



Carbon Light Lines

Your Touchstone Energy® Cooperative



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www.carbonpower.com

June 2016

Most
Important
Issue



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J Board President & General Manager Joint Report

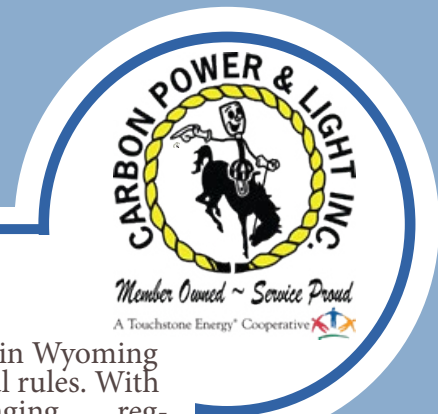


“ Reflecting back over the last year . . .

It has been a year since I became general manager and during the Annual Meeting it will be a year since Chuck (Charles Larsen) handed me the reins to Carbon Power & Light Inc. (Carbon). Not ten minutes after the end of the Annual Meeting the Carbon Board of Directors voted in a new President, Laurie Forster. I guess they felt that if we're going to go new why not go new all the way. In the past the Manager and the President made a joint report and today should be no different and the reins Chuck gave me have been bent that way for a while. This is not to say that we have not attempted to stretch the leather in those trained

reins. The stead that is Carbon has performed well since we have had the reins. Chuck was the Carbon whisperer! This being our 75th Annual Meeting we are proud of all that we have accomplished in the last 75 years and will continue with the same effort and intellectual brawn that has guided us to the outstanding organization we are today. Reflecting on all that has happened over the past 75 years becomes overwhelming in scope and reveals how difficult it is to sustain anything past a single career, yet the framework of the Cooperative will continue with no end in sight. Please take a few minutes to review the financial

information provided in this notice and you will find that even though our overall sales are down we have a strong future. This demonstrates that our rates are applied appropriately to each rate class so that we are not negatively impacted when a rate class has a lower than expected usage pattern for a period of time. We continue to work on system improvements to replace antiquated equipment and facilities and improve overall system reliability. The new Monolith substation will provide additional capacity and the ability to have an alternate source for the Laramie areas of Carbon's service area.



The new Line Patrol Tool will assist in the accurate accounting of our electric system that has been patrolled and that needs attention. Our Lineman have already suggested ways to improve this tool that we were able to implement. We have continued our involvement with WY-DOT to complete the last portion of the tree clearing project in the forest along highway 130. A new Construction Work Plan (CWP) is in development and will be used as a planning guide for the next 4 years. The CWP identifies areas of growth, poor outage performance and any needed improvements to maintain a robust electrical system. We will be rolling out our new SmartHub app this month and this will be an enhancement to our current E-Bill program. If you use our E-Bill you will

notice a few changes if you are used to apps this is a significant upgrade. We will continue to improve this app as more data is available for Member-Owner presentation. We have been reviewing our rules and reg-

of repetition in Wyoming governmental rules. With the ever changing regulatory environment we are constantly updating our policies and procedures. We are constantly reviewing our processes to determine if they are appropriate for today's uses. We are diligently evaluating new products and services with a mindset to make our Member-Owners lives better in the future.

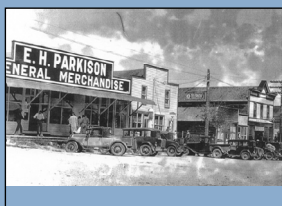
We will never lose sight of the purpose we have toiled for these past 75 years. The people of Carbon Power & Light are what make us great. Member-Owners providing Directors, Directors selecting a General Manager, the General Manager selecting Employees and Employees fulfilling the purpose of providing electric service to the Member-Owners.

Laurie & Russell



ulations and will be amending them to meet the newly approved changes that the Wyoming Public Service Commission completed this year at the request of the Governor to reduce the volumes

all the changes that have taken place during the last 75 years."



Transportation 1900'S



Joe Parrie Direct TV 2001



First Office built in 1956

2014-2015 Financial Stats

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

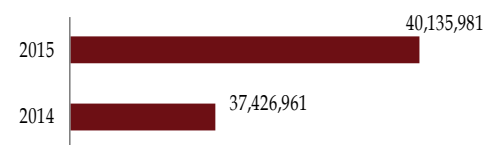
Carbon Power & Light Inc.'s financial position at the end of 2015 was sound. All year-end ratios are in compliance with those stated in our mortgage agreements with both USDA Rural Utilities Service (RUS) and National Rural Utilities Cooperative Finance Corporation (NRUCFC).

This financial position continues to allow us to retire Capital Credits on a yearly basis to our Member-Owners. Carbon Power & Light Inc. distributed \$712,505.65 in capital credits checks for 2015. Carbon's general retirement in June 2014 was \$468,137.75 and deceased patrons distributed in March totaled \$269,596.76.

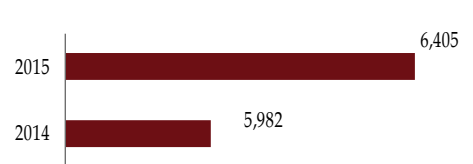
Carbon's total miles of energized line at the end of 2015 equaled 1,946.78; with an average of 6,183 meters served and 25 employees. This amounts to 3.2 meters per mile of line and 247 meters per employee.

MEMBER STATS

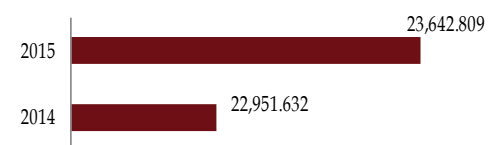
Total Plant Investment



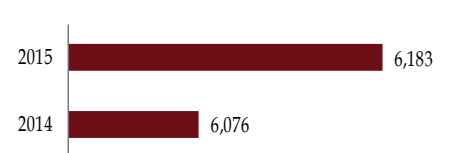
Plant Investment by Meter



Members Equity



Avg. No. Meters at Year End

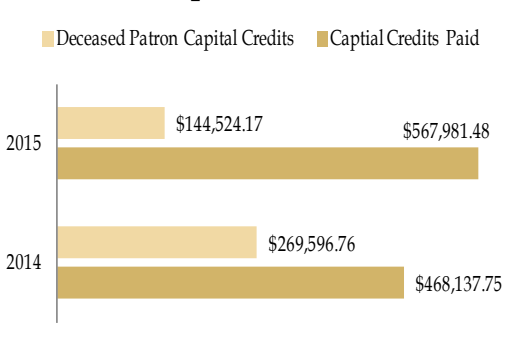


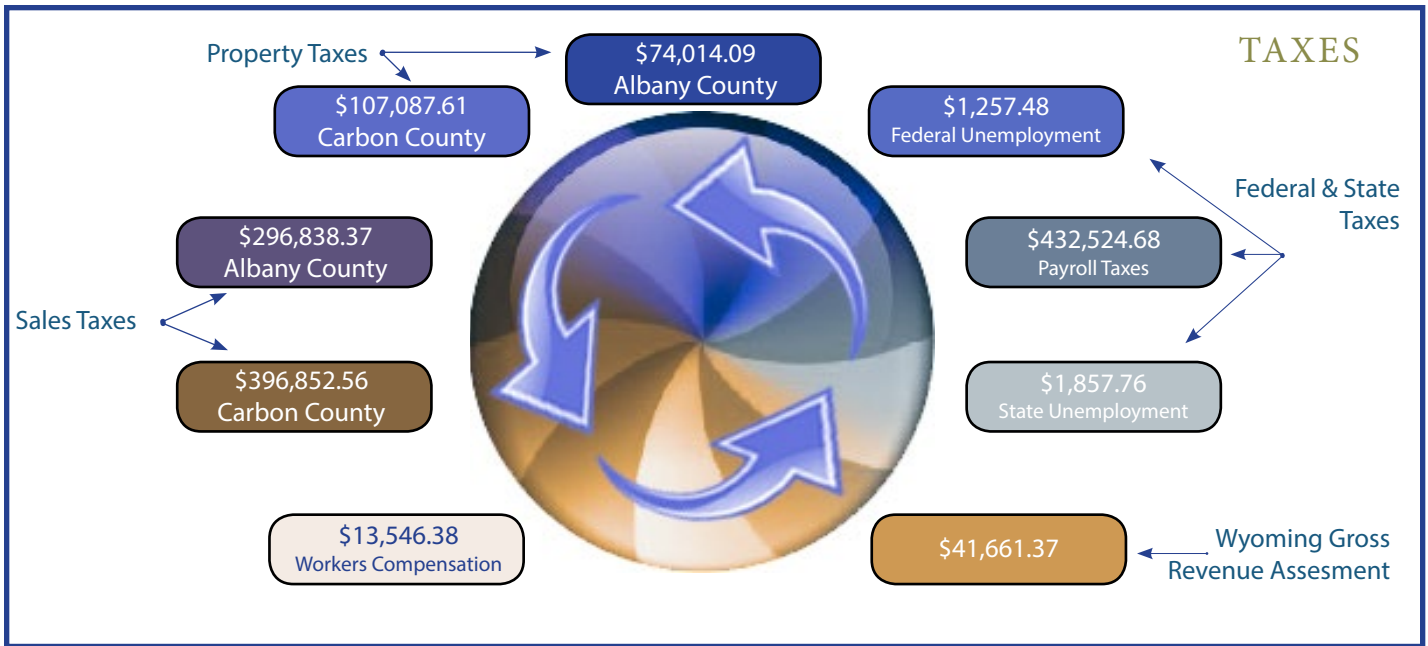
you get the credit ~ CAPITAL CREDITS

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 \$515,426 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.



Capital Credits





\$840,000 loan approved--1954

Loan to Carbon

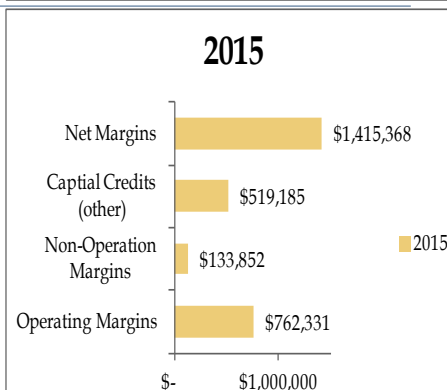
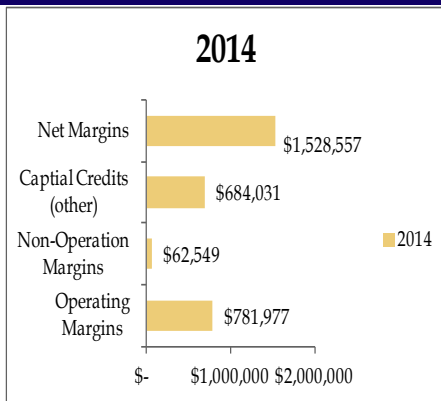
Carbon Power & Light, Inc., Saratoga, Wyo., has been given approval by REA in Washington for a loan of \$840,000 to finance construction of 202 miles of distribution line to serve 143 additional rural consumers. It also calls for communications facilities, system improvements including 58 miles of 34.5 kv transmission line to meet increasing power requirements of consumers in the area and for previously approved construction. Elton Trowbridge is president of Carbon and Emil Blom is manager.

Assets	2014	2015
Total Utility Plant	\$38,938,067	\$40,445,816
Less Depreciation	\$12,436,663	\$13,084,108
Net Utility Plant	\$26,501,404	\$27,361,708
Patronage Capital	\$9,761,867	\$10,065,399
Investments	\$3,574,429	\$3,736,761
Cash	\$407,977	\$409,641
Other	\$3,409,671	\$3,394,730
Total Assets	\$43,655,348	\$44,968,289

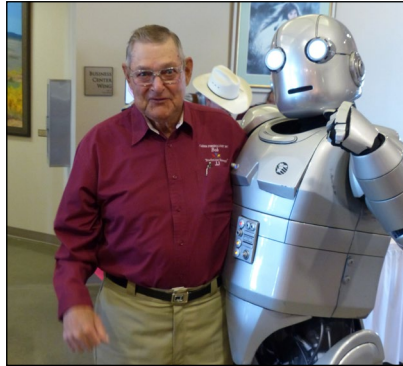
Liabilities	2014	2014
Member Patronage Capital	\$23,642,809	\$24,465,962
Other Margins/Equity	\$3,340,003	\$3,336,208
RUS/CFC/FFB Liability	\$14,293,307	\$15,036,882
Accounts Payable	\$1,047,815	\$1,009,944
Consumer Deposits	\$130,605	\$133,282
Other Liabilities	\$1,200,809	\$986,011
Total	\$43,655,348	\$44,968,289

Revenue & Expenses	2014	2015
Total Revenue	\$15,439,932	\$14,120,869
Power Cost	\$9,603,709	\$8,379,651
Transmission Expense	\$48,723	\$65,412
Distribution Expense	\$1,982,193	\$1,950,299
Customer Service	\$742,928	\$662,786
Sales Expense	\$22,692	\$17,233
Administration & General	\$764,265	\$728,263
Depreciation	\$896,468	\$933,575
Tax Expense	\$36,881	\$32,776
Interest & Other	\$560,096	\$588,543
Total Operating Expenses	\$14,657,955	\$13,358,538

MARGINS



2015



UNOFFICIAL MINUTES

M 74th Annual Meeting of the Membership Minutes

Director Richard Clifton called the 74th annual meeting of the membership to order at 12:31 p.m. on June 27, 2015 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 Jim Rogers.

Welcome:

Director Richard Clifton welcomed the Membership and guests followed by introductions of the Board of Directors/spouses and the General Manager.

Reading of the Official Notice Attorney Hank Bailey read the Official Notice of the meeting and explained the purpose for the meeting to the Member-

Owners.

Official Notice of Quorum:

Attorney Hank Bailey reported that a quorum was present. A total of 164 Member-Owners registered for the Annual Meeting.

2014 Minutes:

Attorney Hank Bailey asked for a motion to dispense with the reading of the minutes from the 2014 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 and the system improvements that were completed throughout time. Member-Owners were encouraged to read the cooperative's publications: the WREN and the Carbon Light Lines. These two publications are vital in keeping the members up to date on issues that affect the day to day operations of the cooperative.

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.

Treasurers Report:

Treasurer Daniel Hodgkiss announced that he could not give the Treasurers report on behalf of the cooperative because the annual audit is scheduled to go under review mid-July by Blodgett, Mickelsen & Naeff instead of Schmidt and Company. Mr Hodgkiss reviewed key areas such as the amount for taxes paid by the Cooperative, retired capital credits, revenue and statistical information.

Student Scholarships:

Scholarship certificates were presented to the 2015-2016 scholarship recipients.

Employee Service Awards:

President Robert Johnson and Mr. Larsen presented certificates of

service to the employees and to Director Jerry Rabiudie for 30 years of service.

Tri-State Report:

Carbon's Board representative for Tri-State, Director Richard Clifton gave an overview of Tri-State's operations over the past year. Director Clifton stated that hydropower is a power source that is expensive: however, reliable. Mr. Clifton stated that Tri-State and Carbon Power & Light worked hard in keeping rates from increasing which benefits the membership.

Director Clifton introduced Mr. Mike McInnes, Tri-State's CEO. Mr. McInnes stated that although the costs of commodities are ten times more than they were 10-years ago, the cost of electricity has remained low. Mr. McInnes reviewed a few projects that Tri-State is progressively addressing in regards to rate designs, policy revisions and positive communication solutions with the membership. Mr. McInnes finished by stating that Tri-State has had an amazing year.

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 Mr. Gary Jacobsen; for District 2, Incumbent Kenny Curry; and for District 3, Incumbent Mr. Jim

Rogers. Mr. Larsen reported that since the Directors of all Districts were running unopposed for their respective seats, they will continue to represent their Districts and serve another three-year term.

Unfinished Business:

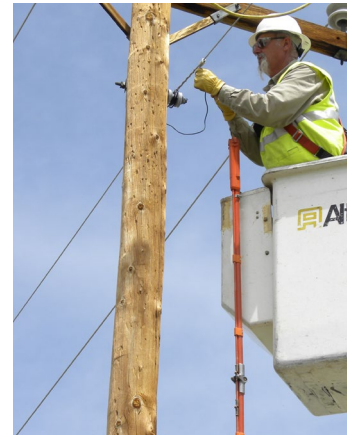
There was no unfinished business.

New Business:

There was no new business. Throughout the meeting, Many great door prizes were given away to several lucky winners. 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 (Rick Flohr), \$1,000 (Colton Miller), and \$750 (Linda R Brown Treas) cash awards were not present; however, the \$500 cash award went to Don Lucero who was present.

Adjournment:

There being no further business on the agenda, the 74th Annual Meeting of the Membership was adjourned at 2:13 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
Laurie Forster
Dan Hodgkiss - 2016 Incumbent

District 2
330 Members

REPRESENTATIVES

Kenny Curry
Robert J. Johnson
Jerry Rabidue - 2016 Incumbent

District 3
1,776 Members

REPRESENTATIVES

Jim Rogers
Clay Thompson
Dick Clifton - 2016 Incumbent

2016 Incumbents

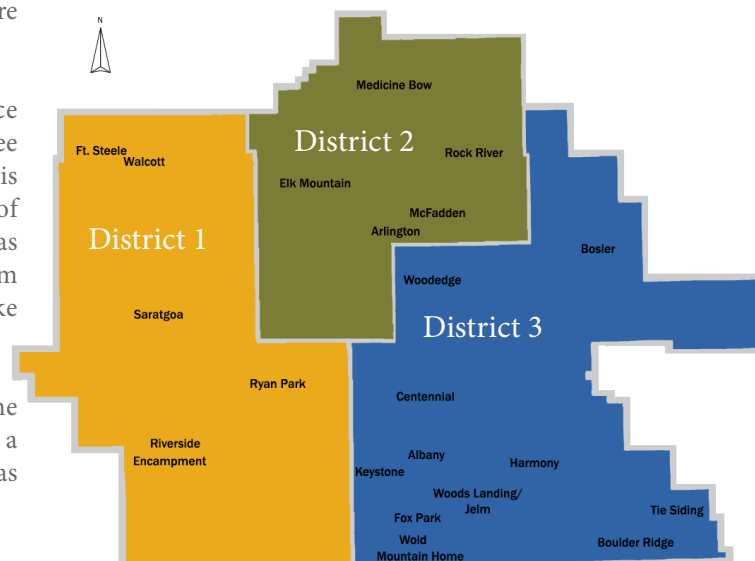
Carbon Power & Light is a member owned cooperative and is managed by a board of nine Directors who each serve three year rotating terms before running for re-election.

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 2016 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
Mike Glode

District 2

Bobby Heward
Rodney Thornburg
Gerald LeBeau

District 3

Pat Parker
Nancy Dunn
Juanita Engen

The following is a report from the Nominating Committee Members who met in April 2016.

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

Dan Hodgkiss

District 2

Jerry Rabidue

District 3

Dick Clifton

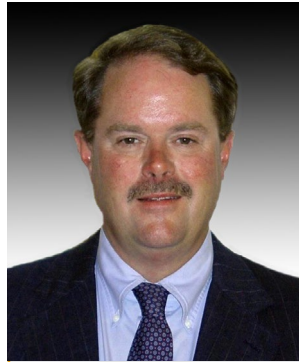
Note: Since the incumbent Directors are running unopposed, they will serve another three year term per Bylaw Article IV, Section 4.

2016 Incumbents

District 1

Dan Hodgkiss

District 1 Incumbent



As of the Annual Meeting on June 25, 2016 I have represented you for 18 years on your Board of Directors.

In the past 18 years, we have faced many issues that my fellow Board Members, Senior Staff and I have put forth considerable time and effort to ensure the most favorable outcome. Those situations included; the taxability of net income from the DirecTV business, sale of the DirecTV business, purchase of the WYDOT property, construction of the new headquarters, and sale of the previous properties. We have encountered different electrical rate changes from

our power supplier, Tri-State. We have been involved with 2 large sub-station projects for gas transmission companies. In summary, the past 18 years have been challenging but rewarding. I have learned a lot and I believe I have always had the best interests of all the Member-Owners of the cooperative at heart. Thank you for this opportunity and I look forward to serving you for another three year term. Thank you, Dan

Jerry Rabidue

District 2 Incumbent



My name is Jerry Rabidue. I have lived in Rock River for 65 years and have been a Member of Carbon Power & Light since 1962.

In 1967, I went to work for Carbon Power & Light and after completing four years of Casper College Correspondence, I became a Journeyman Lineman. I worked up to Line Superintendent and was Acting Manager of Carbon Power & Light until the position was filled.

I left Carbon Power & Light in 1980 to pursue my family's small business in Arlington.

As a former Employee

of Carbon Power & Light and serving on the Board of Directors since 1981, I am dedicated to the Member-Owners of this Cooperative.

The rising cost of doing business, government mandates and environmental issues are very important issues facing the Cooperative. I am interested in working for our Member-Owners on these concerns.

Thank you, Jerry

District 3

Dick Clifton

District 3 Incumbent



Dick has been enjoying living near Centennial with his wife, Sharon, for nearly 18 years. He has been on the Carbon Board of Directors for nine years representing District 3. He is Carbon's representative to Tri-State Generation & Transmission Association which provides our wholesale electricity. He

also represents Tri-State on the Board of the Wyoming Rural Electric Association. He is looking forward to another three years serving our member-owners.

Dick Clifton, District 3

THEN.....HISTORY OF ELECTRIC COOPS

As late as the mid-1930s, 9 out of 10 rural homes were without electric service. The farmer milked his cows by hand in the dim light of a kerosene lantern. His wife was a slave to the wood range and washboard.

The unavailability of electricity in rural areas kept their economies entirely and exclusively dependent on agriculture. Factories and businesses, of course, preferred to locate in cities where electric power was easily acquired. For many years, power companies ignored the rural areas of the nation.

The first official action of the federal government pointing the way to the present rural electrification program came with the passage of the Tennessee Valley Authority (TVA) Act in May 1933. This act authorized the TVA Board to construct transmission lines to serve "farms and small villages that are not otherwise supplied with electricity at reasonable rates."



Rural Electrification Administration

The idea of providing federal assistance to accomplish rural electrification gained ground rapidly when President Roosevelt took office in 1933. On May 11, 1935, Roosevelt signed Executive Order No. 7037 establishing the Rural Electrification Administration (REA). It was not until a year later that the Rural Electrification Act was passed and the lending program that became the REA got underway.

Within four years following the close of World War II, the number of rural electric systems in operation doubled, the number of consumers connected more than tripled and the miles of energized line grew more than five-fold. By 1953, more than 90 percent of U.S. farms had electricity.

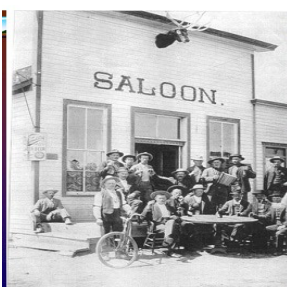
Today, about 99 percent of the nation's farms have electric service. Most rural electrification is the product of locally owned rural electric cooperatives that got their start by borrowing funds from REA to build lines and provide service on a not-for-profit basis.

NOW here's a picture of our linemen doing a safety presentation for the Kindergarten class in Saratoga 2016.

Electric Light Co of En-campment was furnishing power to the smelter as well as businesses.



Photos from Richard Perue



The first annual meeting.



Photo by Joe Parrie



National Linemen Day and your very own **Bruce Manore** (third from the left) was pictured here with the Governor Matt Mead. Several linemen from across the state showed up to be honored.

Electric cooperative members share more than electricity. They share the same principles. That's because electric co-ops are located in the communities they power and work hard to improve quality of life for all.

Additionally, electric co-ops are locally owned and operated by the very members they serve, which means the co-op is always looking out for you with a focus on member needs and local priorities. Member-ownership also guarantees every member has a voice in co-op business decisions. How the co-op is run is up to you.

As a not-for-profit entity, members know they can trust their electric co-op, because it was created to deliver on the promise of providing safe, reliable and affordable electricity to members – not to generate money for shareholders.

Community-friendly values mixed with the cooperative business model is what makes electric co-ops stronger and sets us apart from traditional, investor-owned power companies.



CARBON POWER & LIGHT, INC.



{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 2016 Carbon Power & Light, Tri-State G&T and Basin Electric scholarship winners.

Carbon Power & Light \$1,000 Scholarship

Tri-State G&T \$500 Scholarship



Cassidy Little
Encampment H.S.



Karen Russell
Encampment H.S.



Darby Bowen
HEM H.S.



Guy Erickson
Encampment H.S.



Matison Love
Saratgoa H.S.

Carbon Power & Light \$1,000 Scholarship

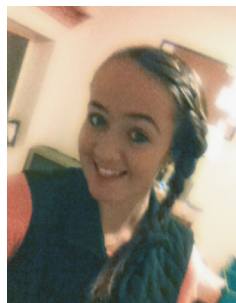
Basin Electric \$1,000 Scholarship



Jolie Wetstein
Laramie H.S.



Kaitlyn Bingham
Laramie H.S.



Michaela Corbett
Laramie H.S.



Cassidy Little
Encampment 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.