

2008

ANNUAL REPORT

Growing through community.



MT. WHEELER POWER



PRESIDENT'S LETTER

Greetings to Mt. Wheeler Power Member-Owners and Consumers:

Your cooperative experienced another successful year of providing affordable and high-quality electrical service in 2008. Increases in kilowatt-hour sales from growth in economic activity in our service territory are reflected in near-record revenues and margins from our operations.

Our activities in 2008 have been focused on strengthening our system's ability to continue to meet increasing demand for electricity throughout our widespread service territory. This includes both a larger number of customers and increased industrial demands for agriculture, commercial and mining-related projects. Specific projects included:

- Acquisition of property for relocation of the Gianolli Substation in Ely.
- Major maintenance of existing substation transformers.
- Investment in an automated metering system to reduce expenses related to meter reading and billing.

Because of favorable economic conditions and good management, we have been able to absorb rising costs and avoid rate increases. My thanks to Randy Ewell, our General Manager, and to all the employees for another safe, productive year. I am encouraged by the positive attitude of both our customers and employees toward Mt. Wheeler Power.

As we begin 2009, many things are significantly different from the beginning of 2008. We have a new political party and philosophy at the helm of our national government. The economic health of the country has declined significantly as well. Every geographic area and business sector is being affected, including our own.

However, we are well-positioned to participate in the coming economic recovery. The nation and the world continue to seek the resources native to our area. The current emphasis on renewable energy from wind, solar, and geothermal sources will promote development in the areas we serve. The Mt. Hope molybdenum mine project is still on track in the Eureka area, and operations at the Robinson Mine continue.

Today our challenge is to adapt to an expanding political effort to control climate change by taxing the carbon dioxide produced in generating electricity. This would ultimately result in a significant increase in the price Mt. Wheeler Power must pay for the electricity we all use. Your involvement in keeping our legislators aware of the personal impacts of such policies will be essential to keep our electric rates affordable.

Mt. Wheeler Power was created almost 40 years ago by people who recognized the value of reliable electric service in this rural area and dedicated their efforts to make it a reality. Now we must stand together as we engage in the political processes which will affect our businesses and communities through our electrical supply.

The Board of Directors thanks you for the opportunity to serve you in this critical time. We look forward to both the challenges and the opportunities in meeting our common need for accessible, affordable electric energy.

Sincerely,

Jerald Anderson
Mt. Wheeler Power President

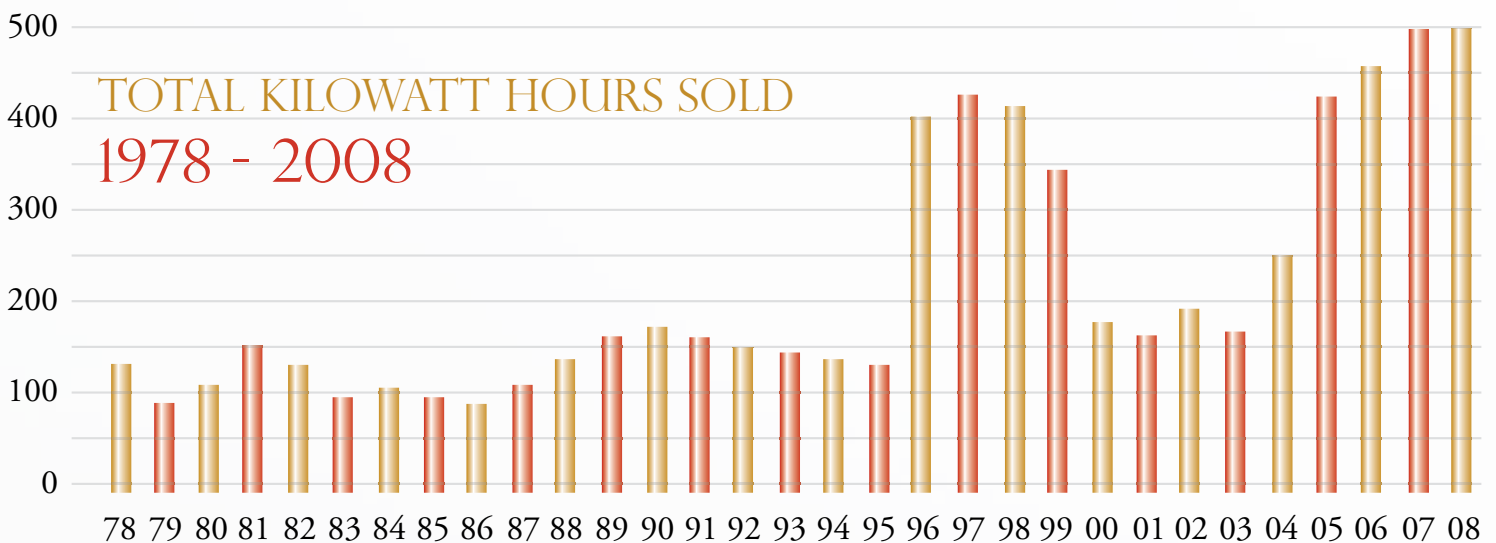
BALANCE SHEET

ASSETS AND OTHER DEBITS

	2008	2007
NET UTILITY PLANT	\$ 30,440,214	\$ 28,768,341
INVESTMENT IN ASSOCIATED ORGANIZATIONS	1,251,495	1,206,510
LONG-TERM INVESTMENTS	1,032,373	694,409
ENERGY CONSERVATION LOANS	64,627	1,111
TOTAL CURRENT ASSETS	10,869,305	9,937,298
CASH GENERAL AND TEMPORARY		
CASH INVESTMENTS	2,182,764	1,438,327
TRADE ACCOUNTS RECEIVABLE, <i>Net of Allowance</i>	643,973	577,591
OTHERS RECEIVABLE	908,148	938,007
NOTES RECEIVABLE	6,003,420	6,006,851
INVENTORIES	937,006	829,248
OTHER CURRENT ASSETS	193,994	147,273
DEFERRED DEBT	805	104,336
TOTAL ASSEST AND OTHER DEBITS	\$ 43,658,817	\$ 40,712,004

LIABILITIES AND OTHER CREDITS

	2008	2007
EQUITIES AND MARGINS	23,057,697	21,387,341
LONG-TERM DEBT	14,026,486	13,787,757
TOTAL CURRENT LIABILITIES	4,101,405	3,369,988
CURRENT MATURITIES OF LONG-TERM DEBT	1,151,490	983,000
ACCOUNTS PAYABLE	759,623	360,969
CONSUMER DEPOSITS	420,662	394,865
OTHER CURRENT LIABILITIES	1,769,630	1,631,154
DEFERRED CREDITS	2,473,229	2,166,918
TOTAL LIABILITIES AND OTHER CREDITS	\$ 43,658,817	\$ 40,712,004



STATEMENT OF OPERATIONS

	2008	2007
OPERATING REVENUE	\$ 30,886,607	\$ 30,362,834
COST OF ELECTRICAL POWER PURCHASED	\$ 21,860,352	\$ 21,693,770
TRANSMISSION	221,895	300,703
DISTRIBUTION-OPERATIONS & MAINTENANCE	1,325,689	1,372,081
CONSUMER ACCOUNTS SALES	948,135	916,941
ADMINISTRATIVE & GENERAL	50,601	47,216
DEPRECIATION & AMORTIZATION	1,433,914	1,237,606
TAXES	1,564,582	1,501,362
INTEREST ON LONG TERM DEBT	274,708	239,953
OTHER INTEREST EXPENSE	865,396	904,195
	10,867	15,589
TOTAL OPERATING EXPENSES	\$ 28,556,139	\$ 28,229,416
OPERATING MARGINS	2,330,468	2,133,418
NON-OPERATING INCOME	47,885	14,567
OTHER CAPITAL CREDITS	515,706	414,286
INTEREST INCOME	89,107	155,516
TOTAL MARGINS/PATRONAGE CAPITAL	\$ 2,983,166	\$ 2,717,788

MT WHEELER POWER

	2008	2007
POWER PURCHASES	\$ 21,860,352	\$ 21,693,770
OPERATION AND MAINTENANCE	3,980,234	3,874,548
DEPRICIATION AND AMORTIZATION	1,564,582	1,501,362
TAXES	274,708	239,953
INTEREST EXPENSE	876,263	919,784
TOTAL	\$ 28,556,139	\$ 28,229,416

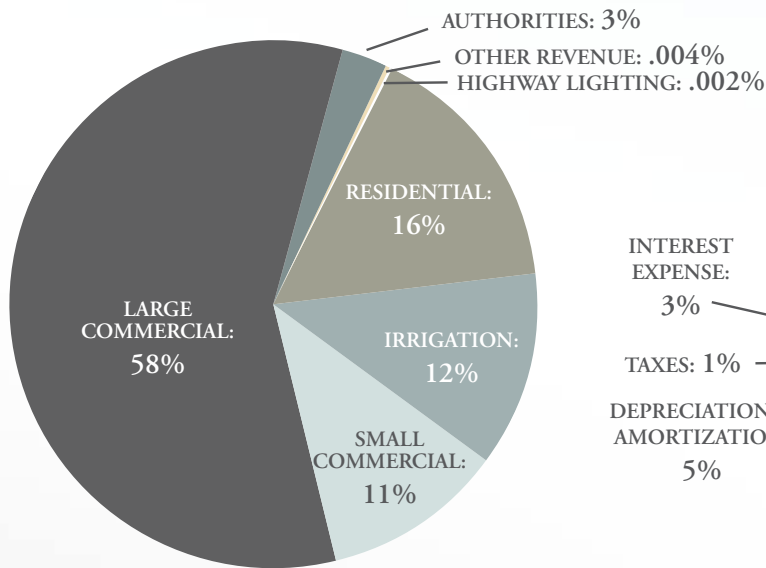
SALES BY CATEGORY

	2008	2007
RESIDENTIAL	\$ 4,892,638	\$ 4,628,674
IRRIGATION	3,686,834	3,421,152
SMALL COMMERCIAL	3,292,065	3,246,323
LARGE COMMERCIAL	17,957,790	8,057,407
PUBLIC STREET AND HIGHWAY LIGHTING	64,937	64,871
OTHER PUBLIC AUTHORITIES	857,669	812,012
OTHER REVENUE	134,674	132,395
TOTAL REVENUE	\$ 30,886,607	\$ 30,362,834

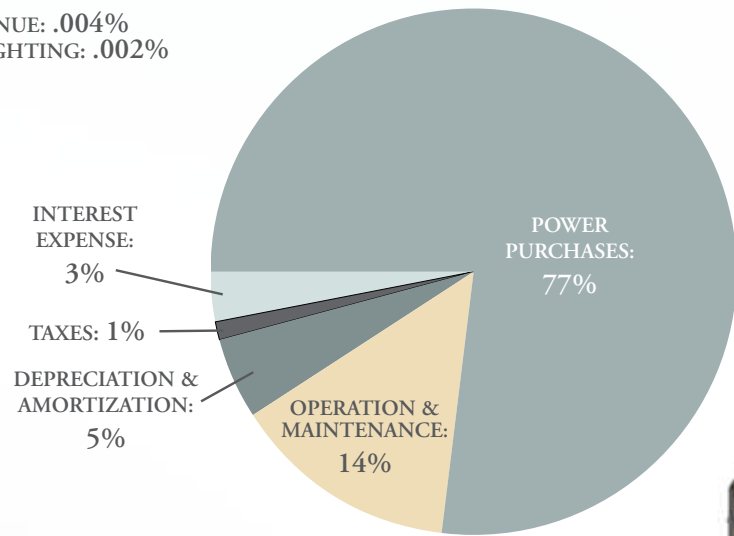
TOTAL KWH SOLD	\$ 490,047,953	\$ 480,550,957
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2008 SALES BY CATEGORY



2008 EXPENDITURES



BOARD FEES & EXPENSE

	2008	2007
TOTAL FEES	33,330	23,250
TOTAL DIRECTOR & BOARD EXPENSES	86,164	56,613
TOTALS	\$ 119,464.35	\$ 79,862.69

PURCHASES FROM MEMBER OF THE BOARD OF DIRECTORS

	2008	2007
KIRKEBY'S WHITE PINE FEED (Kaye Kirkeby)	\$ 00.00	\$ 102.84

MT. WHEELER POWER, INCORPORATED BOARD OF DIRECTORS

- District 1 Director – Kaye Kirkeby
- District 2 Director – Bob Swetich
- District 3 Director – Jerry T. Morrill
- District 4 Director – Don Phillips
- District 5 Director, – Doug Carson
- District 6 Director, Mt. Wheeler Power President – Jerald Anderson
- District 7 Director, Mt. Wheeler Power Treasurer – Sandra L. Green
- District 8 Director, Mt. Wheeler Power Secretary – Wilma Sanford
- District 9 Director, Mt. Wheeler Power Vice-President – Frank Leon



MT. WHEELER POWER EMPLOYEES

Baumann, Bill	Lineman
Bliss, Chad	Line Foreman
Boren, Shane	Warehouseman/Lineman
Burdick, Martin	Line Foreman
Deschamps, Ed	Meter Tech/Lineman
Ensign, Gayle	Design Engineer
Ernest, Kelly	IS Administrator
Ewell, Randy	General Manager/CEO
Goicoechea, Sally	Billing Rep
Gulley, Sue	Billing Coordinator
Hardy, Brett	Lineman
Heckethorn, Phil	Line Foreman
Liebsack, Jimmy	Telecommunications Tech
Marquez, Sherrie	Billing Clerk
McNutt, Jason	Facilities Maintenance/Meter Rd/Collector
McVicars, Mitch	Line Foreman
Metcalf, Bernie	PT Meter Reader/Collector
Morrison, Cheryl	PT Billing Coordinator
Murdock, Jesse	Engineering Manager
Pintar, Jody	Lineman
Priddy, Tim	Substation Tech/Lineman
Reger, Jan	Accounting Coordinator
Ricci, Bill	Operations Manager
Robertson, Harold	Fleet Mechanic
Robison, Kevin	Member Service Manager
Romero, Herminio	Facilities Maintenance/Meter Rd/Collector
Sawyer, Christina	Billing Clerk
Spear, Kelly	Billing Clerk
Stanton, Patricia	Accountant
Stanton, Zeke	Apprentice Lineman
Tye, Marla	Billing Coordinator
Venturino, Mike	Substation Tech/Lineman
Watts, Shellie	Finance/HR
Williams, Derek	Lineman
Williams, Jeremie	Lineman
Drew, Ryan	Student - Part time
Gordon, Trent	Student - Part time
Lujan, Jonathan	Student - Part time
Laity, Emily	Student - Part time



MT. WHEELER POWER



A Touchstone Energy® Cooperative