Seminole Electric COOPERATIVE, INC.

IN PARTNERSHIP WITH THOSE WE SERVE

1st Quarter Report 2010

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, 2010 and 2009.

Operations:

Total revenues increased 11% and 4% for the year-to-date and the twelve months ended March 31, 2010, compared to the same periods in 2009. Member revenues increased for the year-to-date due to 5% increases in both MWh sold and the average wholesale rate. Member revenues increased for the twelve months ended March 31, 2010 due to a 1% increase in MWh sold and a 3% increase in the average wholesale rate.

Generation facility fuel expenses were 34% higher and 28% higher for the year-to-date and the twelve months ended March 31, 2010, compared to the same periods in 2009. Fuel costs at Seminole Generating Station (SGS) increased 94% for the year-to-date ended March 31, 2010 due to a 54% increase in MWhs generated combined with a 29% increase in average delivered cost per ton of coal. Fuel costs at SGS increased 47% for the twelve months ended March 31, 2010 primarily due to a 47% increase in average delivered cost per ton of coal. Fuel expense for the Midulla Generating Station ("MGS") combined cycle unit decreased 12% for the year-to-date primarily due to a 16% decrease in MWh generated and decreased 9% for the twelve months ended March 31, 2010 primarily due to a decrease in natural gas cost (including hedges). Fuel expense at the MGS peaking plant decreased 39% for the year-to-date ended March 31, 2010 primarily due to a decrease in MWhs generated. For the twelve months ended March 31, 2010, fuel expense at the peaking plant increased 262% primarily due to a 307% increase in MWhs generated resulting from SGS plant outages in 2009. Other production expenses decreased 6% for the year-to-date, and increased 3% for the twelve months ended March 31, 2010 when compared to the same periods in 2009. Purchased power costs decreased 2% for the year-to-date ended March 31, 2010 reflecting 22% fewer MWhs purchased at 25% higher prices compared to the previous year. Purchased power expense decreased 13% for the twelve months ended March 31, 2010 compared to 2009 due to a 9% reduction in price combined with a 5% reduction in MWhs purchased. Transmission expense increased 37% for the year-to-date and 21% for the twelve months ended March 31, 2010. The increases were primarily due to a conversion from a Progress Energy Florida (PEF) contract rate to PEF's Open Access Transmission Tariff. Administrative and general expenses increased 7% for the year-to-date and 6% for the twelve months ended March 31, 2010 mainly due to employee benefit costs and property insurance.

Net interest expense was 12% and 17% higher for the year-to-date and the twelve months ended March 31, 2010 primarily resulting from interest on capital funding for SGS emission control upgrades and other capital improvement projects. Interest income increased by $0.7M for the year-to-date ended March 31, 2010 compared to the same period in 2009 due to deposits established in a Rural Utilities Service (RUS) cushion of credit account. Interest income for the twelve months ended March 31, 2010 was 44% lower compared to 2009 mainly due to the liquidation in early 2009 of the termination funds associated with the SGS Unit 1 Leases.

Other income increased $0.5M for the year-to-date and $1.8M for the twelve-months ended March 31, 2010 compared to 2009 due to the amortization of the deferred gain relating to the terminated SGS Unit 1 Leases, and unrealized gains on Nuclear Decommissioning Trust Fund (NDTF) securities.

Financial Position:

Utility plant, net of depreciation and retirements increased $7.6M at March 2010 compared to 2009 primarily associated with emission control upgrades to SGS Units 1 and 2.

Investments held by trustees and special funds investments increased $47.8M primarily due to a $46.3M deposit balance established in the RUS cushion of credit account.

Current assets decreased $88.7M from 2009, primarily due to decreases in prepayments and other, fuel inventory, receivables, current portion of deferred charges and other current investments, offset by increases in cash and cash equivalents, and in materials and supplies. Prepayments decreased $35.1M primarily due to lower margin account requirements associated with natural gas hedge contracts. Fuel inventory as of March 31, 2010 had returned to more normal levels and was $34.2M lower than it was on March 31, 2009, at which time the coal inventory on-hand at SGS had increased significantly due to extended outages at that facility. Receivables decreased $15.1M primarily due to member power bill prepayments. The current portion of regulatory deferred charges decreased $12.1M due to a reduction in the unrealized natural gas hedge loss position, partially offset by accumulated fuel true-up receivables, and the current portion of SGS Unit 3 deferred expenses. From March 31, 2009, cash and cash equivalents increased $11.5M and other current investments decreased by $4.2M.

Non-current regulatory deferred charges decreased $14.2M during the past twelve months primarily due to a reduction in the unrealized hedge loss position, the reclassification of a portion of the SGS Unit 3 regulatory deferred charges to current, and the scheduled amortization of deferred debt costs for the next twelve months.

Total equity increased $39.7M from 2009, reflecting twelve months ended net margin of $34.0M, combined with an increase of $5.7M in other comprehensive income relating to unrealized actuarial gains on post retirement health care benefits.

Long-term debt decreased during the past 12 months by $16.6M mainly due to scheduled principal payments. Other long-term liabilities decreased by $19.0M primarily due to $13.8M payments of construction contract retention and a $5.3M reduction in the valuation of post retirement benefit obligations.

Total current liabilities were $49.0M lower at March 31, 2010 compared to a year ago. Short-term borrowings decreased $38.3M. The current portion of regulatory deferred credits decreased $32.5M primarily due to a $34.2M decrease in accumulated fuel true-up payables. Other accrued liabilities decreased $12.1M mainly due to decreases of $8.7M and $5.0M in accrued purchased power and fuel payables respectively. Accounts payable decreased $4.4M principally due to a decrease in purchased power payables. Member power bill prepayments increased $33.2M. The current portion of long-term debt increased $5.0M due to scheduled increases in principal payments due within the next twelve months.

Working capital at March 31, 2010 of $66.3M represents an increase of $6.6M over the previous year. Seminole has available committed lines of credit totaling $200M. Seminole achieved a current ratio of 1.25 at the end of March 2010 compared to 1.19 a year ago.

Other Matters:

In addition to its A- rating from Standard & Poor's, Seminole is seeking a credit rating from Moody's Investors Service (Moody's) to meet certain requirements of RUS related to the Indenture executed by Seminole in December 2009 and to provide an independent assessment of Seminole's creditworthiness. Supplementing the comprehensive data and analyses previously provided, members of Seminole's senior management made their presentation to Moody's on April 28, 2010. It is anticipated that the results will be available by mid-July 2010.

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 2009 annual report.

John W. Geeraerts
Assistant General Manager
and Chief Financial Officer
April 30, 2010

Consolidated Balance Sheets

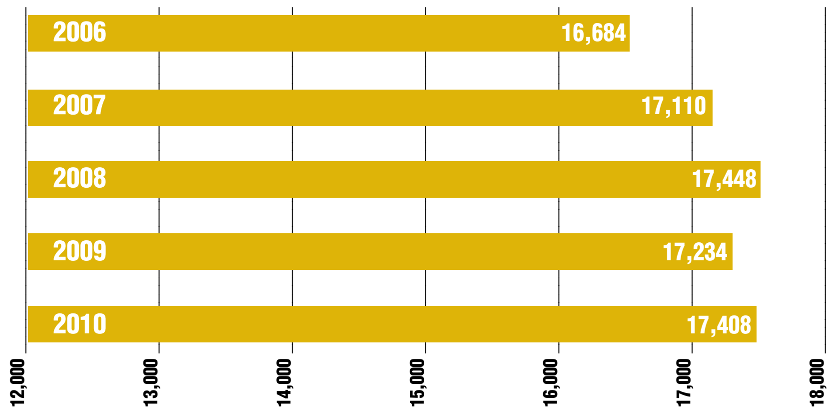
SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited) (Thousands)

	March 31, 2010	March 31, 2009
ASSETS		
Utility plant:		
Plant in service	$ 1,874,694	$ 1,708,726
Construction work in progress	29,403	176,051
	1,904,097	1,884,777
Less accumulated depreciation and amortization	(599,346)	(587,668)
Utility plant, net	1,304,751	1,297,109
Investments:		
Investments in associated organizations, at cost	2,430	2,364
Investments held by trustees, restricted	55,009	7,241
Total investments	57,439	9,605
Current assets:		
Cash and cash equivalents	12,550	1,070
Other current investments, at cost	0	4,175
Receivables, principally for sales of electricity	56,928	72,076
Inventories, at average cost:		
Materials and supplies	25,657	25,171
Fuel	63,054	97,228
Prepayments and other	27,209	62,298
Current portion of regulatory deferred charges	97,037	109,117
Total current assets	282,435	371,135
Non current regulatory deferred charges	108,830	123,065
Total assets	$ 1,753,455	$ 1,800,914
EQUITIES AND LIABILITIES		
Equities:		
Memberships	$ 1	$ 1
Patronage capital	202,796	168,738
Donated capital	32	32
Accumulated comprehensive loss	2,616	(3,055)
Total equities	205,445	165,716
Long-term liabilities:		
Debt	1,257,440	1,274,005
Other	24,996	44,023
Total long-term liabilities	1,282,436	1,318,028
Current liabilities:		
Short-term borrowings	0	38,315
Current portion of long-term debt	56,599	51,585
Accounts payable	60,469	64,830
Member power bill prepayments	81,602	48,416
Current regulatory deferred credit	15,017	47,469
Other accrued liabilities	48,782	60,863
Total current liabilities	262,469	311,478
Non current regulatory deferred credit	3,105	5,692
Total equities and liabilities	$ 1,753,455	$ 1,800,914
Current ratios ([1])	1.25	1.19

([1]) includes $46.3 million in RUS cushion of credit account funds listed under "Investments" for 2010.

TOTAL ENERGY SALES (MWh x 1000)

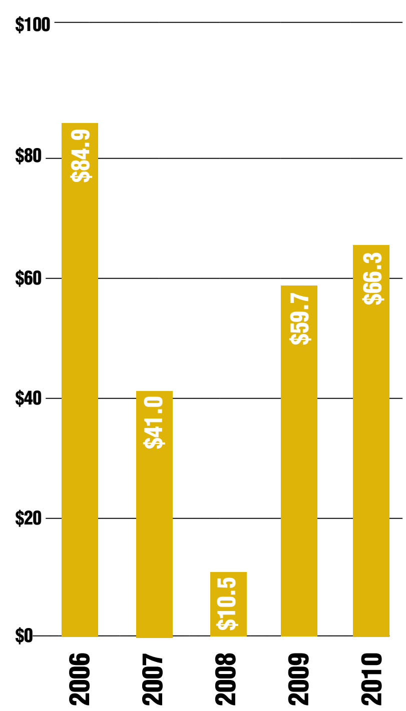
(For the twelve months ended March 31)



WORKING CAPITAL

(As of March 31)

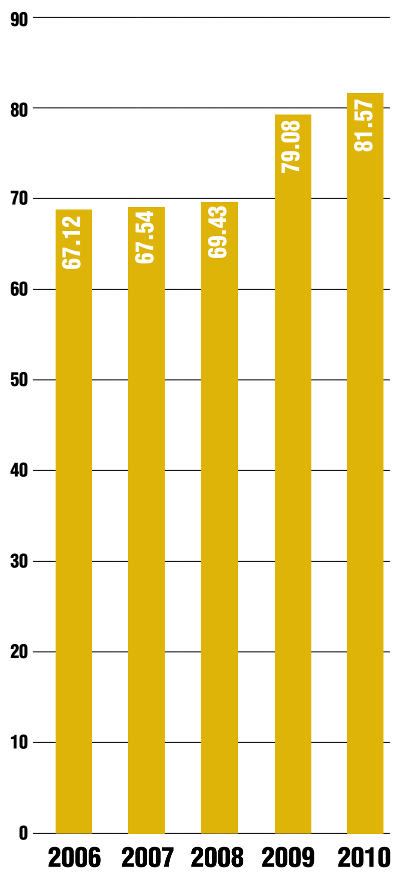
$ x millions



WHOLESALE MEMBER COST

(For the twelve months ended March 31)

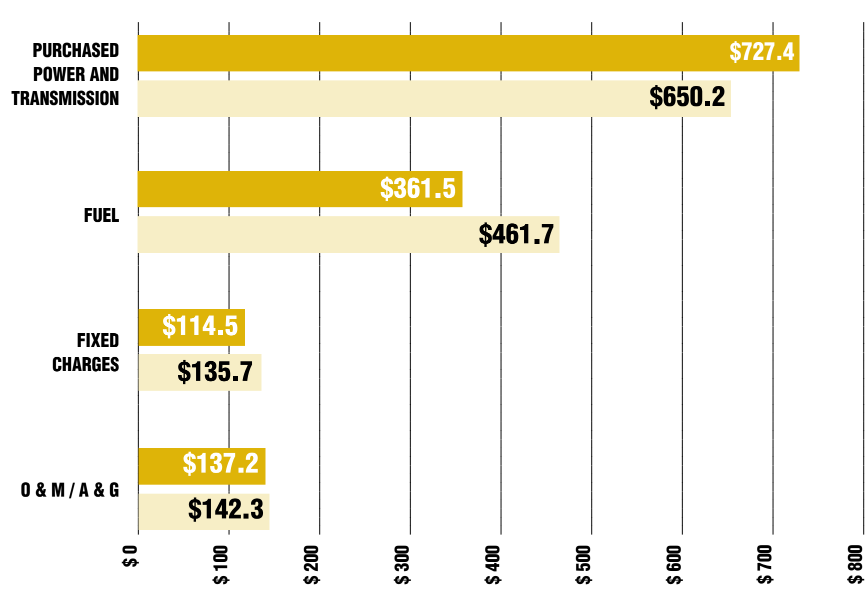
mills/kWh



OPERATING EXPENSES & INTEREST CHARGES

(For the twelve months ended March 31)

2009
2010



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,	
	2010	2009	2010	2009
Operating revenues	$ 411,318	$ 371,796	$ 1,419,551	$ 1,369,735
Operating expenses:				
Operation:				
Fuel	115,487	86,393	461,652	361,502
Other production expenses	29,602	31,347	115,598	112,051
Purchased power	151,594	155,280	588,983	676,964
Transmission	20,267	14,773	61,197	50,451
Administrative and general	7,448	6,954	26,688	25,060
Depreciation and amortization - non-fuel	15,432	12,531	59,458	49,288
Write-offs	0	0	0	0
Total operating expenses	339,830	307,278	1,313,576	1,275,316
Operating margin before interest expense	71,488	64,518	105,975	94,419
Interest expense, net of amounts capitalized	18,458	16,550	76,253	65,247
Operating margin	53,030	47,968	29,722	29,172
Other income:				
Interest	937	239	2,602	4,620
Other	595	55	1,734	(60)
Net margin	54,562	48,262	34,058	33,732
Patronage capital, beginning of period	148,234	120,476	168,738	135,006
Patronage capital retirements	0	0	0	0
Patronage capital, end of period	$ 202,796	$ 168,738	$ 202,796	$ 168,738
* Megawatt hours sold - members	4,122,162	3,909,341	17,238,802	16,994,098
Megawatt hours sold - non-members	37,231	30,637	169,311	239,845
* Wholesale member power cost - mill/kWh	99.01	94.50	81.57	79.08
Total sales - mills/kWh	98.45	94.06	81.14	79.02
TIER			1.50	1.51
MFI			1.50	1.51
DSC			1.34	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,	
	2010	2009	2010	2009
Cash flows from operating activities:				
Net margin	$ 54,562	$ 48,262	$ 34,058	$ 33,732
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortization	14,857	13,377	60,429	54,991
Amortization of deferred gain on lease/leaseback	0	0	0	(931)
Write offs	0	0	0	0
Change in assets and liabilities:				
Receivables	25,826	63,073	15,098	2,785
Inventories	(1,525)	(30,722)	33,688	(45,684)
Other current assets	(43,691)	(75,159)	64,863	(252,091)
Deferred charges	(26,611)	(7,123)	(42,139)	28,364
Other long-term liabilities	(221)	131	(13,209)	6,930
Accounts payable	16,896	36,349	(4,362)	4,711
Member power bill prepayments	(30,748)	0	33,186	48,416
Other accrued liabilities	16,151	24,517	(12,289)	39,744
Total adjustments	(29,066)	24,443	135,265	(112,765)
Net cash provided by/(used in) operating activities	25,496	72,705	169,323	(79,033)
Cash flows from investing activities:				
Capital expenditures	(7,196)	(11,649)	(65,071)	(175,107)
Purchases of investments	(415)	(340)	(49,891)	(45,320)
Proceeds from maturities of investments	308	61,673	6,984	119,785
Net cash provided by/(used in) investing activities	(7,303)	49,684	(107,978)	(100,642)
Cash flows from financing activities:				
Proceeds from line-of-credit	107,335	354,646	440,957	1,265,215
Payments of line-of-credit	(107,335)	(406,646)	(479,272)	(1,265,535)
Proceeds from long-term borrowings:	0	25,392	40,332	311,899
Payments of long-term debt	(12,686)	(96,686)	(51,882)	(131,092)
Net cash provided by/(used in) financing activities	(12,686)	(123,294)	(49,865)	180,487
Net increase/(decrease) in cash and cash equivalents	5,507	(905)	11,480	812
Cash and cash equivalents, beginning of period	7,043	1,975	1,070	258
Cash and cash equivalents, end of period	$ 12,550	$ 1,070	$ 12,550	$ 1,070

Board Officers

Robert W. Strickland
President

Malcolm V. Page
Vice President

W. F. Hart
Secretary/Treasurer

Chief Executive Officer

Timothy S. Woodbury
Executive Vice President & General Manager

Please direct inquiries to:

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

P.O. Box 272000
Tampa, FL 33688-2000
(813) 963-0994

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.

Seminole Electric
COOPERATIVE, INC.
IN PARTNERSHIP WITH THOSE WE SERVE

P.O. Box 272000
Tampa, FL 33688-2000
(813) 963-0994