

TOGETHERWE SAVE.COM

Peace River Electric Cooperative

ANNUAL REPORT 2009



**Peace River Electric
Cooperative, Inc.**

A Touchstone Energy® Cooperative 

PEACE RIVER ELECTRIC COOPERATIVE
Board of Directors



(Front, from left) LEONARD CRAWLEY; DOUGLAS PARTIN; SAMUEL RAWLS; GLEN O. DOUGLAS,
 (Back, from left) HAROLD SCHATSCHEIDER; MAURICE HENDERSON; GEORGE W. MILLER; DAVID SESSIONS; A. BYRON NEWBERRY

Peace River Electric Cooperative (PRECO) is owned by the members it serves. Each year, the members elect representatives to a board of nine directors, who provide oversight to the co-op and represent PRECO's nine geographic districts. More than 30,000 electric consumers are served in 10 Florida counties: Brevard, DeSoto, Hardee, Highlands, Hillsborough, Indian River, Manatee, Osceola, Polk and Sarasota.

OFFICERS

- Samuel Rawls,**
 DISTRICT 2, PRESIDENT
- A. Byron Newberry,**
 DISTRICT 9, VICE PRESIDENT
- George W. Miller,**
 DISTRICT 7, SECRETARY/TREASURER
- Maurice Henderson,**
 DISTRICT 5, ASSISTANT SECRETARY/TREASURER

DIRECTORS

- Leonard Crawley,**
 DISTRICT 1
- Glen O. Douglas,**
 DISTRICT 4
- Douglas Partin,**
 DISTRICT 3
- Harold Schatschneider,**
 DISTRICT 8
- David Sessions,**
 DISTRICT 6

Douglas Partin



"Doug" 71, of Kenansville, Florida, passed away December 14, 2009, at his home.

He served as a member of the Board of Directors of Peace River Electric Cooperative since 1979. His influence will be greatly missed by the Board, employees, and members of PRECO.

Letter to Members

Legislators on Capitol Hill can't reach an agreement on how we should address our nation's energy concerns. We've heard a throng of varying and perhaps confusing solutions, including, cap-and-trade, more coal-fired plants, less coal-fired plants, more nuclear, less nuclear, wind power, solar power, and many others. Clearly, any solution could be years away from becoming a reality.

Over the years, Peace River Electric Cooperative's members have looked to us for real-life solutions. Our position is this: The most efficient energy is the energy you *don't* use. In other words, when you reduce your electric usage there are three immediate and beneficial results: The strain on power lines and equipment is reduced, the load on power generating stations is lessened, and you save money.

Our goal is to help our members use electricity safely and efficiently. We are committed to assisting members in using no more electricity than is necessary, while still meeting all of their comfort and convenience needs.

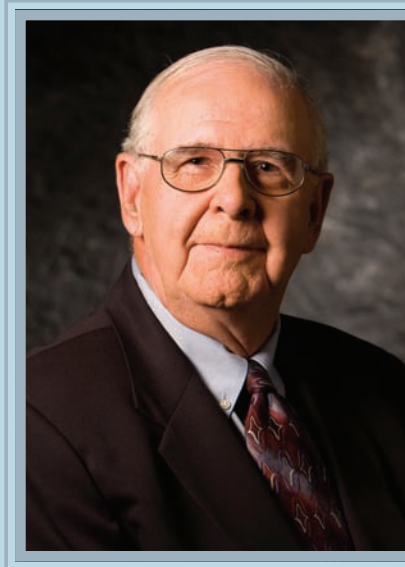
"Why would a business encourage consumers to use less of its product?" you may ask. The answer is simple.

When you use less electricity, our energy production costs decrease. In short, when your electric bill goes down, so does ours. Approximately 75% of your electric bill is a "pass through." PRECO doesn't mark up the cost of the electricity you use; the exact cost of the electricity you use "passes through" to your electric bill.

Where can you get ideas on how to reduce your usage?

Check out these sources from PRECO.

- (1) We offer energy-saving ideas in every issue of our monthly member newsletter, Florida Monthly magazine. Check your mailbox.
- (2) PRECO's Energy Services Department stands ready to offer free advice on ways to make your home more energy efficient. Contact our trained personnel for a free in-home energy audit.
- (3) Try WWW.TOGETHERWESAVE.COM for an assortment of energy-saving online tools. This website uses PRECO's actual rate data to give you a realistic picture of how much money you can save just by making a few, small changes.



Samuel Rawls,
PRESIDENT



William T. Mulcay, Jr.
GENERAL MANAGER / CEO

**SOLUTIONS FROM WASHINGTON
USUALLY COST YOU MORE
MONEY. WE ALREADY HAVE THE
SOLUTION: USE LESS ENERGY.
IT WILL SAVE YOU MONEY.**

TOGETHERWESAVE.COM

Together We Save

TOGETHERWESAVE.COM was specifically created with electric cooperative members in mind. This easy-to-use website offers many energy-saving, money-saving tips in a fun and creative way.

The **TOGETHER WE SAVE** campaign was designed to convey two primary messages:

- There are many specific steps you can take as an individual to save money on your energy costs
- If every co-op member makes even small changes, it will have a major impact on saving money and energy resources.

Whether your motivation is to save money or reduce the impact on the environment, we can all agree that using less energy is beneficial. Using less energy has an immediate influence on both.

IMAGINE.

Imagine an army of consumers changing how they use energy. Peace River Electric Cooperative and 700 other electric co-ops in 46 states are involved in the Together We Save program. Small changes add up.

IT'S TIME.

It's time to do something. Anything. Press a button. Flip a switch. It doesn't take much to make a difference. Control what you can control. Take matters into your own hands and watch what happens to your energy bill. Little changes, big difference.

CLICK.

Visit **WWW.TOGETHERWESAVE.COM**. The website features:

- Energy-saving videos
- A virtual energy-savings home tour, room-by-room
- Entertaining and informative energy-saving applications
- A calculator to estimate yearly energy savings from various actions and home upgrades

GREEN FAST FACTS

- OVER 50% OF TYPICAL CONSTRUCTION WASTE WAS DIVERTED FROM LANDFILLS
- ORIENTED EAST-WEST TO REDUCE HEAT LOAD AND INCREASE NATURAL LIGHTING
- OFFICES HAVE EXTERIOR WINDOWS TO REDUCE INDOOR LIGHTING NEEDS
- EFFICIENT PLUMBING FIXTURES CONSERVE OVER 40% MORE WATER
- SITE LIGHTING LIMITS LIGHT POLLUTION OFFSITE
- COOLING PROVIDED BY A HIGH EFFICIENCY CHILLER
- DAYLIGHT SENSORS AND ROOM OCCUPANCY SENSORS REDUCE LIGHTING USE
- HIGH SOLAR REFLECTANCE INDEX (SRI) ROOF TO REDUCE BUILDING HEAT ISLAND EFFECT

Imagine if every PRECO member made one small change.



INSULATION HELPS ME WEATHER THE ECONOMY.

PRECO's Green Headquarters is Making a Difference



Our headquarters building, completed in January 2009, achieved LEED “Silver” certification for energy use, lighting, water and material use, as well as incorporating a variety of other sustainable strategies. By using less energy and water, LEED certified buildings save money for families, businesses and taxpayers, reduce greenhouse gas emissions, and contribute to a healthier environment for residents, workers, and the community.

LEED (Leadership in Energy and Environmental Design) is the nation’s preeminent program for the design, construction and operation of high performance green buildings.

Now, stop imagining.

Flip a switch. Seal some cracks. Screw in a CFL. Install a programmable thermostat and actually program it. Doesn't take a lot of energy to save energy. But it sure pays off. For all 33,096 of us. What can you do? Find out how the little changes add up at TOGETHERWESAVE.COM.



I SET THE THERMOSTAT TO CHEAP.



OVER 121 DEGREES? THAT'S BURNING MONEY.



I'M TIGHT WITH MY MONEY. AIRTIGHT.

Balance Sheet

For the years ending December 31, 2009 & 2008

	2009*	2008
Total Utility Plant in Service	\$ 197,547,231	\$ 162,965,750
Construction Work in Progress	15,048,444	29,099,220
Total Utility Plant	\$ 212,595,675	\$ 192,064,970
Accum. Provision for Depreciation and Amort.	36,514,722	30,866,055
Net Utility Plant	\$ 176,080,953	\$ 161,198,915
Non-Utility Property (Net)	21,000	21,000
Investments in Subsidiary Companies	1,150	1,150
Invest. in Assoc. Org. – Patronage Capital	7,572,228	6,133,517
Invest. in Assoc. Org. – Other - General Funds	60,947	60,947
Invest. in Assoc. Org. – Other - Nongeneral Funds	1,034,863	1,044,276
Other Investments	-	-
Total Other Property & Investments	\$ 8,690,189	\$ 7,260,890
Cash – General Funds	3,075,753	973,866
Cash – Construction Funds - Trustee	11	11
Special Deposits	2,459	2,659
Accounts Receivable – Sales of Energy (Net)	3,898,792	4,049,762
Accounts Receivable – Other (Net)	754,884	845,526
Materials and Supplies – Electric & Other	2,600,382	2,629,049
Prepayments	347,294	379,515
Unrecovered Power Cost	435,022	1,034,327
Other Current and Accrued Assets	4,389,961	3,064,241
Total Current and Accrued Assets	\$ 15,504,560	\$ 12,978,956
Other Deferred Debits	2,986,439	2,060,665
Total Assets and Other Debits	\$ 203,262,140	\$ 183,499,426
Memberships	\$ 130,640	\$ 131,690
Patronage Capital	43,331,788	37,652,289
Operating Margins – Prior Years	-	2,990,863
Operating Margins – Current Year	2,329,711	3,005,190
Non-Operating Margins	1,774,428	565,638
Other Margins and Equities	692,235	395,101
Total Margins & Equities	\$ 48,258,802	\$ 44,740,771
Long-Term Debt – RUS	86,519,508	89,116,078
Long-Term Debt – FFB	47,000,000	-
Long-Term Debt – CFC	7,200,806	7,625,013
Total Long-Term Debt	\$ 140,720,314	\$ 96,741,091
Accumulated Operating Provisions & Asset Retirement Obligations	1,181,500	1,284,400
Total Other Noncurrent Liabilities	\$ 1,181,500	\$ 1,284,400
Notes Payable	-	24,500,000
Accounts Payable	5,065,874	7,896,360
Consumers Deposits	2,241,644	2,263,668
Current Maturities Long-Term Debt	2,868,498	2,817,721
Other Current and Accrued Liabilities	1,287,349	1,529,750
Total Current & Accrued Liabilities	\$ 11,463,366	\$ 39,007,499
Other Deferred Credits	1,638,158	1,725,665
Total Liabilities and Other Credits	\$ 203,262,140	\$ 183,499,426

* unaudited

Statement of Revenue and Expense

For the years ending December 31, 2009 & 2008

	2009*	2008
Operating Revenues:		
Electric Energy Sales	\$ 74,608,216	\$ 72,046,545
Other Electric Revenues	1,592,389	1,842,314
Total Operating Revenues	\$ 76,200,605	\$ 73,888,859
Operating Expenses:		
Cost of Purchased Power	\$ 50,046,491	\$ 48,849,507
Transmission	40,882	-
Operations	2,747,942	3,045,213
Maintenance	3,790,794	3,125,546
Consumer Accounts	2,851,288	2,674,796
Consumer Service Information	485,332	472,906
Administrative and General	3,576,858	3,351,712
Total Operating Expenses	\$ 63,539,588	\$ 61,519,680
Depreciation and Amortization	\$ 5,227,493	\$ 4,753,481
Property Taxes	11	118
Tax Expense – Other	26,853	13,471
Interest on Long-Term Debt	5,315,659	5,074,195
Interest Expense – Other	1,086,722	544,671
Other Income Deductions	141,765	137,008
Total Cost of Electric Service	\$ 75,338,090	\$ 72,042,624
Operating Margins	\$ 2,329,711	\$ 3,005,191
Non-Operating Margins	1,774,428	565,637
Total Margins	\$ 4,104,139	\$ 3,570,828

* unaudited

Key Statistics

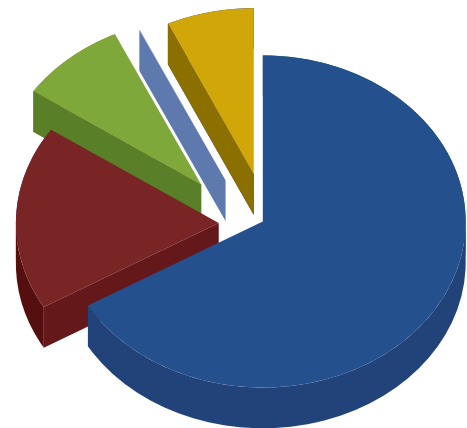
	1989	1999	2009
Average Accounts Billed	17,420	23,506	32,785
Average Residential kWh Use	816	1,011	1,236
Miles of Line	2,319.90	2,746.35	3,357.62
Total Services per Mile	8.08	9.32	10.88

Report for Operation Round Up

	2009
Individuals	\$ 58,313
Organizations	66,800
Scholarships	34,000
Total	\$ 159,113

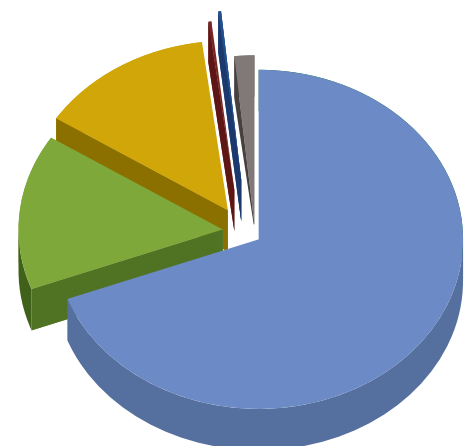
Major Costs

■ Taxes	\$ 26,864
■ Interest	\$ 6,402,381
■ Depreciation	\$ 5,227,493
■ Operations	\$ 13,493,096
■ Power Cost	\$ 50,046,491
TOTAL	\$ 75,196,325



Electric Revenue Sources

■ Residential	\$ 51,689,483
■ Industrial	\$ 11,069,158
■ Commercial	\$ 10,340,560
■ Irrigation	\$ 174,632
■ Lighting	\$ 160,654
■ Public Authorities	\$ 1,173,729
TOTAL	\$ 74,608,216





Peace River Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

CORPORATE HEADQUARTERS

210 Metheny Road
Wauchula, Florida 33873

BRADENTON OFFICE

15105 59th Avenue East
Bradenton, Florida 34211

INDIAN LAKE ESTATES OFFICE

15636 County Road 630
Lake Wales, Florida 33853