



Carbon Light Lines

August 2011

JUNE 2011
BOARD ACTIONS



THOMAS DUNN
DIRECTOR FOR DISTRICT 3

- Approved Department Production and Financial Reports.
- Approved making a donation to the Saratoga Volunteer Fire Department in the amount of \$500 for their time and assistance with the outage at Veterans Island.
- Approved purchasing a VON Underground Locator in the amount of \$26,375.
- Approved Board President Robert Johnson as voting the delegate for NRECA's Region VII Meeting and Director Kenny Curry as alternate.
- Approved Resolution #11-05 – *Approval of Interconnection of Distributed Resources Policy.*
- Approved matching \$250 to Tri-States donation for the attendee's at the Keystone CSI Climate Teacher Program upon certification of attendance by the teacher.
- Approved Resolution 11-06, the *RUS Long Range Plan 2011-2030.*



Carbon is fortunate to employ dedicated professionals who do their best to keep the Cooperative running as efficiently as possible. A total of twenty eight Employees, covering over 1,800 square miles of energized line, play an important role in the operation of the Cooperative every day.

Carbon Power & Light recently honored four of those Employees for their continued service and dedication at the 70th Annual Membership Meeting for reaching their milestone anniversaries. They are:

ERIKA KOENIG ~ 15 YEARS

Erika has served Carbon Power & Light for 15 years as the Work Order Clerk. Erika is in the Engineering Department and is primarily responsible for work orders and payroll.

RUSSELL WALDNER ~ 20 YEARS

Russell has served Carbon Power & Light for 20 years as the Director of Engineering. Russell oversees the operations of the Engineering & IT Departments.

MATT LOVE ~ 15 YEARS

Matt has been employed with Carbon Power & Light for 15 years as Carbon's Staking Engineer. Matt is responsible for the design, surveying, staking and mapping of Carbon's system.

JEFF MCARTHUR ~ 5 YEARS

Jeff has served Carbon Power & Light for 5 years as a Journeyman Lineman in the Saratoga area. Jeff constructs and maintains overhead and underground power lines.

"WE WANT YOUR INPUT" . . .

From the Manager ~ *Charles Larsen*



70th Annual Meeting: Thanks to all the Member-Owners who attended and helped make the 70th Annual Meeting of your Cooperative a successful one. A great lunch was served to over 300 in attendance. A quorum of 165 Member-Owners was present which was well over the bylaw requirement for conducting the business meeting. Following the reports provided during the course of the business meeting, several interested Member-Owners asked questions pertaining to issues associated with the Cooperative's operation. Based on the context of those questions it is easy to see that many of the Cooperative's Member-Owners have taken the initiative to stay informed and are paying close attention to the many aspects of their Cooperative's efforts to provide the electrical service that they have come to appreciate. It's concerned, interested and informed Member-Owners that makes the "Cooperative" concept the success that it is. If you haven't had a chance to join us at one of our Annual Meetings in the past...I would encourage you to make plans to attend...they are fun, informative and provide Member-Owners a great chance to get to know us...the Board Members and Staff that work hard to live up to our motto... "*Member-Owned and Service Proud*"

Member-Owner Survey: Last month I explained the parameters of our Member-Owner Survey and in my explanation I made the commitment to pass on some of the

questions and comments addressed by Member-Owners in their survey responses. Although survey forms are still trickling in...we have had a good overall response and I would like to get started in this newsletter addressing some of the Member-Owners' questions and comments.

Before I get started; however, I'd like to address a concern that I have as your General Manager. As I stated in the above mentioned information about the Annual Meeting, it is very apparent that we have many well informed Member-Owners. At the same time; however, I have a concern that stems from the fact that numerous comments and questions were made and asked within the returned surveys, the subject matters of which have been thoroughly addressed in prior Cooperative Newsletter Articles included in our insert within the WREN magazine. Furthermore this same monthly information is included on our Cooperative's website info@carbonpower.com. Which leads me to ask...is there a better way for your Cooperative to communicate this information to you?

This month's Member-Owner question from the survey: "*About a year or so ago, or less, you sent out new rate schedules which included a higher rate, thru basic charges, for "seasonal customers". Reason being that they use less power in the winter months. I understand your thinking but does this not go against the national policies or aims to use less power? In other words, I could leave a number of lights on all winter when I'm not there and it might have resulted in a lower basic rate. Sort of use more, pay less approach, yes or no*"?

Answer: That's a great question and one that we've addressed on several occasions since the implementation of the "Seasonal Rate Tariff" and perhaps it's time to again explain the Cooperative's reasoning behind the rate. Although it "appears" that the rate goes against conservation efforts; it is in fact however, more of an

issue of having each Member-Owner pay their fair share of operating the Cooperative based on a Cost of Service Study. I hope the following explains that principle:

In 2001, the Cooperative recognized that our fastest growing Member-Owner class was seasonal in nature and at that time they made up 12% of our Member-Owner base...while at the same time they only utilized 1.6% of the energy we sold. Based on that information and the completion of a Cost of Service Study...it was readily apparent that the Cooperative needed to address this.

The Cooperative has two avenues with which we derive the necessary revenues to meet our operational expenses and our Rural Utilities Mortgage Agreement; *Kilowatt-hour (kWh) sales; and a Facility Charge*. It is important that all Member-Owners understand that those aforementioned operational expenses go far beyond the service pole and meter located at each service location. Those expenses include fixed costs and variable costs, for example: Carbon must maintain and continually upgrade (some of our system is 68 years old) our existing sub-transmission lines, distribution lines, substations, service transformers...basically all the necessary hardware to bring electricity to your meter. The Cooperative must also keep up with the day to day operation of those facilities, e.g. outages, damaged equipment, right of way clearing, pole inspections...this list is endless. On top of that, we must maintain a fleet of vehicles, pay taxes, insurance costs, Employee payroll/benefits and meet mandated regulatory/safety requirements...*basically* all the normal costs of operating most any business. As a Cooperative; however, we have one unique characteristic that differs from most other businesses and that is the allocation and refund of Patronage Capital which is a component of our Rural Utilities Service (RUS) Mortgage. In other words, as a Cooperative we must maintain revenues adequate to meet our expenses and allocate/return patronage to the Membership. One

of the key benefits to the RUS relationship is the ability to secure loan funds at favorable interest rates... we do not want to run afoul of the RUS requirements.

So let's get back to the *Facility Charge vs. kWh (energy) charge* issue. If the Cooperative only used the kWh component to derive the necessary revenues to meet its expenses then those who use little or no energy at their service location would not be paying their fair share of the aforementioned costs to operate the Cooperative. The Facility Charge is the vehicle used to assist in leveling the playing field. The Cooperative uses a blend of both to meet its revenue needs; kWh sales plus a Facility Charge. Both are determined by a "Cost of Service Study" which establishes the revenue components required from the applicable rate and Facility Charge for each rate class within the Cooperative. Failure by the Cooperative to collect an appropriate Facility Charge from those Member-Owners who use little or no kWhs, results in a scenario of subsidization within that rate class. This is why the Cooperative developed the Seasonal (and low use) formula to test these accounts and if need be, increase the Facility Charge.

I realize that this has been a lengthy explanation...but a necessary one. On one side of the coin I realize (based on the recent calls) that many of those Member-Owners who received the Seasonal Letter are unhappy to be paying an additional \$6 a month in Facility Charges due to their limited kWh usage. On the other side of that coin, I hope that those Member-Owners that are generating adequate kWh revenues *and* paying the normal General Service Facility Charge to cover their share of operating the Cooperative...appreciate the Cooperatives efforts to insure a level playing field within this rate class.

Stay tuned for another question next month...thanks!

Chuck

Member Statistics Report	May. - 2010	May. - 2011
Total Utility Plant	\$32,792,622	\$34,711,401
Cost of Purchased Power	\$546,410	\$1,110,940
Expenses Less Power Cost	\$382,070	\$402,585
Tax and Interest Paid	\$51,333	\$61,569
Interest Received on Investments	\$9,778	\$5,135
Miles of Energized Line	1,869	1,893
Consumers Per Mile	3.3	3.3
Total Meters	6,150	6,156
Residential/Rural	3,871	3,819
Residential/Seasonal	1,495	1,586
Large Power/Commercial	686	656
Other	98	95
Total kWh Used	8,119,749	18,718,823
Residential/Rural	3,277,113	3,269,674
Residential/Seasonal	253,777	259,087
Large Power/Commercial	4,268,628	14,885,275
Other	320,231	304,787
Average Residential kWh Used	847	856
Average Residential/Rural Bill	\$111	\$112
Average Seasonal kWh Used	170	163
Average Seasonal Bill	\$47	\$47



JOYCE SWANSON RETIRES FROM CARBON POWER & LIGHT

After 38 years, Joyce Swanson retires from Carbon Power & Light as the Billing Clerk.

Joyce was instrumental in the Office Services Department and was responsible for the day to day operations such as deposits, delinquent accounts, billing and capital credits.

Joyce recaptured the history of her employment with Carbon Power and Light by saying; *"We've come a long way and a lot of changes have made this Co-op a trend-setting business. I am proud to say I was part of its history"*.

Joyce will be missed by all of her co-workers.

Find your name in "asterisks" somewhere in this newsletter & you can claim a \$10 bill reducer by calling Carbon Power & Light.

Carbon welcomes any comments or questions consumers may have. If you have a question on any part of the cooperative business, please write the cooperative and we will see that your question is answered. Any comments or questions can be addressed to Carbon Power & Light, Inc. PO Box 579, Saratoga, WY 82331, ATTN Newsletter.

Visit our website at www.carbonpower.com

Edited by Charles Larsen

IF YOU HAVE A PROBLEM WITH YOUR POWER: Please check your breakers. If you can determine that your neighbors are also without power; call Carbon at 1-307-326-5206 or 800-359-0249.

BOARD OF DIRECTORS

DISTRICT 1	DISTRICT 2	DISTRICT 3
Gary Jacobsen – Secretary	Robert Johnson – President	Dick Clifton
Laurie Forster	Jerry Rabidue – Vice President	Clay Thompson
Dan Hodgkiss – Treasurer	Kenny Curry	Tom Dunn

For online bill pay, go to www.carbonpower.com or by ACH.

For more information please call the billing department.

REMEMBER you can pay your bill at the following locations.

First National Bank
21st & Grand
Laramie, WY 82070

Rawlins National Bank
202 5th St.
Rawlins, WY 82301

Wes Haas

Bank of the West
302 N. 1st
Saratoga, WY 82331

OFFICE HOURS

MAY - SEPTEMBER

Monday - Thursday
7 AM - 5:30 PM

OCTOBER - APRIL

Monday - Friday
8 AM - 4:30 PM

