



# Nolin RECC

## 2004 Annual Report



A Touchstone Energy® Cooperative   
The power of human connections

# Delivering the Best

# Delivering the Best

We're all connected to the world these days. Magazines, newspapers, TVs, radios, and computers keep us up-to-the-minute on the best and worst the global village has to offer.

Nolin RECC serves as one of the main gateways for bringing the best of the world to our community.

The process of making and delivering electricity to your home or business is very complex. And Nolin does it every second of every day.

But we must continue to stay on top of ever-changing technologies. Researchers constantly find better and cheaper ways for us to live our lives, and information technology brings us the news of those discoveries at the speed of light.

During the past year, Nolin has continued its drive to stay on top of the latest kinds of technologies, to help deliver the best of the world to you. In order to keep up, you need the best rates and service possible from your cooperative. Here's how that's been achieved in the past year:

## Delivering the Best: reliability

Electricity flows reliably to your lights and appliances virtually all the time, day and night. Nolin realizes that keeping the power flowing to your home is our number-one priority, but we are committed to go beyond just providing your electricity.

Today, even some of the most basic home appliances can be sensitive to tiny power fluctuations. That's why we have



made a priority over the past several years of finding ways to further increase the already incredible electric reliability. Among the techniques has been keeping electric lines in good repair, keeping trees and other plants trimmed and away from power line rights-of-way, and constantly updating our storm response strategies. As an extra measure of security, Nolin can offer expert advice on equipment you can use in your home or business to assure the highest possible level of reliability.

*Alfred Akridge, Nolin dispatcher, at the co-op operations center, which houses the SCADA (Supervisory Control and Data Acquisition) system that monitors the status of the utility's power lines and substations. Photo: Jim Battles*

*On the cover: Nolin Rural Electric Cooperative line technicians Mitch Hunt and Diana Hawkins-Sullivan at a substation. Electric co-ops around the country lead the way in using laptops in the field for technical projects from system mapping to setting substation relays. In the picture at upper right, Nolin Staking Technician Sonny Woodson in the co-op's mapping room. Photos: Jim Battles*



*A variety of training programs keep Nolin RECC directors and employees up to the minute on the best ways to do their jobs. Above, co-op workers attend a Touchstone Energy training session led by Patsy Whitehead, Nolin communications coordinator. Front row from left: Joyce Reynolds, Donnie Propes, and Jennifer Pyles. Second row, from left: Melinda Redmond and Paul Baker. Back row, from left: Keith Thompson, Tiffany Snodgrass, and Nick Boone. Photo: Jim Battles*

### Delivering the Best: rates

The average Kentuckian pays a lower residential electric rate than the average resident of any other state. That's been welcome news for the past several years, and Nolin is working to make your rates even better. Our efforts include staying in close touch with co-ops around the state and nation to use the best management practices; supporting technical research investment nationwide to increase the efficiency of how electricity is generated, transmitted, and distributed; and joining in-state and national public policy networks to make sure the U.S. Congress, Kentucky Legislature, and state and national regulators maintain an effective business climate for electric utilities.

### Delivering the Best: safety

The 26 electric co-ops in Kentucky, including Nolin RECC, have launched a sweeping new worker safety program that involved setting up two training centers in the state. In addition to regular, intensive, hands-on lineworker training at these sites, the program provides stringent testing and safety guidelines.

In addition to this employee safety program, electric co-ops have launched a second statewide safety initiative, this one focusing on customers and the general public. Those plans are being formulated and you'll be hearing more about this consumer safety awareness program in the coming months.

All this comes in addition to the regular strong emphasis Nolin puts on tak-

ing action to protect the safety of workers, members, and everyone else who might come in contact with electricity.

### Delivering the Best: employees

Nolin RECC not only takes care to hire and keep the best employees, it also makes sure they are kept up-to-date on the very best practices and techniques in their areas of expertise. In a word, that means training. Every day, in every profession, new equipment, skills, and ways of working are being perfected. Nolin takes advantage of training in the office and at state and national conferences, to make sure the employees serving you are the best in the world.

## Delivering the Best: customer service

Answering your questions promptly and correctly and sending out accurate bills requires a surprisingly high level of knowledge and organization. Nolin supports its well-trained workers with strong management techniques, and we promote the use of the latest business technology. We work with a regional cooperative data center to make sure Nolin's billing and recordkeeping run as near to perfect as possible.

## Delivering the Best: information

So much information is available so fast these days that besides getting it, we need help telling us what's important, and what's true. Nolin has a track record of maintaining integrity—we deliver information that will help you save money or improve your quality of life. *Kentucky Living* magazine provides a wide-ranging, high-quality digest of community people and news around the state and across the street. You can get information about Nolin through the Internet via e-mail and our Web site ([www.nolinrecc.com](http://www.nolinrecc.com)). For a more human touch, you can come to the Nolin RECC annual meeting on June 10 at John Hardin High School, or stop by and talk with the folks at the Nolin office.

## Delivering the Best: co-op business structure

When it comes to innovation and excellence, Nolin offers a business model uniquely and ideally suited to delivering the best combination of service, price, and value.

As a not-for-profit, consumer-owned utility, Nolin provides several advantages.

Most noticeable is the fact we are



*Jason Mattingly, Nolin Rural Electric Cooperative's electrical technician, discusses heating system efficiency and other electrical usage findings with Pat Martin, Team Assistant, after a commercial energy audit at CARITAS Home Health Corp. Photo: Jim Battles*

local. In these days of 1-800 phone numbers and international calling centers, there's more than just peace of mind in being headquartered in our own community. Knowing that you and your neighbors work at the co-op, run it, and even own it, makes real differences in the level of commitment to the community. And even the fanciest multinational corporate organizational chart can't overcome the advantage of being able to talk face-to-face when it's time to work out a problem.

Another huge benefit results from the co-op's not-for-profit

nature, and the fact that Nolin is owned by the consumers who use its services. When a co-op finishes its financial year in the black, the excess money isn't sent off to shareholders around the world who want to maximize their investments. Instead, the money stays with the co-op, right here in the community. Nolin has no incentive to chase profits—its incentive is in providing you, the members, with the best possible value and service.

The only reason Nolin exists is to deliver the best to you.

# DIRECTOR CANDIDATE PROFILES

## DISTRICT 1 (*the Northwest Service Area*)



**A.L. "Buddy" Rosenberger** is a Hardin County farmer who raises corn, soybeans, small grains, beef cattle, and operates a Holstein dairy. His farm is located in the Rineyville area near Four Corners. After graduating from Valley High School, he attended the University of Kentucky and earned a Bachelor of Science degree in Agriculture. Mr. Rosenberger served three years active army duty, including a 13-month tour in Vietnam

as a helicopter pilot.

Buddy and his wife, Carol, are members of Rineyville Baptist Church. They have two married children, Fritz and Gretchen, and eight grandchildren. Attending UK football and basketball games is a favorite activity for Buddy and Carol.

Mr. Rosenberger has served as a Nolin director since July 1978, and during the past 11 years he has held the office of Secretary-Treasurer. He is a Credentialed Cooperative Director through the National Rural Electric Cooperative Director Program. In addition, he represents Nolin on the East Kentucky Power Cooperative Board and serves as chair of the Power Planning and Major Projects Committee.

**Personal remarks from Buddy Rosenberger:** *"I believe in the cooperative way of doing business. Member ownership and democratic control works for the benefit of all members regardless of age or status. Cooperatives laid the foundation for rural America and continue to improve lifestyles for everyone."*



**Richard L. "Rick" Brady** is employed at Robert Bosh Tool Corporation in Elizabethtown as a project engineer. Since beginning his career with the company, he has held the position of maintenance superintendent, safety coordinator, emergency coordinator, and facility energy manager. Originally from Marion County, Kentucky, for the past 29 years, Richard and his wife, Arlene, have called the Elizabethtown/Rineyville area home. The couple have four children,

Brandon, Miranda, Nathanael, and Carrie, and one granddaughter.

The Bradys are members of Grace Heartland Church in Elizabethtown, where Rick serves on the Men's Forum Advisory Board, Hospitality Team, and is a Greeter Usher. Mr. Brady is also on the Board of Directors and serves as Treasurer for Heartland Christian Home Educators. Rick is very active in church projects and activities, and is always first to lend a helping hand to neighbors in need. He volunteers annually to Helping Hands' Christmas Basket Project.

**Personal remarks from Rick Brady:** *"I was invited by a personal friend to attend the Member Advisory Council meeting a couple of years ago. While at this meeting, I observed the high level of integrity and servant-hood displayed by those involved in Nolin RECC. I would consider it an honor and a privilege to serve with such an organization. In the 29 years of calling Hardin County my home, I have received so much from others—this is an opportunity for me to give back to this fine community. I believe the cooperative way of doing business is the best way to do business: working together for the betterment of all members."*

## DISTRICT 4 (*the Eastern Service Area*)



**David P. Brown** is a farmer in LaRue County. Along with his father and brother, he raises corn, beans, and about 150 Holstein heifers. Mr. Brown is also a substitute mail carrier in rural Hodgenville. He and his wife, Michelle, have four daughters, Kaelyn, 18, Danielle, 16, Ivy, 9, and Presley, 5. The family attends Our Lady of Mercy Church in Hodgenville. David helps to coach his daughters' softball teams and is dedicated to spending

as much time as possible with his family.

Mr. Brown began serving on the Nolin board in June 1994 and was elected chair of the board in 2003. He is a Credentialed Cooperative Director through the National Rural Electric Cooperative Association Director Education Program. He is treasurer of LaRue County Dairy Association. He previously served as District Chairperson of the Mid-Am Dairyman Inc. Milk Cooperative, is past President of LaRue County Extension Council, and is a former member of Farm Bureau. David was also past President of the Hardin and LaRue County Dairy Herd Improvement Association.

**Personal remarks from David Brown:** *"I am committed to all members and will do my best to ensure you continue to receive low-cost, reliable electric service. I believe in the Touchstone Energy® Cooperative values and will ensure your co-op maintains their strong presence in our communities with needed services and support systems. I am dedicated to providing you (including students and new members) with education and vital co-op-related information. I look forward to the opportunity to serve the Nolin members for another term."*



**Lewis Perkins** is a retired district conservationist from the U.S. Department of Agriculture. He received his Bachelor of Science degree in Agronomy from the University of Kentucky. He served four years in the U.S. Air Force. Lewis stays busy these days as a substitute school bus driver for LaRue County. Any spare time between bus runs is spent farming and wood crafting. He and his wife, Jean, live in Hodgenville and

are members of First Baptist Church. They have three grown sons, Craig, Brian, and Kyle, six grandchildren, and two great-grandchildren.

Mr. Perkins is past Secretary of the Board of Supervisors for LaRue County Soil Conservation District. He is past chair of the LaRue County Planning and Zoning, and served three terms as Master of the B.R. Young Lodge in LaRue County. Lewis is a recipient of the Outstanding Conservationist Award.

In 1960, Lewis and his family moved to LaRue County with intentions of staying about six months. He says his family loved the area so much and felt such a strong connection to the community that they continued to live here. LaRue County is now home for the Perkins family. They have been members of Nolin since 1960 when Lewis and Jean moved to Hodgenville.

**Personal remarks from Lewis Perkins:** *"I feel the directors of Nolin represent the consensus of the membership of each district. The cooperative way of doing business must continue to grow in our nation. If elected, I intend to reinforce the strong relationship Nolin has with members, and I will do my best to serve you with utmost integrity."*

# Annual Meeting Program

Exhibits, Displays and  
Health Fair  
Open at 4:30 p.m.

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

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Business Session 7:00 p.m.

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Prize Drawings For  
Members Registering

- TV and VCR Combination Set
    - Theme Park Tickets
  - Other Electrical Appliances
    - Early Bird Drawings for  
Electric Bill Credits
  - Bicycles and Big Wheels
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## FREE

11-Quart Bucket, Light Bulbs  
& Extension Cord Gifts to each  
member registering.

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## Come to the Cookout!

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

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

# Official Notice

Friday, June 10, 2005  
John Hardin High School  
W.A. Jenkins Road, Elizabethtown

## Entertainment Featuring:



Bill White and the Goodtime Gang  
Dixieland/Jazz Musical Group

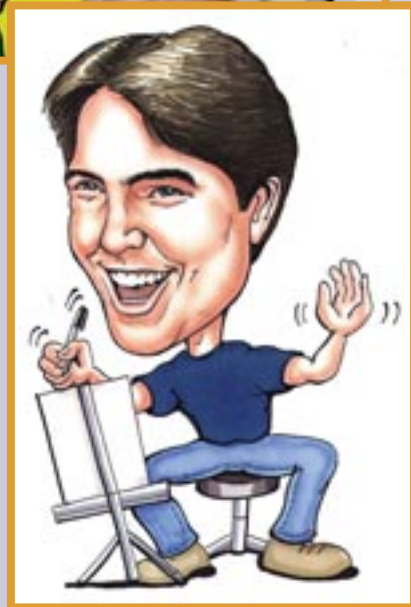
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Children's Games and Rides

# Nolin Rural Electric Cooperative Corporation Annual Membership Meeting



**Mark Wood**  
Children's Entertainer



**Denny Whalen**  
Caricaturist

## Free Health Fair

Elizabethtown Lions Club  
(vision screening)

Healthsouth Rehabilitation  
Hospital

American Red Cross

Hardin Memorial Hospital

Hardin County Health Dept.

Morningview Gardens

Eriksen Chiropractic

Lincoln Trail Health Department

Lincoln Trail Behavioral Health  
System

## Free Exhibits

Arbonne

KY Division of Emergency  
Management

Asplundh

Hardin County Co-op Extension  
Service

Knights Mechanical

Department of Fish and Wildlife

KY Educational TV

Hardin County Schools

Dever Enterprises Geothermal  
Specialists

Hardin County Sheriff's  
Department

Ringler Heating and Cooling

Support Epilepsy in Guiding  
Epileptics

M & S Tyler Company

Free Health Fair and Exhibits

# Nolin RECC Financial Results

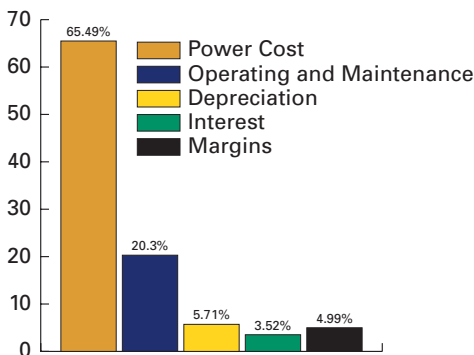
## STATEMENT OF OPERATIONS For the Year Ending December 31, 2004

Operating Revenue and Patronage Capital .....	\$43,768,731
Operating Expense	
Cost of Purchased Power .....	\$30,069,179
Operating the Electric System .....	9,320,164
Depreciation .....	2,620,623
Interest on Loan .....	1,617,340
Other Deductions.....	106,762
Total Cost of Electric Service.....	\$43,734,068
Patronage and Operating Margins .....	34,663
Non-Operating Margins .....	2,032,842
Other Capital Credits .....	115,666
Patronage Capital or Margins .....	2,183,171

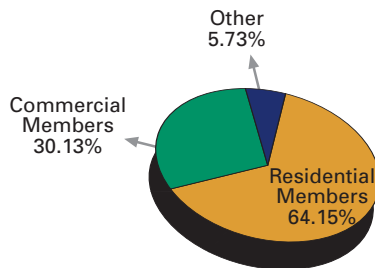
## BALANCE SHEET For the Year Ending December 31, 2004

ASSETS	
Total Utility Plant .....	\$72,294,344
Less Depreciation .....	21,222,074
Net Utility Plant Book Value .....	51,072,270
Non-Utility Property and Other Investments .....	12,328,758
Cash and Reserves .....	755,060
Accounts Receivable .....	43,777,543
Inventory .....	354,675
Total Assets .....	\$108,288,306
LIABILITIES	
Memberships and Other Equities.....	32,502,774
Long-Term Debt .....	62,575,395
Notes and Accounts Payable .....	8,516,691
Other Current and Accrued Liabilities .....	4,490,934
Deferred Credits and Miscellaneous .....	202,512
Total Liabilities and Equities .....	\$108,288,306

## Major Costs



## Revenue Sources



# Your Board of Directors



David P. Brown  
*Chair*  
*KAEC Director*



Gene Straney  
*Vice Chair*



A.L. Rosenberger  
*Secretary-Treasurer*  
*EKPC Director*



Lawrence Ireland



Rebecca Loyall



Rick Thomas



John J. Scott  
*Attorney*



Michael L. Miller  
*President & CEO*



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative   
The power of human connections