



Member Owned ~ Service Proud.

Carbon Light Lines

Your Touchstone Energy® Cooperative



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June 2015

Most
Important
Issue



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J Board President & General Manager Joint Report

“ Reflecting back over the last 36 years . . .



New Headquarters



Protection for Birds



DirecTV

I must admit that when Bob and I started preparing this annual report, it had twinge of bitter sweetness to it. In my General Manager’s monthly newsletter articles and in our annual reports over the past 23 years, we have done our best to keep you up to speed on the happenings of your Member-Owned Rural Electric Cooperative. However, the reality of my upcoming retirement and the fact that this will be our last joint report to you...does generate for me a good measure of sentimental appreciation for all that Carbon Power and Light has meant to me. It was 36 years ago that I was employed by Carbon. I was fresh out of Technical School and eager to start my apprentice lineman position at the Cooperative. Over the years, my employment here

has offered me a multitude of opportunities; a chance to learn and advance at many levels within the Cooperative, to be part of a great team of Employees, to work closely with Bob and for a forward thinking Board of Directors, the chance to get to know and work with so many knowledgeable colleagues within the industry and most importantly the opportunity to meet and serve so many of you...our Member-Owners. As we write this final annual report, we both reflected back on the last 36 years and all the changes that have taken place at Carbon during that period. Great strides were made in the early 80’s to improve our system maintenance and add upgrades to enhance reliability in an effort to reduce outage times for our Member-Owners. Carbon was

one of the first Cooperatives in the area to change its construction specifications for new overhead lines to address protection measures for birds of prey. For the benefit of our Member-Owners who wanted to use a cost effective source of electric heat, we pioneered an electrical thermal storage heat program. Always on the lookout for programs and opportunities to benefit the entire Membership, Carbon ventured into the DirecTV program and provided a much needed satellite TV service to all of Albany and Carbon Counties. In conjunction with our satellite TV program we incorporated a satellite internet program that has provided internet capability for many of our Member-Owners living in the rural areas of our service



territory. Carbon was one of the first Cooperatives in the nation to achieve the benefits of transitioning into the use of steel distribution power poles. Recognizing the ongoing expense associated with the reading of our meters, we carefully reviewed the available options for the implementation of an automatic meter reading program, which with its available amenities has not only saved the Cooperative a significant amount of expense, it has also assisted us in working closely with our Membership to help them understand and solve potential problem areas with their individual electrical usage. When DirecTV decided to buy out our satellite program, the funds received from that transaction were put to use in constructing the much needed new headquarters office complex in Saratoga and none of that construction expense was put into our electrical rates. One of the most recent events that your Cooperative addressed was the bark beetle impact and the need to clear our powerline right of ways on

the National Forest to minimize the fire danger associated with the potential of dead trees falling on our powerlines. Since our 2014 Annual Meeting, we have completed several projects and we have several others in the works. At the end of the year, we completed the construction of the new Crow Substation located between Saratoga and Encampment. The completion of this project improved reliability and service to the Brush Creek and Ryan Park areas. We are working with the Union Pacific Railroad to construct new Carbon Power and Light services along their rail system starting at the state line south of Laramie and ending at Walcott Junction, north of Saratoga. Throughout the year, meetings were held with the USFS and WYDOT to plan the removal of bark beetle infected trees along Hwy. 130 above Centennial. This will be a joint project between WYDOT and Carbon. Most recently we completed a re-route of a section of our 34.5 kV powerline that serves Elk Mountain and Rock River. The re-route was

necessitated by the rise in the water level of East Allen Lake, which placed our power poles in the lake. Of significant importance to the Laramie area is our study associated with the planning of a new delivery point substation in that area to assist in serving the new Pete Lien quarry electrical load and for the general load growth being experienced throughout that portion of our service area. Last but certainly not least is that the Board of Directors has selected Carbon's Director of Engineering Russell Waldner to be your new General Manager. It is comforting for me to know that I will be leaving this great organization in his very capable hands.

I usually end my monthly newsletter articles with this simple yet important sentence; *"Thanks for being there for us"*.

As we close this report and I make my plans for departure I'd like to say, *"Thanks for allowing me to serve you...it has been a wonderful adventure"*.

Chuck and Bob

... and all the changes that have taken place during that period."



Satellite Internet



New Crow Substation



Power Line Clearing

2013-2014 Financial Stats

FINANCIAL OVERVIEW - the financial statements used by the cooperative are kept in accordance with Rural Utilities Service, and are checked annually by Schmidt and Company, an independent auditor.

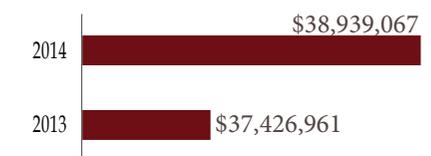
Carbon Power & Light Inc.'s financial position at the end of 2014 was sound. All yearend ratios are in compliance with those stated in our mortgage agreements with both USDA Rural Utilities Service (RUS) and National Rural Utilities Cooperative Finance Corporation (NRUCFC).

This financial position continues to allow us to retire Capital Credits on a yearly basis to our Member-Owners. Carbon Power & Light Inc. distributed \$737,734.51 in capital credits checks for 2014. Carbon's general retirement in June 2014 was \$468,137.75 and deceased patrons distributed in March and October totaled \$269,596.76.

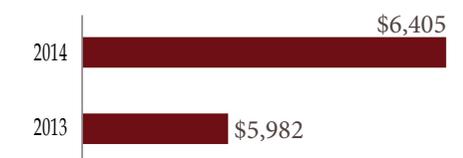
Carbon's total miles of energized line at the end of 2014 equaled 1,930.80; with an average of 6,076 meters served and 28 employees. This amounts to 3.16 meters per mile of line and 218 meters per employee.

MEMBER STATS

Total Plant Investment



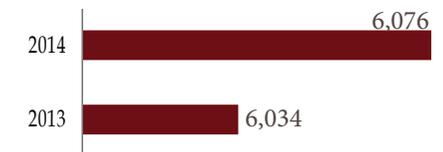
Plant Investment by Meter



Members Equity



Avg. No. Meters at Year End

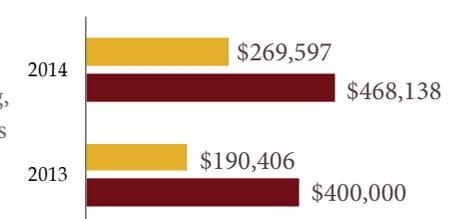


you get the credit ~ CAPITAL CREDITS

When you signed up to receive electric service from Carbon Power & Light, you became a Member-Owner of an electric utility; therefore, when the financial condition of the Cooperative is in a good position, you are allocated a share of the Cooperative's net margins in the form of capital credits. Capital Credit retirements will only be made to Member-Owners who purchased electricity during the year(s) in which the retirement was made (varies from year to year). At this year's Annual Meeting, Carbon will distribute \$510,272 to Member-Owners like you across portions of two counties served by the co-op. Not attending the Annual Meeting? No worries, Carbon will mail your check to the address we have on file. Have a new address? Call as soon as possible to ensure expedient delivery of your Capital Credit check.

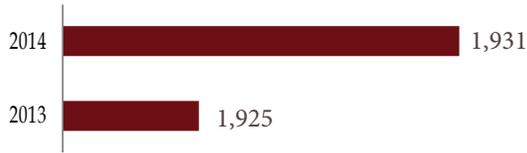


■ Deceased Patron Capital Credits
■ Capital Credits Paid

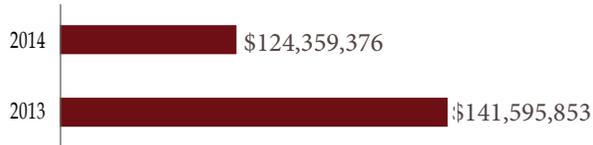


MEMBER STATS

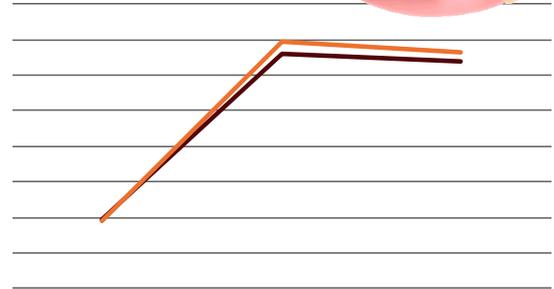
Actual Miles of Line at Year End



Annual kWh Sales



TAXES



	Property Taxes	Sales Taxes	Federal & State Taxes
2013	\$195,430.50	\$660,596.53	\$638,421.82
2014	\$187,486.39	\$692,743.53	\$661,908.04



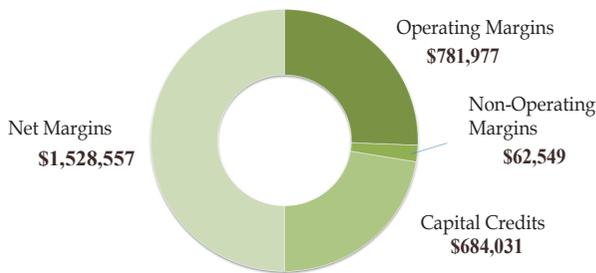
Assets	2013	2014
Total Utility Plant	\$ 37,426,961	\$38,938,067
Less Depreciation	\$ 12,070,514	\$12,436,663
Net Utility Plant	\$ 25,356,447	\$26,501,404
Patronage Capital	\$ 9,402,352	\$9,761,867
Investments	\$ 1,529,993	\$3,574,429
Cash	\$ 178,065	\$407,977
Other	\$ 3,538,841	\$3,409,671
Total Assets	\$ 40,005,698	\$43,655,348

Liabilities	2013	2014
Member Patronage Capital	\$ 22,951,632	\$23,642,809
Other Margins/Equity	\$ 3,071,952	\$3,340,003
RUS/CFC/FFB Liability	\$ 12,319,371	\$14,293,307
Accounts Payable	\$ 986,128	\$1,047,815
Consumer Deposits	\$ 133,148	\$130,605
Other Liabilities	\$ 543,467	\$1,200,809
Total	\$ 40,005,698	\$43,655,348

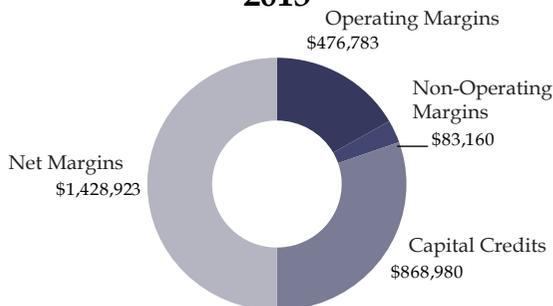
Revenue & Expenses	2013	2014
Total Revenue	\$ 16,050,744	\$15,439,932
Power Cost	\$ 10,720,248	\$9,603,709
Transmission Expense	\$ 60,975	\$48,723
Distribution Expense	\$ 1,903,642	\$1,982,193
Customer Service	\$ 719,791	\$742,928
Sales Expense	\$ 17,327	\$22,692
Administration & General	\$ 728,222	\$764,265
Depreciation	\$ 844,258	\$896,468
Tax Expense	\$ 48,205	\$36,881
Interest & Other	\$ 531,293	\$560,096
Total Operating Expenses	\$ 15,573,961	\$14,657,955

MARGINS

2014



2013



2014



UNOFFICIAL MINUTES

M 73rd Annual Meeting of the Membership Minutes

President Robert J. Johnson called the 73rd annual meeting of the membership to order at 12:31 p.m. on June 28, 2014 at the Platte Valley Community Center located in Saratoga, WY. The Pledge of Allegiance was recited by those in attendance followed by the invocation by Director Richard Clifton.

Welcome:
President Johnson welcomed the Membership and guests followed by introductions of the Board of Directors/spouses and the General Manager.

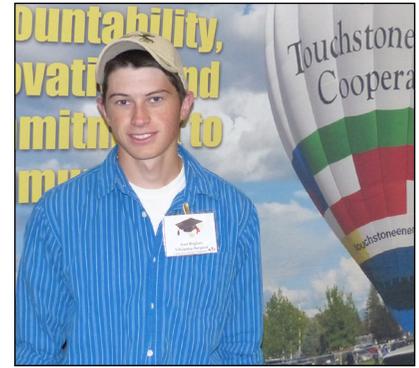
Reading of the Official Notice
President Johnson read the Official Notice of the meeting and explained the purpose for the meeting to the Member-Owners.

Official Notice of Quorum:
President Johnson reported that a quorum was present. A total of 173 Member-Owners registered for the Annual Meeting.

2013 Minutes:
President Johnson asked for a motion to dispense with the reading of the minutes from the 2013 Annual Meeting of the Membership meeting. A Member-Owner from the floor motioned to approve the minutes as presented. The motion was seconded and approved without dissent.

Joint Report by President Robert Johnson and General Manager Charles Larsen:
President Johnson and Mr. Larsen reviewed the current

and past operations of the Cooperative. Upgrades to Carbon's electrical system were secured when we completed the Highway 230 three-phase power line. The 26-mile upgrade, costing \$1,395,189, considerably enhances the reliability and capacity for this part of Carbon's electrical system. Another upgrade that was needed because of load growth was the Crow Substation, which is located near the junction on Highway 130/230. This upgrade is estimated to cost \$950,000. Mr. Larsen shared with the Membership that Carbon was also in the process of developing construction cost estimates to serve a limestone quarry north of Laramie for up to 6.5 MW.



President Johnson stated that the Board completed a strategic planning session earlier this spring to determine the current and future position of the Cooperative. Part of the focus of this planning session was for the purpose of developing a succession plan in replacing the General Manager upon his retirement in June of 2015.

Mr. Larsen firmly stated the importance of the Membership becoming active and letting their voice be heard on the proposed regulations being imposed upon Cooperatives across the nation by the EPA. Mr. Larsen confirmed the importance of reading the WREN Magazine and Carbon's newsletter (Carbon Light Lines) monthly. He encouraged the Member-Owners to join the grassroots effort and pay heed to the message that will be given later in the meeting by WREA Executive Director Shawn Taylor.

Mr. Larsen referred to those living within the city limits of the Town of Saratoga and the proposed franchise fee being imposed on the citizens by the Town of Saratoga. Mr. Larsen stated that in the past 70 years, Carbon has not been charged a franchise fee by the Town and by doing so now, would only increase the cost to the Membership within the corporate limits of the Town. The cost of the franchise fee will be passed on to those who live in Saratoga. The

electrical usage and facility charge of your electrical bill will increase by 4%; none of this increase will go to Carbon, it will all be turned over to the Town. Our data shows that approximately 51% of the fee will be paid by the commercial businesses. The balance will be paid by the resident Members. Mr. Larsen encouraged those who wanted to voice their opinion or concerns to contact Saratoga's Mayor and Town Council in writing.

Treasurers Report:

Treasurer Daniel Hodgkiss provided the Treasurers report on the 2013-2014 financial operations of the Cooperative. Mr. Hodgkiss announced that Carbon has just completed a preliminary financial audit review and Carbon is in excellent standing. Mr. Hodgkiss reviewed key areas such as the amount of taxes paid by the Cooperative, retired capital credits, revenue and statistical information.

Student Scholarships:

Scholarship certificates were presented to the 2014-2015 scholarship recipients.

Employee Service Awards:

President Robert Johnson and Mr. Larsen presented certificates of service to the employees.

Tri-State Report:

Carbon's Board representative for Tri-State, Director Richard Clifton gave an overview of Tri-State's facilities, operations and legal

affairs. Director Clifton stated that Tri-State remains strong and the balance sheet is in the black.

Director Clifton introduced Mr. Pat Bridges, Tri-State's Vice President and Chief Financial Officer. Mr. Bridges reported that it is becoming more and more difficult to work around the regulations being passed down from Washington. The regulations would reclassify many common activities associated with RUS loans in a way that triggers federally required environmental reviews. Mr. Bridges stated that Tri-State is a "heavy hitter" when it comes to borrowing money from RUS, to the tune of \$1.2 billion dollars. With the upcoming legislation on the table, the future of borrowing loan funds from RUS could put the loan program at risk. It would be a major decision for the Tri-State Board to no longer apply for loan funds through RUS but that is something the Tri-State Board may have to consider in the near future.

Election Results:

Mr. Larsen reported that the Nominating Committees met in March to nominate candidates for the expired Board positions. In April, the Chairmen of those committees reported that their recommendations were as follows: for District 1, Incumbent Mrs. Laurie Forster; for District 2, Incumbent Robert J. Johnson and Candidate Albert J. "Jock" Faris; and for District 3, Incumbent Mr. Clay Thompson. Mr. Larsen

reported that since the Directors in Districts 1 and 3 were running unopposed for their respective seats, they will continue to represent their Districts and serve another three-year term. For District 2, Mr. Larsen deferred to Ballot Committee Member Dick Perue to make the announcement of the election results. Mr. Perue announced that Robert J. Johnson was re-elected as the Board of Director for District 2.

Unfinished Business:

There was no unfinished business.

New Business:

There was no new business.

Throughout the meeting, Member-Owners that were present for the meeting were randomly selected to win billing credits, 4-H beef packages and many other miscellaneous door prizes provided from Carbon Power & Light and Carbon's many suppliers. A computerized drawing for a chance to win \$1,500, \$1,000, \$750 and \$500 was completed. The names of the Member-Owners that were drawn for the \$1,500 (Arthur Lacroix), \$1,000 (Mayra Quezada), and \$750 (Robert Ammann) cash awards were not present; however, the \$500 cash award went to Donna R. Smith who was present.

Adjournment:

There being no further business on the agenda, the 73rd Annual Meeting of the Membership was adjourned at 2:04 p.m.



Carbon Power & Light Board of Directors (back, from left): Laurie Forster, Clay Thompson, Dick Clifton, Jim Rogers, Kenny Curry; (front, from left): Robert J. Johnson, Jerry Rabidue, Gary Jacobsen and Dan Hodgkiss.

Making a Difference Together . . . Member-Owned ~ Service Proud

Districts

District 1
1,926 Members

REPRESENTATIVES

Gary Jacobsen - 2015 Incumbent
Laurie Forster
Dan Hodgkiss

District 2
330 Members

REPRESENTATIVES

Kenny Curry - 2015 Incumbent
Robert J. Johnson
Jerry Rabidue

District 3
1,776 Members

REPRESENTATIVES

Jim Rogers - 2015 Incumbent
Clay Thompson
Dick Clifton

2015 Incumbents

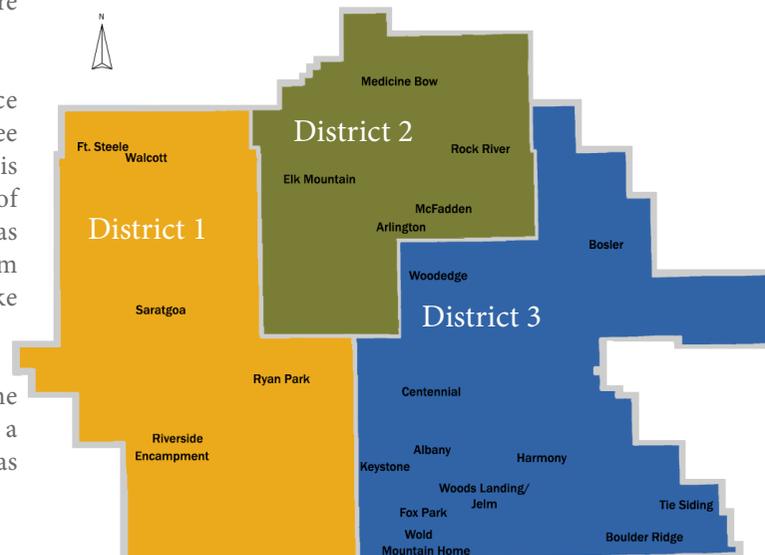
Carbon Power & Light is a member owned cooperative and is managed by a board of nine Directors who each serve three year rotating terms before running for re-election.

The Cooperative's service territory is divided into three districts and each district is served by three Board of Directors. Each Director has been elected to the board from Member-Owners just like yourself.

One of the purposes of the Annual Meeting is to elect a candidate or an incumbent as your district representative.

There were no candidates running against the incumbents this year. Read the incumbent Director's candidacy statements on the next page.

Director Districts for Carbon Power & Light



Nominating Committee Report

The 2015 Nominating Committee, in accordance with the Cooperative bylaws under Article IV, Section 3, were appointed by the Board of Directors. Appointees were:

District 1

Cris Fournier
Rocky Fiedor
Joe Glode

District 2

Bobby Heward
Rodney Thornburg
Gerald LeBeau

District 3

Pat Parker
Margaret Page
Billy Balthrop

The following is a report from the Nominating Committee Members who met in April 2015.

The Nominating Committee by majority vote, selected the following Member-Owners of the Cooperative as qualified candidates to serve on the Board of Directors for Carbon Power & Light.

District 1

Gary Jacobsen

District 2

Kenneth Curry

District 3

James Rogers

Note: Since the incumbent Directors are running unopposed, they will serve another three year term per Bylaw Article IV, Section 4.

2015 Incumbents

District 1

Gary Jacobsen

District 1 Incumbent



I was elected to serve on the Board of Directors in June

of 2003. During my 12 years on the Board, I have seen unprecedented economic, political and social forces that challenge our electric cooperative.

Carbon continues to work diligently on maintaining reliable and affordable electrical service to our Member-Owners.

As a Board of Director, I will continue to work hard on providing safe and reliable power for all of our Member-Owners at an affordable rate.

I look forward to seeing you at the Annual Meeting. Thank you for your support.

*Thank you,
Gary Jacobsen*

District 2

Kenny Curry

District 2 Incumbent



“My wife, Patti and I are lifelong residents of Albany and Carbon Counties.

I am retired from Albany

County Road & Bridge and reside in Rock River, WY. I have been on the Board since being appointed in September of 2008 and was elected to the Board in June of 2009.

I have really enjoyed representing the Members of District 2.

I attend each meeting with an open mind and try to make decisions that are best for providing reliable and

affordable electricity to our Members. I value all of our employees very highly and will continue to have the best training and the best advanced and reliable equipment for them to do their job.

I look forward to the possibility of serving another term as Director. I will do my best to honor your vote.

*Thank you,
Kenny Curry*

District 3

Jim Rogers

District 3 Incumbent



“I have served on Carbon Power and Light’s Board for three years. It has been a great experience for me, and I feel that I have listened and have answered the concerns of District 3’s co-op owners, who have shared their thoughts with me.

Please elect me to be one of your representatives from District 3 for another three years.

*Thank you,
Jim Rogers”*

Chuck Larsen

RETIRES AFTER 36 YEARS OF SERVICE

Changing of the guard...

by Joe Parrie, Director of Member Services & Marketing

Carbon Power & Light has been under the management of Charles “Chuck” Larsen for the past 23 years, which makes him one of the “old guard” as managers go. Many managers from around the industry have looked to Chuck for his insight and experience over the years. Carbon’s staff and employees have worked alongside Chuck to help keep Carbon at the forefront in our industry for many years. With direction from the Board of Directors, and Chuck’s leadership, Carbon has long been considered a “progressive cooperative” by our peers.

Many times Carbon has been the first to adopt new techniques, technologies and product offerings for our Membership. From Electric Thermal Storage Heaters, high efficiency Marathon Water Heaters and DirecTV service, to our adoption of steel poles and our TWACS automated meter reading system. Chuck has been here for it all.

With Chuck’s retirement in June, we will be ushering in a new manager, Russell Waldner. Russell has been at Carbon since 1991 when he was hired as a Staking Engineer. He became the Superintendent of Engineering in 1994 and later the Director of Engineering in 1996. Russell will be “taking over the reins” on May 15, 2015. Chuck will be staying on until the end of June to help provide a smooth transition. As a longstanding member of the staff, and with his experience as Director of Engineering, we are confident that as Manager, Russell will provide the leadership needed for Carbon to continue as a progressive cooperative into the future.

Congratulations to Chuck on his retirement, and to Russell on his selection as our new Manager. They both will be starting a new chapter in their lives, which we hope will be both rewarding and exciting.

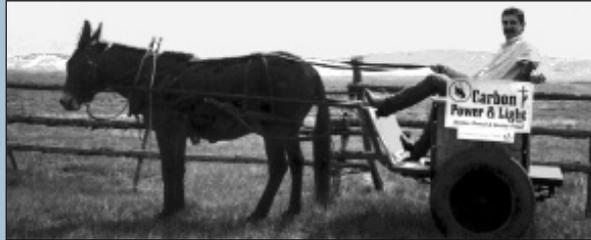


“ One thing I’ve noticed over the 23 years I have been in the Manager’s position is that our ability to get things done when other agencies are involved has become increasingly more and more difficult. ”

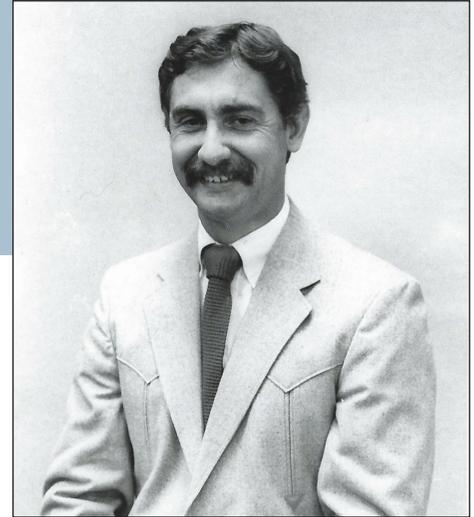


Chuck Larsen with Board President Robert J. Johnson

A sense of humor was never short on display



Chuck was employed for 13 years as an Apprentice Lineman, a Journeyman Lineman, Staking Engineer, Superintendent of Engineering and Director of Engineering before assuming the role as the General Manager in 1992.



Board President Pays Tribute to GM~

As the Board President of Carbon Power & Light, I have the honor of paying tribute to Chuck Larsen, our retiring Manager. Having been on the Carbon Board for some 30 years, I have had the opportunity to work with Chuck during his various positions at our co-op. Chuck is one of the most knowledgeable and dedicated managers in the cooperative industry. His opinions, on most issues, are well received with other people in the REA. Managers each have their personal style of operating a business and Chuck has proven

himself able to get along well with his staff and other employees. It seemed to be a very logical move when our Board offered him the managers position, and it has been a good move for Carbon.

Chuck is an interesting person to be around. He can bring a bit of humor to most situations. He enjoys doing Cowboy Poetry whenever he gets the chance and is very good at it. Big game hunting, pack trips, team roping and neighborhood branding also fit into his western way of life. He is well accomplished at many things.

We understand that his retirement will include living on the new “Chuck and

Linda Holdings” near Hulett, WY. There, they can step on the ponies for a sashay around their new stomping grounds. The folks here at Carbon will wish them a happy retirement. I can picture Chuck as he looks back over his shoulder with a smile, remembering the good times in the Platte Valley and with Carbon Power & Light.

We “tip our hat” to a great guy!

PS: Do I get a whiff of a good (CHUCK ROAST) sometime in the future?????????

Robert J. Johnson



Chuck cooked at many company picnics. He enjoyed the relaxed atmosphere of meeting and catching up with friends, past directors and employees.



{SCHOLARSHIPS}

Congratulations

Carbon Power & Light awards \$8,000 in scholarships to High School students from Albany and Carbon Counties as part of its commitment to community program.

Announcing the 2015 Carbon Power & Light, Tri-State G&T and Basin Electric scholarship winners.

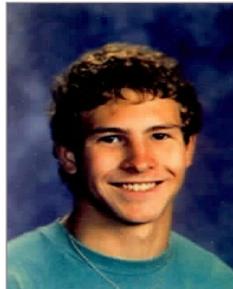
Carbon Power & Light \$1,000 Scholarship



Harold Jackson
Encampment H.S.



Marguerite "Maggie" Johnson
HEM H.S.



James "Hunter" Mason
Saratoga H.S.

Tri-State G&T \$500 Scholarship



Marguerite "Maggie" Johnson
HEM H.S.



Veronica Lincoln
Saratoga H.S.

Carbon Power & Light \$1,000 Scholarship



Shelby Ulrich
Laramie H.S.



Brett Ralston
Encampment H.S.



Shelby Bowen
HEM H.S.

Basin Electric \$1,000 Scholarship



Marguerite "Maggie" Johnson
HEM H.S.

The Board of Directors congratulate our member students and their families and wish them the very best in continuing their education.

Want to be a journeyman lineman? Log on our website for information.