



Dear Member:

On behalf of the members, employees and Board of Directors, I would like to take this opportunity to welcome you to The Energy Cooperative.

The cooperative movement was started by President Franklin D. Roosevelt who created the Rural Electrification Administration (REA) in 1935. This provided funds to those who were willing to organize and extend electricity lines into rural areas. In 1936 the Rural Electrification Act authorized loans for farmers themselves to form electric cooperatives. Today millions of people have electric service as a result.

Prior to 1998, The Energy Cooperative provided only electric service. At that time we were known as Licking Rural Electrification, Inc. When National Gas & Oil Company was purchased in 1998 we became one of a handful of cooperatives to offer natural gas and propane services. We truly are an energy cooperative, not just an electric cooperative.

A cooperative is one of several ways people can do business in this country. The difference between a cooperative and a sole-proprietorship, partnership or corporation is that cooperatives do not offer the financial incentive of a return on investment. In other words, cooperatives are not formed to make a profit; they are formed to serve a need. Since a cooperative operates to satisfy the needs of its members and not to generate a profit, cooperatives operate at the lowest cost possible.

The Energy Cooperative is part of a national alliance of local, consumer-owned electric cooperatives providing high standards of service to customers large and small called Touchstone Energy. More than 600 Touchstone Energy cooperatives in 44 states are delivering energy and energy solutions to more than 17 million customers every day. Touchstone Energy cooperatives serve their members with integrity, accountability, innovation and a longstanding commitment to communities.

Whether this is your first experience as a cooperative member or not, we are here to serve your energy needs. Our members will always be first, and share an equal voice in our operations.

Sincerely,

Todd P. Ware, President/CEO