

PLEASE COME TO THE ANNUAL MEETING

We want to take this opportunity to invite you to attend this year's 71st Annual Membership Meeting of Comanche Electric Cooperative on August 15. It is a great opportunity for you to participate in director elections and the business affairs of your cooperative. You will hear our guest speaker, Brazos Electric Power Cooperative Executive Vice President and General Manager Clifton Karnei. Also, there will be entertainment, a health fair, lunch, door prizes and an opportunity to visit with friends and neighbors.

This year, Travis Day will retire from the board of directors after serving five three-year terms. We want to take this opportunity to thank him for his many years of service to our membership and wish him well in the years to come.

One thing is abundantly clear—the world we live in has fundamentally changed. On the state and federal level, our economy is in a downturn, unemployment is up, our financial systems are in turmoil, and the ability to obtain credit has become increasingly difficult. Environmental regulations are increasing both in volume and scope with the new administration and Congress promising to focus even more attention on those regulations affecting carbon emissions.

Last year, our kilowatt-hours topped 200 million, and we have driven more than 1 million miles without an accident. During this past year, we increased our plant

size by more than \$3 million, adopted a Power Requirement Study, finalized a Ten-Year Financial Forecast, approved a Long-Range Engineering Study, completed a Cost-of-Service Study and approved and secured a loan from the Rural Utilities Service for our next Four-Year Work Plan.

We have begun the process of identifying and locating every pole and electrical device on our system with the aid of the Global Positioning System. The Cost-of-Service Study has indicated that to meet our financial obligations to our bankers in the later part of this year, our rates will be adjusted to reflect our cost to serve each class of member. The timing of the adjustment will be in November's time frame. Our rates have adjusted only one time since 1993, and that came in 2001. The rates even after the adjustment will be below the average rates paid by the investor-owned utilities that serve our area.

The directors and employees of Comanche Electric Cooperative are committed to our membership and guided by our mission statement "To provide the most dependable service at the lowest possible price."

We hope you will make plans to attend your annual meeting, and may God bless you.

Sincerely,

Board of Directors, Management and Employees

NOTICE OF CAPITAL CREDIT ALLOCATIONS

Capital credits were recently allocated to accounts of members of Comanche Electric Cooperative for the year 2008.

After the end of the calendar year, cooperatives must determine what, if any, margins from operations were made during the year and allocate these margins to members' accounts.

Your cooperative's operating margin is any money left after all its operating costs have been paid. Since members are owners of the cooperative, operating margins are allocated to their accounts as capital credits.

These capital credits will be returned to members in the future in the form of estate refunds or general refunds when doing so will

not weaken the financial condition of the cooperative as determined by the board of directors.

In the meantime, the funds remain invested in the cooperative plant, credited to each member's account, even though the member may move away from Comanche Electric's lines.

It is very important that departing members keep the co-op informed of their current mailing addresses so that those members can receive capital credit refunds when they are paid.

Capital credits for 2008 were calculated by multiplying each member's bill by the multiplier shown to the right. For example: If your total annual residential bill from the cooperative (consisting of energy billing and power cost adjustment) was \$500, simply multiply that

amount by .02532. The product is \$12.66.

In calculating your total bill, include any security light charge, but do not include any tax, service or miscellaneous charges.

If you have any questions concerning these calculations, please feel free to contact the co-op office.

This article is intended to serve as an official notice of allocation of capital credits for 2008.

Residential02532
General Service03584
Large Power00083
Commercial03601
Large Commercial—Substation00485
Large Commercial00768

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	10
Greg Beaty	Lineman	7
Kay Branham	Customer Service Representative	16
George Campbell	Lineman	22
Aaron Carroll	Lineman 3rd Class	1
Brenda Carroll	Payroll/Work Order Specialist	12
Guy Clawson Jr.	Staking/Field Engineer	2
Jill Cleere	Director of Accounting and Finance	11
Adam Constancio	Lineman 2nd Class	4
Brandon Cook	Lineman 2nd Class	4
Jimmy Cuellar	Customer Service Representative	5
Kellie Deters	Director of Inside Operations	19
Shirley Dukes	Communications/Public Information Specialist	19
Doug Erwin	Director of Member Services	23
Tiffany Evans	Warehouseman	5
Rachel Ford	Customer Service Representative	2
Chad Foreman	IT Supervisor	3
Jennifer Hanson	Staking/Field Engineer	10
Craig Hardy	Apprentice Lineman	4
Larry Hatley	Safety Coordinator	22
Billy Henry	Meter Coordinator/AMR Supervisor	32
Josh Honea	Apprentice Lineman	2
Julia Hunter	Service Lineman	13
Nancy Isham	Executive Secretary	25
Larry Jacobs	Lineman	29
Mary Johnson	Purchasing Agent	11

NAME	POSITION	YEARS OF SERVICE
Kendall Keith	Lineman	12
Alan Lesley	Assistant Manager/HR	11
Jim Lester	Engineering/Mapping Technician	13
Oracio Lopez	Lineman 2nd Class	7
Pam McClain	Customer Service Representative	9
Larry Morgan	Construction Coordinator	26
Chad Newman	Grounds Maintenance	8
Dale Ogle	Equipment Operator	4
Rose Ojeda	Cashier/Receptionist	4
Timothy Palette	Lineman	11
Tommy Patterson	Service Lineman	7
Kay Slavens	Customer Service Representative	3
Bobby Reed	Lineman	26
Justin Riley	Lineman	2
Ronnie Robinson	General Manager	32
Scott Rutledge	Apprentice Lineman	2
Labin Scott	Power Quality Technician	25
Keith Steward	Lineman	6
Eddie Strube	Director of Outside Operations	27
Jerry Strube	Mechanic	20
Adam Tally	Lineman 3rd Class	2
Kacey Terry	Mapping/AutoCad Technician	5
Shelley Thedford	Billing Clerk/Collection Officer	10
Curtis Tippie	Lineman 2nd Class	3
Shane Tucker	Service Lineman	10
William Works	Construction Coordinator	28

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 626 years of experience.

AUDITOR'S REPORT

TO THE MEMBERS

Comanche Electric
Cooperative Association
Comanche, Texas

I 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, 2009, 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, 2008 and 2007, and for the years then ended, has been assembled from the financial statements as prepared by the cooperative. These statements are unaudited, and accordingly, I do not express an opinion on them.

Elaine L. Hanks, CPA
Certified Public Accountant

BALANCE SHEET

As of December 31, 2008 and 2007

ASSETS

WHAT WE OWN

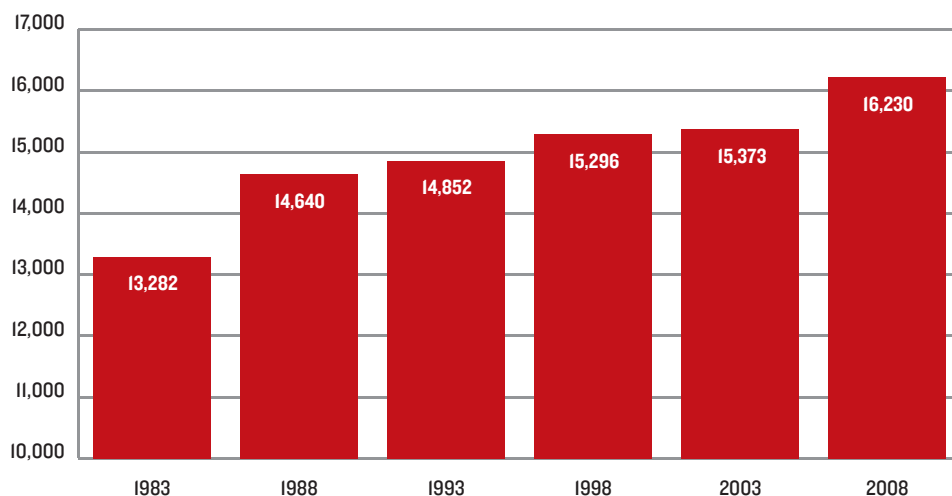
	2008	2007
Electric Lines, Equipment, Property and Buildings.....	\$57,224,473	\$55,013,532
Less: Accumulated Provision for Depreciation.....	<u>(13,093,617)</u>	<u>(12,340,478)</u>
Net Utility Plant	44,130,856	42,673,054
Non-Utility Plant	150,590	170,204
Cash.....	119,924	493,154
Investments in Associated Organizations	7,178,846	6,856,794
Other Investments	3,230,192	27,794
Accounts Receivable.....	557,683	658,719
Construction Materials and Supplies on Hand	673,778	927,141
Miscellaneous Prepayments and Other Debits	<u>235,989</u>	<u>206,060</u>
TOTAL ASSETS	\$56,277,857	\$52,012,920

LIABILITIES AND NET WORTH

WHAT WE OWE

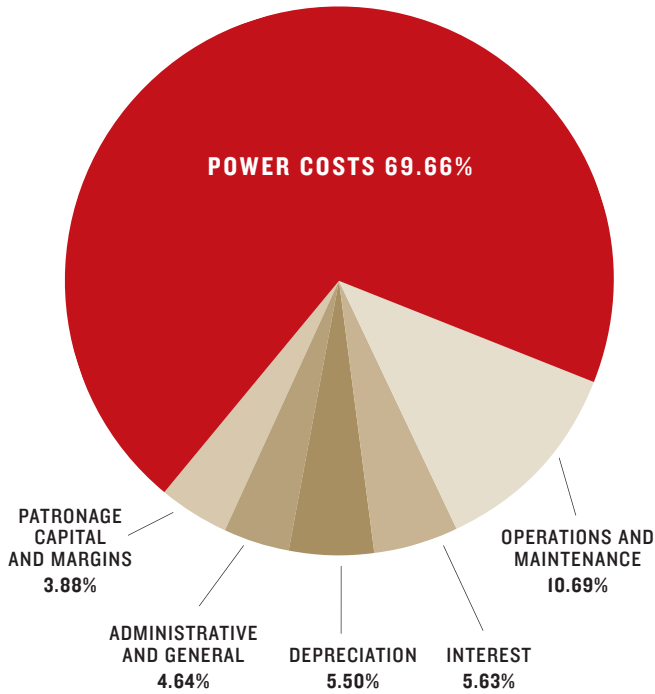
	2008	2007
Long-Term Obligations to RUS and CFC.....	\$56,597,720	\$51,905,219
Less: Payments When Due	<u>(23,969,238)</u>	<u>(22,675,968)</u>
Balance Due RUS and CFC Principal	32,628,482	29,229,251
Accounts Payable for Power, Materials, Supplies, Etc.....	2,083,848	2,115,104
Deferred Credits	<u>611,968</u>	<u>707,346</u>
TOTAL LIABILITIES	\$35,324,298	\$32,051,701
Membership Fees	163,720	161,280
Patronage Capital and Other Equities	<u>20,789,839</u>	<u>19,799,939</u>
TOTAL NET WORTH	\$20,953,559	\$19,961,219
TOTAL LIABILITIES AND NET WORTH	\$56,277,857	\$52,012,920

METERS CONNECTED



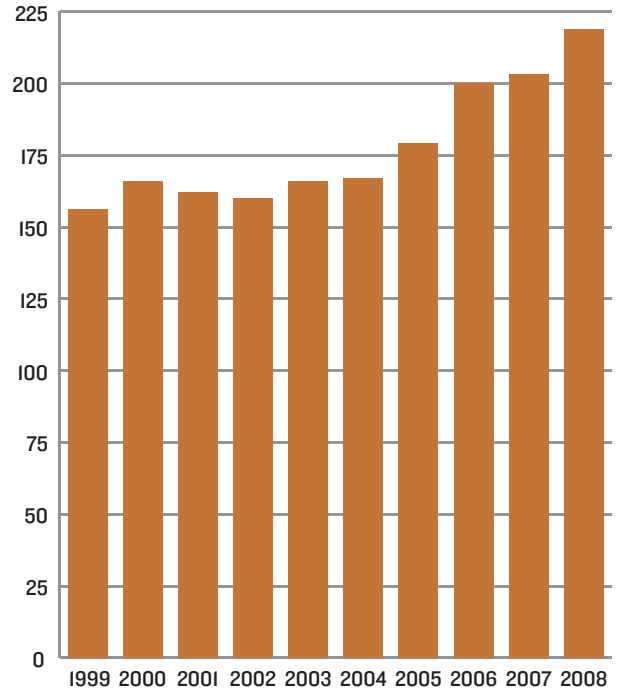
USES OF REVENUE

Fiscal Year 2008



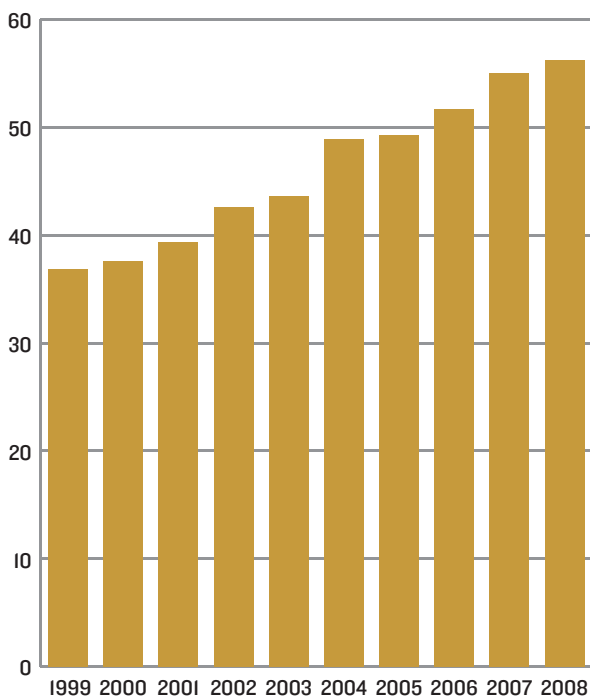
KWH SALES

In Millions of Kilowatt-Hours—Past 10 Years



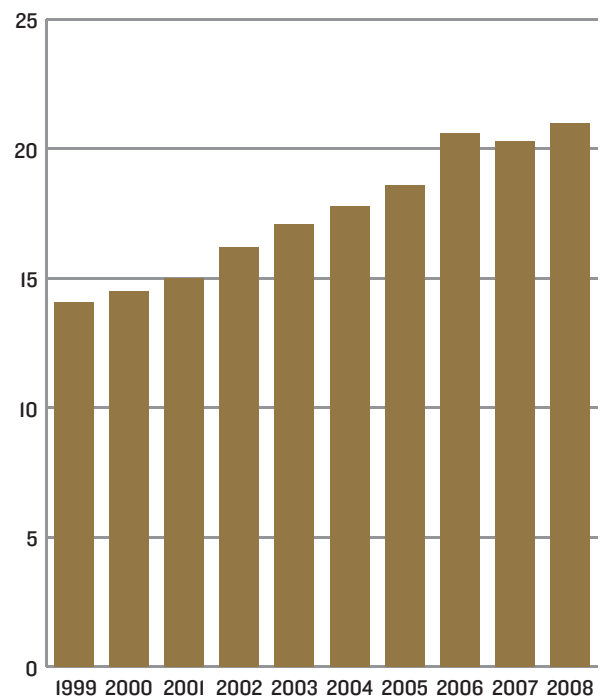
ASSETS

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	2008	%	2007	%
Farm and Home Sales.....	\$11,488,903	41.8	\$10,852,379	43.2
Small Commercial.....	13,725,867	50.0	12,485,392	49.8
Large Commercial.....	1,514,243	5.5	909,054	3.6
Service Charges and Other Revenues.....	254,586	0.9	258,393	1.0
Nonoperating and Interest.....	98,947	0.4	202,862	0.8
Brazos and Other Capital Credits.....	490,343	1.8	333,965	1.3
Income (Loss) From Subsidiary Investments.....	(97,750)	(0.4)	55,141	0.2
TOTAL INCOME	\$27,475,140	100.0	\$25,097,186	100.0
EXPENSES—WHERE IT WENT				
Purchased Power.....	\$19,159,275	69.7	\$17,084,709	68.1
Operating and Maintaining.....	4,186,924	15.2	4,216,921	16.8
Depreciation Expense.....	1,513,986	5.5	1,435,411	5.7
Interest on Long-Term Debt.....	1,548,244	5.6	1,458,011	5.8
TOTAL EXPENSES	\$26,408,429		\$24,195,052	
MEMBERS' CAPITAL CREDITS (Margins).....	1,066,711	3.9	902,134	3.6
TOTAL EXPENSES AND CAPITAL CREDITS	\$27,475,140	100.0	\$25,097,186	100.0

COMPARATIVE STATISTICS

	2008	2007
KWh Purchased.....	241,904,997	223,186,590
Cost of Power Purchased.....	\$19,159,275	\$17,084,709
KWh Sold.....	219,316,481	202,795,624
KWh Billing.....	\$26,729,013	\$24,246,825
Average Bill.....	\$137.24	\$125.61
Miles Energized.....	4,804	4,794
Meters Connected.....	16,230	16,086
Average KWh Used.....	1,126	1,051
New Services Connected.....	327	290
Miles of New Construction.....	24.05	32.40
Man-Hours Worked.....	126,117	125,031
Employees.....	53	56
Miles Driven by Cooperative Vehicles.....	566,655	592,310
Hours Lost Due to Accidents.....	0.0	880.0
Number Lost-Time Accidents.....	0.0	5.0
Hours Worked Since Last Lost-Time Accident.....	126,117	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¢
2008	69.7¢	15.3¢	5.5¢	5.6¢	3.9¢

WHERE YOUR REVENUE CAME FROM

	2001	2002	2003	2004	2005	2006	2007	2008
Farm and Ranch	64.0%	49.5%	48.9%	48.5%	49.0%	45.4%	44.3%	42.6%
Irrigation	6.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Small Commercial	27.1%	46.8%	46.6%	47.1%	46.8%	50.3%	50.9%	50.9%
Large Commercial	2.2%	2.4%	3.1%	3.2%	3.2%	3.2%	3.7%	5.6%
Other Revenue	<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>	<u>0.9%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Trevor Burleson and Kyler Caraway Visit D.C.

Trevor Burleson and Kyler Caraway recently took part in the Government-in-Action Youth Tour sponsored by Comanche Electric Cooperative. They joined about 1,500 other students from electric cooperatives across the nation on an all-expenses-paid educational trip to Washington, D.C.

Trevor and Kyler won the trip by writing essays on the topic “How Climate Change Legislation Affects the Electric Industry.” The writers of the top 10 essays were invited to present them in the form of a speech in front of a panel of judges. The judges chose Trevor’s and Kyler’s essays as the winners.

Trevor, who will be entering his senior year at Early High School, is the son of Angela and William Burleson. Kyler will be a junior at De Leon High School and is the daughter of Kyle and Jennifer Caraway.

Trevor and Kyler began their trip on June 11 in Irving, where they met up with nearly 100 other students from Texas. They all flew to Washington on June 12. In the capital, students learned about electric cooperatives, American history and U.S. government. They participated in National Youth Day, visited with their elected officials in the House and the Senate and explored the sights around Washington, D.C.

A few of the many places the students saw included the Washington National Cathedral, Arlington National Cemetery, the Lincoln and Vietnam War Veterans memorials, Mount Vernon, Union Station and the Air & Space Museum and the Smithsonian Muse-



Trevor Burleson and Kyler Caraway represented Comanche Electric Cooperative on the Government-in-Action Youth Tour trip to Washington, D.C., in June.

ums. They also had time to shop, dance and go on a boat cruise.

If you are a sophomore, junior or senior at one of the 25 high schools within Comanche Electric Cooperative’s service area, you, too, could win this trip of a lifetime. Watch for details in an upcoming issue of *Texas Co-op Power*.

To read Trevor and Kyler’s winning essays, log onto our website at www.ceca.coop.

DEIDRE DANIEL RECEIVES 2009 SCHOLARSHIP FOR EXCELLENCE AWARD

Congratulations go to Deidre Daniel, who has been named the recipient of Comanche Electric Cooperative’s 2009 Scholarship for Excellence in the amount of \$1,000. Deidre, who recently graduated from Gustine High School, is the daughter of David Daniel of Gustine. Deidre participated in many activities at the school: Science Club, Future Farmers of America, Comanche County Junior Chamber of Commerce, Comanche County Junior Bank Board, Fellowship of Christian Athletes, Beta Club, athletics and UIL academics. Deidre was the valedictorian of Gustine’s Class of 2009. She plans to attend Texas Tech University and earn a degree in animal science.

In order to qualify for the scholarship, Deidre competed against students from Comanche Electric Cooperative’s seven-district service area. Each contestant was



asked to write an essay on the topic “The Future of Renewable Resources.” A panel of judges selected from outside the cooperative’s service area reviewed the essays and chose the winner.

Comanche Electric Cooperative 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 residing within the cooperative’s service area. Students must maintain at least a 2.0 GPA on a 4.0 scale and meet general entrance requirements at an

accredited school. The applicant can be a graduating high school senior or a student currently enrolled in a college or university.