



INSIDE THIS ISSUE

G&T Cooperative Sector Stable in 2010 2

U.S. Shale Gas Resource Estimate Doubles 2

Behind the Numbers 2

Capital Markets Analysis 3

Financial Feature 4

In Brief 4

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Texas G&Ts Use CFC Financing To Purchase Power Plant

Before the turn of the new year, East Texas Electric Cooperative (ETEC), Nacogdoches, Texas, and Northeast Texas Electric Cooperative (NTEC), Longview, Texas, secured \$221 million in interim financing from CFC to buy out a third partner's interest in a natural gas-fired power plant. The G&Ts purchased 335 mw of capacity from Entergy Power Ventures, a subsidiary of Entergy Corporation.



Ryan Thomas

"This acquisition will go far in securing reliable power for our members for many years to come," said ETEC CFO Ryan Thomas. "CFC's level of commitment made the interim financing of this purchase one less thing we had to worry about, as we were able to get the deal closed before the end of the year."

The Harrison County Power Project, a 550-mw combined cycle plant that utilizes four generators, began operating in 2003. Entergy had previously owned almost 61 percent of the plant's output; NTEC owned 30 percent and ETEC owned the remaining 9 percent. Through the purchase, ETEC will take on 198 mw of additional capacity; NTEC will take on an additional 137 mw. Facility operations will be contracted out.

"NTEC's board of directors is appreciative of CFC's willingness to help in the acquisition," said NTEC General Manager Rick Tyler. "The acquisition will allow us to be a more independent power supplier. Of our many power supply options, this proved to be the lowest-cost alternative, which will use an abundant fuel source at a facility we are already familiar with."

ETEC was formed in 1987 and is made up of three member G&Ts, including NTEC, which serve 10 distribution cooperatives in East Texas. NTEC, formed in 1972, provides power to six of those distribution cooperatives.



Rick Tyler

Sen. Dorgan To Keynote CFC Annual Meeting

Former U.S. Senator Byron Dorgan will keynote the CFC 2011 Annual Meeting on March 7 at the Orange County Convention Center in Orlando, Fla. The meeting also will feature addresses from CFC President Reuben McBride and CEO Sheldon C. Petersen, as well as a member vote on whether to modify CFC's bylaws to allow mail balloting.



Sen. Byron Dorgan

Sen. Dorgan, from North Dakota, retired this month after serving 18 years in the Senate and 12 years in the House. While in the Senate, Dorgan was a senior member of the Appropriations, Commerce and Energy committees. At CFC's annual meeting, he will discuss "Energy and Financial Markets: Tough Lessons and Future Outlook."

Sen. Dorgan was a longtime independent voice in the Senate who warned of dire consequences from repealing Depression-era banking rules and deregulating Wall Street. During the 1999 debate over legislation that tore down walls separating investment banks from commercial banks, Dorgan predicted: "I think we will look back in 10 years' time and say we should not have done this but we did because we forgot the lessons of the past, and that that which is true in the 1930s is true in 2010."

The NCSC 2011 Annual Meeting will take place on March 8 in the same location and will include addresses from NCSC President Fred Hubbard, NCSC Vice President Petersen and keynote speaker James Glassman, managing director and senior economist with JPMorgan Chase & Co. Members also will vote to fill two seats on NCSC's 11-member board of directors.

Packets of information about CFC's and NCSC's annual meetings—including voting registration cards—will be sent to CFC and NCSC members later this month. Annual meeting information is also posted in the Events section of CFC's website, www.nrucfc.coop, and NCSC's website, www.ncsc.coop.