

COOS-CURRY ELECTRIC COOPERATIVE, INC.

..... FOR MEMBERS ONLY



April 2007

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From General Manager/CEO Werner Buehler

Ocean Power Technologies, Inc (OPT) and Pacific Northwest Generating Cooperative (PNGC Power) recently announced their agreement to work cooperatively on development of the Reedsport OPT Wave Park located in Douglas County near Reedsport, Oregon. As part of the initial program, OPT expects to install its ocean-tested PowerBuoy® systems initially generating a total of 2 megawatts approximately 2.5 miles off the coast at a depth of 50 meters. OPT has been issued a preliminary permit by the Federal Energy Regulatory Commission (FERC) for up to 50 megawatts of capacity at the site, and plans to develop, own, and operate the initial 2 megawatt wave power park.

PNGC Power is a Portland, Oregon-based electric power cooperative serving 15 distribution cooperatives with service territory in seven western states. CCEC is a member of PNGC Power. In addition to supporting OPT in the permitting process and power transmission for the project, PNGC Power will work cooperatively with OPT to pursue a power purchase agreement, under which PNGC Power would purchase the electrical energy output of the 2 megawatt wave power park from OPT. PNGC Power will have the option to participate in ownership or power purchase in future commercial phases of the project. Further, PNGC Power will provide its expertise regarding grid interconnection and its experience in meeting the standards of the Bonneville Power Administration, which, as you know, operates much of the region's power system.

I've talked a lot about future power supply over the past couple of years. CCEC and other PNGC Power members have a strong commitment to explore alternative energy resources to meet our future needs. Wave energy is non-polluting and is a good way to meet that growing demand for electricity and our preference for renewable resources. We believe participation in the development of wave energy projects such as this demonstrates our commitment.

2007 Annual Meeting Timeline Announced

February — Board reviews by-laws and recommends by-laws amendments

March Board Meeting — Nominating Committee Appointments for Districts 2, 4 and 5 (District 2-Vacant, District 4-Daryl Robison and District 5-Pete Radabaugh)

May 2 — Nominating Committee Reports and Petitions due

May 17 — Candidates list to be posted in CCEC Area Business Offices

May 17-June 6 — Annual Meeting Mailing process. Final printing May 7-12. Anticipated mailing date is May 21 or 22.

June 16 — Annual Meeting of the Membership, Brookings/ Harbor High School. ■

Did you know that your electric cooperative has:

- > 1,624 miles of line that if stretched out would be from Tijuana, Mexico to Vancouver, BC.
- > 442 miles of underground line
- > 340 miles of service line to homes and businesses
- > 24,000 poles
- > 17,000 meters (3,600 are the new Automated Meter Reading or AMR meters)
- > 11,000 transformers
- > 15 substations (4 equipped with AMR)
- > 3,000 sq. miles of service territory
- > 68 employees to serve you



Daryl Robison
President/Chairman
of the Board



Grant Combs
Vice-President



John Herzog
Treasurer



Pete Radabaugh
Secretary



Gary Schlottmann

From The Board Room

Late last year, the Board of Directors approved CCEC participation in the Bonneville Power Administration's (BPA) 2006 Conservation Portfolio of Programs — the Conservation Rate Credit. Through the program, CCEC receives funding as a BPA customer to offer rebates, provide low-income weatherization assistance, participate in renewable energy initiatives and pay for costs associated with administering and marketing the energy conservation and renewable energy programs. More information is available in the CCEC area offices or on our website at www.ccec.coop. ■

During the January board meeting, Chief Financial Officer Doyle Eden discussed the cooperative's financial outlook. Operating revenue, which was \$28.6 million in 2006, is projected to be \$27.8 million in 2007. "Revenue is part of the business," Eden reminded the Board and members in attendance. "The other part is cost." We had strong revenue and paid a lower cost for purchased power last year due to a better than average water year and better wholesale power market prices. Both contributed to the cooperative's strong operating margin. Eden then provided an historical perspective relative to margins. Between 2001 and 2004, the cooperative was operating with negative margins — a situation we hadn't been in since 1984. Since your cooperative finished with such a strong margin last year, the Board chose to return some of that good fortune to the membership in the form of a reduction in the monthly minimum charge for residential accounts and some commercial accounts. A 40 to 50 percent equity level goal was also established to guide us in the future. ■

In February, your Board of Directors held informal community forums in Gold Beach, Brookings, Coquille and

Port Orford to hear from members living in those communities. The Board discussed and answered questions regarding recent changes in residential rates, reduction of connect/disconnect fees, capital credits return for 1971 and 1972, refund of certain work order deposits, the 2007 budget, tree-trimming activities, and status of the upgrade to the CCEC-owned transmission line from Gold Beach to Brookings. ■

At our February meeting we discussed issues ranging from renewable energy to transmission line upgrades. After hearing from members at the Brookings/Harbor community forum and a lengthy discussion in the February board meeting regarding the completion of the rebuild of CCEC's transmission line from Gold Beach to Brookings/Harbor, the Board of Directors elected to establish a member committee to address the issue in more detail.

The Board of Directors was presented with a petition on behalf of the Committee for Fair Co-op Representation to "provide fair representation on the CCEC board based on population." The petition outlined a list of suggestions for consideration.

With regret, the Board of Directors accepted the resignation of Board Member David Itzen. In a prepared statement, Itzen asked the board to accept his resignation as Treasurer and Board member of CCEC immediately. Itzen's statement indicated he had enjoyed the challenges of the job and the associations with other Board members, staff of CCEC, and member-owners over the years. He thanked members for the opportunity to serve as board member. The Board of Directors thanked Itzen for his service to the membership stating that Itzen had been a valuable asset and his knowledge and expertise will be missed. John Herzog was elected Treasurer to replace Itzen. ■