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ONE HUNDRED TENTH CONGRESS

# Congress of the United States

## House of Representatives

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July 18, 2008

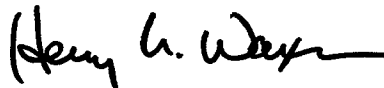
Mr. Glenn English  
Chief Executive Officer  
National Rural Electric Cooperative Association  
4301 Wilson Boulevard  
Arlington, VA 22203

Dear Mr. English:

I am writing to follow up on your testimony at the June 26, 2008, hearing entitled "Governance and Financial Accountability of Rural Electric Cooperatives: The Pedernales Experience." Since the hearing, members of the Committee have raised questions that were not fully addressed during the hearing. Accordingly, I request that you provide written answers to the attached questions for the record. I would appreciate receiving your written answers by August 1, 2008.

If you have any questions, please contact Jeff Baran or Greg Dotson of the Committee staff at (202) 225-4407.

Sincerely,



Henry A. Waxman  
Chairman

Enclosure

cc: Tom Davis  
Ranking Minority Member

**Questions for Glenn English for the Hearing Record**  
**Hearing on Rural Electric Cooperatives**  
**Committee on Oversight and Government Reform**  
**June 26, 2008**

1. Which electric co-ops, if any, do not belong to NRECA?
2. How many electric co-ops have gone bankrupt or sought relief from creditors during the last ten years? For each case, please provide the name of the co-op, the relevant date, and a brief description of the circumstances surrounding the bankruptcy or effort to obtain relief from creditors.
3. Which electric co-ops inform each of their members on at least an annual basis of the exact amount in their allocated capital credits accounts? Which electric co-ops also reveal the amount in their unallocated capital credits accounts?
4. Since the USDA has waived the "equity as a percent of assets" test for co-ops, does NRECA have an official view or recommendation as to the minimum level of co-op equity? If so, what is it?
5. What is the market value of Cooperative Finance Corporation (CFC)? In NRECA's view, should the value of this asset that is owned by co-ops be disclosed on co-op financials?
6. What bond offerings has the CFC issued, and when?
7. When did you first learn of concerns about serious problems at Pedernales Electric Cooperative? What actions, if any, did NRECA take in response?
8. When did you first learn of concerns about serious problems at Cobb Electric in Georgia? What actions, if any, did NRECA take in response?
9. When did you first learn of concerns about serious problems at Pioneer Electric in Alabama? What actions, if any, did NRECA take in response?
10. Is NRECA aware of any other instances of financial abuses at electric co-ops during the past five years? If so, please provide the name of the co-op, the timeframe of the abuse, and a brief description of the nature of the financial abuse.
11. Which electric co-ops have failed to hold directors' elections during any of the last five years?
12. Which electric co-ops have failed to obtain a quorum at their annual meetings during any of the last five years?

13. Is NRECA aware of instances of electric co-ops purchasing, investing in, or establishing business enterprises to sell products and/or services unrelated to electricity generation and distribution? If so, for each instance, please provide the name of the co-op, the relevant timeframe, and the nature of the business enterprise.
14. Which co-ops, if any, have exceeded the 15% threshold for unrelated business income?
15. How many co-ops are still classified as “rural” under the statutory definition in the Rural Electrification Act of 1936? What criteria does NRECA use in defining “rural”?