

LETTER TO OUR MEMBERS:

To Our Members:

Seminole Electric Cooperative, Inc. ("Seminole") is pleased to present the enclosed interim consolidated financial statements including balance sheets, statements of revenue and expenses and patronage capital, and statement of cash flows as of or for the periods ended March 31, 2011 and 2010.

Operations:

Total revenues decreased 21% and 3% for the year-to-date and the twelve months ended March 31, 2011, compared to the same periods in 2010. Member revenues decreased 23% for the year-to-date due to a 16% decrease in MWh sold and an 8% decrease in the average wholesale rate. Member revenues decreased 6% for the twelve months ended March 31, 2011 primarily due to a 6% decrease in MWh sold. Non-Member revenues increased 279% for the year-to-date largely due to a 255% increase in MWh sold combined with a 7% increase in the average sales price. For the twelve months ended March 31, 2011, non-Member revenues increased 421% due to a 261% increase in MWh sold and a 44% increase in the average sales price.

Fuel expenses were 9% lower for the year-to-date and 2% higher for the twelve months ended March 31, 2011, compared to the same periods in 2010. Fuel costs at Seminole Generating Station ("SGS") increased 2% for the year-to-date ended March 31, 2011 due to a 12% increase in generation partially offset by a 9% decrease in average cost per ton of coal burned. Fuel costs at SGS increased 10% for the twelve months ended March 31, 2011 primarily due to an 18% increase in generation partially offset by a 2% reduction in the average cost per ton of coal burned. Fuel expense for the Midulla Generating Station ("MGS") combined cycle unit decreased 33% for the year-to-date primarily due to a 36% decrease in MWh generated. For the twelve months ended March 31, 2011, fuel expense for the MGS combined cycle unit decreased 11% due to a 5% decrease in generation and an 8% decrease in average cost per Dth of fuel, inclusive of natural gas hedges. Fuel expense at the MGS peaking plant increased 30% for the year-to-date ended March 31, 2011

primarily due to a 38% increase in MWhs generated partially offset by an 11% decrease in average cost per Dth of fuel, inclusive of natural gas hedges. For the twelve months ended March 31, 2011, fuel expense at the peaking plant decreased 12% primarily due to a 9% decrease in generation combined with a 5% decrease in average cost per Dth of fuel, inclusive of natural gas hedges.

Other production expenses increased 2% and 8% for the year-to-date and the twelve months ended March 31, 2011 when compared to the same periods in 2010.

Purchased power costs decreased 38% for the year-to-date and 17% for the twelve month ended March 31, 2011 primarily resulting from 39% and 24% reductions in MWhs purchased. The decreases in purchased power costs were due to 48% and 19% reductions in fuel related costs combined with 18% and 12% reductions in capacity and other non-fuel related costs for the year-to-date and the twelve months ended March 31, 2011, respectively.

Transmission expense increased 6% for the year-to-date and 36% for the twelve months ended March 31, 2011. The increases were due in large part to a required conversion in September 2009, from an expiring Progress Energy Florida ("PEF") wheeling contract to PEF's Open Access Transmission Tariff.

Depreciation and amortization expenses increased 18% for the twelve months ended March 31, 2011 primarily due to accelerated amortization of \$10.4 million of previously deferred preliminary survey and investigation project costs associated with the canceled SGS Unit 3 project.

Net interest expense decreased 3% for the year-to-date and the twelve months ended March 31, 2011 primarily due to scheduled payments of long-term debt and a decrease in short-term borrowings.

Other income increased \$0.8M and \$2.3M for the year-to-date and the twelve months ended March 31, 2011 primarily due to sales of excess NOx emission allowances. The increase for the twelve months ended March 31, 2011 was also due to accelerated amortization of the deferred gain relating to the terminated SGS Unit 1 Leases.

Financial Position:

The decrease in net utility plant of \$14.2M at March 31, 2011 is primarily due to scheduled depreciation.

Current assets increased \$115.4M from March 31, 2010 primarily due to increases in cash and cash equivalents, fuel inventory, and accounts receivable, partially offset by a decrease in the current portion of regulatory deferred charges. Fuel inventory at March 31, 2011 increased \$12.6M primarily associated with a 37% increase in coal stockpiled at SGS in preparation for a planned coal dumper retrofit outage. Accounts receivable increased \$4.5M over 2010 primarily due to a \$2.9M increase in Member receivables combined with a \$2.1M increase in non-Member receivables. Current regulatory deferred charges decreased \$12.8M resulting from a \$7.2M reduction in fuel adjustment true-up receivables and a \$6.8M reduction in the unrealized natural gas hedge loss position to be recognized over the next twelve months.

Non-current regulatory deferred charges decreased \$57.1M over March 31, 2010 primarily due to a \$52.0M reduction in the unrealized natural gas hedge loss position, combined with \$4.6M relating to the scheduled amortization of deferred debt costs.

Total equity increased \$38.7M from March 31, 2010, reflecting twelve months ended net margin of \$40.1M offset by a decrease of \$1.4M in other comprehensive margin relating to a reduction in unrealized actuarial gains on post-employment benefit obligations.

Long-term debt decreased during the past 12 months by \$28.2M mainly due to scheduled principal payments on existing long-term debt, partially offset by loan draws of \$31.3M from Rural Utilities Service ("RUS") guaranteed loans. Total current liabilities at March 31, 2011, were \$34.4M higher than March 31, 2010 due to increases in Member power bill prepayments, other accrued liabilities, and current portions of regulatory deferred credits, partially offset by a decrease in accounts payable. From March 31, 2010, Member power bill prepayments increased \$40.2M. Other accrued liabilities increased \$6.6M mainly due to a \$10.2M increase in accrued

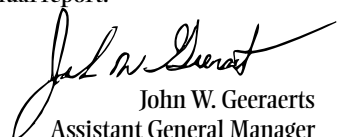
purchased power, partially offset by decreases in accrued fuel and other accrued payables. The current portion of regulatory deferred credits increased \$5.5M primarily due to a \$5.3M increase in accumulated fuel true-up payables. Accounts payable decreased \$20.5M principally due to decreases of \$13.7M and \$9.6M in accounts payable and purchased power payables, respectively.

Working capital at March 31, 2011 of \$147.6M represents an increase of \$81.3M over the previous year. Seminole has available committed lines of credit totaling \$200M. Seminole achieved a current ratio of 1.50 at the end of March 2011 compared to 1.25 a year ago.

Other Matters:

On February 15, 2011, Standard & Poor's Ratings Services affirmed its 'A-' issuer credit rating for Seminole, with a stable outlook. At the same time, Standard & Poor's affirmed its 'A-' rating on Seminole's series A, B, and C notes, and its 'A-' rating on Putnam County Development Authority's pollution control revenue refunding bonds.

The accompanying consolidated balance sheets, statements of operations and statements of cash flows are unaudited. However, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) have been made and this report constitutes a fair and accurate representation of the consolidated financial position and operation of Seminole and its subsidiaries for the periods presented. These statements are prepared in accordance with generally accepted accounting principles and, in all material respects, in accordance with the RUS Uniform System of Accounts. Certain reclassifications have been made to previously reported amounts to conform to current classifications. There has been no change to net margins as previously reported. These statements should be read in conjunction with the financial statements and related notes included in Seminole's 2010 annual report.


John W. Geeraerts
Assistant General Manager
& Chief Financial Officer

April 29, 2011

Consolidated Balance Sheets

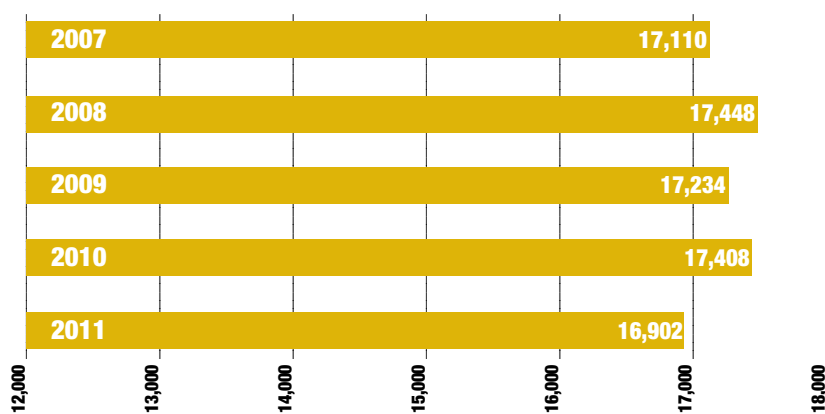
SEMINOLE ELECTRIC COOPERATIVE, INC. CONSOLIDATED BALANCE SHEETS (Unaudited) (Thousands)

	March 31,	
	2011	2010
ASSETS		
Utility plant:		
Plant in service	\$ 1,880,589	\$ 1,874,694
Construction work in progress	31,326	29,403
	<u>1,911,915</u>	<u>1,904,097</u>
Less accumulated depreciation and amortization	(621,394)	(599,346)
Utility plant, net	<u>1,290,521</u>	<u>1,304,751</u>
Investments:		
Investments in associated organizations, at cost	2,485	2,430
Investments held by trustees, restricted	56,455	55,009
Total investments	<u>58,940</u>	<u>57,439</u>
Current assets:		
Cash and cash equivalents	122,561	12,550
Receivables, principally for sales of electricity	61,436	56,928
Inventories, at average cost:		
Materials and supplies	26,823	25,657
Fuel	75,634	63,054
Prepayments and other	27,194	27,209
Current portion of regulatory deferred charges	84,219	97,037
Total current assets	<u>397,867</u>	<u>282,435</u>
Non-current regulatory deferred charges	<u>51,762</u>	<u>108,830</u>
Total assets	<u>\$ 1,799,090</u>	<u>\$ 1,753,455</u>
EQUITIES AND LIABILITIES		
Equities:		
Memberships	\$ 1	\$ 1
Patronage capital	242,887	202,796
Donated capital	32	32
Accumulated comprehensive margin	1,188	2,616
Total equities	<u>244,108</u>	<u>205,445</u>
Long-term liabilities:		
Debt	1,229,276	1,257,440
Other	27,551	24,996
Total long-term liabilities	<u>1,256,827</u>	<u>1,282,436</u>
Current liabilities:		
Current portion of long-term debt	59,178	56,599
Accounts payable	39,933	60,469
Member power bill prepayments	121,835	81,602
Current regulatory deferred credit	20,469	15,017
Other accrued liabilities	55,409	48,782
Total current liabilities	<u>296,824</u>	<u>262,469</u>
Non-current regulatory deferred credit	<u>1,331</u>	<u>3,105</u>
Total equities and liabilities	<u>\$ 1,799,090</u>	<u>\$ 1,753,455</u>
Current ratios ⁽¹⁾	1.50	1.25

⁽¹⁾ includes \$46.6 million and \$46.3 million in RUS cushion of credit account funds listed under "Investments" for 2011 and 2010, respectively.

TOTAL ENERGY SALES (MWh x 1000)

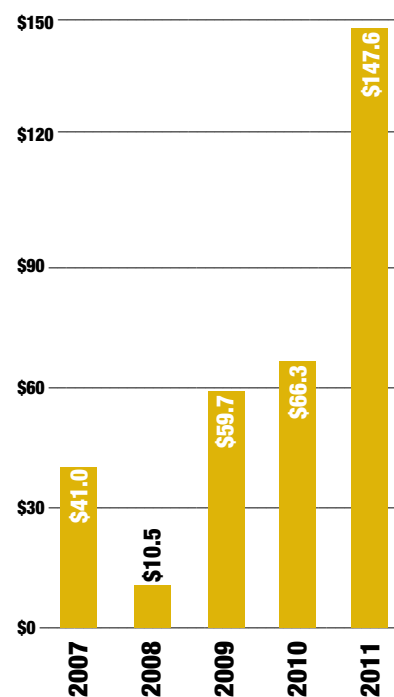
(For the twelve months ended March 31)



WORKING CAPITAL

(As of March 31)

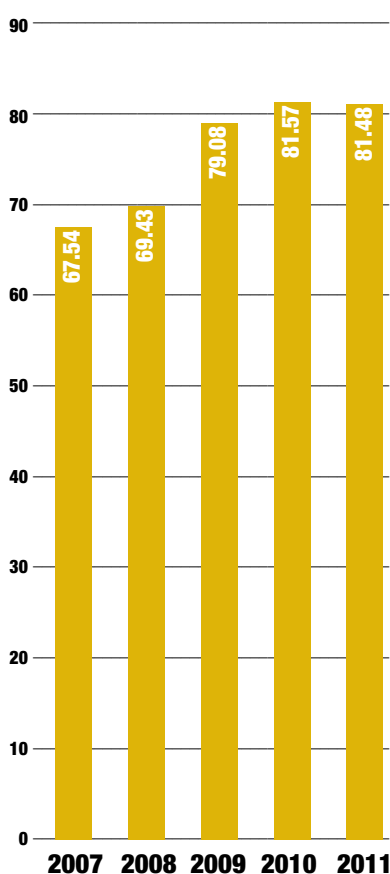
\$ x millions



WHOLESALE MEMBER COST

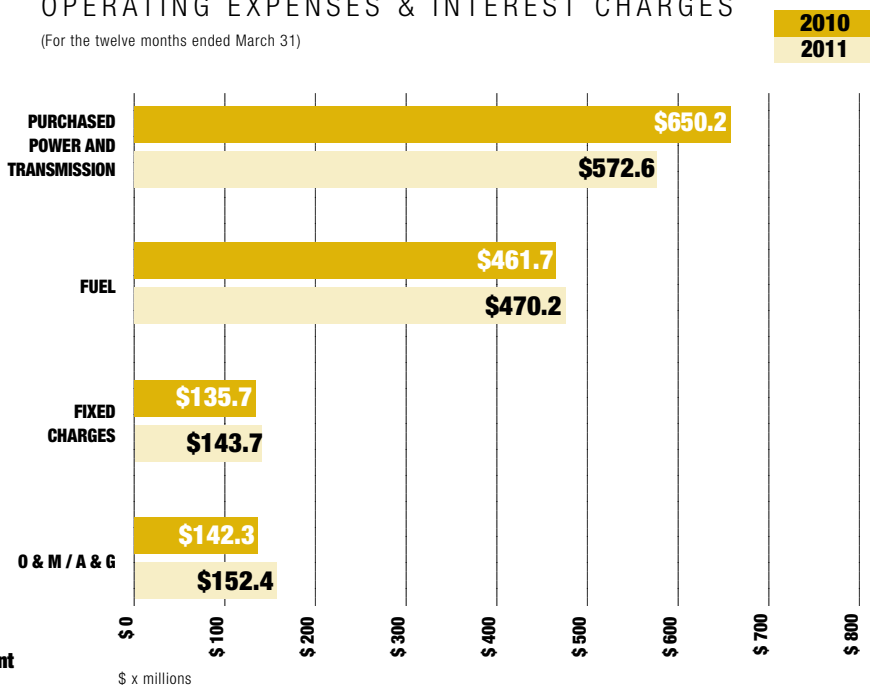
(For the twelve months ended March 31)

\$/MWh



OPERATING EXPENSES & INTEREST CHARGES

(For the twelve months ended March 31)



SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF REVENUE AND EXPENSES AND PATRONAGE CAPITAL
(Unaudited) (Thousands)

	For the three months ended March 31,		For the twelve months ended March 31,	
	2011	2010	2011	2010
Operating revenues	\$ 323,697	\$ 411,318	\$ 1,371,294	\$ 1,419,551
Operating expenses:				
Operation:				
Fuel	105,335	115,487	470,057	461,652
Other production expenses	30,280	29,602	124,772	115,598
Purchased power	94,711	151,594	489,119	588,983
Transmission	21,473	20,267	83,522	61,197
Administrative and general	7,461	7,448	27,610	26,688
Depreciation and amortization - non-fuel	14,718	15,432	69,948	59,458
Total operating expenses	273,978	339,830	1,265,028	1,313,576
Operating margin before interest expense	49,719	71,488	106,266	105,975
Interest expense, net of amounts capitalized	17,984	18,458	73,717	76,253
Operating margin	31,735	53,030	32,549	29,722
Other income:				
Interest	1,077	937	3,517	2,602
Other	1,398	595	4,025	1,734
Net margin	34,210	54,562	40,091	34,058
Patronage capital, beginning of period	208,677	148,234	202,796	168,738
Patronage capital, end of period	\$ 242,887	\$ 202,796	\$ 242,887	\$ 202,796
* Megawatt hours sold - Members	3,483,137	4,122,162	16,290,441	17,238,802
Megawatt hours sold - non-Members	132,118	37,231	611,514	169,311
* Wholesale Member power cost - \$/MWh	90.76	99.01	81.48	81.57
Total sales - \$/MWh	89.00	98.48	80.68	81.18
TIER			1.60	1.50
MFI			1.60	1.50
DSC			1.33	1.34
* All rate schedules				

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (Thousands)

	For the three months ended March 31,		For the twelve months ended March 31,	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net margin	\$ 34,210	\$ 54,562	\$ 40,091	\$ 34,058
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortization	14,805	14,857	71,770	60,429
Change in assets and liabilities:				
Receivables	57,594	25,826	(4,506)	15,098
Inventories	6,167	(1,525)	(13,746)	33,688
Other current assets	14,501	(43,691)	58,850	64,863
Deferred charges	(8,772)	(26,611)	1,257	(42,139)
Other long-term liabilities	413	(221)	(599)	(13,209)
Accounts payable	(9,846)	16,896	(20,536)	(4,362)
Member power bill prepayments	(15,983)	(30,748)	40,233	33,186
Other accrued liabilities	(18,285)	16,151	6,799	(12,289)
Total adjustments	40,594	(29,066)	139,522	135,265
Net cash provided by/(used in) operating activities	74,804	25,496	179,613	169,323
Cash flows from investing activities:				
Capital expenditures	(6,450)	(7,195)	(42,761)	(65,071)
Purchases of investments	(1,127)	(23,918)	(102,963)	(73,393)
Proceeds from maturities of investments	47,693	23,810	101,707	30,486
Net cash provided by/(used in) investing activities	40,116	(7,303)	(44,017)	(107,978)
Cash flows from financing activities:				
Proceeds from line-of-credit	-	107,335	91,160	440,957
Payments of line-of-credit	(95)	(107,335)	(91,160)	(479,272)
Proceeds from long-term borrowings	-	-	31,293	40,332
Payments of long-term debt	(26,137)	(12,686)	(56,878)	(51,882)
Net cash provided by/(used in) financing activities	(26,232)	(12,686)	(25,585)	(49,865)
Net increase in cash and cash equivalents	88,688	5,507	110,011	11,480
Cash and cash equivalents, beginning of period	33,873	7,043	12,550	1,070
Cash and cash equivalents, end of period	\$ 122,561	\$ 12,550	\$ 122,561	\$ 12,550

**Board Officers**

Robert W. Strickland
President

Malcolm V. Page
Vice President

W. F. Hart
Secretary/Treasurer

Chief Executive Officer

Timothy S. Woodbury
CEO & General Manager

Please direct inquiries to:

Seminole Electric Cooperative, Inc.
*Assistant General Manager &
Chief Financial Officer*

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Tampa, FL 33688-2000
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Email:
info@seminole-electric.com

Web Address:
www.seminole-electric.com

**Owned by those we serve –
10 member distribution cooperatives:**

Central Florida Electric Cooperative
Chiefland, FL

Clay Electric Cooperative
Keystone Heights, FL

Glades Electric Cooperative
Moore Haven, FL

Lee County Electric Cooperative
North Fort Myers, FL

Peace River Electric Cooperative
Wauchula, FL

Sumter Electric Cooperative
Sumterville, FL

Suwannee Valley Electric Cooperative
Live Oak, FL

Talquin Electric Cooperative
Quincy, FL

Tri-County Electric Cooperative
Madison, FL

Withlacoochee River Electric Cooperative
Dade City, FL

OUR MISSION

To be the preferred provider of wholesale energy services for our Members.

OUR VISION

To be a leading competitor in the Florida energy market, trusted and respected by our Members, employees, business partners, and community.

To provide our employees a safe, challenging and rewarding work environment, where pride and commitment are the hallmark of our operations.

OUR VALUES

We uphold the highest ethical and professional standards.

We believe that Cooperative ownership and principles are the cornerstone of our success.

We affirm that innovation, communication, accountability, and teamwork are essential ingredients to achieve Member satisfaction.

We are committed to improving the quality of life in our communities.

We are responsible stewards of our environment.



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