



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative 

2014
ANNUAL REPORT

**RELIABLE
& AFFORDABLE**



**A HERITAGE OF
MAKING YOUR
POWER THE
TOP PRIORITY**

Reliability and Affordability: a heritage of making your power the top priority

Cheryl Thomas, vice president of Office Services; Mickey Miller, president and CEO; and Rick Ryan, vice president of Marketing and Member Services are part of the Nolin Rural Electric Cooperative team that brings you reliable and affordable electricity.

Photo: Joe Imel



Nothing is more important for Nolin Rural Electric Cooperative Corporation than making sure you have electricity when you want it, at the most reasonable cost possible.

Reliable and affordable electricity motivated farmers more than 75 years ago, when batteries, generators, or no power at all separated them from the people in town. They organized themselves into user-owned utilities so they could be part of modern American society.

A lot has changed over the decades. But what will never change is Nolin RECC's mission of making your power the top priority.

This annual report gives you the basics of the past year. For an even better sense of Nolin's operation, come to this year's annual meeting for some important business, and an entertaining and fulfilling sense of community.

ON THE COVER: Nolin Rural Electric Cooperative line technicians Jeremy Jones, Nathan Yates, and Tommy Sullivan pose for a photo just prior to a pre-job briefing. Photo: Joe Imel

Fuel factor

Over the past year you've heard a lot from Nolin about the effects of environmental rules, especially about the Environmental Protection Agency proposals to regulate carbon dioxide emissions from coal-fired power plants.

There's a good reason for that attention: those proposals will affect the reliability and affordability of your electricity.

During the past two winters we've had extended cold spells that required Nolin to use all its available sources of electricity to allow you to heat your home.

The EPA's proposed regulations make it so difficult to continue to operate coal power plants that some of them are being shut down, even here in Kentucky, where coal provides the fuel for nearly all of our electricity.

Replacing coal with renewable fuels like solar and wind energy would be extremely expensive and difficult, and maybe even impossible. For now, natural gas is currently being used to meet near-term needs.

In other words, the actions of the federal government are threatening the reliability and affordability of your electricity.

Nolin RECC will continue working with co-ops and other utilities across the state and nation to make any proposed rules as fair as possible to our community. Electric co-op representatives in Frankfort and Washington, D.C., will continue to work with officials at all levels to protect the reliability and affordability of your electricity.



The heritage of electric co-ops' reliable and affordable electricity in America goes back more than 75 years, shown in these photos. Top, death-defying crews built transmission lines in the fast-growth years after World War II. Today, workers follow much stricter safety procedures. Above, workers in the 1930s hard at work installing power lines. But before that could happen, shown at the top of the next page, rural people had to learn about the new technology of electricity, and be persuaded to part with a precious \$5 deposit—a tough decision during The Great Depression. Bottom of the next page, a co-op truck and substation in the 1940s. During World War II the co-op program changed its focus to the "electro-economy," using rural electrification to increase farm productivity for the war effort. Photos: National Rural Electric Cooperative Association

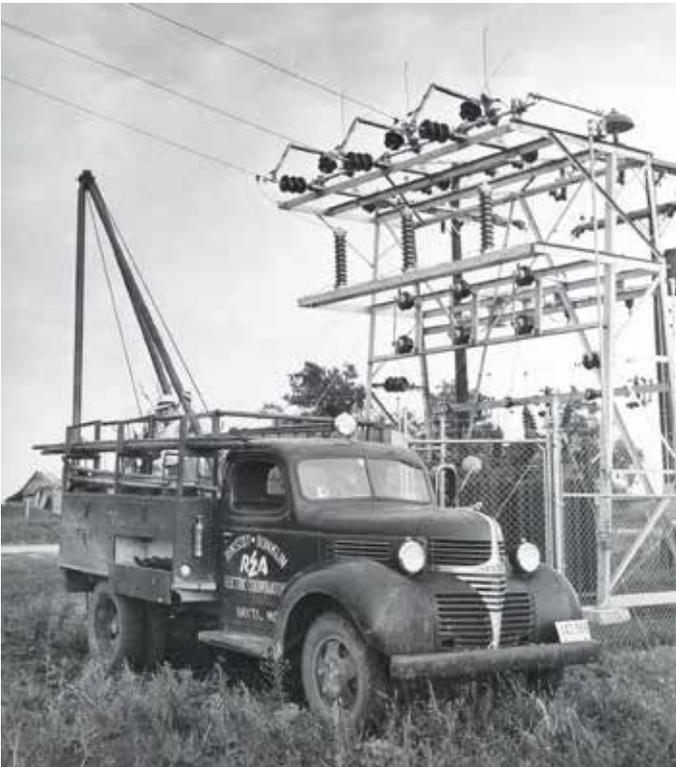


24/7 safety

Nolin places a tremendous amount of focus on safety around electricity all the time. For employees, especially technicians regularly out in the field, strict procedures are followed. No shortcuts allowed. They regularly attend training and awareness sessions. For you at home, Nolin uses every means of communication to remind you how to stay safe around electricity. Schools and civic groups regularly schedule electrical safety demonstrations throughout the year.

Save energy, save money

Nolin helps you use your electricity as efficiently as possible through information and incentive programs. It's good business, making the best use of resources, and it's good for your budget. Contact a Nolin RECC energy advisor for advice on getting the best value from your energy dollar.



Community neighbor

Electricity means more than lights. As your member-owned utility, Nolin Rural Electric Cooperative sees reliable and affordable electricity as an essential part of a strong community. Involvement in economic development, youth and scholarship programs, and other local priorities are part of what makes Nolin a good neighbor in the community.



Director Candidate Profile

DISTRICT 3

(The Southwest Service Area)

RAYMOND E. "RICK" THOMAS is a lifelong resident of Hardin County. He graduated from West Hardin High School and received an associate degree in business from Elizabethtown Commu-

nity College. Rick is also a graduate of the Philip Morris Agricultural Leadership Development Program at the University of Kentucky, and the Kentucky Cattlemen's Association Leadership Development Program.

Rick has served as director on Nolin RECC's board since December 2004, being appointed then to replace retiring board member Bob Wade Sr. Rick and his wife, Donna, purchased the Bethlehem Academy Farm in 1988 and farm full time. Their diversified farming operation consists of approximately 1,000 acres. They

raise corn, soybeans, wheat, alfalfa, and registered Angus cattle.

Rick is a Credentialed Cooperative Director through the National Rural Electric Cooperative Association Director Education Program. He and Donna are members of St. James Catholic Church, where Rick serves on the Administration Committee. The couple received the Distinguished Farm City Relations Award in 2003. Rick is a recipient of the Jack Snyder Award (presented by the Elizabethtown Rotary Club) and the Farm Bureau Service Award. He is a past vice chairman of the Hardin County Planning Commission, a past director for Farm Bureau, a past president of the Mid-Kentucky Angus Association, and a past chairman of the Hardin County Extension Foundation.

Personal remarks from Rick Thomas: *"I have appreciated the opportunity to serve as the District 3 director. I am committed to the co-op members' interest in maintaining and improving the services available and keeping our rates as low as possible. With significant challenges confronting all coal-based power providers, like Nolin RECC, I pledge to do my best to ensure safe, reliable, and affordable electricity for present and future co-op members."*



Director Candidate Profile

DISTRICT 5

(The Southern Service Area)

LINDA GRIMES along with her husband, Coleman, and brother-in-law and his wife, own and operate Grimes Farms in LaRue County. They grow corn and soybeans, and have Red Angus beef cattle.

Linda is involved in the daily activities on the family farm from operating the machinery, to animal husbandry and keeping the books.

Linda and Coleman have two children, Joyce Goode and Warren. Joyce and her husband, Greg, who farm in Liberty, Kentucky, have three daughters: Emily (9), Leann (4), and Breanna (6 months). Warren is single and works on the family farm. The Grimeses are members of Mt. Tabor Baptist Church in Buffalo. Linda is currently serving as the minister of music, and is very active in the Wednesday night youth program.

Linda was elected by Nolin members to serve as director of District 5 in June 2009. She has completed the Credentialed Cooperative Director Program and the Board Leadership Program through the National Rural Electric Cooperative Association.

A lifelong member of her community and graduate of LaRue County High School, Linda is very active in several organizations. She has been involved with Lincoln Days Celebration for many years from providing entertainment on Saturday to helping coordinate the community worship service on Sunday morning. Linda is a member of the Music City Christian Fellowship. She previously served on the LaRue County Extension Service District board, and the 4-H Council. Linda is past president of the LaRue County Dairy Association, past director of LaRue County Farm Bureau, past chair of LaRue County Farm Bureau Women's Committee, and past 4-H Dairy Club leader. In 2010, Linda earned the honor of receiving the Bobby McDowell Award of Excellence.

Linda's love for music and singing takes her across the local area to churches, assisted living homes, and nursing homes, performing with the bluegrass-country gospel group Brighter Day. She has also been honored to sing on the stage of the Ryman Auditorium in Nashville. Linda also enjoys riding motorcycles, and most of all playing with her grandchildren.

Personal remarks from Linda Grimes: *"It is a great honor to serve as your director. I feel the directors have an obligation to, and are accountable for, decisions made for the cooperative members. I have gained knowledge of the workings of the business of delivering reliable and affordable electric to our members, by attending educational programs and meetings to better serve you. I will continue to keep the members' needs foremost when helping make decisions for our cooperative. I ask for your support and thank you for allowing me to continue to be your director."*

Annual Meeting Program

Exhibits, Displays, and
Health Fair
Open at 5:00 p.m.

Registration &
Early Entertainment
Begin at 5:30 p.m.-8:00 p.m.

Business Session 7:00 p.m.

PRIZE DRAWINGS

For Members Registering

- GRAND PRIZE -\$500 CASH
- TWO \$250 CASH PRIZE GIVEAWAYS
- TEN \$50 CASH PRIZE GIVEAWAYS
- EARLY BIRD DRAWING FOR ELECTRIC BILL CREDITS
- BICYCLES FOR CHILDREN 12 & UNDER

FREE

11-QUART BUCKET
& LIGHT BULBS
to each member
registering.



COME TO THE COOKOUT!

Starting at 5:00 p.m. our friends the
Pork, Beef, and Dairy Producers
will sell their delicious pork burgers,
hamburgers, pork chops, rib-eye steaks,
and ice cream.

Have dinner with us!
Don't miss it
—it's your annual meeting!

Official Notice



RURAL ELECTRIC COOPERATIVE CORPORATION

ANNUAL MEMBERSHIP MEETING

Friday, June 26, 2015

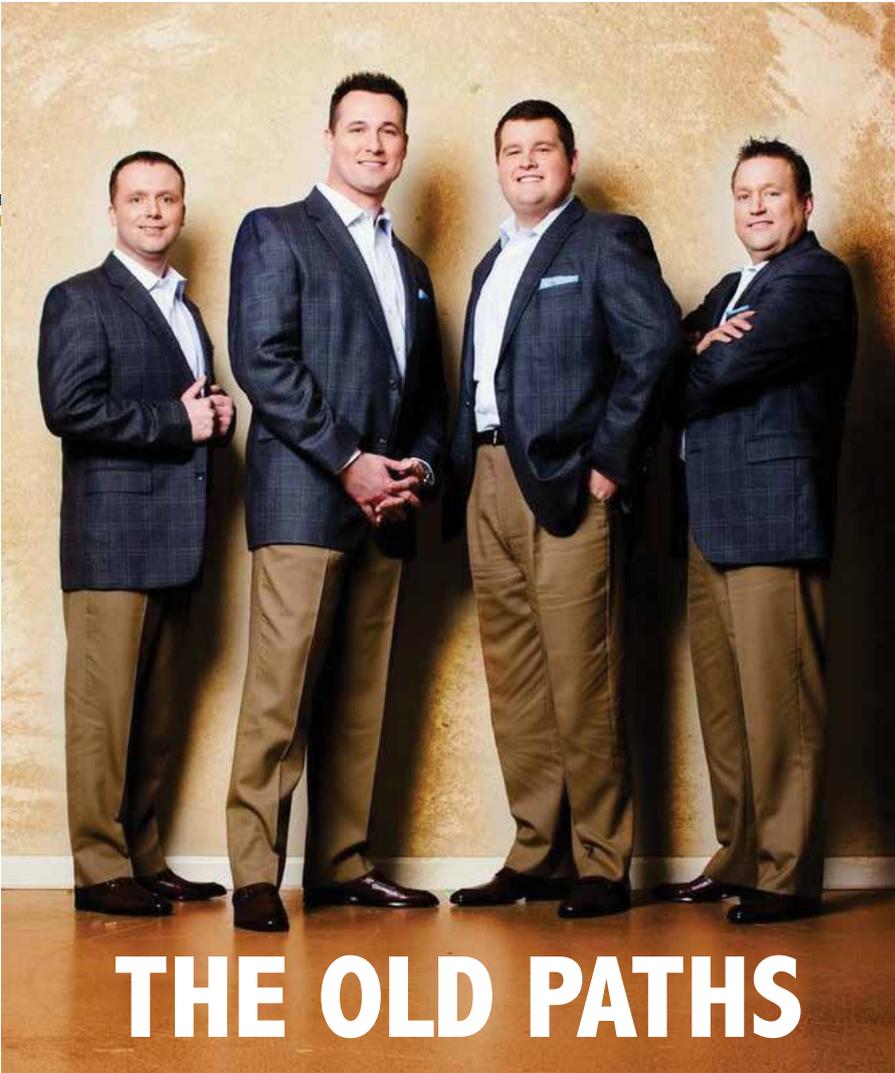
John Hardin High School
W. A. Jenkins Road, Elizabethtown

ENTERTAINMENT

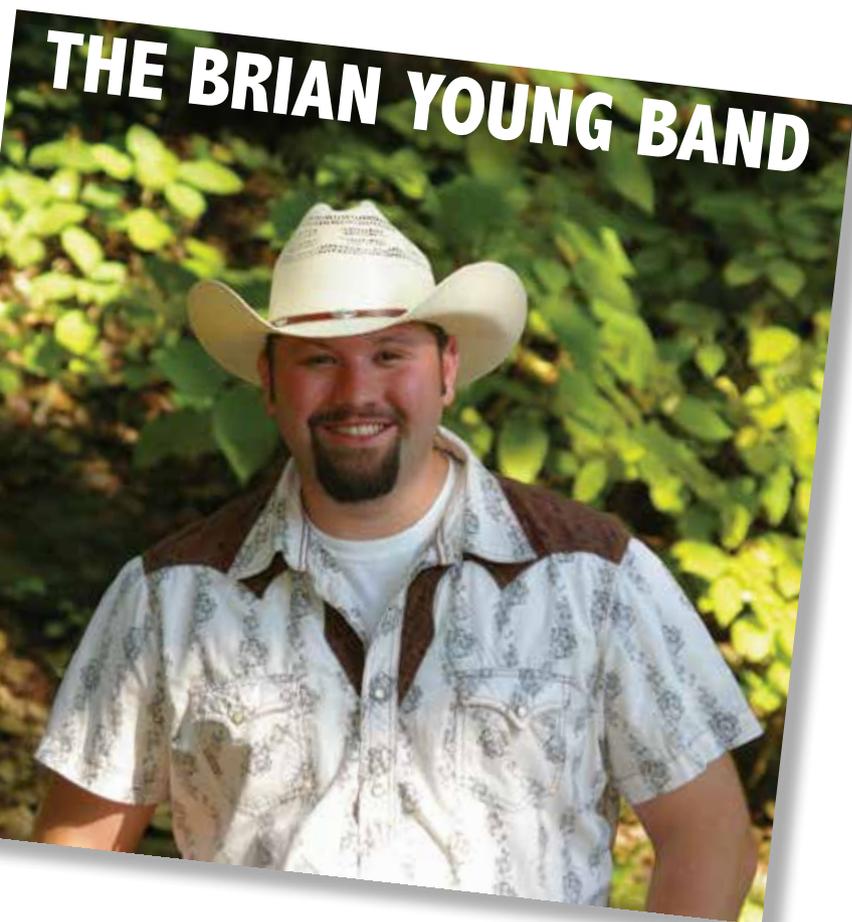
Children's Games & Rides
Free Health Fair and Exhibits

RACHEL'S FACE PAINTING





THE OLD PATHS



THE BRIAN YOUNG BAND

FREE COMMUNITY HEALTH FAIR

- AARP Smart Driver Program
- Anthem Blue Cross & Blue Shield
- Atria Senior Living
- CASA of the Heartland
- DaVita Dialysis
- Elizabethtown Lions Club
Vision Screening
- Hardin County Co-op Extension Service
- Hardin County Diabetes Coalition
- Hardin County Schools
- Hardin Memorial Health
- HealthSouth Rehabilitation Hospital
- Helmwood Healthcare
- Kentucky Organ Donation Trust for Life
- Lifeline Home Healthcare
- Lincoln Trail District Health
Department/Nutrition
- Lincoln Trail Medical Reserve Corp.
Special Needs Project
- Radcliff Fire Department
- Sam's Club
- Sick Call Mobile Clinic
- Sleep Telemedicine Services
- Tender Touch Senior Services

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2014

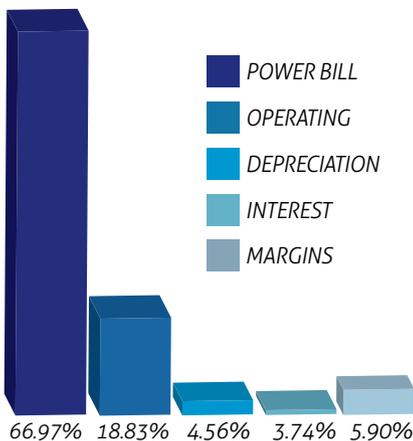
Operating Revenue.....	\$80,376,512.00
Operating Expense	
Purchased Power.....	\$58,435,007.00
Operating System.....	16,426,123.00
Depreciation.....	3,976,726.00
Interest on Loans.....	3,265,130.00
Other Deductions.....	24,021.00
Total Cost of Electric Service.....	\$82,127,007.00
Operating Margins.....	(1,750,495.00)
Non-Operating Margins.....	2,563,500.00
Other Capital Credits.....	4,312,013.00
Patronage Capital and Margins.....	\$5,125,018.00

BALANCE SHEET

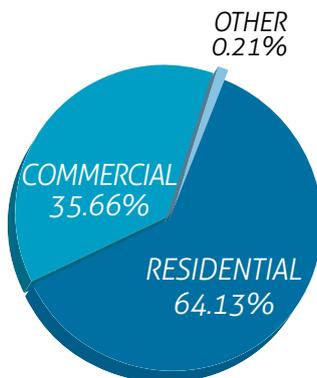
For the Year Ending December 31, 2014

ASSETS	
Total Utility Plant.....	\$107,205,141.00
Less Depreciation.....	42,153,318.00
Net Utility Plant.....	\$65,051,823.00
Investment in Assoc. Organization.....	\$34,829,836.00
Cash.....	4,170,546.00
Notes and Accounts Receivable.....	77,852,484.00
Inventory.....	1,156,628.00
Total Assets.....	\$183,061,317.00
LIABILITIES	
Membership and Other Equities.....	70,643,167.00
Long-Term Debt.....	91,804,909.00
Notes and Accounts Payable.....	6,708,197.00
Other Current Liabilities.....	5,069,479.00
Noncurrent Liabilities.....	8,835,565.00
Total Liabilities.....	\$183,061,317.00

MAJOR COSTS



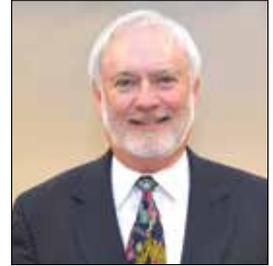
REVENUE SOURCES



BOARD OF DIRECTORS



David P. Brown
Chair



Gene Straney
Vice Chair



A.L. "Buddy" Rosenberger
Sec-Treasurer



Lawrence Ireland



R.E. "Rick" Thomas



Linda Grimes



John J. Scott
Attorney



Mickey Miller
President and CEO