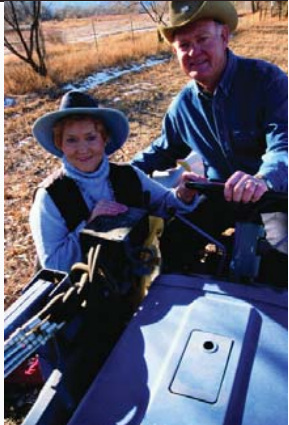


# ANNUAL REPORT

# 2008



PUTTING OUR MEMBERS FIRST.



**Consolidated Electric  
Cooperative, Inc.**

® Your Touchstone Energy® Partner



# EXECUTIVE LETTER

## 2008 ANNUAL REVIEW

Throughout 2008, we shared the milestones that resulted with electricity finally being available to rural America, the steps that we are taking today to ensure reliability and member satisfaction, and our innovative plans for the future of electricity.

### Yesterday- How did we get here? The History of Electric Cooperatives

The history of the Rural Electric Cooperatives is one of the greatest American success stories. As late as the mid-1930s, nine out of ten rural homes were without electric service. The farmer milked his cows by hand in the dim light of a lantern and his wife was a slave to the washboard and wood-fired range. Beginning in 1935, the hope for electricity in rural America became a reality as it was decided to create a business owned by members with sole purpose of providing member-owners in the rural sector with low cost electric service, which otherwise was not available. The federal government then devised a plan to provide assistance to help them bring the power into their lives... and the rest is history!

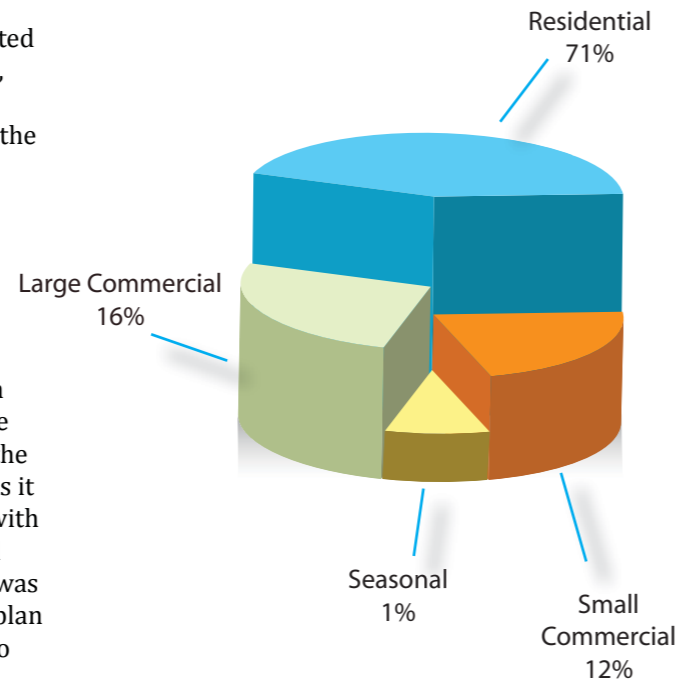
### Today- Where are we now?

Rural electrification has had a profound impact on the way Americans live and work today. In the spring of 2008, your cooperative implemented a new outage-management system that played an important role in improving service and outage response. The system uses the existing computer-based maps to predict what parts of the system are affected and to prioritize restoration efforts much more effectively than ever before. Consolidated was able to prove the system's worth during the March ice storm and the September windstorm. Members called our member service representatives with an outage, and operations personnel were able to instantly pinpoint the problem and travel directly to the most likely device or problem that had your power out, which ultimately helped speed up restoration efforts.

### Tomorrow- Where are we going?

Consolidated has always been a forward-looking electric cooperative. We are always in-tune with the latest technologies and environmental concerns. Global Warming, Renewable Energy, and EPA requirements that affect our generation facilities were discussed and will continue to be addressed throughout all of our member communications. Consolidated introduced Cooperative Owners for Political Action (COPA) and Our Energy Our Future as programs prompting the involvement and enlisting the help of members with informing our representatives of our concerns for the energy crisis that is forecasted for the future.

## REVENUE BY MEMBER CLASS (2008)



### Moving Forward...

A great accomplishment of 2008 included the movement into the building stages of our new Delaware office. We held an official groundbreaking ceremony in October and have scheduled our final move into the office on April 17, 2009. This building will give members a centralized location to pay their bills as well as a safer trip.

We are proud of the pioneers of yesterday that brought electric to our farms and the line mechanics that work against all odds to maintain reliable service today. Looking forward to the future, the next generation is our greatest concern. We will continue to educate our members throughout 2009 on conservation and environmental issues that affect us all.



**Jerry Lauer**  
President



**Richard Carter**  
Chairman

## KEY FINANCIALS & OPERATING COMPARATIVES

Financial Comparatives	2004	2005	2006	2007	2008
<small>(Thousands of dollars unless otherwise stated)</small>					
Revenue	\$ 23,447	\$ 23,885	\$ 25,034	\$ 27,835	\$ 29,900
Net Income	\$ 1,580	\$ 2,196	\$ 2,354	\$ 2,096	\$ 963
Patronage Capital Retired	\$ 668	\$ 643	\$ 708	\$ 731	\$ 675
Total Assets	\$ 53,927	\$ 56,399	\$ 62,859	\$ 65,962	\$ 71,599
Total Margins and Equity	\$ 25,447	\$ 27,009	\$ 28,863	\$ 30,387	\$ 29,350
Long-term Debt	\$ 22,427	\$ 21,685	\$ 20,190	\$ 27,747	\$ 31,972
Equity Level (percent of assets)	47%	48%	46%	46%	41%

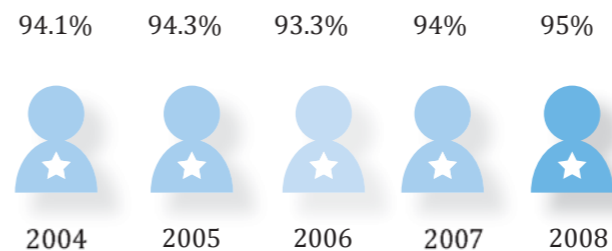
The financial comparatives are for informational purposes only. Complete audited statements are available upon request.

Operating Comparatives	2004	2005	2006	2007	2008
Total Number of Electric Customers	15,355	15,658	15,941	16,085	16,171
Total Electric Purchases (mWh)	326,409	325,132	322,236	360,086	377,722
Cost of kWh Purchases	\$12,507,750	\$13,275,004	\$13,603,661	\$15,960,673	\$18,367,405
Number of Electric Employees	43	43	43	43	45
Average Number of Members per Employee	357	364	371	374	359
Total Miles of Line Energized	1,810	1,830	1,850	1,870	1,880
Total Electric Sales (mWh)	308,021	307,285	306,168	339,046	360,147
Average Electric Customers per Mile	8.48	8.56	8.62	8.60	8.60

## RESIDENTIAL BILL COMPARISON

Ohio Edison Company		\$ 134.08
<b>Consolidated Electric Cooperative</b>		\$ 107.31
Columbus Southern Power		\$ 107.16
Average of Ohio Cooperatives		\$ 104.01
Dayton Power and Light		\$ 103.39
Ohio Power Company		\$ 82.49

## CUSTOMER SATISFACTION



Corporate Office  
5255 St. Rte. 95  
PO Box 111  
Mt. Gilead, OH 43338  
419-947-3055

District Office  
4993 St. Rte. 521  
Delaware, OH 43015  
419-363-2641

1-800-421-5863  
www.CONSolidATEDelectric.coop  
service@conelec.com



## 2008 Independent Auditor's Report

We have audited, in accordance with U.S. generally accepted auditing standards, the consolidated balance sheet of Consolidated Electric Cooperative, Inc. and subsidiaries as of December 31, 2008, and the related consolidated statements of operations, equity, and cash flows for the year then ended (not presented herein); and, in our report dated February 20, 2009. We expressed our opinion that those financial statements present fairly the financial position of Consolidated Electric Cooperative, Inc. and its consolidated subsidiaries as of December 31, 2008 and the results of its operations and cash flows for the year then ended.

Copies of the financial statements referred to in the preceding paragraph are available upon request from Consolidated Electric Cooperative, Inc.

Balestra, Harr &  
Scherer, CPAs, Inc.  
Circleville, OH  
February 20, 2009

## BOARD DISTRICTS

Consolidated Electric is governed by a Board of Trustees that is nominated and elected by our members in accordance with our Code of Regulations. Our service area is divided into nine districts, which are based on equitable representation of the geographic areas served by Consolidated Electric.



H. Richard Gearhiser  
District 1



Don McCracken  
District 2



Dennis Levering  
District 3



Phillip D. Edwards  
District 4



Larry Roof  
District 5



Tom Myser  
District 6



Richard Carter  
District 7



Charles Lynn  
District 8



Charlotte Loren  
District 9

## OUR FAMILY OF COMPANIES

BCI Bright Choice offers high-speed Internet and LifeLine health monitoring services. Visit us at [www.brightchoice.com](http://www.brightchoice.com)



Bright Energy provides natural gas service to rural areas of Morrow County. Visit us at [www.co-opgas.com](http://www.co-opgas.com)



Consolidated Gas provides both metered and traditional propane service. Visit us at [www.co-opgas.com](http://www.co-opgas.com)



The Consolidated Electric Foundation is a nonprofit organization that administers the charitable donations of The People Fund. For more information visit [www.CONSolidatedElectric.coop](http://www.CONSolidatedElectric.coop)

