


# POWERING MEMBERS

2014 ANNUAL REPORT

CLEARWATER POWER COMPANY AND SUBSIDIARY



*"We Care"*

Your Touchstone Energy® Cooperative 

This institution is an equal opportunity provider and employer.

# CONSOLIDATED BALANCE SHEET

## GROWING TOGETHER

In 1937, no one imagined where electricity was going to take us. Nearly 80 years later, we're still building new lines to new people. Sometimes, it's a home that sprouts up where cattle used to graze. Other times, it's a new cattle ranch where there used to be nothing but sage brush and star thistle. For a Member-owned electric cooperative, the mission remains the same: Bring the power to the Members, wherever they need it, safely, reliably and affordably.



STATISTICAL DATA		
	2014	2013
TIMES INTEREST EARNED RATIO (TIER)	2.35	2.06
MARGINS & EQUITIES AS PERCENTAGE OF ASSETS	39.08	38.06
NUMBER OF ACCOUNTS PER MILE OF LINE	3.61	3.62

CONSUMERS PER MILE OF LINE	
MUNICIPAL UTILITIES*	48.0
INVESTOR-OWNED UTILITIES*	34.0
ELECTRIC COOPERATIVES*	7.40
CLEARWATER POWER COMPANY	3.61

\*National averages based on NRECA Co-op Facts & Figures (EIA 2010)

### ASSETS

#### PLANT IN SERVICE- AT COST

	2014	2013
Electric plant in service	\$80,218,596	\$77,826,186
Construction work in progress	65,333	202,874
	<u>80,283,929</u>	<u>78,029,060</u>
Propane plant and equipment	2,780,693	2,708,772
	<u>83,064,622</u>	<u>80,737,832</u>
Less accumulated depreciation and amortization	25,694,288	24,057,224
Net plant	<u>57,370,334</u>	<u>56,680,608</u>

#### INVESTMENTS - AT COST

Investments in associated organizations	2,900,082	2,574,081
Other investments	22,383	22,383
	<u>2,922,465</u>	<u>2,596,464</u>

#### CURRENT ASSETS

Cash and cash equivalents	2,475,097	1,156,572
Accounts receivable, less allowance for doubtful receivables of \$39,645 in 2014 and \$52,694 in 2013	2,151,916	2,357,307
Unbilled revenue	658,161	681,433
Materials and supplies	939,779	1,085,142
Other	378,617	244,696
Total current assets	<u>6,603,570</u>	<u>5,525,150</u>

#### DEFERRED DEBITS

	<u>1,471,176</u>	<u>1,674,097</u>
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### EQUITIES, MARGINS AND LIABILITIES

#### EQUITIES AND MARGINS

Patronage capital	\$24,309,863	\$23,520,842
Other equities	1,193,228	1,081,267
Unallocated earnings	825,767	736,767
	<u>26,328,858</u>	<u>25,338,876</u>

#### LONG-TERM DEBT, less current maturities

	<u>35,417,776</u>	<u>34,006,199</u>
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#### CURRENT LIABILITIES

Accounts payable	1,161,328	1,338,242
Consumer deposits	544,457	526,236
Accrued taxes	447,058	468,186
Other current and accrued liabilities	2,268,353	1,473,296
Short-term line of credit	-	500,000
Current maturities of long-term debt	1,991,515	1,866,796
Total current liabilities	<u>6,412,711</u>	<u>6,172,756</u>

#### DEFERRED CREDITS

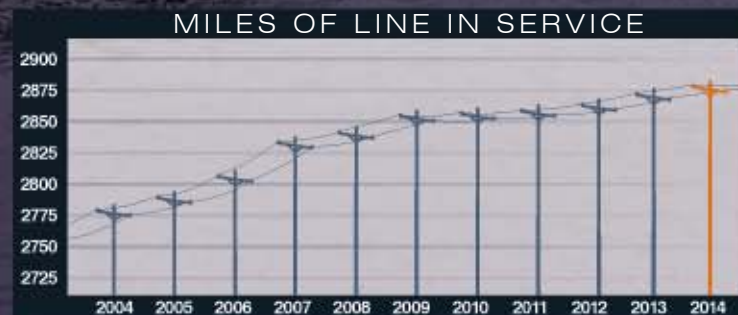
	<u>208,200</u>	<u>958,488</u>
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	<u>\$68,367,545</u>	<u>\$66,476,319</u>
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# CONSOLIDATED STATEMENTS OF REVENUES AND MARGINS

## SHARING VISION

A community is a shared vision. We invest, we endure and we share. It is the product and culmination of many hands, many hearts and many hopes. We are all thankful for times of plenty. If anything positive can come from the disaster of a wildfire or a windstorm or a flood, it is the reassurance that we are all in this together.



### OPERATING REVENUES & PATRONAGE CAPITAL

	2014	2013
	\$21,917,512	\$20,634,090

### OPERATING EXPENSES

Cost of power, propane and other	9,694,948	8,786,040
Transmission expense	23,773	25,442
Operation	1,599,497	1,774,870
Maintenance	1,959,550	1,846,464
Consumer accounts	617,797	622,057
Customer service and information	361,838	255,498
Administrative and general	2,531,256	2,487,436
Depreciation and amortization	2,367,137	2,258,752
Taxes	396,075	393,162
Interest	1,263,275	1,270,548
<b>Total operating expenses</b>	<b>20,815,146</b>	<b>19,720,269</b>

Net operating margins	1,102,366	913,821
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### NON-OPERATING MARGINS

Interest income	48,670	43,498
Other patronage	476,081	300,250
Other income	131,067	237,333
<b>Total non-operating margins</b>	<b>655,818</b>	<b>581,081</b>

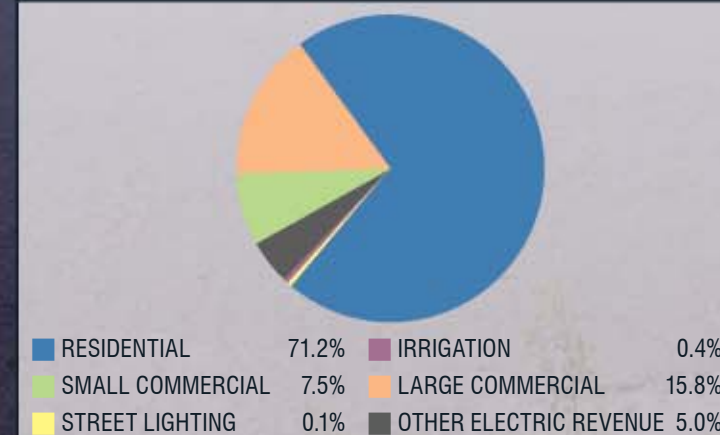
Net margins before income tax	1,758,184	1,494,902
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### INCOME TAX EXPENSE

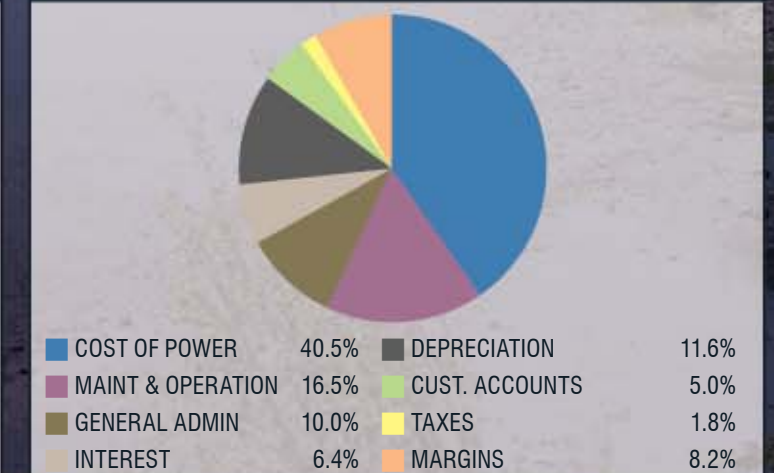
Current	(21,023)	(61,370)
Deferred	(67,800)	(14,493)
<b>Total income tax expense</b>	<b>(88,823)</b>	<b>(75,863)</b>

<b>NET MARGINS</b>	<b>\$1,669,361</b>	<b>\$1,419,039</b>
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### 2014 REVENUE SOURCES



### 2014 EXPENSES



# STAYING TRUE

Clearwater Power is not a profit-driven company... quite the opposite really. A Member-owned utility is not like other businesses. We are governed by a Board of Directors who are co-op Members just like you. Our programs and services exist to benefit the Members; not for *profit* but for *service*. At the end of each year, any margins realized are allocated to Members based on patronage. Since 1988, Clearwater Power Company has paid over \$9 million back to our Members.



## PROGRAMS AND SERVICES

### BROADBAND INTERNET SERVICE

Exede® Internet is available virtually anywhere via satellite dish.

### CLEARWATERPOWER.COM & SMARTHUB MOBILE APP

Manage your account, view electric usage and get power outage information.

### YOUTH RALLY SCHOLARSHIPS

This annual leadership camp and scholarship competition is sponsored by consumer-owned utilities. Local sophomores and juniors compete for scholarships and for the opportunity to attend the week-long event.

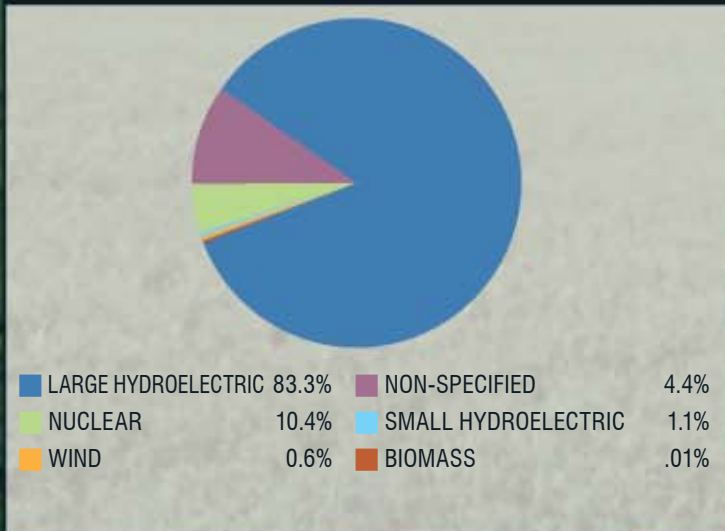
### ELECTRICAL SAFETY DEMONSTRATION

Covering high and low voltage electrical safety, this free demonstration is offered to emergency medical and safety personnel, local schools and community groups. Demonstrations are available upon request.

### CLEARWATER PROPANE

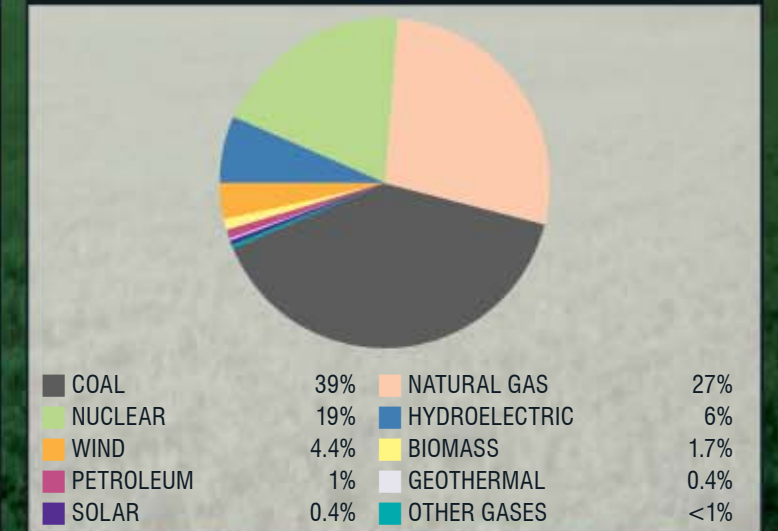
Reliable propane delivery with a focus on stable prices and premium customer service.

### CLEARWATER POWER BPA FUEL MIX 2014



For information regarding non-specified generation, go to: [clearwaterpower.com/fuelmix](http://clearwaterpower.com/fuelmix)

### U.S. ELECTRIC GENERATION MIX 2014

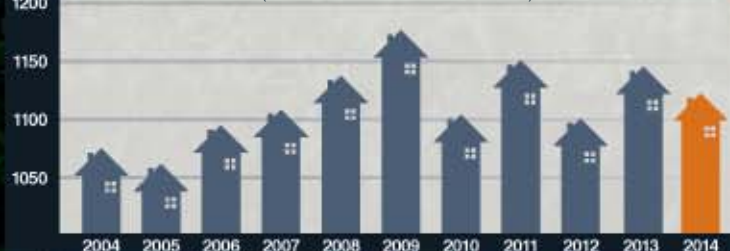


Major Energy Sources and Percent Share of Total U.S. Electricity Generation in 2014  
U.S. Energy Information Administration

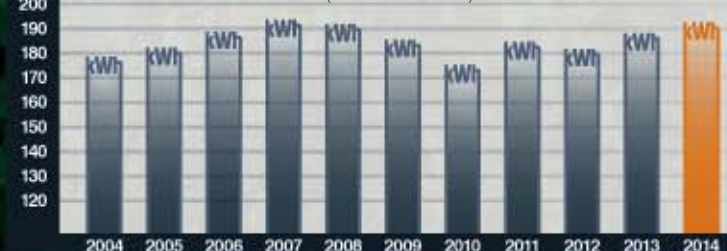
### CAPITAL CREDIT DISBURSEMENTS TO MEMBERS



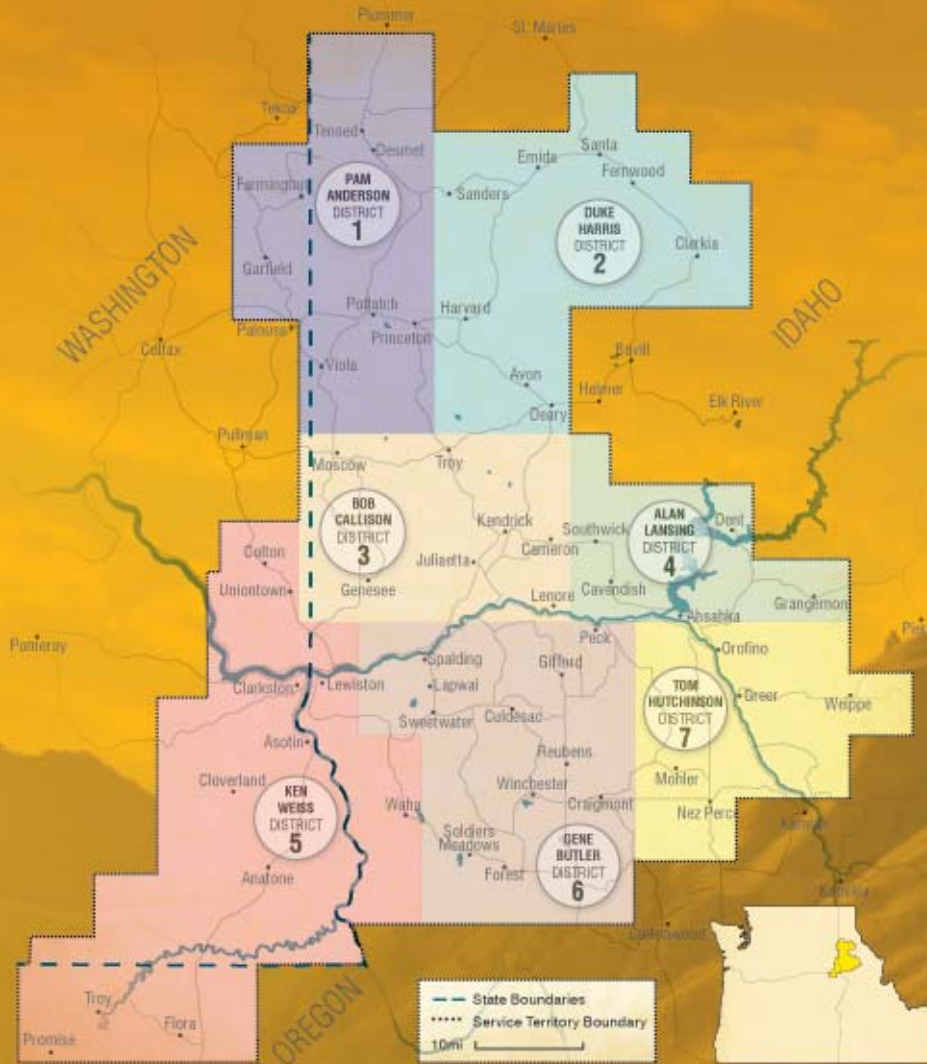
### AVG. MONTHLY RESIDENTIAL USE (IN KILOWATT HOURS)



### TOTAL KILOWATT-HOURS SOLD (IN MILLIONS)



# COOPERATIVE SERVICE AREA



## BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES & CONSULTANTS



**Alan Lansing**  
President  
Lenore, ID  
District 4

**Kenneth Weiss**  
Vice-President  
Asotin, WA  
District 5

**M.M. Duke Harris**  
Secretary-Treasurer  
St. Maries, ID  
District 2

**Robert Callison**  
Asst. Secretary/Treasurer  
Kendrick, ID  
District 3

**Thomas Hutchinson**  
Director  
Craigmont, ID  
District 7

**Pamela Anderson**  
Director  
Pottlatch, ID  
District 1

**Richard E. Butler**  
Director  
Culdesac, ID  
District 6

### Management and Staff

Dave Hagen, *General Manager*  
Ed Ausman, *Director of Purchasing and Warehousing*  
Lisa Hall, *Manager of Financial and Office Services*  
Doug Pfaff, *Manager of Engineering*  
Bob Pierce, *Manager of Member Services*  
Scott Seigmiller, *Manager of Information Systems*  
Cynthia Tarola, *Director of Accounting*  
Lorrie McCabe, *Director of Member Services*  
Stan Vannoy, *Manager of Operations*

### Employees

Bobette Billow, *Member Services Representative*  
Michelle Borders, *Credit Representative*  
Anna Bosshardt, *Accountant I*  
Jeff Braden, *Lineman, Lewiston District*  
Cara Crea, *Administrative Assistant*

Kevin Cromer, *Foreman, Lewiston District*  
Cari Dilling, *Cashier/Receptionist*  
Chris Floch, *District Serviceman, Lewiston District*  
Clint Fowler, *Lineman, Lewiston District*  
Leslee Grubb, *Engineering Representative*  
Greg Hansen, *Member Services Technician*  
Rick Jones, *Equipment Operator*  
Bruce Kennon, *Lineman, Princeton District*  
Travis Key, *Meterman*  
Doug Lacey, *Foreman, Ahsahka District*  
Nathan Manfull, *Groundperson*  
Jeff Marshall, *Communications Specialist*  
Kurt McCann, *District Serviceman, Princeton District*  
Cliff Miller, *Foreman, Princeton District*  
Matt Moore, *Lineman, Ahsahka District*  
Aundrea Morrison, *Accountant II*

Tom O'Connor, *Fleet Mechanic*  
Rob Parkhurst, *District Serviceman, Ahsahka District*  
Clint Reeves, *Field Engineer*  
Tim Rimmelspacher, *Warehouseperson*  
LaDana Sarbacher, *Member Services Representative*  
Thomas Stanton, *Lineman, Lewiston District*  
Joe Stockard, *Foreman, Lewiston District*  
Deborah Tanner, *Operations Dispatcher*  
Casey West, *Lineman, Ahsahka District*  
Wayne White, *Lineman, Lewiston District*  
Dirk Williams, *Lineman, Princeton District*  
Lance Wilson, *Field Engineer*

### Consultants

D. Hittle & Associates, *Engineering*  
Blodgett, Mickelsen & Naef, P.S., *Auditor*  
Sonyalee Nutsch, *Attorney*

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