



# CENTRAL ELECTRIC COOPERATIVE, INC.

## President's Quarterly Newsletter

January 2008

Dear Member:

National surveys and our own local experience here at Central Electric, indicate that only half of the members of electric cooperatives think of themselves as belonging to a not-for-profit, consumer owned business. There are differences between cooperatives and investor-owned utilities that can be unclear and confusing. It is beneficial to address them periodically.

The first difference involves the governing body. Central Electric is governed by a locally elected board of nine directors to serve as a voice of the members in the district they represent. Each director is a member of the cooperative, lives in the district they represent and is elected by the members of their district. An investor-owned utility, on the other hand, is controlled by a board of directors chosen by shareholders. Contrary to a cooperative's form of government, neither a director of an investor-owned utility nor a voting shareholder is required to live in the utility's service territory nor be a customer of the utility they govern.

Additionally, there is the difference in motive. An investor-owned utility exists to create profits for its shareholders. Central Electric was created in 1940 specifically to provide energy and service "at cost" to rural areas where investor-owned utilities would not serve. Central Electric was created, and stands today, as a not-for-profit organization. To members, this means that any profits of the cooperative are paid back to member-owners as capital credits. Investor-owned utilities pay dividends to shareholders who may not even be customers of the utility.

In the final analysis, we are justly proud of the values and underlying principles that make us different. Central Electric is a not-for-profit company committed to local control and providing our members with superior service and energy at the lowest cost possible.

Sincerely,



Dave Markham  
President/CEO