farming and ranching operation.



District 5

J. Craig Young was elected to serve as a board member in 1998. Engaged in a ranching operation, Craig lives 11 miles west of Canadian along the south side of the Canadian River.



District 4

Lyndon Inke, vice president, was elected to your board of directors in 1974. He resides northwest of Pollett and is engaged in farming and ranching.

Financial Statements

Condensed Balance Sheet (as of December 31, 2004)

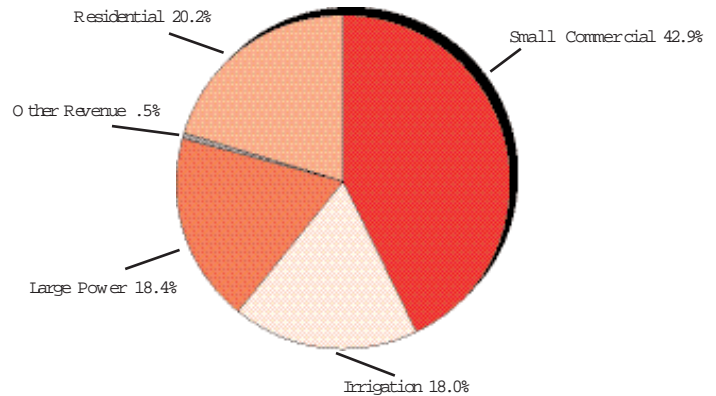
ASSETS - What we own	2004	2003	LIABILITIES - What we owe	2004	2003
Total cost of system	\$41,138,476	\$40,724,814	Borrowed from RUS & CFC ..	\$36,807,146	\$36,807,146
Estimated depreciation	(17,065,730)	(16,210,969)	Regular payments on loans	(22,405,528)	(21,508,091)
Net value of system	\$24,072,746	\$24,513,845	Willows to RUS & CFC	\$14,401,618	\$15,299,055
Cash in the bank	334,204	98,712	We owe for materials, supplies ..	800,793	579,337
Investments	4,120,702	3,934,610	Other liabilities & credits	1,224,734	1,434,746
Accounts receivable	943,092	847,311	Membership fees paid	0	0
Value of materials & supplies ..	990,758	943,924	Total equity in the enterprise (40.4%)	14,220,650	13,257,364
Advance payments on insurance, etc	46,887	49,718	Other margins and equities	23,179	23,179
Deferred charges	162,585	205,561	TOTAL LIABILITIES & EQUITY	\$30,670,974	\$30,593,681
TOTAL ASSETS	\$30,670,974	\$30,593,681			

Income Statement

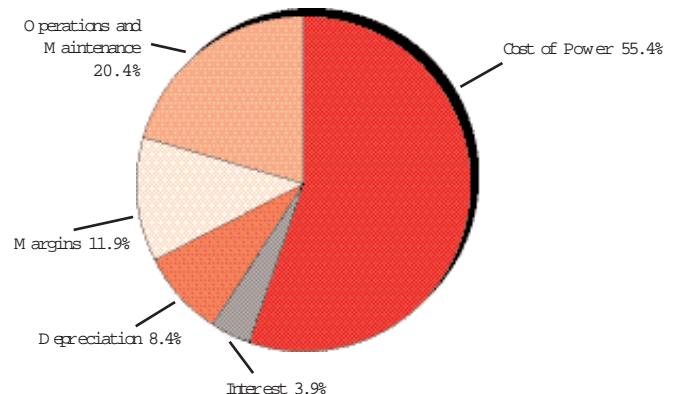
	2004	2003
Revenues		
Electric energy sold	\$13,883,892	\$12,126,723
Nonoperating income	706,526	505,725
Total revenue	\$14,590,418	\$12,632,448
Expenses		
Electric power cost	\$ 8,082,721	\$ 6,510,499
Operating expenses	2,981,700	2,613,705
Estimated system depreciation	1,223,267	1,211,517
Interest	569,987	594,479
Total expenses	\$12,857,675	\$10,930,200
Margins	\$ 1,732,743	\$ 1,702,248
Total taxes paid	\$ 222,080	\$ 231,361

How Your 2004 Dollar Was Used To Bring You Electric Service

HOW IT WAS EARNED



HOW IT WAS USED



Auditors' Report

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER SECURITIES

REG. NO. 947-2012

1000 10TH STREET

LATKOCHE, TEXAS 79401-2686

To the Members
North Plains Electric Cooperative, Inc.
Perryton, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of North Plains Electric Cooperative, Inc. as of December 31, 2004, and the related statements of income and patronage capital, and cash flows for the year then ended (not presented herein); and in our report dated January 19, 2005, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated in all material respects in relation to the financial statements from which it was derived.

The complete audit report as described above is on file at North Plains Electric Cooperative, Inc.

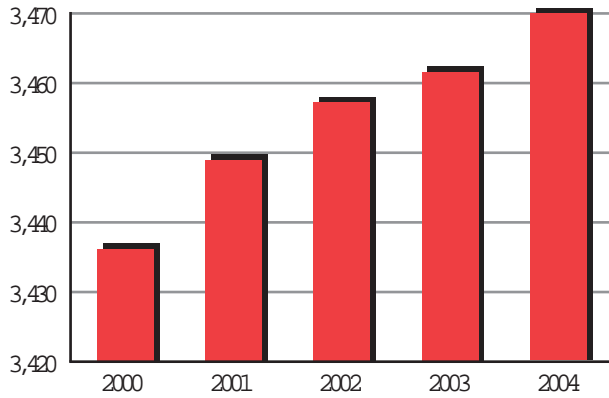
Bolinger, Segars, Gilbert & Moss

Certified Public Accountants

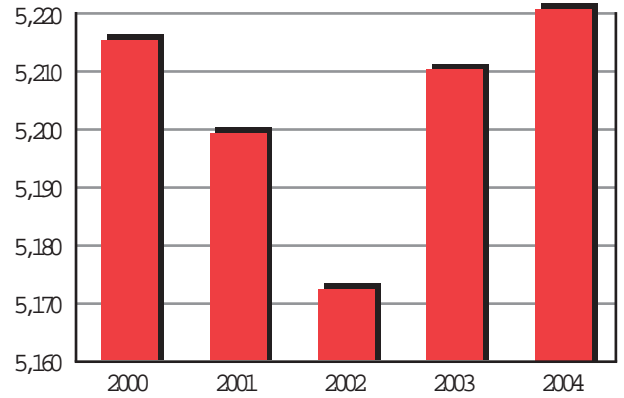
January 19, 2005

Operational Information

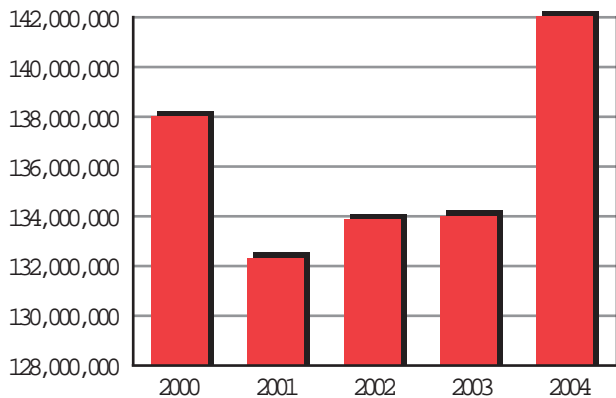
MILES OF LINE



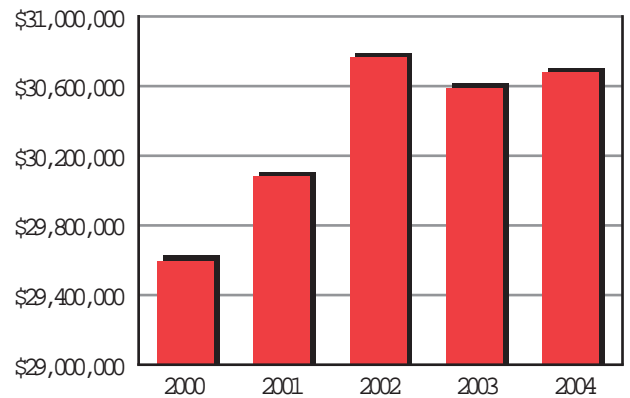
METERS



KWH SOLD



ASSETS



Nominating Committee Report

The Nominating Committee, appointed by the board of directors of North Plains Electric Cooperative, Inc., met at the cooperative's headquarters located in Perryton, Texas, on March 2, 2005, at 10:30 a.m., with the following committee members present:

District 1: Bobby Archer, June Patterson

District 3: Mike Blasingame, Terry Bechtold, Jo Bonney LeCompte

District 4: Terry Tyson, Greg Yauk

Randy Mahannah, general manager, welcomed the committee members and thanked them for their presence and participation in the nomination process for the cooperative. Mahannah then opened the meeting as chairman pro-tempore and opened the floor for nominations for chairman. Greg Yauk nominated Terry Tyson to serve as chairman of the Nominating Committee. Bobby Archer seconded the nomination. Yauk also moved that nominations cease and that Tyson be elected by acclamation. The motion carried unanimously. Jo Bonney LeCompte nominated June Patterson to serve as recording secretary for the meeting. Archer seconded the nomination. Yauk moved that nominations cease and that Patterson be elected by acclamation. The motion was seconded by LeCompte and carried unanimously.

Mahannah and Bill Carson reviewed Article IV of the cooperative's bylaws with the committee to familiarize them with director qualifications. Tyson then declared the meeting open for nominations of cooperative members to have their names placed on the ballot as director nominees, subject to the vote of the general membership at its 61st annual meeting, April 18, 2005.

Patterson nominated Ira Harbour and Archer nominated Travis Patterson to be placed on the ballot as director nominees for District

1. LeCompte moved that nominations cease. The motion was seconded by Mike Blasingame and carried unanimously. Tyson declared nominations for District 1 closed.

LeCompte nominated Johnny Strilner to be placed on the ballot as director nominee for District 3. Blasingame seconded the nomination. Patterson moved that nominations cease. The motion was seconded by Yauk and carried. Tyson declared nominations for District 3 closed.

Terry Bechtold nominated David Sell to be placed on the ballot as director nominee for District 4. Blasingame seconded the nomination. LeCompte moved that nominations cease. The motion was seconded by Yauk and carried. Tyson declared nominations for District 4 closed.

Three directors shall be elected by and from the members at the 61st annual meeting of the cooperative to be held on April 18, 2005, for a term of three years. The action of this committee in no way shall prevent additional nominations by petition as provided for in Section 4.06 of the bylaws.

There being no further business to consider, the meeting was declared adjourned at 11 a.m.


Nominating Committee Chairman


Recording Secretary

Candidates for Board of Directors



District 1

Ira Harbour and his wife, Ouida, live 15 miles southwest of Spearman in Hutchinson County, where he is engaged in farming and ranching. Together, Ira and Ouida have seven children: Ann Hindmarsh, Jean Jones, Curtis Harbour, Ted Harbour, Valinda Dodson, Vicki Wilson and Velora Matheson. Ira is a founding board member.



District 1

Travis Patterson and his wife, Lara, have lived in Hutchinson County since 1990. They have three children: Lauren, Trace and Zane. Travis farms and is a cattle producer in Hansford, Hutchinson and Ochiltree counties. He grew up in Spearman and is a graduate of Tarleton State University. He is also a partner in Farmer's Ag Supply in Spearman.



District 3

Johnny Strilner is manager of Perryton Feeders, Inc. He and his wife, Penny, have been Perryton residents since 1985. They have two daughters, Kelly and Sandy. Strilner was appointed to the board in 1998 and re-elected in 1999.



District 4

David Sell and his wife, Sandra, have eight children: Jonathan, Andrew, Elizabeth, Rebekah, Daniel, Stephen, Hannah and Joseph. They reside two miles north of Booker where David farms. David graduated from Oklahoma State University with a bachelor's degree in agriculture economics and from OPSU with a bachelor of arts in accounting. He is a CPA and has served on the board since 1984.

Youth Tour Report

Representing North Plains Electric Cooperative on the 2004 Government-in-Action Youth Tour were Emily Hood, daughter of Bill and Learn Carson of Spearman, and Jay Gurley, son of Day and Vicki Gurley of Peryton.

Ninety-four Texas rural electric youths, along with eight chaperones, descended on Washington, D.C., in June and returned home with a better perception of how their government works. Emily and Jay began their educational tour with a visit to the capitol building to meet with Congressman Mac Thornberry. While on Capitol Hill, they had the opportunity to tour the House of Representatives chamber, the Senate chamber, the Library of Congress and the United States Supreme Court building.

This year's trip included a boat cruise on the Potomac River and a visit to Old Town Alexandria. Other trip highlights included visiting Ford Theatre, Peterson House, the Washington Monument, the Lincoln, Jefferson, Roosevelt, Korean, Iwo Jima, World War II and Vietnam memorials, Smithsonian Institution, Arlington National Cemetery, Mount Vernon and Washington National Cathedral.

North Plains Electric is proud to offer the educational benefits of the Government-in-Action Youth Tour to the youth of our communities, and we say congratulations to Emily and Jay on their accomplishments!



Credentials and Election Committee

In compliance with Article III, Section 3.06 of the bylaws of North Plains Electric Cooperative, Inc., the board of directors appointed a Credentials and Election Committee on March 17, 2005.

These consumer-members have been appointed to serve on the 2005 Credentials and Election Committee:

- Wesley Jarvis District 1
- James Connelly District 2
- Richard Burger District 3
- Floyd Thiessen District 4
- David Cook District 5