



Annual Meeting — June 16, 2007

COOS-CURRY ELECTRIC COOPERATIVE, INC.

2007 Annual Meeting Notice

- **Voting Instructions**
- **Director Nominations**
- **Agenda**

2006 Annual Report

Dated: May 21, 2007

Dear Member:

The Annual Meeting of the Members of Coos-Curry Electric Cooperative, Inc. will be held at the Brookings-Harbor High School in Brookings, Oregon, on Saturday, June 16, 2007. Registration will begin at 9:00 am. In addition to the business meeting, an informational health fair, pie contest and barbecue luncheon will be provided.

The business meeting will begin at 12:00 noon. The order of business to be transacted will be according to Article II, Section 7 of the By-Laws and will include:

- Reports
- Review of the 2006 Financial Report
- Election of Directors for Districts 2 and 5 for terms of three (3) years each
- Election of Director for District 4 for a term of one (1) year
- Transacting other business as may come before the Board

Peter Radabaugh
Secretary

District 2 — Brookings/Harbor Area

David “Dave” Kitchen

Nominated by Committee. Building contractor with electrical engineering education. Eight year resident of Brookings/Harbor. Member of the Brookings/Harbor chamber of commerce, Elks Lodge, Rotary, board member for Curry County Habitat for Humanities and president of Curry County Home Builders Association. Built first Curry County Habitat for Humanities duplex.

James “Frank” Pritchard

Nominated by Petition. I’m running for the board because I have the qualifications for leadership. Journey electrical lineman with 52 years experience that includes positions as foreman, general foreman, superintendent and project manager both domestic and foreign with duties in construction, supervision, management, design, training, inspection and safety.

District 4 — Port Orford/Langlois Area

Gary D. Doran

Nominated by Petition. Port Orford area resident for 34 years; former CCEC board of director. Served on city council for 17 years, 8 as mayor. Serve on many committees and boards to promote Port Orford; am an Elder at the Port Orford Christian Center; helped raise 26 foster children; involved in youth ministry for 30 years.

Daryl C. Robison

Nominated by Committee. As an experienced Cooperative Director and twenty two years of electric utility experience in accounting, finance and management, I will work to maintain low electric rates while maximizing service to the Member/Owners. As a strong advocate for the Cooperative philosophy, I will promote open, honest and fair representation.

Included in this Annual Meeting Information Packet is a ballot so you may vote by mail, along with envelopes for that purpose.

Each member is entitled to cast one vote for a Director from each district. If your membership is held jointly by a husband and wife, you may jointly cast only one ballot. As set forth in the Cooperative's By-Laws, **all elections will be vote-by-mail only**. No ballots will be accepted at the Annual Meeting or in any of CCEC's area offices. You should indicate your vote by completing (filling in) the arrow beside the candidates you prefer for the Board of Directors. Your ballot must be **received** at the address on the return envelope by June 13, 2007, in order to be counted.

To vote, please use the enclosed ballot, the ballot secrecy envelope, and the return mail envelope. Indicate your vote on the ballot, place it in the ballot secrecy envelope and seal it. Then place the ballot secrecy envelope in the return mail envelope, sign on the signature line and mail in time to be received by the deadline of June 13, 2007. The return mail envelope with your membership name and signature will be used to validate your ballot. Ballots in unsigned envelopes or received after June 13, 2007, will not be counted.

District 5 — Bandon/Myrtle Point Area

Peter C. Radabaugh

Nominated by Committee. CCEC board director since 2004, credentialed cooperative director and board secretary. Bandon area resident for 17 years; B.S. Degree in Education; teacher and substitute Bandon Public Schools; owner of Mother's Natural Grocery, Bandon; two-term chair of Greater Bandon Parks and Recreation.

Jerry C. Smith

Nominated by Petition. I am a lifetime resident of the Myrtle Point area, married with three children, a logger for 35 years and a rancher for 30 years. I currently serve on the Board of Directors for the Port of Coquille and the Myrtle Point school budget committee.

Explanation of Nominating
Process for Director

A candidate may qualify to be placed on the election ballot in two ways:

1. The Board of Directors appoints a **committee** on nominations within each district consisting of not less than three members. Each committee prepares and submits a list of one or more nominations for director.
2. Any fifteen or more members in a district may make other nominations for that district by signing a **petition**.



Start your day with a **Taste of Curry the County, not the Spice** sponsored by Curry General Hospital and Coos-Curry Electric Cooperative, Inc.

Traditional health screenings will be handled by the Brookings Lions Club and Oregon state's Lions mobile screening unit.

- Cholesterol and Glucose Testing
- Blood Pressure Check
- Hearing Test
- Vision Experiments
- Oxygen Level Testing
- Lung Capacity Testing
- Carpal Tunnel Screening

Inside the school, we will have healthy food preparation demonstrations and healthy food sampling. What a way to start the day!

9:00 am—Noon

2007 HEALTH FAIR

Registration For the 69th Annual Meeting of the Membership Opens

9:00 am

Pie Contest — Hosted by the Curry County 4-H Leaders' Assn.

Back by popular demand! The Curry County 4-H Leaders' Association will once again host the Pie Contest. Pies will be auctioned during the luncheon to benefit 4-H. Entry deadline is 11:00 am June 16th. Entry forms are available in the May edition of Ruralite magazine or at the Annual Meeting pie registration desk. Adults may enter pies in the fruit, berry or open class. A special open class is available for entries made by anyone 16 years of age or younger. Be sure to bake pies in foil pans only and cover with clear plastic wrap.

9:00 am–11:00 am

Live Entertainment

11:00 am—Noon

Business Meeting

Noon—1:00 pm

Lunch, Door Prizes and Pie Auction

1:00 pm—3:00 pm



Daryl Robison

This year has been a very busy one for your electric cooperative and the Board members who guide the cooperative on your behalf. The most important issue facing us is securing a long-term, affordable and reliable supply of power to meet your needs. Our contracts with the Bonneville Power Administration (BPA) will end in 2011. While we expect to have a new contract with BPA, we know it will be different from what we have been used to in the past with regard to the cost and availability of power. We are approaching the issue of long-term wholesale power resources carefully because we know that the decisions we make today will affect our membership for decades to come. Every electric utility must adapt to the changing market and our cooperative must do the same. We keep a keen eye on the wholesale power supply picture because it represents nearly half of our cost of providing service to you. Any change in the cost of that power affects our bottom line, and yours.

Earlier this year, residential rates were reduced approximately 8% by reducing the Monthly Minimum Charge (MMC) of \$33.00 to \$22.75 per month. A revenue forecast of excess margins made this rate reduction and other changes to our policies possible.

Members who purchased electricity from us in 1971 and 1972 received checks for the equity or patronage contribution they made to the cooperative during that time. We also adopted an Equity Management Policy to define the level of equity and margins appropriate to guide the retirement of future capital credits. This policy guides your Board in establishing rates at the lowest possible level while continuing to meet our bank covenants.

The connect/disconnect fees were reduced to more closely reflect our actual cost incurred to perform the services. Our line extension policies were changed to include a provision for a member to have an initial visit with a field engineer at no cost. The Board also approved certain engineering deposit refunds.

These are just a few of the improvements your Board of Directors and staff have made this past year to strengthen your cooperative while continuing to provide good service to our member/owners. These accomplishments could not have happened without the help of staff who prepared numerous financial and planning documents. Cooperatives are unique. We discuss the issues and work together to meet our challenges. It's a job your member-elected Board of Directors, management and staff take seriously. Together we look forward to representing your interests – in the cooperative spirit – for a reliable energy system and a positive future.



Grant Combs



Peter Radabaugh



Gary Schlottmann



John Herzog



Roger Meader

As I reflect on the past few years and think about events that have occurred close to home and worldwide, I see one common thread. Change. It's not a message we like to hear because we all long for the days we remember as "better times." I know I do. Change for the electric utility industry started in 2001 when the energy market was being manipulated by Enron, prices for power skyrocketed and utilities had to react. At that time, I was General Manager at Okanogan County Electric Cooperative having to look at increased power costs to our members due to the changes in the market. We had to quickly adapt to the new energy environment. Coos-Curry Electric Cooperative and most other electric utilities had to adapt as well. It meant huge changes and a realization that, unfortunately, we can never go back. But, one thing is a sure bet. More change is coming our way and it is inevitable. Rather than spend time trying to get back to a place that doesn't exist anymore, I like to think about how we will proactively position ourselves for a future that will look much different than we've ever seen.

Why do I believe more change is headed our way? Think about the industrialization of China and how it is going to position them for the future. On a more local level, we are trying to manage our own growth. We're discussing how this growth will impact our electric facilities and who pays for that growth. We're actively exploring affordable avenues for wholesale power knowing that our existing contracts with the Bonneville Power Administration (BPA) end in 2011. In the past, the membership as a whole paid for growth. And, in the past, BPA supplied the majority of our wholesale power. It was the most affordable game in town. But, that was then. Given all the changes right around the corner and on the horizon, I expect that our cooperative will look much different in the future. These are challenging and somewhat uncomfortable times, especially if you're focused on the "better days" gone by. My job, even as interim General Manager/CEO is to help us prepare for the future. That involves lifting our heads up so we can look out further than we ever have in the past. It means thinking about ways to manage the changes coming our way – proactively. It means working together because that's not only the cooperative way, it's our way of making us strong and successful.


Interim General Manager/CEO

COOS-CURRY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

ASSETS

	YEAR ENDED DECEMBER 31,	
	2006	2005
ELECTRIC PLANT, net	\$ 59,939,105	\$ 58,575,035
OTHER INVESTMENTS AND ASSETS		
Investments in associated organizations	4,004,132	3,916,863
Notes receivable	649,180	788,693
Total other investments and assets	4,653,312	4,705,556
CURRENT ASSETS		
Cash and cash equivalents	6,008,158	5,641,676
Accounts receivable, net	3,181,688	2,457,773
Income tax receivable	27	1,690,051
Materials and supplies	1,005,716	804,199
Prepaid expenses	292,081	418,305
Other current assets	112,043	155,604
Total current assets	10,599,713	11,167,608
Total assets	\$ 75,192,130	\$ 74,448,199

BALANCE SHEET

**COOS-CURRY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET**

EQUITIES AND LIABILITIES

	YEAR ENDED DECEMBER 31,	
	2006	2005
EQUITIES AND MARGINS	\$ 44,030,683	\$ 40,175,320
LONG-TERM DEBT, net of current maturities	25,586,456	26,831,684
CURRENT LIABILITIES		
Current maturities of long-term debt	1,330,120	1,359,302
Customer deposits	858,932	1,216,888
Accounts payable	837,879	1,343,512
Accrued liabilities	1,464,484	1,285,356
Patronage capital credits payable	736,137	736,137
Total current liabilities	5,227,552	5,941,195
OTHER LIABILITIES		
Deferred credit	347,439	-
Guarantee liability in NoaNet Oregon	-	1,500,000
Total other liabilities	347,439	1,500,000
Total equities and liabilities	\$75,192,130	\$74,448,199

BALANCE SHEET

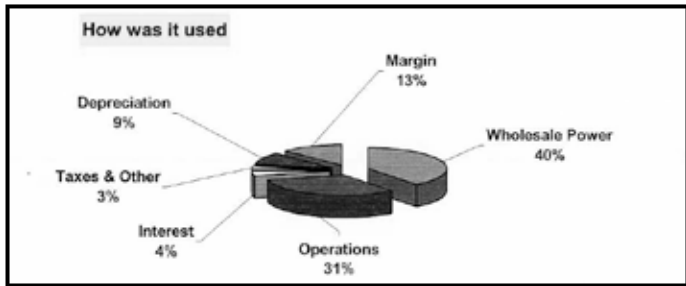
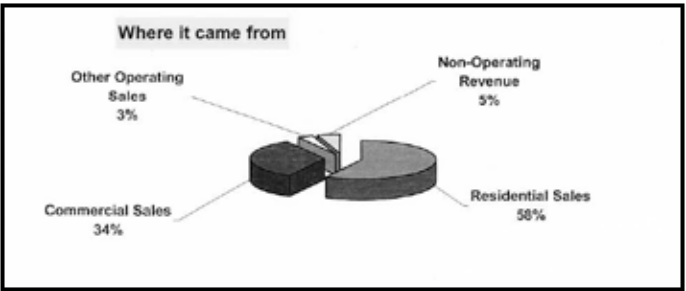
COOS-CURRY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF OPERATIONS

	YEAR ENDED DECEMBER 31,	
	2006	2005
OPERATING REVENUE	\$ 28,573,852	\$ 26,595,914
OPERATING EXPENSES		
Purchased power	11,837,186	12,704,017
Distribution - operations and maintenance	5,319,548	4,096,837
Depreciation and amortization	2,798,869	2,733,372
Administrative and general	1,868,742	1,982,011
Customer service and information	2,049,771	1,522,851
Interest expense	1,297,987	1,298,512
Taxes	723,590	1,202,263
Other, net	180,585	194,400
Transmission	194,435	8,148
Total operating expenses	26,270,713	25,742,411
Net operating margins	2,303,139	853,503
NON-OPERATING MARGINS		
Interest and patronage dividends	708,220	396,992
Gain (loss) on investments	859,000	(613,560)
Other non-operating income	(65,883)	1,631,903
Total non-operating margins	1,501,337	1,415,335
Net margins before income tax	3,804,476	2,268,838
INCOME TAX EXPENSE (BENEFIT)	(50,174)	17,435
Net margins	\$ 3,854,650	\$ 2,251,403

STATEMENT OF OPERATIONS

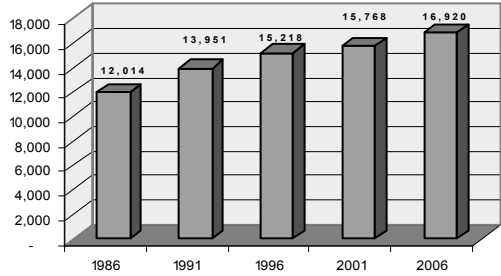
2006 REVENUE DOLLAR



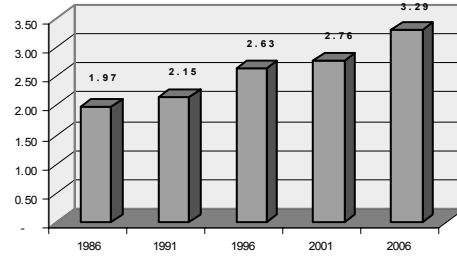
	2,006		2,005	
Residential Sales	17,378,641	61%	16,039,520	60%
Irrigation Sales	545,600	2%	486,578	2%
Commercial ≤ 1000 kVa	7,259,184	25%	7,096,573	27%
Commercial > 1000 kVa	2,947,567	10%	2,524,687	9%
Public Street Lights	90,901	0%	88,958	0%
Other Electric	351,959	1%	359,598	1%
Total	\$ 28,573,852	100%	\$ 26,595,914	100%

Total kWh sold	339,032,025	328,364,089
Total kWh purchased	359,624,295	345,204,304
Average number of meters	16,920	16,752
Miles of line	1,624	1,619
Number of Employees	63	64
Average monthly residential bill	\$ 99.62	\$ 92.89
Average residential monthly kWh	1,102	1,054

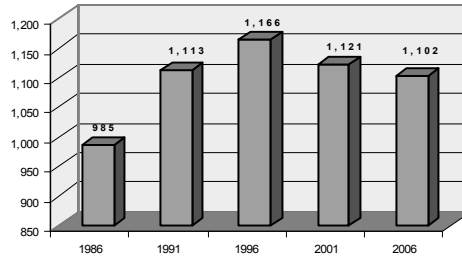
Number of Meters Served



**Cost of Purchased Power
(Cents per kWh)**



**Average Monthly kWh Usage (Residential &
Residential Seasonal Customers)**



REVENUE, EXPENSES, TRENDS



COOS-CURRY ELECTRIC COOPERATIVE, INC.

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