



During registration, members took advantage of the opportunity to visit the many booths at the Health Fair.



Youngsters attending the meeting jumped at the opportunity to sit in an Air Evac Lifeteam helicopter.



71st Annual Meeting Has

It's not every company that invites its customers to an annual meeting to elect a board of directors that will set policy. But Comanche Electric Cooperative does, and boy, did our members respond! On August 15, approximately 850 people met at Comanche City Park to visit booths at a health fair, see some awesome entertainment, hear the cooperative reports, elect directors, win door prizes and partake of a delicious luncheon.

Registration was from 9 to 10 a.m., and during that time, guests could visit the health fair, listen to entertainment by the Buddy and Tina Wright Group and examine the Air

Evac Lifeteam helicopter. Children could play in two bounce houses and were given a gift packet that included crayons, a Comanche Electric Cooperative coloring book and a page to color for the electric-safety coloring contest, which featured cash prizes.

At 10 a.m., the Boy Scouts of America presented the colors, and Christine Salmon and Kari Rusk sang and signed the national anthem. Board President Lewie Newman opened with a report on the affairs of the cooperative, and General Manager Ronnie Robinson spoke to members about the increased cost of doing business. Clifton Karnei,



The younger folks attending the 2009 Annual Meeting were treated to their own entertainment in a bounce house.



Joining us at this year's Annual Meeting were Gina Jung from Korea and Tuan Yi Lee from Taiwan. Jung is a social worker at Big Spring State Hospital, and Lee is a student at Texas A&M University. They were guests of members David and Patricia Rhoton.



A large number of people, young and old, enjoyed the Health Fair, entertainment and food at the Annual Meeting.



The Buddy and Tina Wright Group entertained beneath the Big Tent during registration.



Outstanding Attendance

CEO of Brazos Electric Power Cooperative, was the guest speaker. The text of his speech can be found on page 22.

Trevor Burselson of Brownwood and Kyler Caraway of De Leon told members about their Government-in-Action Youth Tour trip to Washington, D.C. Deidre Daniel of Gustine took the opportunity to thank members for awarding her the 2009 Scholarship of Excellence.

The purpose of the meeting is to inform members of the business of the cooperative as well as to elect directors to represent the membership. The board seats in Districts 1 and 7 were up for election. Phil Taylor, incumbent for Dis-

trict 7, ran uncontested and was elected by acclamation. Randy Denning of Gustine and Rick Taylor of Van Dyke were the candidates for District 1. There were 391 ballots cast, and Denning was elected for a three-year term.

Approximately 80 gifts were given away, followed by a delicious meal of fish, chicken and all the trimmings catered by Cook's Fish Barn.

If you attended, we hope you had a wonderful time. If you missed the meeting, we hope you will try to attend next year. We will do our best to see that you are shown a wonderful time!

Report from Comanche EC's Power Supplier

I am the CEO of Brazos Electric Cooperative headquartered in Waco, Texas. I am honored to be here today to talk to you about the services Brazos provides to your cooperative, Comanche Electric Cooperative. Brazos has been proudly serving Comanche Electric Cooperative's needs for 68 years and provides three primary services to your cooperative. We build, own and operate 317 distribution substations, like Shiloh, Downing and Rising Star, where the bulk power is transformed from the high-voltage transmission lines to distribution voltage lines that deliver the energy to serve retail members of Comanche EC. These distribution lines are constructed and maintained by the dedicated employees of Comanche EC.

In addition, Brazos owns and operates over 2,500 miles of high-voltage transmission lines to provide power to the distribution substations.

And Brazos provides the power needs for your home and commercial operations by owning and operating power plants and buying power from the ERCOT market.

Although all three of these services—substations, transmission and power supply—are important, the cost of the power supply that Brazos provides to Comanche represents approximately 90 percent of the total cost of a monthly bill from Brazos to Comanche. This is where the majority of the cost, risk and uncertainty exist in today's electric business.

Let me give you just a few examples why there is so much uncertainty in the power business today. In the summer of 2008, we were experiencing unprecedented increases in the cost of crude oil, natural gas and commodities. Goldman Sachs, who makes predictions about the future of crude oil prices, predicted in March of 2008 that by the end of 2008, crude oil would reach \$200 per barrel. In the fall of 2008, Goldman Sachs pre-



CLIFTON KARNEI—CEO, BRAZOS EC

dicted crude oil would fall to \$30 per barrel. In a nine-month period, Goldman Sachs dropped their prediction of crude oil prices by 660 percent. That is uncertainty.

A similar fall in prices happened to natural gas during this same time period. This is important to you because the majority of Brazos' power comes from Brazos' natural gas plants or is purchased from the ERCOT market where natural gas-fired generation sets the price. In the summer of 2008, the price of natural gas peaked at over \$12 per MMBtu [1 million Btu]. In 2009, Brazos has purchased daily natural gas for as low as \$2.47 [per MMBtu]. This is a 450 percent decrease in the price of natural gas. The dramatic swings in the cost of a key fuel like natural gas make planning for the power business very uncertain.

Now another major uncertainty confronts the generation business. This uncertainty is the stated goal of the current leadership in the federal government to pass a climate-change bill that seeks to charge for carbon dioxide emissions. In President Obama's recent budget, he proposed legislation under which carbon dioxide allowances would be auctioned off to the highest bidder and the minimum

price for these carbon allowances would be \$20 a ton. What that means to our member distribution cooperatives like Comanche EC, as purchasers of electricity from Brazos, is that a \$20 per ton carbon cost would increase the cost of electricity from Brazos to our members by approximately 20 percent. The current proposed climate-change legislation does not reflect the president's proposal. However, what happens on carbon legislation (climate change) is very uncertain.

As I stated earlier, Brazos has served Comanche for 68 years. To serve Comanche for the next 68 years, Brazos has made several continuing long-term commitments to serve your needs into the future.

In 2008, Brazos signed agreements to construct a second natural gas-fired power plant at the Jack County Power Plant. The second unit at Jack County will reduce your exposure to wholesale market purchases in ERCOT and provide operational flexibility.

Another commitment to serve your needs is Brazos' commitment to participate in the Sandy Creek Coal Plant currently under construction near Waco. Brazos will purchase power and own a part of this new coal plant. This plant will reduce your exposure to volatile gas prices and the wholesale market in ERCOT.

[Comanche Electric Cooperative Manager] Ronnie [Robinson] has asked me to speak to you about wind generation. There are many reasons people will argue that the United States should do more wind generation. One of the best arguments for wind generation is that every kilowatt-hour of electricity generated by wind is one less kilowatt-hour generated by a conventional coal or natural gas power plant.

The first thing I would like everyone to know about wind is that it is an intermittent resource, meaning that the power is only available when the wind is blowing. When you come

home and turn on your air conditioner on a hot summer day, having it to come on only “intermittently” is not acceptable.

ERCOT currently uses 8 percent for the effective summertime rating of wind (meaning that ERCOT only believes that only 8 percent of all the wind generation built in Texas will actually be operating during the peak period of the summer). This means if you have a 100,000 KW [kilowatt] wind farm (approximately 60 of those 1.5 MW [megawatt] wind generators that silhouette the skyline) you can count on about 8 percent, or 8,000 kilowatts, of that wind generation being available on a hot summer day.

Brazos is a supporter of wind, and to demonstrate our support in 2009, we began purchasing 25 MW of wind on April 1, 2009. Thus far, our estimates are that the purchase of this wind generation has added \$150,000 in three months to the cost of wholesale power sold by Brazos to Comanche and the other 15 members of Brazos.

So, what does all of this mean? When you hear about how great wind is, remember that wind is an intermittent resource and that you can only count on about 8 percent of it being available on a hot summer day. This means that on that 100-degree summer day, 92 percent of the power in your home will need to come from a coal plant, gas plant or nuclear plant. [No matter how much wind generation is constructed in Texas, some other type of more reliable generation resource will also have to be constructed to back up wind generation to meet consumers' demand for energy.]

Amid the uncertainty caused by historic increases in crude oil, natural gas and commodity prices, followed by a worldwide decline in prices, and uncertain carbon legislation, let me offer you one piece of certainty. That certainty is Brazos' commitment to serve the needs of you, our members. Brazos is ever mindful of the fact that we were created 68 years ago to serve your needs. I want to thank you, the members of Comanche, for the opportunity to serve you.



Comanche Electric Cooperative honored, from left, back row, Labin Scott, Shane Tucker and Jerry Strube; and front row, Jimmy Cuellar, Tiffany Evans, Dora Ballard, Jennifer Hanson, Nancy Isham and Shelly Thedford, with service awards this year.

Nine Co-op Employees Receive Service Awards

Each year, Comanche Electric Cooperative proudly honors employees who have reached five-year milestones in their cooperative careers. This year, we are proud to honor nine outstanding employees for their dedicated service. Jimmy Cuellar and Tiffany Evans reached their first milestone of five years and were awarded their first CECA pin, a Willie Wiredhand figure with a ruby and their five-year milestone engraved on it. Dora Ballard, Jennifer Hanson, Shelly Thedford and Shane Tucker each received their 10-year pins. Jerry Strube received his 20-year pin. He retired in August and will be missed by all. Nancy Isham and Labin Scott each were awarded a watch as well as a pin for their dedicated service of 25 years.

Comanche Electric Cooperative honors these employees for reaching each of these five-year milestones and applauds these nine and all other employees for their hardworking dedication to the membership of the cooperative. Good job!

Memories of the Co-op's Birth

BY SHIRLEY DUKES

The date was July 15, 1939. The place was Comanche High School. The occasion was the first Annual Meeting of the Members of Comanche Electric Cooperative, then known as Comanche County Electric Cooperative. Frances Carruth Morgan was 16 at the time.

When Comanche Electric Co-op employee Julia Hunter gave Morgan a ride in a golf cart this year at the cooperative's 71st Annual Meeting, Morgan remarked on her attendance at that first meeting. Julia loves a good story, and this one was just too good to pass up. Julia introduced me to Frances and her husband, Joe, and a friendship among Joe and Frances, Julia and myself was born that day. I recently had the pleasure of meeting with Joe and Frances in their home just outside of De Leon.

As we sat at the kitchen table and visited over a glass of ice water, Frances recounted fond memories she has of the inaugural meeting, as well as the immense pride she has in her father, W.T. Carruth, whose hard work and dedication were instrumental in the formation of the cooperative.

Frances attended the meeting in 1939 with her family and her best friend, Billie Huddleston. She does not recall a lot of the details of the meeting. After all, she was only 16, and the business affairs of the cooperative were not particularly interesting to her. What she does remember is that it was a big event in the lives of the people who had recently received, or were about to receive, electricity for the first time in rural Texas. Frances recalls the meeting as being an all-day event, so she assumes a lunch of some sort was served, but she is not sure about that. One thing she does remember with clarity is that the cooperative gave away a single gift in a drawing. It was a brand-new refrigerator and the winner was her neighbor Ed Grove.

While she may not remember a lot of the details of that day, Frances and Joe both remember a lot about the formation of the cooperative. Frances recalls fondly how her father and H.J. Huddleston would go door to door visiting their neighbors and encouraging them to become cooperative members. To receive the necessary funding from the Rural Electric

Administration, the organization first had to sign up at least three members per mile. Some were reluctant to sign due to the then-huge \$5 membership fee. Carruth was so dedicated to the project that he paid the fees for several people just to get them to sign up.

Joe and Frances each recall their parents telling them, "You be sure to turn off the lights when you are not in the room. It costs \$2.45 a month for that electricity!"

Wow. What we wouldn't give today to have an electricity bill of \$2.45!

Frances Carruth and Joe Morgan were high school sweethearts who lived just across a pasture from each other. Both families received electricity in late 1938, just months before their high school graduations in 1939. As Frances says, "We felt like we were first-class citizens. We finally had the electricity the cities had for years."

She also recalled how drastically electricity changed their lives with the introduction of electric irons, running water and, most importantly, indoor plumbing!

Joe and Frances married on May 3, 1942. In 1947, they moved into a house on the place that is now their home. They had a refrigerator and a washer but no electricity. They were only about 300 yards from the nearest electric pole, but because of the shortage of materials during World War II, there was a

waiting list for electric service. They were fortunate to have to wait only three months for electricity to be run to their home.

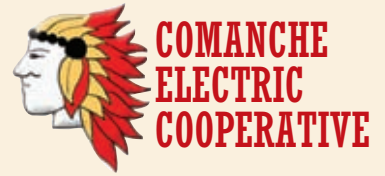
Joe Morgan followed in his father-in-law's footsteps by becoming actively involved in the cooperative. At the annual meeting in August 1971, Joe was elected to serve as a board member, a position he held until August 1980. He was on the board when the late Bill Parker was hired as general manager in February 1975. On a cabinet behind the kitchen table sits an electric meter lamp that was given to Joe a few years ago to honor his being the oldest surviving board member.

Now, years later, Joe and Frances remain loyal members and supporters of Comanche Electric Cooperative and all for which it stands. They are very proud of their heritage and of the role that they and their families played in its history and formation.



FRANCES
MORGAN

MORE ANNUAL MEETING PHOTOS



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COMANCHE ELECTRIC COOPERATIVE



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