

**MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.
TIMES INTEREST EARNED RATIO (T.I.E.R.)
BOARD POLICY NO. 409
Supersedes Policy #38**

SUBJECT: T.I.E.R.

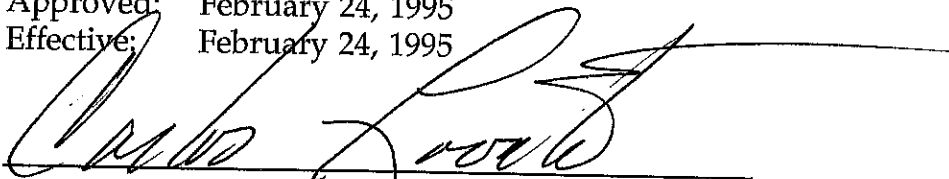
OBJECTIVE: To establish a policy for the maintenance of the necessary T.I.E.R.

POLICY:

It shall be the policy of the Board of Trustees ("Board") to maintain a minimum Times Interest Earned Ratio ("TIER") ratio of 1.50 including nonoperating margins and G & T Capital Credits.

The Board shall be responsible for the enforcement of this Policy.

Approved: February 24, 1995
Effective: February 24, 1995


Board Secretary