

NORTH PLAINS ELECTRIC COOPERATIVE

P.O. Box 1008 • Perryton, TX 79070 • Phone (806) 435-5482

From the General Manager

I want to thank everyone who attended our 59th annual meeting and hope that anyone who missed it will have the opportunity to attend next year. You are an owner and a member of North Plains EC and the annual meeting is a great opportunity to get information and take an active role in the business of the cooperative.

The annual report that was sent in the April edition of *Texas Co-op Power* magazine included the auditor's report confirming that our financial statement is fairly stated in all material respects in relation to the financial statements from which it was derived. I would not generally make reference to this, but considering the changes in audit procedures for next year, I thought it was relevant. President George W. Bush signed the Sarbanes-Oxley Act of 2002 on July 30. The act will be used as a guideline for corporate attorneys, accountants, officers and directors to improve the accuracy and reliability of corporate disclosures. It

offers direction concerning interaction between those listed above and clarifies certification requirements. In essence, it will be used to hold these individuals accountable.

The fraudulent reporting and inappropriate activity between Enron and Arthur Andersen, along with numerous other companies traded on Wall Street, have caused the Securities and Exchange Commission to require that accounting firms be completely independent of companies they audit. This is an effort to protect investors and calm fears about fraudulent activity within the rest of the business world. Cooperatives do not fall into this group (since we do not issue securities) but we are going to be held to the same standards and scrutinized using the same methods.

I have been told that the new rules will create an adversarial relationship between management and the audit firm since the auditor will start with the mindset that management is guilty until proven

Randy Mahannah



innocent. North Plains Electric has always furnished complete and accurate data so I do not anticipate any problems going forward. If policy changes are required, they will be made. The board of directors will continue to act as an audit committee and furnish guidance as necessary.

The anti-fraud controls are being emphasized again for those who may have forgotten. Management is responsible for the implementation and support of measures that prevent, deter and detect fraud. These measures are defined in three elements:

- (1) Create and maintain a culture of honesty and high ethics.
- (2) Evaluate the risks of fraud and implement the processes, procedures and controls needed to mitigate the risks and reduce the opportunity for fraud.
- (3) Develop an appropriate oversight process.

North Plains directors, management and employees have been using these elements as a guide for the last 59 years, and we will continue to adapt our efforts to ensure that unethical or dishonest behavior does not enter our business. We will continue to earn your trust through our actions and operate in an ethical and honest environment.

**The annual NPEC and
Ochiltree General Hospital
Health Fair
will be Tuesday, May 13,
at the
Ochiltree County Expo Center.**

**Health tests, door prizes and information
will be available. Please make plans to
attend this free event.
The doors will open at 8 a.m.**



Employee Profile: Galen Cooksey

Galen Cooksey serves as NPEC's office manager, and in that role he oversees accounting and financial functions, capital credits, payroll and employee benefits.

Galen has seen many changes in his 26-year career working with electric co-ops. He has been with NPEC for 17 years and previously worked for Rita Blanca Electric Co-op for nine years.

"I have enjoyed seeing all of the new technologies develop and using them to be more productive," he says.



Nurses at Ochiltree General screen Vernon Pshigoda during the Health Fair, co-sponsored by the co-op.

Community Service: Fancy Words For Doing Our Part

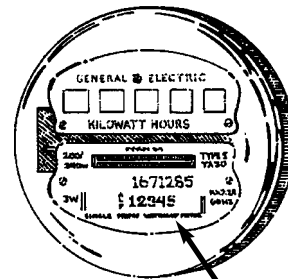
There's a lot of talk about community service these days. But action speaks louder than words. If we can sponsor some students for a youth tour to Washington, co-sponsor a health fair, or assist local law enforcement agencies with their crime watch program, we'll do it.

We've got our priorities straight. Your electric co-op answers to no distant corporate tower. It serves no investors, only members like you. It's an idea we feel at home with.



NORTH PLAINS ELECTRIC COOPERATIVE
THE HOME TEAM ADVANTAGE

When Reporting an Outage:



Giving us the meter number helps us locate you faster and better than directions.

For service call:
(806) 435-5482
or
1-800-272-5482

If you would like a refrigerator magnet to record your meter number to have it easily available in case of an outage, please call NPEC.