

REPORT OF THE BOARD CHAIRMAN

SEVENTY YEARS OF SERVICE

For 70 years, Comanche Electric Cooperative has followed a simple and focused mission of providing reliable power at an affordable cost. In 2007, Comanche Electric Cooperative completed another successful year while remaining committed to its 70-year-old mission.

2007 was a year of many accomplishments, including:

- Completed an all-requirement power supply contract with Brazos Electric Power cooperative through 2045.
- Maintained electric distribution rates for the seventh consecutive year, even though the electric industry has experienced significant increases in the cost of common goods and materials over the past few years. In 2003 a 40-foot pole cost CECA \$195, compared to \$319 in 2007. Another major expense that has increased significantly is the cost of gasoline and diesel.
- Connected 290 new members, replaced 410 poles, built and reconducted 32.4 miles of line and expended \$600,000 in right-of-way clearing.
- Completed a digitized mapping system and added enhanced computer systems in all service trucks.
- Completed SCADA systems to all substations and meter points.
- Added new IP phone systems for office communication and after-hours dispatch communication.

All of these accomplishments were made possible



LEWIE NEWMAN
PRESIDENT

by the dedicated, experienced and knowledgeable employees of Comanche Electric Cooperative.

It takes a special kind of person to work for an electric cooperative. There is no lure of big business or the big city to draw your people, and many of the jobs require working at all hours and in the

worst of conditions. There is, however, the satisfaction of service to both individuals and communities and the pleasure of a more rural way of life. There is pride in knowing you have brought resolution to emergency situations.

And there is the assurance of knowing you are part of an organization committed to a brighter future for the communities we serve and call home. All of our employees are listed in the annual report, and as you will note, about 50 percent have served you, the members, for more than 10 years, while some are just beginning to serve. We thank all CECA employees and directors for their efforts that made 2007 a successful year.

The year 2008 will bring additional challenges. We look forward to these challenges with the same focus on our business and on our 70-year mission of providing dependable service at affordable prices.

Lewie Newman

Lewie Newman, Board President

BOARD OF DIRECTORS



TRAVIS DAY
DISTRICT 1



JAMES MURPHREE
DISTRICT 2



RUBY SOLOMON
DISTRICT 3
SECRETARY-TREASURER



MONTY CARLISLE
DISTRICT 4



LEWIE NEWMAN
DISTRICT 5
CHAIRMAN



LOREN STROEBEL
DISTRICT 6



PHIL TAYLOR
DISTRICT 7
VICE CHAIRMAN



RONNIE ROBINSON
GENERAL MANAGER

EMPLOYEES

NAME	POSITION	YEARS OF SERVICE
DORA BALLARD	Assistant Accountant	9
GREG BEATY	Lineman	6
KAY BRANHAM	Customer Service Rep	15
GEORGE CAMPBELL	Lineman	21
AARON CARROLL	Groundman	6 months
BRENDA CARROLL	Payroll/Work Order Specialist	11
GUY CLAWSON JR.	Staking/Field Engineer	1
JILL CLEERE	Director of Accounting and Finance	10
ADAM CONSTANCIO	Lineman Third Class	3
BRANDON COOK	Lineman Second Class	3
JIMMY CUELLAR	Customer Service Rep	4
KELLIE DETERS	Director of Inside Operations	18
SHIRLEY DUKES	Communications/Public Information	18
BOBBY EMFINGER	Lineman	29
DOUG ERWIN	Director of Member Services	22
TIFFANY EVANS	Accounting Clerk	4
RACHEL FORD	Customer Service Rep	1
CHAD FOREMAN	IT Supervisor	2
JENNIFER GREGORY	Staking/Field Engineer	9
CRAIG HARDY	Lineman Third Class	3
LARRY HATLEY	Safety Coordinator	21
BILLY HENRY	Meter Coordinator/AMR Supervisor	31
JOSH HONEA	Groundman	1
JULIA HUNTER	Service Lineman	12
NANCY ISHAM	Executive Secretary	24
LARRY JACOBS	Lineman	28
MARY JOHNSON	Purchasing Agent	10

NAME	POSITION	YEARS OF SERVICE
KENDALL KEITH	Lineman	11
JOHN LARKIN	Tree Trimmer	1
ALAN LESLEY	Assistant Manager/HR	10
JIM LESTER	Engineering/Mapping Technician	12
ORACIO LOPEZ	Lineman Second Class	6
PAM MCCLAIN	Customer Service Rep	8
LARRY MORGAN	System Distribution Coordinator	25
CHAD NEWMAN	Grounds Maintenance	7
DALE OGLE	Equipment Operator	3
ROSE OJEDA	Cashier/Receptionist	3
TIMOTHY PALLETTE	Lineman	10
TOMMY PATTERSON	Service Lineman	6
KAY PIPPEN	Service Representative	2
BOBBY REED	Lineman	25
JUSTIN RILEY	Lineman	1
RONNIE ROBINSON	General Manager	31
SCOTT RUTLEDGE	Groundman	1
LABIN SCOTT	Maintenance Coordinator	24
KEITH STEWARD	Lineman	5
EDDIE STRUBE	Director of Outside Operations	26
JERRY STRUBE	Mechanic	19
ADAM TALLY	Groundman	1
KACEY TERRY	Mapping/AutoCad Technician	4
SHELLEY THEDFORD	Billing Clerk/Collection Officer	9
CURTIS TIPPIE	Lineman Third Class	2
SHANE TUCKER	Service Lineman	9
WILLIAM WORKS	Construction Coordinator	27

Over the years, the cooperative has attracted and kept employees who are loyal and dedicated to the work of bringing dependable electric service to the members. We have some employees with many years of experience and expertise, some who have fewer years of experience and are training for additional responsibilities, and some who are just beginning. Employees listed represent 604 years of experience.

BALANCE SHEET

As of December 31, 2007 and 2006

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

CERTIFIED PUBLIC
ACCOUNTANTS

PHONE (806) 747-3806

FAX (806) 747-3815

8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

*To the Members
Comanche Electric
Cooperative Association
Comanche, Texas*

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Comanche County Electric Cooperative Association as of June 30, 2008, and the related statements of income and patronage capital, and cash flows for the year then ended (not presented herein).

The information set forth in the accompanying condensed financial statements of Comanche County Electric Cooperative Association as of December 31, 2007 and 2006, and for the years then ended has been assembled from the financial statements prepared by the Cooperative. These statements are unaudited; accordingly, we do not express an opinion on them.

*Bolinger, Segars,
Gilbert & Moss*

Certified Public Accountants
August 16, 2008

ASSETS

WHAT WE OWN

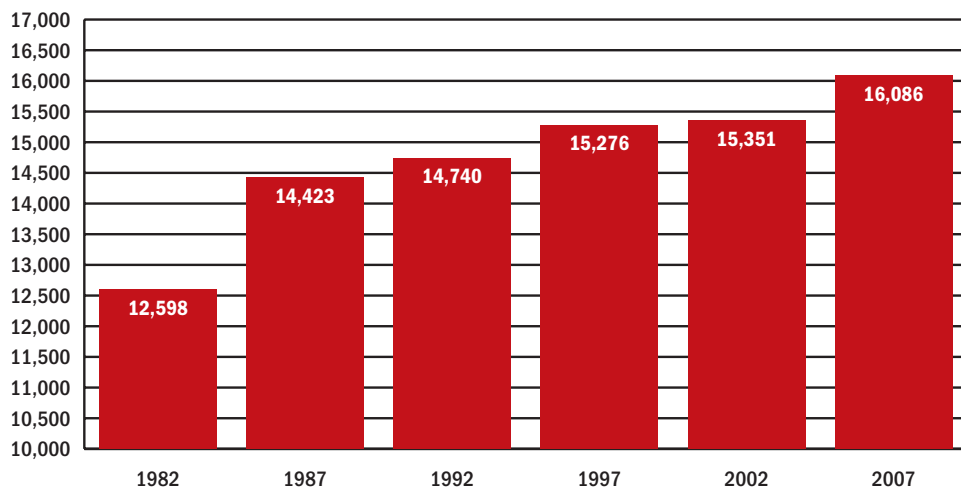
	2006	2007
Electric Lines, Equipment, Property and Buildings.....	\$52,545,053	\$55,013,532
Less: Accumulated Provision for Depreciation	<u>(11,387,444)</u>	<u>(12,340,478)</u>
Net Utility Plant	41,157,609	42,673,054
Non-Utility Plant	207,886	170,204
Cash.....	342,956	493,154
Investments in Associated Organizations	7,500,996	6,856,794
Other Investments	957,302	27,794
Accounts Receivable	844,442	658,719
Construction Materials and Supplies on Hand	651,478	927,141
Miscellaneous Prepayments and Other Debits	<u>94,391</u>	<u>206,060</u>
TOTAL ASSETS	\$51,757,060	\$52,012,920

LIABILITIES AND NET WORTH

WHAT WE OWE

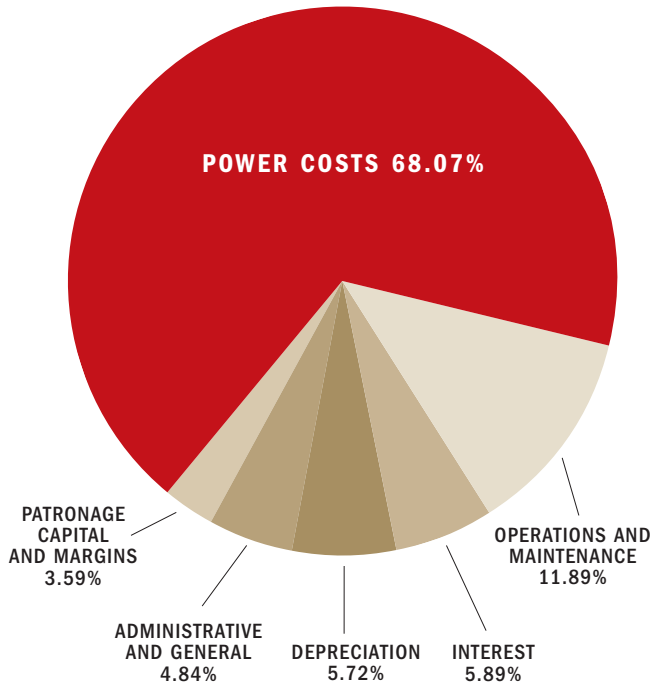
	2006	2007
Long-Term Obligations to RUS and CFC	\$50,370,219	\$51,905,219
Less: Payments When Due	<u>(21,452,530)</u>	<u>(22,675,968)</u>
Balance Due RUS and CFC Principal	28,917,689	29,229,251
Accounts Payable for Power, Materials, Supplies, Etc.....	2,208,209	2,115,104
Deferred Credits	<u>301,172</u>	<u>707,346</u>
TOTAL LIABILITIES	\$31,427,070	\$32,051,701
Membership Fees	160,765	161,280
Patronage Capital and Other Equities	<u>20,169,225</u>	<u>19,799,939</u>
TOTAL NET WORTH	\$20,329,990	\$19,961,219
TOTAL LIABILITIES AND NET WORTH	\$51,757,060	\$52,012,920

METERS CONNECTED



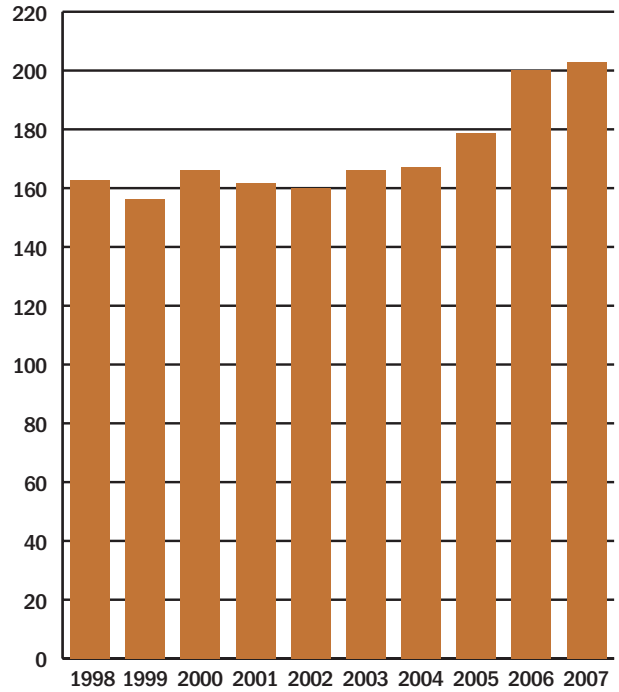
USES OF REVENUE

Fiscal Year 2007



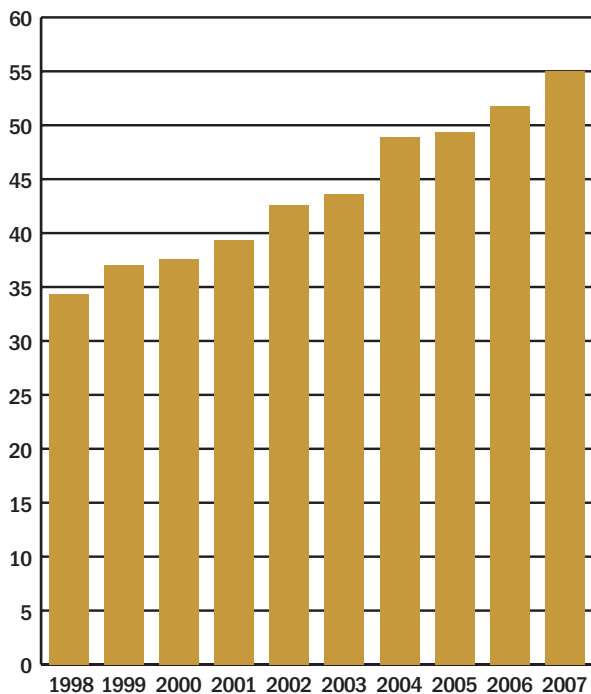
KWH SALES

In Millions of Kilowatt-Hours—Past 10 Years



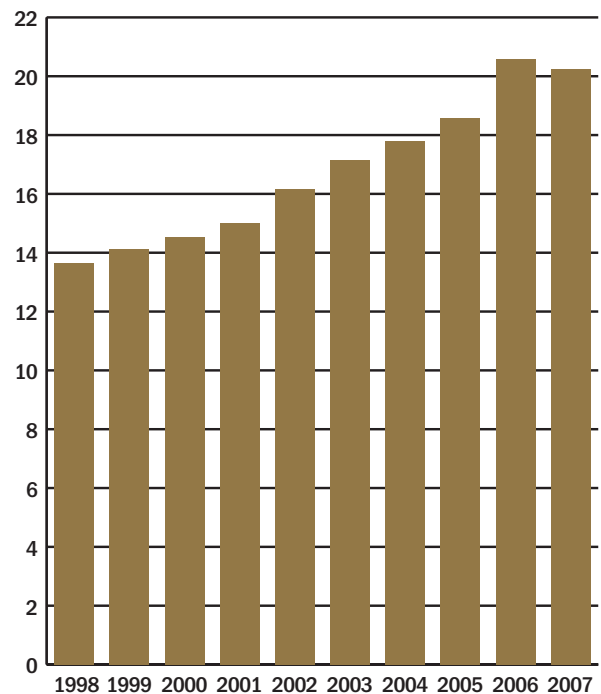
ASSETS

In Millions of Dollars—Past 10 Years



EQUITY

In Millions of Dollars—Past 10 Years



COMPARATIVE STATEMENT

INCOME AND EXPENSES

INCOME—WHERE IT CAME FROM	2007	%	2006	%
Farm and Home Sales.....	\$10,852,379	43.2	\$10,848,413	43.6
Small Commercial.....	12,485,392	49.8	12,018,012	48.3
Large Commercial.....	909,054	3.6	754,759	3.0
Service Charges and Other Revenues.....	258,393	1.0	248,676	1.0
Nonoperating and Interest.....	202,862	0.8	223,712	0.9
Brazos and Other Capital Credits.....	333,965	1.3	795,390	3.2
Income (Loss) From Subsidiary Investments.....	55,141	0.2	(8,520)	0.0
TOTAL INCOME	\$25,097,186	100.0	\$24,880,442	100.0
EXPENSES—WHERE IT WENT				
Purchased Power.....	\$17,084,709	68.1	\$16,207,143	65.1
Operating and Maintaining.....	4,216,921	16.8	3,919,447	15.8
Depreciation Expense.....	1,435,411	5.7	1,374,042	5.5
Interest on Long-Term Debt.....	1,458,011	5.8	1,417,946	5.7
TOTAL EXPENSES	\$24,195,052		\$22,918,578	
MEMBERS' CAPITAL CREDITS (Margins).....	902,134	3.6	1,961,864	7.9
TOTAL EXPENSES AND CAPITAL CREDITS	\$25,097,186	100.0	\$24,880,442	100.0

COMPARATIVE STATISTICS

	2006	2007
KWh Purchased.....	220,136,824	223,186,590
Cost of Power Purchased.....	\$16,207,143	\$17,084,709
KWh Sold.....	200,094,165	202,795,624
KWh Billing.....	\$23,621,184	\$24,246,825
Average Bill.....	\$123.56	\$125.61
Miles Energized.....	4,791	4,794
Meters Connected.....	15,930	16,086
Average KWh Used.....	1,047	1,051
New Services Connected.....	396	290
Miles of New Construction.....	41.09	32.40
Man-Hours Worked.....	117,334	125,031
Employees.....	51	56
Miles Driven by Cooperative Vehicles.....	550,170	592,310
Hours Lost Due to Accidents.....	84.0	880.0
Number Lost-Time Accidents.....	2.0	5.0
Hours Worked Since Last Lost-Time Accident.....	44,265	3,473

WHERE YOUR DOLLAR WENT



YEAR	PURCHASED POWER	OPERATIONS AND MAINTAINING SYSTEMS	DEPRECIATION	INTEREST	MEMBERS' CAPITAL CREDITS AND MARGINS
1985	65.7¢	13.7¢	5.2¢	4.3¢	11.1¢
1986	62.4¢	16.2¢	5.9¢	5.3¢	10.3¢
1987	63.1¢	17.8¢	6.6¢	6.3¢	6.2¢
1988	63.1¢	17.9¢	6.9¢	6.7¢	5.3¢
1989	59.4¢	19.8¢	7.3¢	7.0¢	6.5¢
1990	57.6¢	22.2¢	7.5¢	7.3¢	5.4¢
1991	56.7¢	22.8¢	7.9¢	8.1¢	4.5¢
1992	56.8¢	24.0¢	8.3¢	8.3¢	2.7¢
1993	56.9¢	20.9¢	7.4¢	7.1¢	7.8¢
1994	55.4¢	22.4¢	7.4¢	6.7¢	8.1¢
1995	54.9¢	24.3¢	7.5¢	7.1¢	6.2¢
1996	54.4¢	25.8¢	7.9¢	6.7¢	5.2¢
1997	56.6¢	26.5¢	8.2¢	6.3¢	2.3¢
1998	57.0¢	25.1¢	7.5¢	6.0¢	4.4¢
1999	56.1¢	25.0¢	8.3¢	6.9¢	3.6¢
2000	59.8¢	22.0¢	8.0¢	7.0¢	3.1¢
2001	60.4¢	21.3¢	8.1¢	6.9¢	3.3¢
2002	54.0¢	22.0¢	8.6¢	7.4¢	8.0¢
2003	58.1¢	20.5¢	8.0¢	7.0¢	6.4¢
2004	61.7¢	19.9¢	7.6¢	7.0¢	3.8¢
2005	66.2¢	17.4¢	6.4¢	6.3¢	3.7¢
2006	65.1¢	15.8¢	5.5¢	5.7¢	7.9¢
2007	68.1¢	16.7¢	5.7¢	5.9¢	3.6¢

WHERE YOUR REVENUE CAME FROM

	2000	2001	2002	2003	2004	2005	2006	2007
Farm and Ranch	63.0%	64.0%	49.5%	48.9%	48.5%	49.0%	45.4%	44.3%
Irrigation	7.1%	6.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Small Commercial	26.3%	27.1%	46.8%	46.6%	47.1%	46.8%	50.3%	50.9%
Large Commercial	3.1%	2.2%	2.4%	3.1%	3.2%	3.2%	3.2%	3.7%
Other Revenue	<u>0.6%</u>	<u>0.7%</u>	<u>1.4%</u>	<u>1.4%</u>	<u>1.2%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Students Represent Co-op on Youth Tour

Once again, the membership of Comanche Electric Cooperative was well represented in Washington, D.C. Lupe Esquivel from Comanche High School and Lauren Svoboda from Mullin High School participated in the 2008 Government-in-Action Youth Tour in June.

Lupe and Lauren met with about 125 other Texas students and flew to our nation's capital, where they saw some extraordinary sights, including Arlington National Cemetery, the Lincoln Memorial, the Vietnam Veterans Memorial, Mount Vernon, Ford's Theatre and the Smithsonian Institution. They also had a photo session on Capitol Hill, visited their congressmen, toured the House and Senate Chambers and visited the Supreme Court and the Library of Congress.

Lupe will be a senior at Comanche High School. She began her involvement in extracurricular activities in elementary school when she was a member of the G/T program for three years. She was president of her sophomore class and a member of the Superintendent's Cabinet for two years.



Lauren Svoboda and Lupe Esquivel represented Comanche Electric Cooperative on the Government-in-Action Youth Tour trip to Washington, D.C., in June.

She is a member of FHILA, and she was a published author in the Young Poets Creative Writing her freshman year. Her civic activities include participation in Relay for Life, two years; Pow Wow service, two years; and Santa's Helpers, three years. Lupe's career goal is to be a dentist.

Lauren will be a senior at Mullin High School. Lauren has been involved in University Interscholastic League academic speaking events for six years, has been a class officer for six years and has been involved in one-act play for two years and yearbook for a year. She also plays sports, participating in basketball, volleyball and golf. Lauren's career goal is to be a lawyer.

These students received airfare, transportation, lodging, meals, insurance and admission charges associated with the tour. This trip is available to any student, sophomore and above, who attends a school where Comanche Electric Cooperative has facilities, or if the student's parent or guardian is a member of Comanche Electric Cooperative.

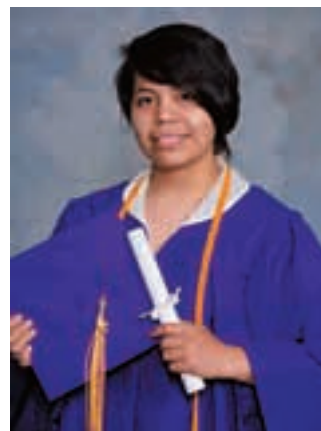
Noemi Martinez Awarded Co-op Scholarship

Congratulations to Noemi Martinez, who has been named the recipient of Comanche Electric Cooperative's 2008 scholarship in the amount of \$1,000. Noemi, who graduated from Mullin High School, is the daughter of Juan Antonio and Margarita Martinez of Mullin. Noemi lists the following activities: BETA Club, FFA, Mills County Chamber of Commerce, Library Book Club and Gifted and Talented, four years; Student Council, three years; yearbook staff, two years; and Spanish Club, one year.

She also has participated in a wide range of community and volunteer services. Noemi plans to attend Texas Tech University and pursue a career in Communication Design.

To win the scholarship, Noemi competed against students from Comanche Electric Cooperative's seven-district service area. All contestants were asked to write an essay on the topic "The Future of Power Generation in Texas." The essays were graded by a panel of judges selected from outside the cooperative's service area.

Comanche Electric Cooperative Association takes the education of our youth very seriously, and we strive to encourage our youth to pursue continuing education. It is to this end that we



offer a \$1,000 scholarship each year to a qualifying student. To qualify for the scholarship, the student must be claimed as a dependent of parents or legal guardians who are active CECA members and who reside within the cooperative's service area. Students must maintain a 2.0 GPA on a 4.0 scale and must meet general entrance requirements at an accredited school. The applicant can be a graduating senior

or a student currently enrolled in a college or university.

Congratulations, Noemi, for your outstanding achievements!

Applications and a complete set of guidelines can be obtained by contacting Shirley at (325) 256-2533 or 1-800-915-2533, or by email at sdukes@ceca.coop.