



It's Your CoServ

Real Energy for Real People



*“I’m more than a number
to CoServ Electric. I’m an owner,
and that makes all the difference.”*

Jeff Lancaster
(shown on cover with his family)
Frisco, Texas
Member-owner for 1½ years

Dear CoServ Electric member-owner,

A couple of years ago, TIME Magazine surprised readers when they announced their Person of the Year. The honoree wasn't a politician, talk show host or scientist. *It was you.*

As a member-owner of CoServ Electric, you are always our Person of the Year. It's true – we created our business model with you at the top. When we come to work each day, we don't think about pleasing investors. We think about pleasing you, the people who really own this company.

So it's only fitting that our 2007 annual report focuses on our member-owners – more specifically, your real-life experiences with CoServ Electric, told from your own perspective. As you enjoy the stories, we hope you'll notice our efforts to make these members happy. We work extra hard to put a smile on your face.

Before we reflect on the past, we want to introduce several topics you'll hear more about over the next year or two:

1. **Advanced metering infrastructure:** One employee referred to this system as “meter reading on steroids.” Through new technology, such as automated meter reading, we will:
 - a. Increase the reliability of your electric service
 - b. Help you better manage your energy use
 - c. Provide in-depth data on your consumption habits
 - d. Communicate with you about unusual peaks in electricity usage
2. **Intelligent grid:** We plan to increase automation of distribution equipment and upgrade our outage management system. The result – a “smarter” grid that will, among other benefits, reduce the size and duration of outages.
3. **New-and-improved Web site:** In the third quarter of 2008, we will add many of the convenient functions you asked for to www.coserv.com. You'll be able to manage all aspects of your account online, as well as simplify your life with other user-friendly features. In addition, we now offer online bill notification and an e-newsletter to keep you up to date – even when you're on the go.

These are exciting times to be a member-owner of CoServ Electric. No matter what the future may bring, we promise you this: We will always remember that “It's Your CoServ.” In fact, it's the only way we know how to do business.



Jerry Cobb

Jerry Cobb
Chairman of the Board

Mike Dreyspring

Mike Dreyspring
*President and
Chief Executive Officer*



Table Of Contents

Click a link below to navigate to your destination.

Letter from Chairman of the Board and CEO	2
Introduction and company overview	4
Real stories from member-owners	6
Operations update	18
Board of directors and service districts	20
Timeline and stories from past 71 years	22
Top 10 reasons why CoServ Electric is your favorite	24
Financials	26

Real Energy

You own a \$600 million business.

Yes, you. Your company employs 267 people, manages 140,000 accounts and is the second-largest of its kind in Texas. As a member-owner, you share in the profits and enjoy service priced as close to cost as possible. You can attend the annual meeting and vote for the board of directors. Most importantly, you can learn how this business invests your dollars by reading its annual report. The company is CoServ Electric ... and it's all yours.

Way back in 1937, your neighborhood was rural. No subdivisions, shopping malls or paved roads – just pure farmland. The large, investor-owned utilities decided against expanding to your area because it wouldn't be profitable. So a group of residents formed their own company, Denton County Electric Cooperative, Inc., which later became known as CoServ Electric.

Make no mistake – this business isn't like other retail electric providers. As a cooperative, we are owned by the people we serve – our members like you. Before reaching decisions, we ask the question, "What would benefit the members?" That may be hard to believe in this what's-in-it-for-me society, but it's true. No matter where you look at CoServ Electric, from our field personnel to our office employees, we put you first.

But don't just take our word for it. In the following pages, you'll meet several members and employees who want to share their "cooperative experience." These stories are special, not because they lift up CoServ Electric, but because the people are real. They are your neighbors – the same folks you see in the grocery store or at your kids' school. They understand we're not perfect, but we sure try to be. And that's why they trust CoServ Electric.

For Real People

CoServ
Electric

Built to Serve. Energy



Who We Are

Name: CoServ Electric
(legally Denton County Electric Cooperative, Inc.)

Years in business: 71

Areas served: Denton, Collin, Tarrant, Cooke, Grayson and Wise counties

Types of member-owners:
92% residential
8% commercial and industrial

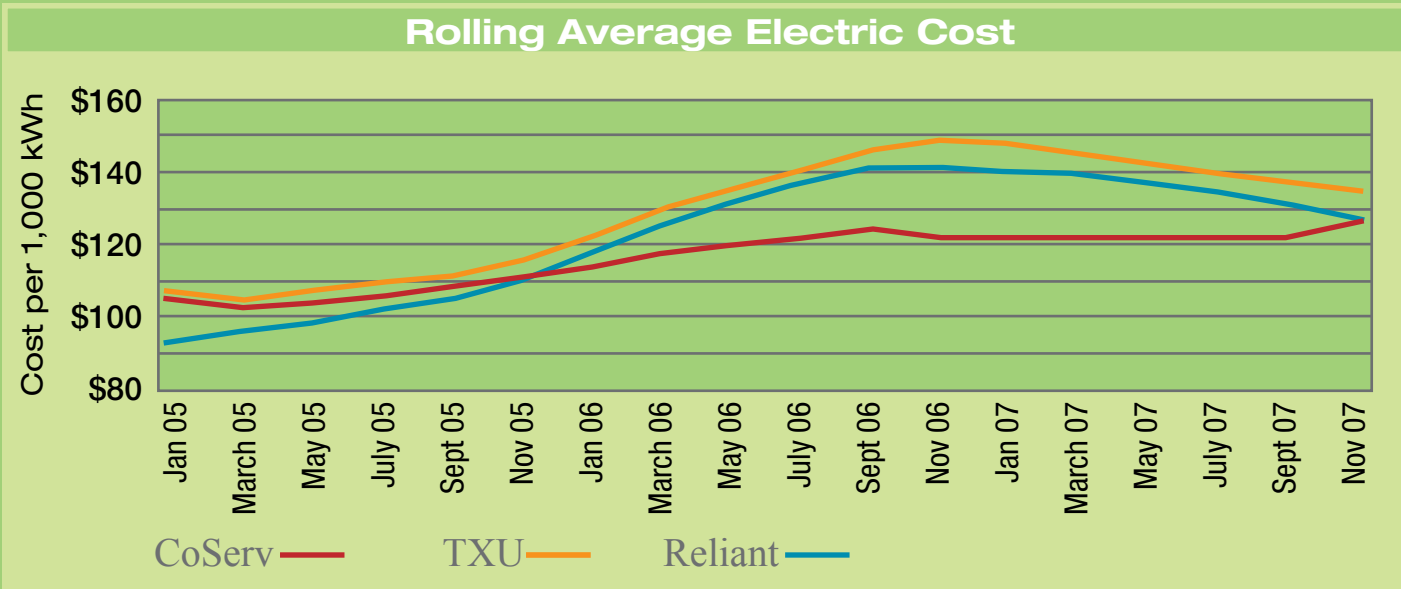
Wholesale power provider:
Brazos Electric Power Cooperative in Waco, Texas

Power sources:
87% natural gas
12% coal
1% renewables

Real Value

Here's how we gave you a good value for your money in 2007:

- **Kept rates as low and stable as possible.** We don't mark up our costs like investor-owned utilities. For the past two years, our rates have stayed consistently lower than Reliant and TXU, as well as many other providers in the area. For the most recent data, visit www.coserv.com.
- **Paid almost \$3 million in Capital Credit retirements.** Since 2004, we have returned about \$15 million to member-owners as their share of our profits.
- **Conducted 645 personalized energy audits.** We showed member-owners how to save money by boosting their homes' efficiency. For energy-saving tips and a step-by-step audit you can do yourself, visit www.coserv.com.
- **Lobbied on your behalf to state and federal legislators.** Rural Friends/ACRE, a non-partisan political action committee funded in part by CoServ employees, lobbied our stance on current issues. The group also raised money for candidates who support electric co-ops and our member-owners.



* Notice that CoServ Electric's rates are about 20 percent less than competitors when natural gas prices are high. That's because our wholesale power provider uses a hedging strategy to keep rates steady.

For Real People

“We enjoy CoServ Electric's stable rates even in an unsteady economy.”

When we had another electric provider, the prices got more outrageous every year. Now we enjoy CoServ Electric's stable rates even in an unsteady economy.

That's important to me because we're a single-income family with four children – so we must stick to a budget. With CoServ Electric, we can plan our costs ahead of time, rather than worry about unpredictable rates that shoot up and down. That means we can spend a little extra on vacations, the kids' college or a car for our teenager.

But it's not just CoServ Electric's low, steady rates that we love. I was shocked the first time we received our Capital Credits check. This is the only company I know that actually gives money back to its customers!

Shae Quiroz
McKinney, Texas
Member-owner for 3 years

It's **Shae's CoServ**

Real Reliability

Here's how we made sure your lights stayed on in 2007:

- **Proactively inspected our system equipment.** It's no coincidence that, on average, CoServ Electric experiences fewer outages than the larger retail electric providers. We use top-notch equipment and inspect it regularly. If we need to replace something, we gladly invest the money so you can continue enjoying reliable power.

- **Enhanced our outage management system.** Predictive servers tell us about outages as soon as they happen – often before you get a chance to call. Our state-of-the-art technology is one of the reasons why CoServ Electric restores power faster than the two biggest providers in Texas: Reliant and TXU[†].

- **Installed GPS tracking in fleet vehicles.** Our Dispatch team constantly monitors the locations of CoServ Electric vehicles. If an outage occurs, we send the linemen whose trucks are closest. By doing so, we cut down on unnecessary drive time and get your lights back on quickly.

- **Trimmed trees to prevent power line hazards.** Branches that brush against overhead lines can cause outages and fires. Most importantly, they may offer curious children access to energized equipment.

[†] CoServ Electric restores power faster than the electric delivery subsidiaries (CenterPoint and Oncor) of the two biggest providers in Texas: Reliant and TXU.

For Real People

“We've had only two outages in 10 years.”

As far as I know, we've had only two outages in 10 years. Both times, the electricity went off during a thunderstorm, and CoServ Electric restored our power without delay. When I called customer service to report the outage, a courteous employee told me they were already working on it.

With our previous provider, we experienced outages two or three times a week. I remember arriving home from a long day at work only to find clocks that needed resetting. It was frustrating and never seemed to improve.

In this day and age, you can't do much without electricity. From cooking dinner to checking e-mail, most modern conveniences require power. So I'm glad we don't have to worry about random outages anymore. Of all the providers we've used in our 45 years of marriage, CoServ Electric is the best.

Carrell Ann Simmons
Argyle, Texas
Member-owner for 10 years

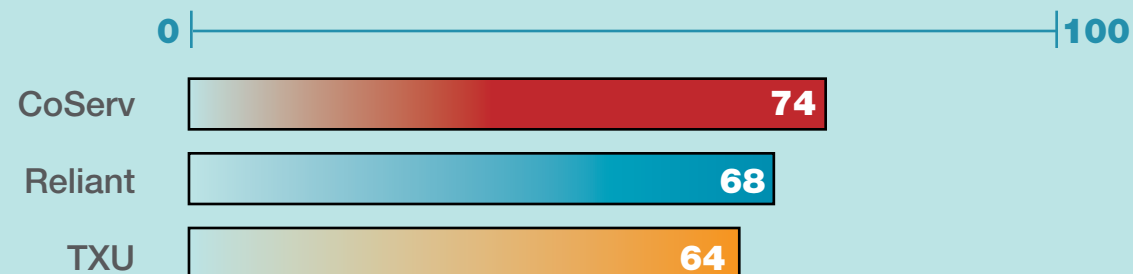
It's
Carrell Ann's
CoServ

Real Service

Here's how we served you in 2007:

- **Created a Quality Assurance team.** This group randomly monitors customer service calls and helps our employees improve.
- **Specialized our reps.** We separated our phone reps into two teams: one for residential member-owners and one for commercial/industrial member-owners. This ensures each employee is specifically trained to answer your questions.
- **Streamlined our phone tree.** When you call our main line, you're greeted with easy-to-navigate options to route your call as quickly as possible. You can also hear your current balance and most recent payment via phone, or access all your account information at www.coserv.com.
- **Minimized on-hold time.** Our local customer service reps answered nearly 340,000 calls with an average hold time of just 34 seconds.
- **Read your meters accurately.** We read more than 2 million meters (about 6,000 to 8,000 per day) with 99.9% accuracy.

2007 Customer Satisfaction Scores



* Scores were calculated using the American Customer Satisfaction Index: a uniform, independent measure of consumer experience among 200 leading U.S. corporations.

For Real People

“I try to follow the Golden Rule with all my calls.”

Several months ago, one of our members experienced an interruption in electric service. She owned a dairy farm with 150 cows, and the power went off during milking time.

She called me on Friday at 4:45 p.m. and explained her concerns that the milking machines couldn't function without electricity. After a series of phone calls, I found an employee to restore her power right away. She was grateful that we went above and beyond to help her.

I'm also a member-owner of CoServ Electric, so I try to follow the Golden Rule with all my calls. It's not just a voice on the other end. It's a person who deserves to be treated kindly.

Betty Riley
Era, Texas
Member-owner for 5 years
CoServ customer service rep
for 4 years

It's **Betty's CoServ**

Real Community

Here's how we served your community in 2007:

- **Donated more than \$530,000 to local charities.** The majority of this money came from Operation Roundup®, a program funded by member-owners (and CoServ Gas customers) who “round up” their monthly bills to the next highest dollar. The extra change supports community causes. With help from you and our employees, we’ve given more than \$1.3 million since 2004.
- **Contributed \$120,000 to 15 school districts.**
- **Awarded eight \$1,000 scholarships** to children of our member-owners.
- **Sent two students on a government-focused trip** to Washington, D.C.
- **Taught thousands of schoolchildren about electrical safety.**
- **Offered a grant writing workshop** for nonprofit organizations in the area.

Learn more ways CoServ gives back at www.coserv.com.

For Real People

“I’m touched that others in my community want to be part of something this big.”

My 11-year old, Will, is autistic. Before coming to SpiritHorse last spring, he had no confidence and was terrified of animals. However, as soon as we arrived, we knew this was a special place.

On a typical visit, Will prepares to mount his horse, Valentino, by brushing his mane and attaching the saddle. Then he rides along the trails and performs therapeutic exercises in the round pen.

Will is now more independent, trusting and proud of his accomplishments. He has even learned to tell left from right. There’s no doubt – SpiritHorse made these major breakthroughs possible.

My husband and I are CoServ members, and we give to Operation Roundup® – the same program that donates to SpiritHorse so my son can receive therapy. I’m touched that others in my community want to be part of something this big.

Ashley Stewart and son, Will
Lewisville, Texas
Member-owners for 6 years

It's **Ashley & Will's**
CoServ

*SpiritHorse Therapeutic Center in Corinth offers free horseback riding sessions to 425 disabled kids each week. It is one of the local charities supported by Operation Roundup through the CoServ Charitable Foundation.

Real Conservation

How energy-efficient are you?

1) When you spend a summer evening at home, what does the temperature inside feel like?

- A warm, but breezy, cabana in the tropics
- Like it's already autumn
- An igloo

2) The light bulbs in your living room, bedrooms and bathrooms are:

- All compact fluorescent
- A mixture of compact fluorescent and incandescent
- All incandescent – is there another kind?

3) How long are TVs, radios or lights on when you're not in the room?

- Less than 15 minutes a day
- 15 to 60 minutes a day
- Who knows? We don't pay attention to that stuff.

4) How much sunlight comes through the space between your front door and the door jam?

- None at all
- Only a tiny bit
- Enough to light up the foyer

Scoring:

3 points for every A answer

2 points for every B answer

1 point for every C answer

Total: _____

Results

10 to 12 points: You're an expert at energy-efficiency, and your electric bills reflect your conservative nature.

6 to 9 points: You make an effort to conserve energy, but sometimes life gets in the way. Try beginning one new energy-saving habit a week, and enjoy the lower bills.

Less than 5 points: There's lots of room for improvement! You may significantly lower your electric bills if you adopt an energy-conscious lifestyle.

Whichever category you fit into, you can always learn more about saving energy at www.coserv.com.

For Real People

“We're not just saving energy. We're also saving money and the environment.”

I'm married and a father of two, so I watch our spending closely. Here's how we save energy in my family:

- Set our thermostat to 68 degrees in the winter and as high as possible in the summer. (78 degrees is ideal.) Open windows and fans keep us cool.
- Switch to compact fluorescent light bulbs, which use at least two-thirds less energy than regular bulbs.
- Keep our refrigerator on the middle temperature setting.
- Change our air filters every four to six weeks. This keeps our HVAC unit working efficiently.
- Turn the lights out when we leave the room.
- Switch off our TVs and radios when we're not using them.
- Choose appliances with the Energy Star® seal.
- Install more insulation, caulk and weather stripping to protect against air leaks.
- Dry laundry on a clothesline.
- Air-dry dishes.
- Use screen doors to let in the breeze on warm days.

I tell people that we're not just saving energy. We're also saving money and the environment. Who wouldn't want to do that?

Terry Tutt

Aubrey, Texas

Member-owner for 4 years

CoServ employee for 7 years

It's Terry's CoServ

Real Conservation For Real People

Here's how we saved energy and helped the environment in 2007:

- **Cut down on gas used by our fleet vehicles.** New software calculates the shortest driving routes for meter readers, linemen and other field personnel.
- **Pledged to replace nearly 2,700 incandescent light bulbs with energy-efficient versions.** We can't take all the credit for this one. More than 450 CoServ employees and member-owners took the Energy Star® Change a Light Pledge. The result – together we prevented about 1.1 million pounds of greenhouse gas emissions.
- **Gave away almost 2,000 compact fluorescent light bulbs.** Attendees at our 2007 annual meeting received these energy-conscious gifts. (Thanks to HD Supply for donating the bulbs.)
- **Launched a “load curtailment” program.** Commercial and industrial member-owners volunteered to use less electricity during peak periods. In 2008, we'll expand this program to save energy and reduce the need for more power plants.
- **Recycled paper and printer cartridges from our headquarters.**
- **Used several hybrid vehicles in our fleet.** We may buy additional earth-friendly vehicles in the future.
- **Supported the Cooperative Research Network.** This organization explores the latest “green” technology, energy-efficiency programs and renewable power sources.
- **Created a “Think Green” team.** After thorough research, these CoServ Electric employees proposed ways our cooperative can conserve even more energy. In response, we've already hired a vendor to conduct a full-scale energy audit of our facilities. We also plan to step up our employee education and place more recycling bins throughout the building.

Remember, we buy electricity from our wholesale provider, Brazos Electric Power Cooperative. As we speak, Brazos continues searching for ways to increase the amount of renewable energy in its portfolio – without sending the price of your power through the roof. For the latest developments, stay tuned to www.coserv.com.

Real Safety

Here's how we kept you and our employees safe in 2007:

- **Upgraded our protective equipment.** Field employees now wear more durable hard hats, safety glasses and flame-retardant clothing.
- **Increased frequency of equipment testing.** We safety-check workers' rubber gloves every 60 days and our fleet of vehicles every day.
- **Safety-trained each lineman for 65 hours.** This doesn't include on-the-job training, where most learning occurs. Find safety tips for yourself at www.coserv.com.

For Real People

“We never take dangerous shortcuts.”

If my crew is working on an outage, we restore power as quickly as possible. But we never take dangerous shortcuts. The lives of our employees – and our member-owners – are too important for that.

It's **Jeff's CoServ**

Jeff Richardson
Sanger, Texas
Member-owner for 10 years
CoServ lineman for 23 years

Operations Update

As one of our member-owners, you trust CoServ Electric to spend your dollars wisely. And we won't let you down. Here are several ways we invested your money in 2007:

- **Conducted a survey about our Web site.** This company belongs to you, and so does www.coserv.com. That's why we asked some of our Web visitors what they thought of the site – and how we can make it more convenient. Stay tuned in 2008 for a revamped site with features to make your life easier.
- **Introduced a Web form to report hazards.** Anyone can use www.coserv.com to report a non-emergency situation, such as sagging power lines or leaning poles. (Continue to call 940-321-7800 or 1-800-274-4014 for safety emergencies. These include power lines on the ground, broken utility poles and open transformers.)
- **Started construction on our new-and-improved meter and transformer shop.** Once we finish the facility in 2008, we'll save money by testing transformers on-site and making most repairs ourselves. The environmentally safe shop features a separate area to dispose of oil, mercury from compact fluorescent light bulbs, and other hazardous materials.
- **Executed a \$50 million capital expenditure loan with CoBank.** These funds will support our tremendous growth over the next several years. The CoBank relationship also diversifies our financing.
- **Added a substation in Frisco.** It reinforces our commitment to provide reliable electricity and address the rapid growth in the area. We also added transformers and breakers to several substations to support the ever-increasing demand for power.
- **Implemented a late fee for past-due accounts.** While this change may not be our most popular one, it's in the best interest of our membership as a whole. Prior to 2007, our Customer Service team spent about 40 percent of their time working with past-due accounts. CoServ Electric is a not-for-profit cooperative, so costs like these must either be distributed to all member-owners – or assigned to those who incurred them.
- **Quality-checked monthly billing statements.** This process ensures accuracy on every line item of your bill.

Meet Our Senior Leaders



Back row from left to right: Jim Chism, Senior VP Administrative Services; Donnie Clary, Senior VP and Chief Financial Officer; Kevin Haney, General Counsel; Curtis Trivitt, Senior VP Energy Services
Front row from left to right: Jody Forman, Senior VP Corporate Relations; Mike Dreyspring, President and CEO; Stacia Sims, Senior VP Information Services

2007 at a Glance



Number of new meters added: 8,643

Percentage growth: 6.72%

Amount of electricity used by member-owners: 3.18 billion kWh

Number of new residential neighborhood projects in our service area: 59

Number of new large commercial projects in our service area: 24

In memory of Roman Juarez

May 17, 1965 – May 13, 2007

Roman was on his way to serve our members by responding to an outage one rainy night, when his CoServ truck was struck by a drunk driver. We lost a devoted 20-year lineman and a loyal friend.



Meet Your Board of Directors

They live in your neighborhoods, shop in your stores and receive monthly bills from CoServ Electric, just like you. This group represents your interests while overseeing the operations of our cooperative. So take a moment to get to know them, your member-elected board of directors ...

Vaughn Andrus – Secretary/Treasurer: District 1 Director



- First elected to your board in 2002
- Resident of Krum for 32 years
- Commercial real estate developer
- Board member for North Central Texas College Foundation
- Board director of Oasis Bank in Houston

Leon Pelzel: District 2 Director



- Joined your board in 2001
- Lifetime resident of Pilot Point
- Managed a farm business since 1974
- Active member of St. Thomas Aquinas Church

Clyde Geer: District 3 Director



- Served on your board since 1993
- McKinney native
- Chairman of the Operating Budget, Rates and Tariff Committee for Brazos Electric board
- Chairman of McKinney Main Street
- Member of Friendship Baptist Church in Fairview

Jerry Cobb – Chairman: District 4 Director



- First elected to your board in 1990
- Resident of Frisco for 26 years
- Involved in ranching and family investments
- Past Chairman of the Budget and Finance Committee for First Baptist Church of Frisco
- Member of the Citizen's Bond Committee in Frisco ISD

Anne Vaden: District 5 Director



- Joined your board in 2006
- Spent 21 years in the insurance industry
- Has 11 years of experience in management consulting, information technology, operational improvements and accounting
- Served on the North Central Texas College advisory board
- Former senior manager at Ernst & Young Management Consulting Practice

Mark Glover – Vice Chairman: District 6 Director



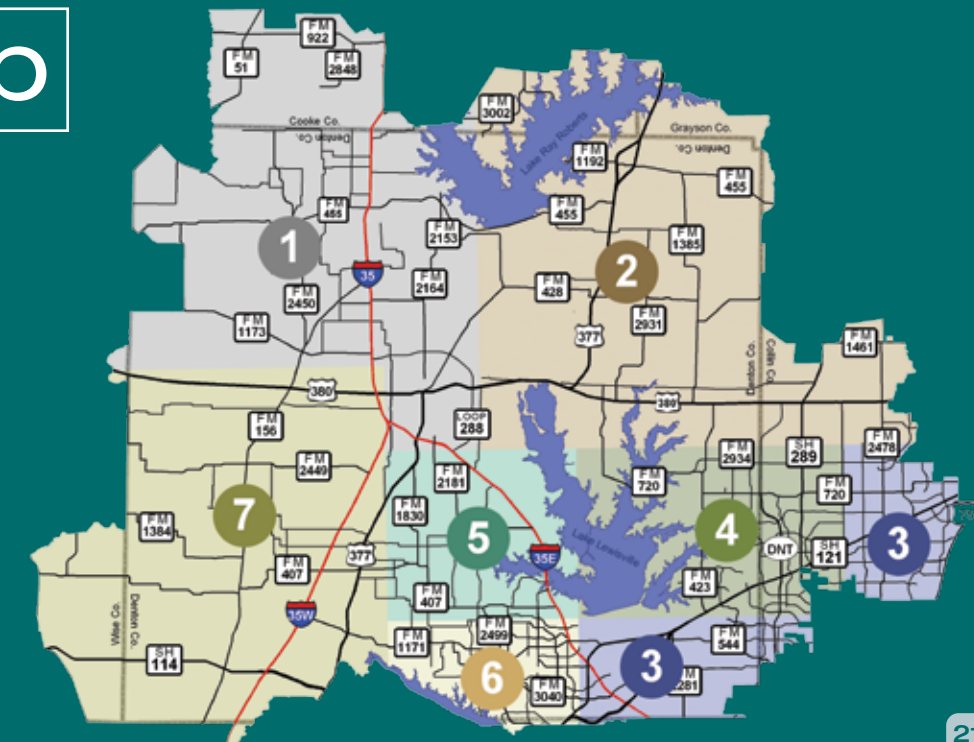
- First elected to your board in 2002
- Resident of Flower Mound for 20 years
- Entrepreneur and independent businessman for 28 years
- CEO and Founder of IceCycle and Trinity Thermal Systems
- Principal and Founder of iMark Realty Advisors

Curtis Tally: District 7 Director



- Joined your board in 1999
- Resident of Justin for 70 years
- Established and managed Justin Seed Company for 39 years
- Current Chairman of the Board at Justin State Bank
- Former president of Texas Seed Trade Association

District Map



HIStory of CoServ Electric

“Getting electricity was one of the biggest milestones in my life.”

I was just a boy at the time, but I remember what life was like before electricity. We lived on a farm. My brothers and I milked the cows every morning. Then we poured the milk into a cream separator that we cranked by hand. It was pretty heavy for a little tyke like me!

Once a week, the ice man dropped by, and my family bought 150 pounds of ice. We stored most of it in an insulated ice box and kept the rest in the washtub covered with a blanket.

I rode to the rural schoolhouse on my horse, “Old Queen.” For each year’s school play, we used lamps with coal oil (same as kerosene) to light the stage. And we used those same lamps to cook at home, which is why I sometimes tasted kerosene in my biscuits! It was definitely a different way of life back then.

But it all changed when I was about 15 years old. That’s when CoServ Electric (known as Denton County Electric Cooperative in those days) introduced electricity to our area. If it hadn’t been for them, who knows when we would have received it?

People nowadays can’t fully understand this, but getting electricity was one of the biggest milestones in my life. When I pulled that chain for the first time, it seemed like a spotlight turned on. And that was the turning point. No more walking through life by the dim glow of a coal oil lamp.

Now, instead of living “primitively,” we use dishwashers, clothes washers and dryers, garbage disposals, table lamps, refrigerators ... You name it, and I can turn it on with a flip of the switch. I’m grateful for the convenience, because I know what it’s like to go without.

I’ve been a member of CoServ Electric since the beginning. I plan to stay a member for the rest of my life. They spoil me with such reliable, friendly service. Plus, I feel like I’m in capable hands. I count on the board of directors (who I also voted for) to best operate the business. That kind of democracy is the American way – and I’m glad to be part of it.

Killis Melton
McKinney, Texas
Member-owner for 70 years

It's Killis' CoServ

CoServ Electric Milestones



March 1937: Denton County Electric Cooperative is chartered.

February 1941: We become a member of Brazos Electric Power Cooperative, our current wholesale provider.

January 1998: We begin doing business as CoServ, an abbreviation of “Cooperative Services.”

April 2004: We install our 100,000th meter, making us the second-largest electric cooperative in Texas.

February 1938: We energize our first lines with power from Texas Power & Light, providing electricity to 1,034 member-owners for .09 cents per kWh.

July 1938: We host our inaugural annual meeting, and our member-owners elect the first board of directors.

August 1984: We move headquarters from University Drive in Denton to Swisher Road in Corinth.

September 1999: We move to new headquarters at 7701 South Stemmons in Corinth.

February 2008: We celebrate 70 years of serving our member-owners – all 120,000 of them.

Top 10 Reasons Why CoServ Electric is Your Favorite

Here's why CoServ Electric rivals those for-profit utilities (taken straight from the mouths of our member-owners) ...

- 1) **“Owned by the members”**
- Wendy Wipperman, Bartonville
- 2) **“Provides electric service for close to cost”**
- Eva Martinez, Lewisville
- 3) **“Lower rates”**
- Deborah Schick, McKinney
- 4) **“Fewer outages”**
- Christy Tidwell, Flower Mound
- 5) **“Friendly and helpful employees”**
- Pam Triana, Savannah
- 6) **“Capital Credits paid to members”**
- Nora Thorpe, Frisco
- 7) **“Easy-to-understand billing statements”**
- Lorynn Robb, Lewisville
- 8) **“Quick outage restoration”**
- Sean and Anita Rohde, Aubrey
- 9) **“Account information available online”**
- Amy Robinson, McKinney
- 10) **“Can pay my monthly bill on www.coserv.com”**
- David Bachelor, Little Elm

Auditors' Letter

INDEPENDENT AUDITORS' REPORT

**To the Members
Denton County Electric Cooperative, Inc.
d/b/a CoServ Electric
Corinth, Texas**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Denton County Electric Cooperative, Inc., d/b/a CoServ Electric as of December 31, 2007, and the related statements of income and patronage capital, and cash flows for the year then ended (not presented herein); and in our report dated April 15, 2008, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements are fairly stated in all material respects in relation to the financial statements from which it was derived.

The complete audit report as described above is on file at the headquarters office.

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas
April 15, 2008

2007 Financials

BALANCE SHEET

ASSETS

CURRENT AND OTHER ASSETS

Cash and Temporary Investments	\$ 24,255,459
Accounts Receivable – net of allowance for uncollectibles	18,868,815
Other Current Assets	23,113,842
Investments in Affiliates	55,235,041
Investments in Associated Organizations	35,494,042
Other Assets	2,270,135
Total Current and Other Assets	\$ 159,237,334
PROPERTY, PLANT AND EQUIPMENT – NET OF DEPRECIATION	\$ 453,563,633

TOTAL ASSETS	\$ 612,800,967
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EQUITY AND LIABILITIES

EQUITY

Patronage Capital	\$ 123,939,703
Memberships	1,750,495
Other Equity	55,454,930
Total Equity	\$ 181,145,128

LIABILITIES

Accounts Payable	\$ 35,219,900
Customer Deposits	5,616,687
Other Current Liabilities	25,152,002
Notes Payable	358,475,621
Other Liabilities	7,191,629
Total Liabilities	\$ 431,655,839

TOTAL EQUITY AND LIABILITIES	\$ 612,800,967
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STATEMENT OF INCOME AND EXPENSES

OPERATING REVENUES

Operating Revenues	\$ 384,841,510
Less: Cost of Purchased Power	(277,829,180)
Gross Margin	\$ 107,012,330

OPERATING EXPENSES	\$ 84,917,627
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OPERATING MARGINS	\$ 22,094,703
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NON-OPERATING MARGINS

Interest and Other Income	\$ 1,256,250
Income/(Loss) from Affiliates	(1,774,689)
Capital Credits Received from Associated Organizations	\$ 10,511,418
Total Non-Operating Margins	\$ 9,992,979

NET MARGINS	\$ 32,087,682
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Peak Demand

in megawatts

2003	695.98
2004	712.14
2005	826.02
2006	930.04
2007	987.18

Billed Service Accounts

2003	95,638
2004	106,129
2005	117,190
2006	128,667
2007	137,310

Billed Service Accounts Added

2003	9,827
2004	10,491
2005	11,061
2006	11,477
2007	8,643

Kilowatt Hour Sales

in billions

2003	2.17
2004	2.35
2005	2.73
2006	3.04
2007	3.18

PREVIOUS

TABLE OF CONTENTS



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www.coserv.com