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

2nd Quarter Report 2007

LETTER TO OUR MEMBERS:

To Our Members:

Seminole Electric Cooperative, Inc. (Seminole) is pleased to present the enclosed interim consolidated financial statements which include balance sheets, statements of revenue and expenses and patronage capital, and statements of cash flows as of or for the periods ended June 30, 2007 and 2006.

Operations:

Total revenues increased 1% for the quarter, decreased 1% for the year-to-date, and decreased 1% for the twelve months ended June 30, 2007, when compared to the same periods in 2006. Member revenues increased 1.8% for the quarter due to a 2.8% increase in the average wholesale rate offset by a 1.0% decrease in MWh sold. For the quarter, the increase in wholesale member power cost is due to an increase in fuel cost from fuel cost true-ups. Member revenues decreased 0.8% for the year-to-date due to a 1.8% decrease in the member rate, offset by a 1.0% increase in the MWh sold. The average wholesale member power cost of 68.27 mills per kWh decreased due to a year-to-date decrease of 6.5% for non-fuel energy revenue, and a 4.6% decrease in fuel revenues. The average wholesale member power cost decreased 1.3% to 68.00 mills per kWh for the twelve months ended June 30, 2007. For the twelve months ended June 30, 2007, the decrease in wholesale member power cost was primarily due to decreased fuel cost from fuel cost true-ups.

Fuel expenses associated with generation facilities were 32.0%, 21.6%, and 5.2% lower for the quarter, year-to-date, and twelve months ended June 30, 2007 respectively. Fuel for the Richard J. Midulla Generating Station (MGS, see Other Matters) was lower for all periods due to less generation. Natural gas costs per dekatherm consumed at MGS decreased by 26.0%, 1.5% and 1.0%, respectively, for the quarter, year-to-date, and twelve months ended when compared to the same periods in 2006. The decrease in quarter costs result from lower fuel consumption due to the MGS steam-turbine failure. This was offset for year-to-date, and twelve months ended comparisons due to the MGS peaking plants which started commercial operation December 1, 2006. Fuel costs at the Seminole Generating Station (SGS) decreased 11.4%, increased 7.8%, and increased 4.5% for the quarter, year-to-date, and twelve months ended June 30, 2007, respectively, compared to the previous periods due to generation and higher delivered costs for both coal and petcoke. Fuel cost per MWh generated at SGS increased by 8.7% rising to $21.94 per MWh for the twelve months ended June 30, 2007 compared to $20.18 per MWh for the same period 2006. Other production expenses increased 33.2%, 10.2%, and 20.6% for the quarter, year-to-date, and the twelve months ended June 30, 2007, respectively, when compared to the same period in 2006 primarily due to timing differences in maintenance costs at MGS and SGS.

Purchased power costs increased 23.6%, increased 11.1%, and decreased 1.4% for the quarter, year-to-date, and the twelve months ended June 30, 2007. The increases are attributable to higher purchases due to the MGS steam turbine failure. Transmission expense increased 10.5%, 12.3%, and 6.1% for the quarter, year-to-date, and the twelve months ended June 30, 2007.

Net interest expense increased 8%, 6%, and 24%, respectively, for the quarter, year-to-date, and the twelve months ended June 30, 2007 due to the addition of debt issued to reacquire SGS Unit 2, the addition of financing for the MGS peaking plant, and higher variable interest rates. Interest income was 38%, 23%, and 24% higher for the quarter, year-to-date, and the twelve months ended June 30, 2007, respectively, compared to 2006 mainly due to interest earned in 2007 on proceeds from the new Pollution Control Revenue Bonds (PCRB) which refinanced maturing bonds, and higher interest rates earned on general fund investment balances. Other income, net increased for the quarter due to the timing of SO2 allowances sales and decreased 29% and 24%, respectively, for the year-to-date and twelve months ended June 30, 2007 primarily due to quantities and timing of excess SO2 allowance sales.

Financial Position:

The increase in utility plant net of depreciation and retirements of $51.5M is chiefly associated with the new MGS peaking units, related transmission system improvements, pre-construction costs associated with SGS Unit 3 and pollution control improvements to SGS Units 1 and 2. Funds held by trustees and special funds investments decreased $10.6M due to the liquidation of the PCRB debt service reserve, the proceeds of which are shown in other current investments, offset by the scheduled increase in the Unit 1 lease termination fund, and an increase in the NDTF.

Current assets increased $23.2M from 2006, primarily due to increases in fuel inventory and other current investments, offset by a decrease in receivables and in cash and cash equivalents.

Regulatory deferred charges decreased $19.8M in 2007, primarily reflecting the change in fair value of natural gas hedging contracts and the scheduled amortization of deferred debt costs. This was partially offset by the addition of financing costs associated with the SGS Unit 2 reacquisition, refinancing premiums for certain Federal Financing Bank debt, and the PCRB refinancing.

Total equity increased $6.1M from 2006, reflecting twelve months ended net margins of $7.5M. This was offset by a decrease of $1.4M in other comprehensive income for recognition of fair value for natural gas hedging contracts.

Long-term debt increased in 2007 by $26.7M mainly due to loan draws for the MGS peaking project, offset by scheduled principal payments on outstanding debt. The $4.4M increase in other long-term liabilities primarily reflects a $3.2M increase in retention on long-term contracts, a $0.6M scheduled accretion of the Asset Retirement Obligation for Crystal River 3 nuclear decommissioning, and a $0.6M increase in long-term employee benefits.

Total current liabilities increased $7.2M over 2006. The current portion of long-term debt decreased $0.6M mostly due to the PCRB refinancing which has no current principal payments due. Accounts payable increased $18.5M mostly due to invoiced purchased power payables. Other accrued liabilities decreased $10.7M due to decreases of $9.3M in accrued fuel adjustment payable, $7.0 in accrued fuel payable, and $4.5 in accrued estimated purchased power payable, offset by an increase of $7.8M in interest payable.

Working capital at June 30, 2007 of $61.9M was $16.0M higher than the previous year. Working capital increased due to an increase in fuel inventory, an increase in other current investments, and a decrease in other accrued liabilities. This was offset by an increase in accounts payable, a decrease in receivables, and a decrease in cash and cash equivalents. Seminole achieved a current ratio of 1.34 at the end of June 2007 compared to 1.26 for the previous year.

Other Matters:

Both combustion turbines associated with the combined cycle facility at MGS were returned to service in simple cycle configuration during May, subsequent to the April 14 steam turbine failure. After considering numerous steam turbine/generator equipment repair and, or replacement options, Seminole's Board has approved a plan which will have the steam unit back in service by the end of May, 2008.

At its July meeting, the Seminole Board of Trustees announced that it has renamed the Cooperative's gas fueled generating station in west central Florida, in honor of long time employee and retiring General Manager, Richard J. Midulla. The Richard J. Midulla Generating Station (MGS), previously known as the Payne Creek Generating Station, is comprised of a 500 megawatt (MW) combined cycle facility and 310 MW of aero derivative combustion turbine peaking units. Midulla retired from Seminole on July 27th, after nearly 30 years of service, the last 11 of which as its Executive Vice President and General Manager. Tim Woodbury, former Senior Vice President, Strategic Services, was selected as Midulla's successor in May 2007.

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 2006 annual report.

John W. Geeraerts
Assistant General Manager
and Chief Financial Officer
July 31,2007

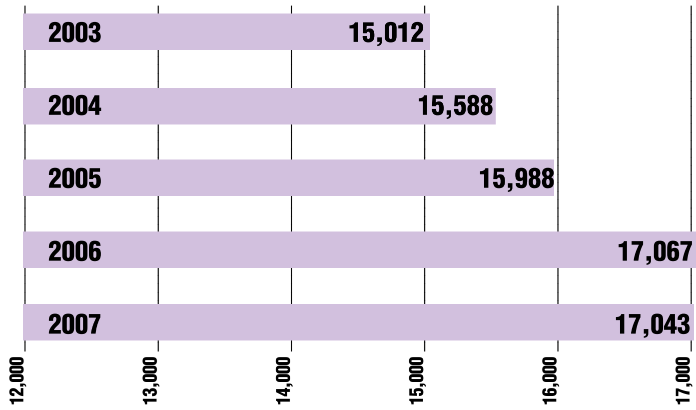
Consolidated Balance Sheets

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

	June 30 2007	June 30 2006
ASSETS		
Utility plant:		
Plant in service	$ 1,574,956	$ 1,431,619
Construction work in progress	50,552	116,555
	1,625,508	1,548,174
Less accumulated depreciation and amortization	(531,884)	(506,057)
Utility plant, net	1,093,624	1,042,117
Investments:		
Investments in associated organizations	2,240	2,251
Funds held by trustees and special funds-restricted	64,210	74,763
Total investments	66,450	77,014
Current assets:		
Cash and cash equivalents	3,344	13,951
Other current investments	18,783	3,617
Receivables, principally for sales of electricity	119,220	133,711
Inventories, at average cost:		
Materials and supplies	21,506	20,543
Fuel	68,924	32,408
Prepayments and other	11,351	15,649
Total current assets	243,128	219,879
Regulatory deferred charges	48,492	68,264
	$ 1,451,694	$ 1,407,274
EQUITIES AND LIABILITIES		
Equities:		
Memberships	$ 1	$ 1
Patronage capital	105,185	97,710
Accumulated comprehensive income	0	1,378
Donated capital	32	32
Total equities	105,218	99,121
Long-term liabilities:		
Long-term debt	1,139,403	1,112,695
Other	25,721	21,331
Total long-term liabilities	1,165,124	1,134,026
Current liabilities:		
Current portion of:		
Long-term debt	41,528	42,065
Accounts payable	60,451	41,960
Other accrued liabilities	79,301	90,036
Total current liabilities	181,280	174,061
Other deferred credits	72	66
	$ 1,451,694	$ 1,407,274
Current ratios	1.34	1.26

TOTAL ENERGY SALES* (MWh x 1000)

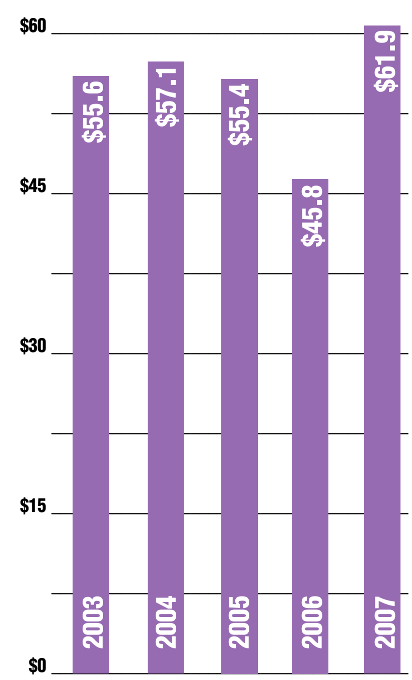
(For the twelve months ended June 30)



WORKING CAPITAL

(As of June 30)

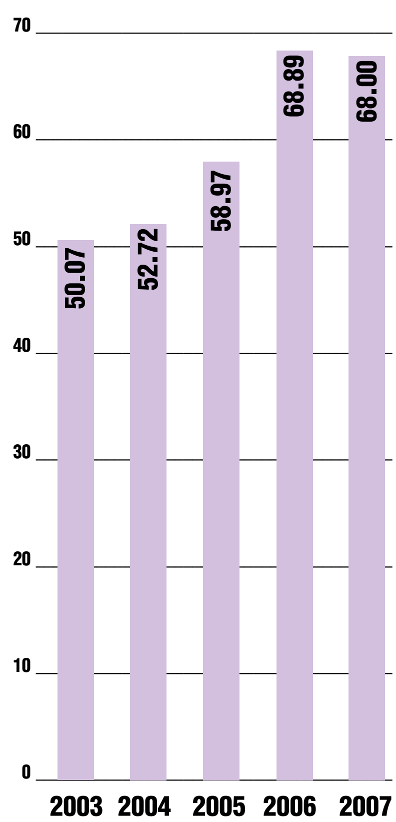
$ x millions



WHOLESALE MEMBER COST

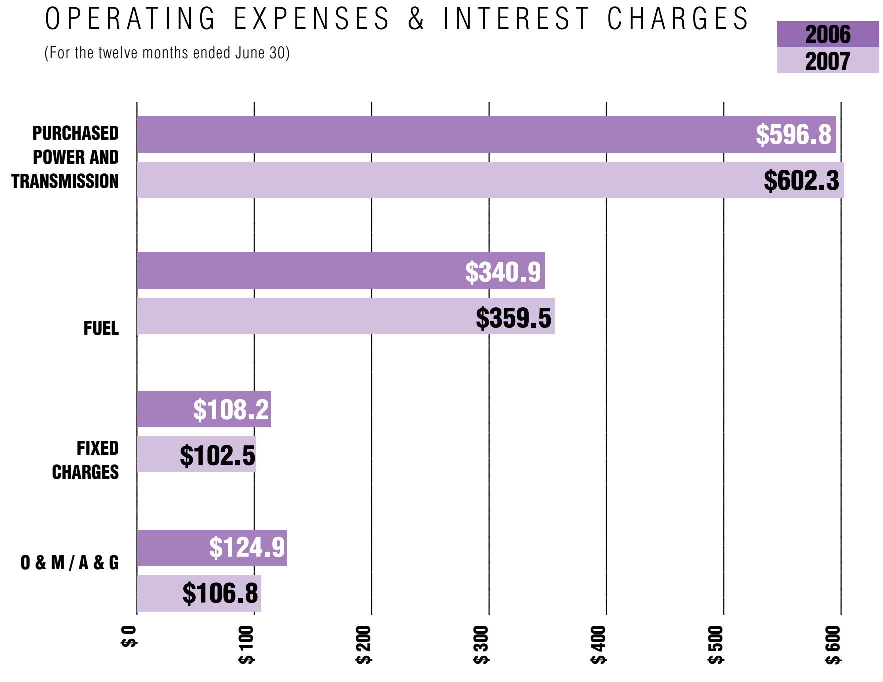
(For the twelve months ended June 30)

mills/kWh



OPERATING EXPENSES & INTEREST CHARGES

(For the twelve months ended June 30)



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

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	2007	2006	2007	2006	2007	2006
Operating revenue	$ 275,521	$ 271,666	$ 558,888	$ 564,787	$ 1,167,525	$ 1,181,229
Operating expenses:						
Operation:						
Fuel	63,572	93,426	142,339	181,642	340,912	359,480
Other production expenses	30,108	22,589	52,076	47,240	103,368	85,735
Purchased power	169,250	136,900	274,156	246,820	553,659	561,659
Transmission	11,165	10,101	22,976	20,462	43,116	40,632
Administrative and general	5,187	4,745	11,233	11,035	21,534	21,063
Depreciation and amortization	12,399	11,098	24,638	22,161	47,593	40,022
Lease of coal-fired plant	0	0	0	0	0	13,694
Total operating expenses	291,681	278,859	527,418	529,360	1,110,182	1,122,285
Operating margins/(deficits) before interest expense	(16,160)	(7,193)	31,470	35,427	57,343	58,944
Interest expense net of amounts capitalized	15,773	14,662	31,454	29,583	60,605	48,769
Operating margins/(deficits)	(31,933)	(21,855)	16	5,844	(3,262)	10,175
Nonoperating income:						
Interest income	1,851	1,344	3,178	2,593	6,383	5,130
Other income, net	3,769	662	3,881	5,445	4,354	5,715
Net margins/(deficits)	(26,313)	(19,849)	7,075	13,882	7,475	21,020
Patronage capital, beginning of period	131,498	118,201	98,110	84,470	97,710	77,332
Patronage capital retirements	0	(642)	0	(642)	0	(642)
Patronage capital, end of period	$ 105,185	$ 97,710	$ 105,185	$ 97,710	$ 105,185	$ 97,710
* Megawatt hours sold - members	4,282,482	4,324,048	8,072,270	7,989,356	16,860,000	16,804,051
Megawatt hours sold - non-members	24,378	48,919	64,186	110,427	183,420	262,530
* Wholesale member power cost - mills/kWh	63.53	61.79	68.27	69.52	68.00	68.89
Total sales - mills/kWh	63.48	61.59	68.14	69.19	67.97	68.69
TIER					1.13	1.41
DSC					1.15	1.16

* All rate schedules

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

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	2007	2006	2007	2006	2007	2006
Cash flows from operating activities:						
Net margins/(deficits)	$ (26,313)	$ (19,849)	$ 7,075	$ 13,882	$ 7,475	$ 21,020
Adjustments to reconcile to cash:						
Depreciation and amortization	13,280	12,018	26,513	24,012	51,145	42,461
Amortization of gain on lease/leaseback transactions	(310)	(310)	(620)	(620)	(1,241)	(1,241)
Lease expense/lease payment difference	0	0	0	0	0	(905)
Changes in assets and liabilities:						
Receivables	(24,625)	(16,655)	(29,100)	(1,572)	14,491	(21,702)
Inventories	(14,482)	(1,187)	(18,811)	(10,501)	(37,479)	(1,186)
Prepayments and other	12,224	(1,183)	16,420	(23,094)	28,061	(36,629)
Deferred charges	(12,369)	(288)	(3,674)	(524)	(7,840)	(3,305)
Other long-term liabilities	2,377	1,058	2,472	1,344	3,216	1,842
Accounts payable	10,136	(8,100)	3,178	(14,855)	18,491	549
Other accrued liabilities	8,443	39,105	30,530	37,393	(10,820)	38,322
Total adjustments	(5,326)	24,458	26,908	11,583	58,024	18,206
Net cash provided by/(used in) operating activities	(31,639)	4,609	33,983	25,465	65,499	39,226
Cash flows from investing activities:						
Capital expenditures	(15,746)	(49,313)	(26,574)	(74,743)	(98,802)	(401,989)
Purchases of investments	(143,087)	(284)	(143,692)	(4,233)	(148,214)	(6,483)
Proceeds from investments	142,419	19	142,939	541	147,179	6,106
Net cash used in investing activities	(16,414)	(49,578)	(27,327)	(78,435)	(99,837)	(402,366)
Cash flows from financing activities:						
Proceeds of line-of-credit	77,700	2,755	221,502	119,025	330,002	234,640
Payments of line-of-credit	(42,842)	(2,755)	(213,912)	(124,725)	(295,144)	(234,640)
Proceeds from long-term borrowings	125,250	49,798	139,073	107,320	154,404	407,320
Payments of long-term debt	(134,111)	(14,880)	(150,677)	(38,094)	(165,531)	(45,879)
Payments of patronage capital credits	0	(642)	0	(642)	0	(642)
Net cash provided by/(used in) financing activities	25,997	34,276	(4,014)	62,884	23,731	360,799
Net increase/(decrease) in cash and cash equivalents	$ (22,056)	$ (10,693)	$ 2,642	$ 9,914	$ (10,607)	$ (2,341)

Board Officers

Mal Green
President

Robert W. Strickland
Vice President

Malcolm V. Page
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

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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

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