



Consolidated Electric Cooperative, Inc.

® Your Touchstone Energy® Partner



2004 Annual Report

Executive Report to the Members

2004 was a year of growth, expansion and opportunity for Consolidated Electric. We worked hard to be your full-service energy provider, offering members expanded services and new products.

Early in 2004, we were proud to be able to offer new lower rates for the long distance telephone program through PowerNet Global. This easy-to-understand program, available to both residential and business customers, offers low rates to save you money.

Last year, we also moved to a new family format at our Annual Meeting in May. We were pleased to see over 1500 members and their families join us for the event.

Expansion came as Consolidated Gas introduced both traditional and metered propane service to Delaware County. The gas cooperative is just another way that your electric Cooperative offers a great range of products and services.

Consolidated offered an innovative service to members with the introduction of *Cool Returns*. This new program helps members control demand for electricity during times of peak usage while lowering their own electric bill by using less energy and receiving a monthly credit.

Early in the fall, we were happy to provide a tour of the Cardinal Generating Station to a group of 21 students from Northmor Junior High School. Educating our youth about the power plant that

supplies more than 340,000 electric cooperative members in Ohio was a unique opportunity we were happy to be able to offer.

Thanks to the generosity of our members, more than \$69,500 was returned to the community in 2004 through the People Fund. This funding that went to individuals and organizations helped make a difference in the lives of Co-op members and others in our community. The successful People Fund program has awarded more than \$134,790 since May 2002.

Through an increased internal focus on training and customer service, our members gave the Cooperative some of the highest customer satisfaction ratings we've ever had in customer contacts – and it was the best rating for all of the electric cooperatives in Ohio! We were also happy to learn that members realize our rates are not only competitive but also even low when compared to a number of other electric utilities in the state.

We also were pleased to be able to provide members with a toll free outage hotline number 24 hours a day, seven days a week that makes reporting and getting information even easier than before.

Consolidated will continue to provide the best in products and services to members. The Cooperative further pledges to continue to provide the best in member service, quality and reliability. Because in an electric co-op, the people have the power!



*Brian Newton
President*



*Richard Carter
Chairman*



Touchstone Energy®
The power of human connections

www.CONSOLIDATEDelectric-coop

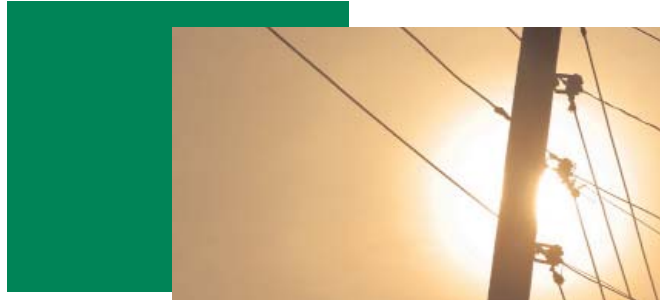
Independent Auditor's Report

We have audited, in accordance with U.S. generally accepted auditing standards, the consolidated balance sheet of Consolidated Electric Cooperative, Inc. and its subsidiaries as of December 31, 2004, and the related consolidated statements of revenue and patronage capital, comprehensive income, and cash flows for the year then ended (not presented herein); and, in our report dated February 8, 2005, we expressed our opinion that those financial statements present fairly the financial position of Consolidated Electric Cooperative, Inc. and its consolidated subsidiaries as of December 31, 2004.

Copies of the financial statements referred to in the preceding paragraph are available upon request from Consolidated Electric Cooperative, Inc.

Steyer Huber & Associates, Inc.
Van Wert, Ohio
February 8, 2005

Key Financial and

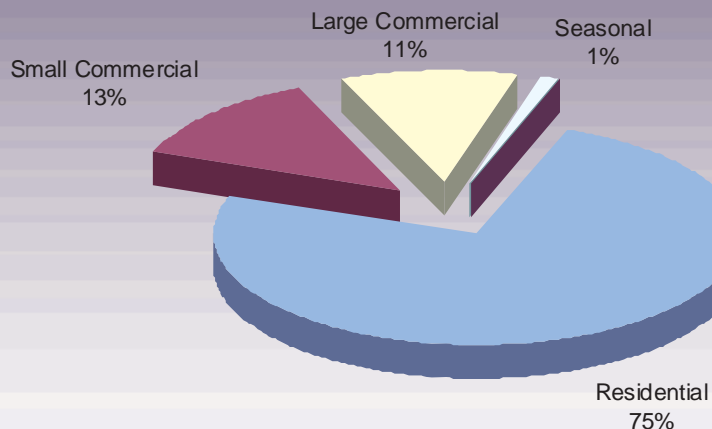


Customer Satisfaction



NOTE: Member satisfaction is the average rating on a 4-point scale where 4 = very satisfied and 1 = very dissatisfied

Revenue by Member Class (2004)



Operating Comparatives

Financial Comparatives

(Thousands of dollars unless otherwise stated)	2000	2001	2002	2003	2004
Revenue	\$ 16,721	\$ 17,780	\$ 19,541	\$ 20,718	\$ 23,447
Net Income	\$ 1,043	\$ 1,726	\$ 1,837	\$ 1,285	\$ 1,580
Patronage Capital Retired	\$ 974	\$ 893	\$ 934	\$ 715	\$ 668
Total Assets	\$ 39,214	\$ 42,180	\$ 48,166	\$ 51,753	\$ 53,927
Patronage Capital	\$ 19,789	\$ 19,964	\$ 20,825	\$ 24,057	\$ 25,447
Long-term Debt	\$ 14,988	\$ 17,145	\$ 19,476	\$ 23,449	\$ 22,427
Electric Plant Investments (net retirements & adjustments)	\$ 2,864	\$ 1,955	\$ 4,708	\$ 4,633	\$ 1,598
Equity Level (percent of assets)	55%	53%	48%	46%	47%
Interest Coverage	2.61	3.06	3.25	2.24	2.55

* The financial Comparatives are for informational purposes only. Complete audited statements are available upon request.

Operating Comparatives

	2000	2001	2002	2003	2004
Total Number of Electric Customers	13,936	14,350	14,717	15,047	15,355
Average Annual kWh Use per Member	16,486	18,068	17,882	18,401	20,060
Peak One-hour Demand (kW)	48,144	48,217	52,211	54,994	60,411
Number of Electric Employees	43	43	43	43	43
Average Number of Members per Employee	324	334	342	350	357
Average System Reliability (% of time power is available)	99.91%	99.95%	99.96%	99.89%	99.92%
Total Electric Sales (mWh)	229,745	259,271	263,167	276,876	308,021
Average Electric Customers per Mile	7.28	7.33	7.42	7.42	7.43



Residential Bill Comparison

1000 Kilowatt Hours

Ohio Edison Company	\$118.33	
Dayton Power & Light	\$91.25	
Columbus Southern Company	\$85.37	
Average of Ohio Cooperatives	\$87.00	
Consolidated Electric Cooperative	\$85.64	
Ohio Power Company	\$68.31	

(As of August 2004)



*H. Richard Gearhiser
District 1*



*Larry Roof
District 5*



*Charles Lynn
District 8*



*Don McCracken
District 2*



*Tom Myser
District 6*



*Charlotte Loren
District 9*



*Hartsell Dodrill
District 3*



*Richard Carter
District 7*

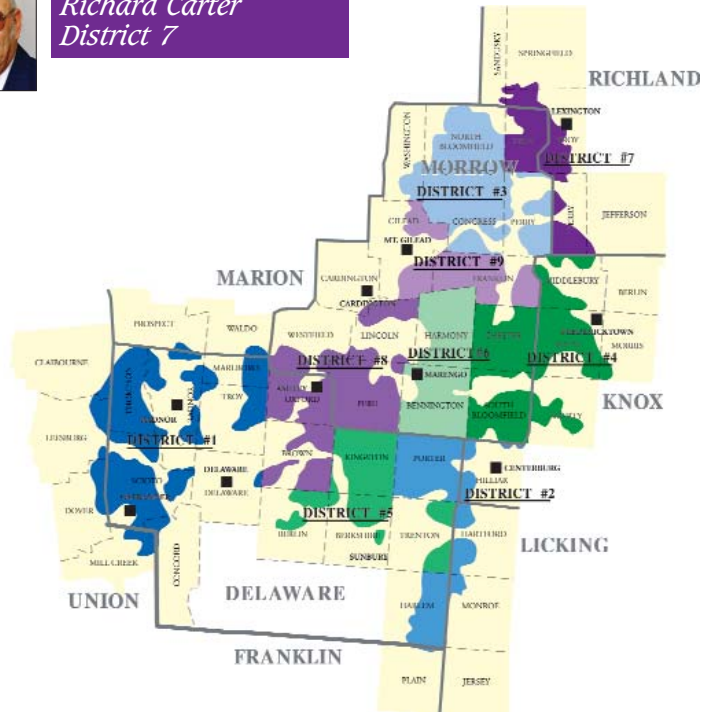


*Phillip D. Edwards
District 4*

Board Districts

Consolidated Electric is governed by a Board of Trustees that is nominated and elected by our members in accordance with our Code of Regulations. Our service area is divided into nine districts, which are based on equitable representation of the geographic areas served by Consolidated Electric.

- District #1
- District #2
- District #3
- District #4
- District #5
- District #6
- District #7
- District #8
- District #9



Providing more than just power to our members

Family of Companies



Consolidated Electric provides dependable, reliable electric power. We're here for our members. We're involved in the community, and we're committed to making this a better place to live for everyone. Meet our subsidiaries that can help provide a better tomorrow for you today.



Bright Choice offers high-speed Broadband service including DSL, wireless, and satellite, as well as dial-up Internet service. Bright Choice also offers Health Watch monitoring service and television programming through its C-Band satellite program. Visit them on the web at www.brightchoice.com.



Consolidated Gas Cooperative provides both metered and traditional propane service. Metered propane service is more affordable to more people, because you pay for only the propane that you use each month. Find out more on the web at www.co-opgas.com.



Levering Brothers, Plumbing, Heating & Electrical sells, services and installs many popular brands of heating and cooling equipment, as well as offers plumbing and electrical services. They are located just north of Cardington on State Route 42. Give them a call at (419) 864-4045.



Bright Energy, a natural gas company, provides natural gas service to rural areas of Morrow County including the business interchanges of State Route 61 and I-71, and to State Route 95 and I-71, thereby helping to enable and encourage growth to the local community.



Consolidated Electric Foundation is a nonprofit organization established in 2002 to help administer the charitable donations of The People Fund. The Foundation is governed by a five-member Board of Directors. The majority of funding comes through a bill round up program called Operation Round Up®.