

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 statements of cash flows as of or for the periods ended September 30, 2009 and 2008.

Operations:

Total revenue results were the same for quarters ending September 30, 2008 and 2009 at \$408M. Total revenues increased 8% for the year-to-date and 10% for the twelve months ended September 30, 2009, compared to the same periods in 2008. Member revenues increased for the year-to-date and the twelve months ended September 30, 2009 due to respective 10%, and 12% increases in the average wholesale rate.

Generation facility fuel expenses were 4% lower for the quarter, 32% higher for the year-to-date, and 38% higher for the twelve months ended September 30, 2009.

Midulla Generating Station (MGS) combined cycle unit fuel expense decreased 19%, increased 73% and 137% for the quarter, year-to-date, and the twelve months ended September 30, 2009 respectively. This was primarily due to a 9%, 151% and 236% increase in generation for the respective period(s) partially offset by an approx. 25% decrease in natural gas cost (including hedges). This increase in volume was primarily due to a 2007 steam turbine generator outage that carried into 2008, combined with required replacement generation for Seminole Generating Station (SGS) maintenance and forced unit outages in 2009. MGS peaking plant fuel costs increased 231%, 384% and 132% for the quarter, year-to-date, and the twelve months ended September 30, 2009. This was primarily due to increased generation requirements as discussed above, partially offset by an approx. 25% decrease in natural gas cost (including hedges). SGS fuel costs decreased 5% for the quarter ended September 30, 2009 primarily due to a forced outage of SGS Unit 1, partially offset by a 54% increase in the delivered cost of coal. SGS fuel costs increased 4% and 1% for the year-to-date and the twelve months ended September 30, 2009 primarily due to respective period increases of 47% and 39% in the delivered cost of coal, partially offset by lower generation due to the forced outage of SGS Unit 1. Other production expenses increased 19%, 20%,

and 16% for the quarter, year-to-date, and the twelve months ended September 30, 2009. This was primarily due to maintenance and forced outages at MGS and SGS.

Purchased power costs decreased 1% for the quarter, 11% for the year-to-date, and 11% for the twelve months ended September 30, 2009. The decrease was primarily due to favorable fuel pricing, partially offset for the quarter and year-to-date by increased MWh purchases as required replacement energy. Transmission expense increased 19% for the quarter primarily due to conversion to Progress Energy Florida's (PEF) Open Access Transmission Tariff (OATT). Transmission expense increased 23% and 22% for the year-to-date and the twelve months ended September 30, 2009 primarily due to receipt of a \$1.9M refund from FPL early in 2008, the 2009 conversion to PEF's OATT, and a 9% increase in wheeled volume.

Administrative and general expenses increased 2%, 4%, and 5% for the quarter, year-to-date and the twelve months ended September 30, 2009 mainly due to increased pension and medical benefit costs.

Net interest expense increased 17%, 15%, and 13% for the quarter, year-to-date, and the twelve months ended September 30, 2009 primarily due to capital improvement projects. Interest income was 58%, 78%, and 63% lower for the quarter, year-to-date, and the twelve months ended September 30, 2009 compared to 2008. The decreases were mainly due to the liquidation of an SGS Unit 1 lease/leaseback termination fund and liquidation of a pollution control revenue bond (PCRB) debt service reserve. Other income increased for the quarter, year-to-date and the twelve months ended September 30, 2009 primarily due to unrealized gains for Nuclear Decommissioning Trust Fund securities, combined with realized gains related to the SGS Unit 1 lease/leaseback termination.

Financial Position:

The increase in utility plant of \$84.8M is primarily associated with pollution control improvements to SGS Units 1 and 2. Investments held by trustees and special funds investments decreased \$37.4M due to termination of the SGS Unit 1 lease/leaseback transaction in January 2009 and related termination funds offset by \$22.6M cushion of credit deposits with RUS.

Current assets increased \$59.7M from 2008, primarily due to increases in fuel inventory, cash and cash equivalents, and the current portion of regulatory deferred charges. This is offset by decreases in receivables and other current investments. Fuel inventory increased in September 2009 from September 2008 due to increases in coal prices and transportation costs, and reduced fuel consumption at SGS related to maintenance and forced outages between October 2008 and September 2009. The current portion of regulatory deferred charges increased due to decreases in quarter-end gas hedge contract prices. Receivables decreased due to member prepayments. Other current investments decreased mainly due to liquidation of the PCRB debt service reserve.

Non-current regulatory deferred charges increased \$22.9M in 2009, primarily due to the long-term portion of the fair value loss on natural gas hedges, offset by the elimination of the SGS Unit 1 lease/leaseback deferred charges.

Total equity increased \$36.7M from 2008, reflecting twelve months ended net margin of \$39.2M, offset by a decrease of \$2.5M in other comprehensive income for the unrealized actuarial loss on postretirement health care benefits.

Long-term debt decreased during the past 12 months by \$56.7M mainly due to the termination of the SGS Unit 1 lease/leaseback obligation of \$133.8M and scheduled principal payments on existing long-term debt. This decrease was partially offset by RUS guaranteed loan draws of \$76.9M during the period. Other long-term liabilities increased by \$7.4M due to a \$3.6M increase in long-term employee benefit accruals, a \$2.6M increase in retention on long-term contracts, and a \$1.6M increase in CR3 decommissioning and outage reserves.

Total current liabilities increased \$105.9M over 2008. Accounts payable increased by \$87.7M principally due to a \$90.9M increase in member power bill prepayments. This is offset by a decrease of \$4.1M in purchased power payables. The increase in the current portion of regulatory deferred credits is comprised of a \$14.9M increase in fuel true-up payables as of September 30, 2009. The current portion of long-term debt increased by \$7.1M. Other accrued liabilities decreased \$3.9M.

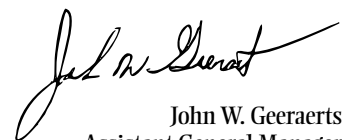
Working capital at September 30, 2009 of \$63.9M is \$46.2M lower than the previous year. Working capital decreased

primarily due to increases in accounts payable and in the current portion of deferred credits. Details of these increases are provided in the current liabilities explanation. The working capital was reduced further by decreases in accounts receivable and in other current investments as described in the current assets explanation. The working capital decrease was partially offset by increases in fuel inventory, cash and cash equivalents, and in the current portion of deferred charges. Details of these increases are provided in the current assets explanation. Seminole has available committed lines of credit totaling \$155M. Seminole achieved a current ratio of 1.19 at the end of September 2009 compared to 1.46 for the previous year.

Other Matters:

On August 3rd, 2009, Standard & Poor's Ratings Services (S&P) revised the outlook on Seminole Electric Cooperative, Inc.'s 'A-' issuer credit rating to stable from negative and affirmed the rating. S&P has taken the same actions on the underlying rating for the \$125.25 million Putnam County Development Authority pollution control revenue refunding bonds series 2007A and 2007B.

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 2008 annual report.



John W. Geeraerts
Assistant General Manager
and Chief Financial Officer
October 30, 2009

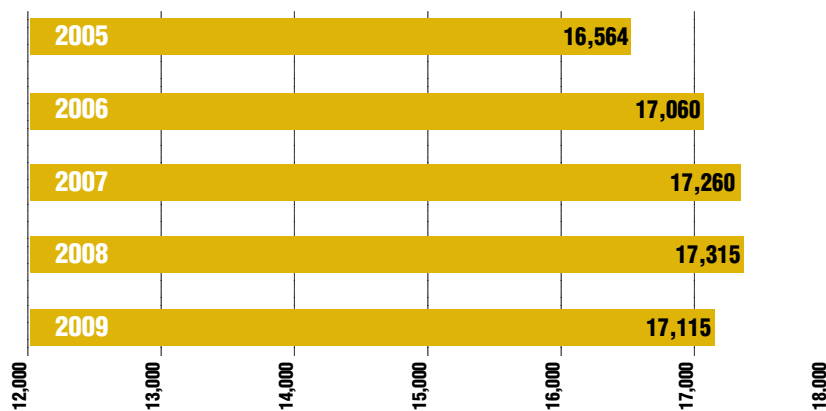
Consolidated Balance Sheets

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

	September 30,	
	2009	2008
ASSETS		
Utility plant:		
Plant in service	\$ 1,879,591	\$ 1,616,709
Construction work in progress	24,863	202,941
	1,904,454	1,819,650
Less accumulated depreciation and amortization	(589,552)	(558,231)
Utility plant, net	1,314,902	1,261,419
Investments:		
Investments in associated organizations, at cost	2,421	2,365
Investments held by trustees, restricted	30,888	68,291
Total investments	33,309	70,656
Current assets:		
Cash and cash equivalents	110,613	77,453
Other current investments, at cost	0	15,109
Receivables, principally for sales of electricity	79,136	108,313
Inventories, at average cost:		
Materials and supplies	25,459	26,185
Fuel	98,902	49,347
Prepayments and other	34,982	44,659
Current portion of regulatory deferred charges	60,251	28,597
Total current assets	409,343	349,663
Non current regulatory deferred charges		
	83,286	60,409
Total assets	\$ 1,840,840	\$ 1,742,147
EQUITIES AND LIABILITIES		
Equities:		
Memberships	\$ 1	\$ 1
Patronage capital	181,575	142,406
Donated capital	32	32
Accumulated comprehensive loss	(3,055)	(543)
Total equities	178,553	141,896
Long-term liabilities:		
Debt	1,265,133	1,321,853
Other	46,300	38,885
Total long-term liabilities	1,311,433	1,360,738
Current liabilities:		
Short-term borrowings	0	0
Current portion of long-term debt	54,308	47,159
Accounts payable	179,155	91,446
Regulatory deferred credits	40,285	25,392
Other accrued liabilities	71,656	75,516
Total current liabilities	345,404	239,513
Non current regulatory deferred credit		
	5,450	0
Total equities and liabilities	\$ 1,840,840	\$ 1,742,147
Current ratios		
	1.19	1.46

TOTAL ENERGY SALES (MWh x 1000)

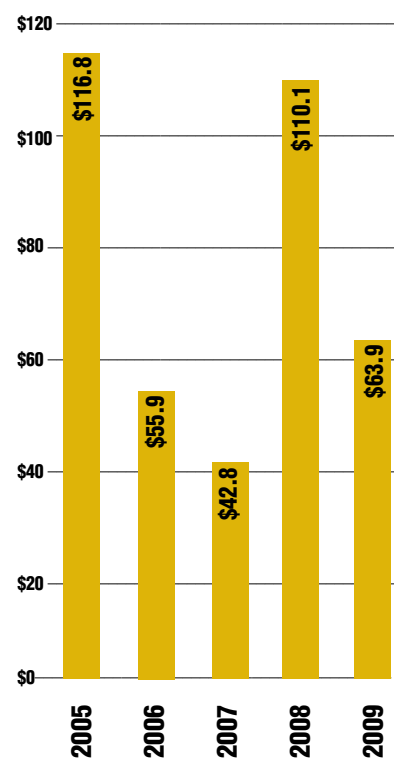
(For the twelve months ended September 30)



WORKING CAPITAL

(As of September 30)

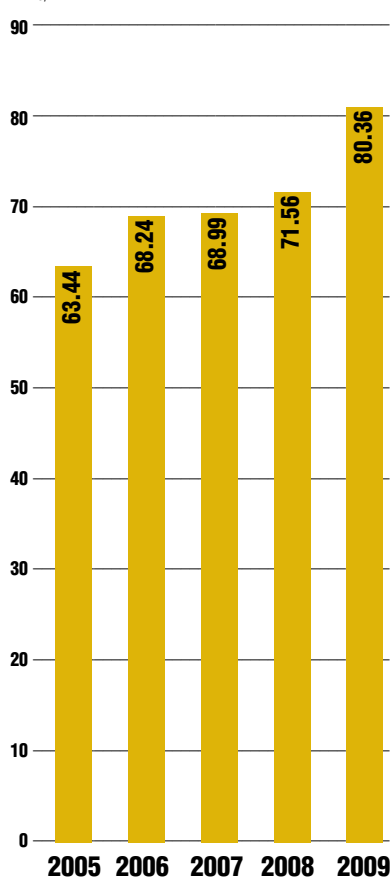
\$ x millions



WHOLESALE MEMBER COST

(For the twelve months ended September 30)

mills/kWh

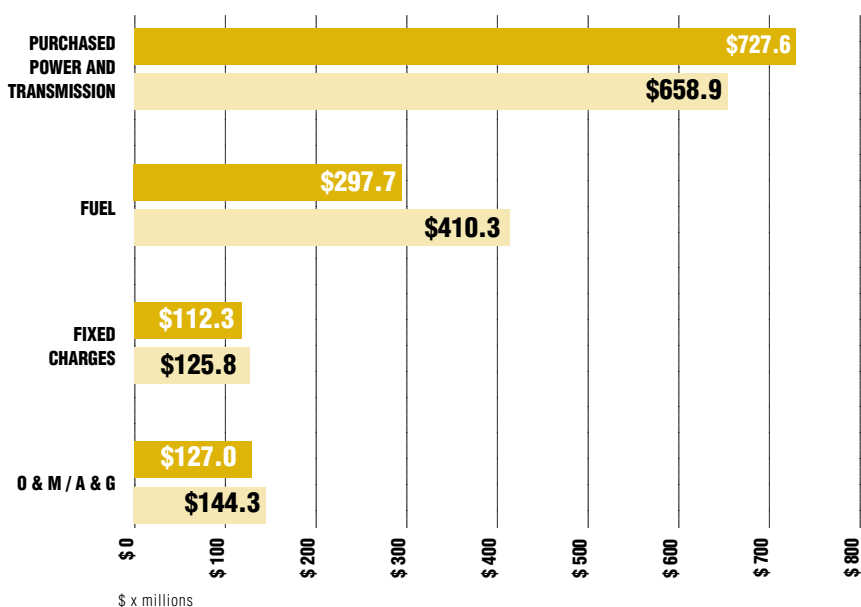


OPERATING EXPENSES & INTEREST CHARGES

(For the twelve months ended September 30)

2008

2009



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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Twelve Months Ended September 30,	
	2009	2008	2009	2008	2009	2008
Operating revenues	\$ 407,879	\$ 408,001	\$ 1,094,214	\$ 1,008,785	\$ 1,375,657	\$ 1,249,277
Operating expenses:						
Operation:						
Fuel	109,153	113,659	316,391	239,631	410,350	297,695
Other production expenses	26,991	22,656	87,181	72,937	118,831	102,624
Purchased power	184,479	186,930	473,711	530,643	605,901	684,271
Transmission	14,535	12,248	40,917	33,338	52,975	43,319
Administrative and general	6,521	6,399	19,884	19,079	25,474	24,377
Depreciation and amortization - non-fuel	14,858	12,425	41,869	36,680	53,995	48,896
Total operating expenses	356,537	354,317	979,953	932,308	1,267,526	1,201,182
Operating margin/(deficit) before interest expense	51,342	53,684	114,261	76,477	108,131	48,095
Interest expense, net of amounts capitalized	19,550	16,691	55,192	48,107	71,791	63,392
Operating margin/(deficit)	31,792	36,993	59,069	28,370	36,340	(15,297)
Other income:						
Interest	631	1,520	1,097	5,019	2,287	6,224
Other	447	(75)	932	149	542	128
Net margin/(deficit)	32,870	38,438	61,098	33,538	39,169	(8,945)
Patronage capital, beginning of period	148,705	103,968	120,477	108,868	142,406	151,351
Patronage capital retirements	0	0	0	0	0	0
Patronage capital, end of period	\$ 181,575	\$ 142,406	\$ 181,575	\$ 142,406	\$ 181,575	\$ 142,406
* Megawatt hours sold - members	4,926,390	4,900,048	13,153,178	13,106,267	16,942,349	17,005,470
Megawatt hours sold - non-members	29,729	87,675	134,008	265,266	172,157	309,435
* Wholesale member power cost - mills/kWh	82.25	81.13	82.42	74.88	80.36	71.56
Total sales - mills/kWh	82.00	81.24	81.99	74.88	79.99	71.59
TIER					1.57	0.86
DSC					1.39	0.97
* All rate schedules						

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

	For the Three Months Ended September 30,		For the Six Months Ended September 30,		For the Twelve Months Ended September 30,	
	2009	2008	2009	2008	2009	2008
Cash flows from operating activities:						
Net margin	\$ 32,870	\$ 38,438	\$ 61,098	\$ 33,538	\$ 39,168	\$ (8,944)
Adjustments to reconcile to net cash provided by operating activities:						
Depreciation and amortization	16,274	18,836	44,924	45,178	54,298	58,288
Amortization of deferred gain on lease/leaseback	0	(310)	0	(931)	(310)	(1,241)
Change in assets and liabilities:						
Receivables	16,282	(9,301)	56,000	(19,754)	29,163	5,218
Inventories	8,021	12,236	(32,684)	8,612	(48,829)	5,938
Other current assets	55,030	(93,281)	40,159	(64,348)	(55,566)	(62,363)
Deferred charges	(1,369)	22,753	(15,589)	32,410	12,959	27,498
Other long-term liabilities	(460)	1,684	810	4,433	2,589	7,606
Accounts payable	61,196	(6,004)	102,257	32,269	87,709	8,615
Other accrued liabilities	(8,090)	24,857	35,311	39,211	12,010	8,781
Total adjustments	146,884	(28,530)	231,188	77,080	94,023	58,340
Net cash provided by/(used in) operating activities	179,754	9,908	292,286	110,618	133,191	49,396
Cash flows from investing activities:						
Capital expenditures	(5,713)	(43,325)	(58,201)	(139,434)	(107,446)	(198,919)
Purchases of investments	(25,537)	(24,524)	(26,012)	(50,618)	(21,372)	(51,022)
Proceeds from maturities of investments	6,632	29,349	68,323	47,632	78,996	47,933
Net cash used in investing activities	(24,618)	(38,500)	(15,890)	(142,420)	(49,822)	(202,008)
Cash flows from financing activities:						
Proceeds from line-of-credit	77,664	289,609	675,678	937,572	1,019,293	1,231,351
Payments of line-of-credit	(111,494)	(336,974)	(765,993)	(1,046,325)	(1,019,293)	(1,231,351)
Proceeds from long-term borrowings	0	156,752	41,977	247,509	83,627	280,903
Payments of long-term debt	(11,985)	(9,986)	(119,420)	(29,568)	(133,836)	(52,515)
Payments of patronage capital credits	0	0	0	0	0	0
Net cash provided by/(used in) financing activities	(45,815)	99,401	(167,758)	109,188	(50,209)	228,388
Net increase/(decrease) in cash and cash equivalents	109,321	70,809	108,638	77,386	33,160	75,776
Cash and cash equivalents, beginning of period	1,292	6,644	1,975	67	77,453	1,677
Cash and cash equivalents, end of period	\$ 110,613	\$ 77,453	\$ 110,613	\$ 77,453	\$ 110,613	\$ 77,453

**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*

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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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