Comanche ELECTRIC COOPERATIVE
Your Touchstone Energy® Cooperative
P.O. BOX 729 • COMANCHE, TX 76442 • (325) 356-2533

Capital Credit Refund To Be Distributed

MESSAGE FROM GENERAL MANAGER RONNIE ROBINSON

It is the purpose of a cooperative to provide a needed service at cost. To be financially stable, a cooperative must show a margin between what it costs to operate the business and what it takes in as revenue. If a cooperative cannot show a positive margin, it cannot obtain adequate financing for future expansion.

Even though Comanche Electric Cooperative was formed in 1938, it was several years before the cooperative showed its first profit. Instead of receiving checks, the members received capital credit allocations, a promissory note so to speak. As the financial position of the cooperative became stronger with larger cash reserves and higher equity levels, the cooperative began to "retire," or pay back, capital credits on a first-earned basis.

As a member of Comanche Electric Cooperative, you are entitled to share in the cooperative's margins. Each year, your share for the preceding year is calculated based on the amount of revenue you paid in. Your share is referred to as capital credits and is refunded to members based on the equity necessary to maintain the financial soundness in the cooperative on a first-in, first-out basis.

Capital credits in a member's account belong to the member's estate upon the member's death. To assist the member's heirs in closing the estate, a retirement of the remaining balance can be made at a discounted rate. In fairness to all members, these retirements are discounted to reflect the net present value of making a capital credit retirement now that normally would be made at a later date. The smaller amount received today would be equal to the normal retirement amount if the amount were to be invested until the normal retirement date.

The board of directors has a fiscal responsibility to maintain the financial integrity of the cooperative in a way that provides competitive rates for the current members and allows the return of capital to its members when equity and debt-service coverages are met.

After reviewing the financial requirements of our bankers for the year 2006, your board of directors is pleased to inform you that not only has it maintained the long history of retirement of estate refunds, it has also determined that the financial condition of your cooperative is such that the years 1972-1981 capital credits will be retired as well in the form of a general refund.

This amounts to $1,030,000 in capital being retired to cooperative members who invested during that period. After retiring the $1,030,000, Comanche Electric Cooperative will have returned all capital investments from the members for the years 1938 through 1981.

We will also continue to maintain our long tradition of retirement of estate refunds on a monthly basis, which have amounted to $1,799,414.90 through the years.

"Capital credit refunds and our competitive rates are just another example of the difference between an investor-owned utility and a cooperative," said board Chairman Travis Day.

STATEMENT OF NONDISCRIMINATION

Comanche Electric Cooperative Association is the recipient of Federal financial assistance from the Rural Utility Service, an agency of the U.S. Department of Agriculture (USDA) which prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

The person responsible for coordinating this organization's non-discrimination compliance efforts is Alan Lesley, Director of Human Resources. Any individual or specific class of individuals, who feel this organization has subjected them to discrimination, may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, DC 20250. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call 1-800- 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal-opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Add an Energy Check to Yearly Cleaning List

Warm weather has a way of making things grow: flowers, grass, your to-do list. So what's one more task? While you're scrubbing and inspecting your home this spring, check for energy-efficiency around the house. Making a few energy-related repairs could help lower your electric bill all year long.

■ While you're cleaning the windows, check for loose or leaky panes, and identify any single-paned windows. These energy no-nos allow cool air to escape from your home during the summer and steal heated air during the winter. That can raise your utility bill no matter the season. Replacing old, inefficient windows now is an investment that will pay for itself in energy savings.

■ Light bulbs looking dim? Wipe them down to remove excess dust, and trash those incandescent bulbs. Compact fluorescent bulbs come in almost every size and mimic the glow of incandescents while using less energy—and they last up to 10 times longer.

■ Replace your dirty air filters once a month. Dusty filters make your air-conditioning system work harder.

■ Open the windows. If it's not warm enough yet to turn off the heat and enjoy the fresh air, install a programmable thermostat, which automatically adjusts the temperature so you use less energy to heat your home when no one is there.

■ Vacuum under and behind the refrigerator to remove dust build-up that decreases efficiency. If you use an extra fridge or freezer, turn it off when not in use. If you use it year round, keep it stocked or fill gaps with extra jugs of water or trays of ice so it will operate more efficiently.

■ Before you scrub major appliances such as refrigerators, ovens or washers, check to see whether the model is Energy Star certified. If not, consider upgrading—Energy Star models use loads less energy and are worth the purchase price, even if your older, less-efficient appliance is still in working order.

MEMORIAL DAY

The offices of Comanche Electric Cooperative will be closed Monday, May 28, in observance of the holiday.

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Monday through Friday

FIND US ON THE WEB AT WWW.CECA.COOP

YOUR "LOCAL PAGES"
This section of *Texas Co-op Power* is produced by Comanche EC each month to provide you with information about current events, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact Shirley at the Comanche office or at sdukes@ceca.coop.

COMANCHE ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative

Wind Powered Our Past—Will It Power Our Future?

BY SHIRLEY DUKES

I guess you could say that this wonderful country that we call home was founded on the wind. When Christopher Columbus set sail from Spain in 1492, he did so under the orders of King Ferdinand and Queen Isabella, and with a strong wind in his sails. When the first pioneers headed West in search of freedom and new land to settle, they typically started their journey in the spring to avoid the fierce winter weather, but they still had to face those strong winds that blew across the prairies. Pioneers began settling near rivers and creek beds to have life-sustaining water, but eventually they had to branch out and homestead other places. It became necessary to find alternative sources of water, so they dug wells and built windmills to pump that water.

The most talked-about wind topic is wind generation, and according to the results of our survey, our members also want to know more about this electric commodity. The National Rural Electric Cooperative Association's White Paper on Wind Power states that wind power is the fastest-growing form of electricity generation in the United States. However, there are many misconceptions concerning wind power, and while there is not room in this magazine for all of them, we will try to cover a few.

One of the biggest misconceptions about wind power is that since the wind is free, the power generated by the wind should cost less than that created by other forms of generation. This is true only to a small extent. There is no charge for the wind itself, but the price to capture and convert wind into energy is high. Most of us at one time or another have driven down Interstate 20 through Sweetwater and have seen the large wind farms along the ridge of the mountains. These wind turbines are large and impressive pieces of machinery that most of us admire yet know very little about.

Before wind companies will even consider a location for a farm, an extensive study must be conducted to determine whether the site is conducive to wind generation. This process alone usually takes one to two years. The wind generation companies prefer a north-facing ridge with winds that consistently blow 6 to 8 miles per hour. A transmission line with enough capacity to handle the size of the wind farm must be nearby, a test turbine must be set up in the area of the proposed wind farm, and data must be kept for at least a year or longer. I am told that it takes about $1 million to put one commercial wind turbine in motion. According to the Texas Electric Choice website for the month of April, the cost of wind power for 2,000 kilowatt-hours (kWh) is $286, compared with Comanche Electric Cooperative's price at $236 per 2,000 kWh.

Another misconception concerning wind power is reliability. You, as member-owners of Comanche Electric Cooperative, give the cooperative the responsibility to guarantee that a dependable source of electricity is available any time it is needed, and wind alone cannot fulfill this requirement. We must realize that wind is not an on-demand commodity and that it furnishes limited reliable power. Without some other form of generation in place, rolling blackouts are probable. Wind is a non-firm energy source, meaning you cannot simply start it up on demand. It has a capacity factor of less than 40 percent, meaning you can count on this power only 40 percent of the time. July and August are our nation's hottest months, when the most power is consumed by air conditioning. Those are also the months that the wind blows the least, meaning that during those months, if you were to rely strictly on wind power, you would most likely have to do without air conditioning, and perhaps electricity altogether.

Johnny Ball, the father of former BBC Radio 1 and an advocate of nuclear power, has been quoted as saying "There isn't a single windmill owner in Holland who doesn't have a

From this angle, it's hard to judge the massive size of this motor. It's the size of a large sport-utility vehicle.

second job for when there is no wind." That can certainly hold true in the electricity business. While wind power can be stored, at the present time such storage is costly and is rarely used. The largest storage battery in the world is used at an electric cooperative in Alaska. The battery's cost was $30 million, and it will supply 50 megawatts of capacity for only five minutes, making it an inefficient alternative. Therefore, in traditional cases, if the wind doesn't blow, there is no electricity generated, and there will be no power at your switch.

There MUST be backup power to wind power. One important fact needs to be considered when we drive by a wind farm. There is a conventional fuel plant nearby to serve the load every time those wind units go offline.

As with any other form of generation, there are pros and cons to wind generation.

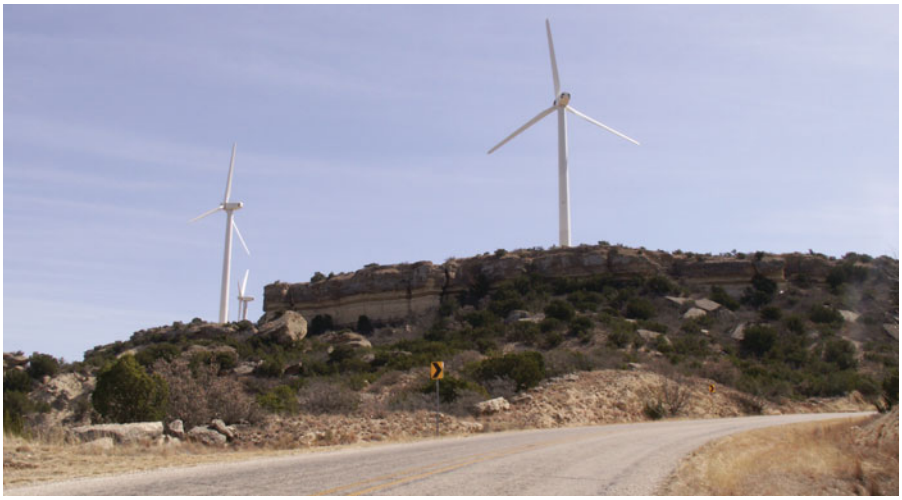
Pros:

1. Zero emissions.
2. Renewable.
3. Creates jobs.
4. Phased growth.
5. Mass appeal.
6. Self-sufficiency.

Cons:

1. High initial investment.
2. Noise.
3. Intermittent (wind must blow between 6 and 40 mph).
4. Distribution (must be situated nearby existing infrastructure).

Federal and state incentives have long been viewed as a means of supporting renewable energy's technological developments and to help reduce the upfront cost of purchasing renewable energy systems. According to the State Energy Conservation Office (SECO), Texas does not have a tax-exemption program that provides funding of renewable energy equipment on an individual basis, but the state does give a property-tax exemption for wind-powered energy systems. This statute exempts taxpayers from any value added by a qualified renewable energy source for property-tax purposes. Qualified equipment includes wind devices as well as transmission equipment.



Sitting atop a ridge near the town of Fluvanna, these 230-foot-tall wind turbines are an impressive sight. The blades are 88 feet long, and the entire unit weighs 167 tons.

SECO says "the most important public financial incentive encouraging investment in renewable energy projects is the Federal Production Tax Credit (PTC). As authorized by the Energy Policy Act of 1992, the PTC provides a production tax credit for power generated by certain types of renewable energy projects, including wind power. Available during the first 10 years of operation, the PTC provides a 1.5 cent/kWh credit adjusted annually for inflation. The 1.5 tax credit is currently valued at 1.9 cents/kWh.

"The PTC has been a critical factor in financing new wind power installations, but it cannot be consistently counted on because Congress has not locked it in as a long-term incentive. Since its inception, the PTC has expired and later been renewed three times in seven years, and was due to expire again at the end of 2007. This uncertainty creates instability within the wind industry, making long-term planning a problem. Without assurances of the PTC's continued support, accelerated wind development will remain intermittent. Because the Energy Policy Act of 2005 extended the PTC through December 31, 2007, new construction has been on the rise.

"In an effort to improve the efficiency and lower the cost of conventional wind turbine technologies, the 2007 budget includes $44 million for wind energy research, a $5 million increase over 2006 levels.

"As of January 4, a five-year extension of the PTC, which provides $1.9 cent/kWh credit to qualified electricity generators is being considered by the 110th Congress."

Wind can be our friend or our enemy. It can power a sailboat and a wind farm, or it can blow buildings off their foundations and vehicles off the roads. If we could just harness the bad wind and turn it into good wind, wouldn't life be grand?

Yes, the wind itself is free, but the price of capturing that wind and transferring it to a substation where it can be converted to energy for your home is costly. In short, wind power is good for the consumer and environment, it is a good tax base, but it is not the complete answer. Wind power is a great addition, but it is only one piece of a very large puzzle that furnishes electricity to our consumers. To complete that puzzle, we must take into consideration other sources such as clean-fuel technology, natural gas, hydro and nuclear, as well as countless other sources of generation.

Comanche Electric Cooperative, along with our power supplier, will continue to explore all avenues of electric power generation in an effort to give our consumers the best service possible at the least possible cost.

Pay Attention to Generator Safety

Portable electric generators offer great benefits when outages affect your home, but when not properly connected and operated, they can be hazardous to the public and the line crews working to restore power. After Hurricane Katrina, a line worker in Alabama was killed when a generator was improperly hooked up. Whether we are supplying electricity to a consumer or it is back feeding on our line, electricity knows no direction. Please help us keep all line workers safe.

Comanche Electric Cooperative offers these tips when connecting and operating portable generators during power outages:

Do it right

Always read and understand the operating and maintenance manuals before using any generator, even if it takes a few extra minutes during emergencies. Make sure all family members and employees who operate the generator understand the rules, too.

Flip the big one

Even if your home or business has temporarily lost electric service, turn off the main power switch before operating the generator. You may also wish to unplug all sensitive electronic equipment. Make sure that all generators are hooked up past the point of your main breaker, unless you have the proper switching equipment installed.

Never overextend yourself

Use extension cords sparingly, if at all, with a generator. If possible, plug the appliance or electrical equipment directly into the generator. If you must use an extension cord, use a heavy-duty, properly grounded one. Make sure that extension cords are not frayed or worn. And make sure the cord is adequately sized to handle the power or else it could start a fire. Place cords out of the way to prevent tripping hazards but, as with all extension cords, do not cover them with rugs or anything else.

Don't blow it, man

Prioritize your electrical needs. Don't overload the generator with too many appliances and excessive power demand. See the unit's manual for its specific wattage limitations. If the manual is unavailable, check the body of the generator for directions. Keep in mind that refrigerators and freezers may require 500-700 watts of power each.

Play keep-away

Keep kids away from the generator. Keep them away from the gasoline, too.

A huge no-no

Never attempt to wire the building's electrical system into a generator. Doing so can cause power to "back feed" through the electric meter and into the electric utility's distribution system, where line workers and others may be attempting to restore service. Anyone who comes in

If you do this:	This could happen!
Attempt to connect generator directly to the electrical system of any building.	You could kill or injure a person repairing service lines. The electricity you generate could back feed through the building's electric system to the outside utility feed lines. Attempting to connect to the incoming utility service could result in electrocution. If your electric cooperative's line crew is restoring electric service while your generator is connected to the incoming utility service, you could start a fire or seriously damage your building.
Fail to ground the generator's electrical system adequately.	Entire generator could become electrically charged and cause electrocution.
Operate generator in rain, wet, icy or flooded conditions.	If water comes in contact with the electricity produced by the generator, the generator's frame may become energized.
Use worn, damaged, undersized or ungrounded extension cords.	Contact with worn or damaged extension cords could cause electrocution. Undersized electric cords could overheat wires or attached items, resulting in fire. Use of ungrounded cord sets could prevent operation of circuit breakers and result in electrical shock.
Attempt to fill the fuel tank while the engine is on or cooling.	Gasoline and gasoline vapors can ignite by coming in contact with hot components such as the muffler, engine exhaust gases, or from an electrical spark.
Fail to ventilate generator by operating in an enclosed area.	Obstructing ventilation causes overheating and possible ignition of the materials. You will produce toxic carbon monoxide exhaust fumes from the engine. Breathing exhaust fumes will cause serious injury or death.
Tamper with factory-set engine speed settings.	Tampering with the engine speed adjustment could result in overheating of attachments and cause a fire.

contact with an energized wire—whether it's standing or downed—can be injured or even killed.

No-fooling refueling

Don't attempt to refill the generator's fuel tank while it is running. Gasoline is highly flammable. Use only approved containers for storing gas. Give time for the generator to cool down before refueling.

Let it breathe

Provide adequate ventilation for the external exhaust from a generator, which contains carbon monoxide, an invisible, odorless gas that can be deadly. It is safest to run the generator outdoors. Operating one in attached garages or carports, even with open doors or windows, can allow toxic fumes to migrate into the building. Provide a cooling airflow for the generator.

For your safety, the safety of neighbors, and the safety of Comanche Electric Cooperative employees working to restore electricity, do not attempt to connect your generator to your home wiring. If you have any doubts about how to properly use a portable electric generator, contact the manufacturer or a licensed electrician for assistance. Or you may call Doug Erwin at 1-800-915-2533.

The Swallows Have Returned

BY SHIRLEY DUKES

As I was preparing dinner last night, my daughter Mikayla excitedly announced to me that our annual tenants had returned home. Each year we are blessed (or as some may say, cursed) by an adorable couple of barn swallows that nests below the eaves of our front porch. They show up about this time every spring and begin their labor of love, constructing their nest. We delight in hearing them flutter and chirp outside our front door. They are at first a little shy and fly out of sight as soon as they see any of us approaching, but after the eggs arrive they become more tolerant in allowing us to observe them from afar.

Their nests are neat little cup-shaped shells they build out of mud they collect in their beaks. They line these shells with any soft material they find such as hair, grass, feathers and plant fibers. Both parents work equally hard on this modest home for their eggs.

Our birds, as do most barn swallows, lay two clutches of eggs each year. As soon as the first hatchlings leave the nest, the parents tidy up their quarters, do some minor repairs, and begin the process all over again.

A pair of barn swallows nests in the same spot on my front porch every year.

Many people do not like these delightful birds because of the mess they make. Not only are they untidy during the construction phase of their homes, but they leave a year round mess beneath the nest on our sidewalk. However, Mikayla and I receive so much enjoyment just watching them and listening to them that I don't mind cleaning up after them.

Welcome home my little feathered friends!

EVEN SUPERHEROES NEED TO BE CAREFUL AROUND ELECTRICITY

We all know the wonderful things electricity makes possible. There are TVs, radios, video games and computers. Not to mention that electricity keeps us warm in winter, cool in summer, cooks our food, heats our water, cleans our clothes, and keeps our homes and schools bright, even when there's no sun outdoors.

While we should be grateful for what electricity provides, we should also remember that electricity is powerful, and we must be careful when using it. Here are some kid-friendly tips on electrical safety:

- Never touch broken electrical cords or ones that have wire showing.
- Don't bite electrical cords. Now you may be laughing, but small children and pets sometimes do bite these cords, and it is very dangerous.
- Never stick your finger or any object into light sockets or electrical outlets. Ask your mom or dad to buy plug covers so no one will get into trouble.
- Do not pull on cords to unplug them. Hold on to the plug.
- Do not touch anything electrical while you are wet or standing in water.
- Did you know that electricity can travel down kite strings or wires? Never fly kites or balloons near any power lines.
- Do not climb power poles or trees close to power lines.
- If one of your toys gets caught in electrical equipment, don't touch it. Find an adult to help you.