

FOR IMMEDIATE RELEASE

Brazos Electric Comments on Agreement to Purchase Power from Sandy Creek Energy Station

WACO, Texas, September 4, 2007 – The following statement was issued today by Clifton Karnei, the executive vice president and general manager of Brazos Electric Power Cooperative, Inc.:

“Brazos Electric has arranged to purchase wholesale approximately 375 megawatts (MW) of electric power generated from the proposed Sandy Creek Energy Station, an approximately 900 MW state-of-the-art coal-fired power plant that will use lower sulfur coal from the Powder River Basin in Wyoming, when the plant becomes commercially operable, which is expected to be in 2012.

“We have a responsibility to the 16 member distribution cooperatives that depend on us to deliver reliable and cost effective electricity. The decision to enter into this arrangement was the result of a great deal of planning and exhaustive research to determine what is in the best interests of our members who provide electric power to retail consumers in the communities and rural areas that they serve. Currently, the demand for electric power by our members is growing at approximately 200 MW per year. If this load growth continues, the electricity we will purchase from the Sandy Creek Energy Station will meet the load growth for less than two years. With rapidly increasing demand for electricity in the Electric Reliability Council of Texas (ERCOT) territory, we are taking action to ensure the homes and businesses served by our member cooperatives continue to have a reliable and cost effective source of power.

“The arrangement to purchase power from the planned Sandy Creek Energy Station is an important step in diversifying the fuel used to generate electricity for our members. Today, the vast majority of the power we provide to our members is generated from natural gas. It is essential that we diversify the fuel used to generate our electricity to help protect our members from volatile price swings that can result from too much reliance on any one fuel type.

“Securing power from Sandy Creek Energy Station is part of a comprehensive strategy to provide the additional power needed to meet the growing needs of our members and customers. This arrangement is a positive step toward achieving all of these important objectives well into the future.”

About Brazos Electric

Brazos Electric is the largest generation and transmission cooperative in Texas providing wholesale power to its 16 member distribution cooperatives and two municipal customers, who serve over 460,000 customers in 68 Texas counties. Organized in 1941, Brazos Electric was the first cooperative formed in the Lone Star State for the purpose of generating and supplying wholesale electrical power. Today, it is a 2,909 MW generation and transmission cooperative whose members' service territory extends from the Texas Panhandle to the Houston area. For more information, visit www.brazoselectric.com.