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A Touchstone Energy® Cooperative



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Cooperatives: United We Stand

October 17, 2003

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Kansas Congressional Delegation Support Electric Co-ops in Energy Bill

Will the 108th Congress pass an energy bill? The question was on the minds of the rural electric cooperative leaders when they attended a legislative rally centered on the energy bill in Washington, D.C. on Sept. 30th. The U.S. Congress is ambitiously trying to pass an energy bill this month.

Representing Kansas at the important event were Dale Coomes (Heartland), Bruce Graham (KEPCo), Barry Hart (KEC), and Earl Watkins (Sunflower). The Kansas delegation met with the entire Kansas congressional delegation, and they attended a briefing session facilitated by the NRECA Government Relations staff.

"While we were in Washington, D.C. our group met with the energy staff of Sens. Brownback and Roberts; and Reps. Moran, Ryun, Tiahrt and Moore," said Hart, KEC's Executive Vice President. "We focused on explaining our consumers' problems with the increased cost of FERC regulation as well as our support for the tradable tax credits for clean coal technology and wind energy."

The co-op leaders' visit with federal legislators comes at a crucial time. The energy and electricity-related provisions under consideration right now by Congress could have a profound effect on electric co-ops and their consumers for decades.

As of October, energy conference leader and chairman of the Senate Energy and

Natural Resources Committee Pete Domenici, (R-N.M.), is actively negotiating electricity conference language with other conference committee members. NRECA is urging support of Domenici's electricity proposal.

One of the key provisions of Domenici's electricity language will be a small utility exemption from the Federal Energy Regulatory Commission. Without the exemption, small co-ops would face new federal regulations that would impose additional costs on consumer members when the regulations were really intended for large electricity generators.

"Once again, we are the Davids in a battle among the Goliaths of the electric utility industry. We need to stay united and build the strong grassroots pressure right now," said Dena G. Stoner, vice president of government relations at the National Rural Electric Cooperative Association.

"We have received strong support from our Kansas congressional delegation for our position in conference," Hart said. "Our Kansas legislators have signed letters of support that have been sent to House and Senate leadership, and to members of the Energy Conference Committee."

Hart said the electric co-op message is being received favorably by congressmen from other states in addition to Kansas, and he is hopeful it will have a positive impact.



Have an idea or
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Cooperative Calendar

October	20-24	NRECA Certified Key Accounts Executive Fast Track, Tampa, FL.
	21-22	KEC Technical Workshop - Substation, Western.
	22-24	Kansas Accountants Club Meeting, Holiday Inn, 3606 Vine St., Hays.
	23	Eastern MDM Meeting, KEC Headquarters, Topeka, 10:00 a.m.
	28	KEC Technical Workshop - Hazwoper, Western.
	29	KEC Technical Workshop - Hazwoper, Rolling Hills.
November	30	KEC Technical Workshop - Hazwoper, KEC.
	5	District 3 Meeting, KSU Agricultural Research Center, 1232 240th Ave. Hays.
	6	District 4 Meeting, Knights of Columbus Building, 800 W. Frontview Dodge City.
	12-13	KEC Technical Workshop - Substation, KEC.
	13	District 1 Meeting, Flint Oak Lodge, Fall River.
	14	District 2 Meeting, KEPCo Headquarters, Topeka.
	14	KEC Technical Workshop - Hazwoper, KEC.
	19	Kansas Electric Power Cooperative (KEPCo) Annual Meeting – Dinner at 6:00 p.m. Meeting immediately following Dinner, Holiday Inn, Salina.
	19-20	KEC Technical Workshop - Substation, Armory, Clay Center.
	20	KEPCo Board Meeting, Holiday Inn Holidome, Salina 8:30 a.m.
	21	Sunflower Board of Directors Meeting, Sunflower Hdqtrs, Hays, 8:30 a.m.
	24	Area Legislative Dinner, hosted by Bluestem, Nemaha-Marshall and Rolling Hills electric cooperatives; Country Club, Clay Center, 6:30 p.m.
December	27-28	KEC Office Closed for Thanksgiving Holiday.
	3	KEC Standing Committees, Holiday Inn Select, Wichita.
	4	KEC Board of Trustees Meeting, Holiday Inn Select, Wichita, 8:30 a.m.
	8	Northeast Kansas Area Legislative Appreciation Dinner, hosted by Brown-Atchison and Leavenworth-Jefferson electric cooperatives, The Barn, Valley Falls, 6:00 p.m.
	9-10	KEC Technical Workshop - Substation, Radiant.
	11	KEC Technical Workshop - Hazwoper, Radiant.
	16-17	KEC Technical Workshop - Substation, Ark Valley.
	18	KEC Technical Workshop - Hazwoper, Ark Valley.

Upcoming Conferences

KEC District Meetings

The four KEC District Meetings will take place November 5, 6, 13, and 14 (see calendar for locations).

The purpose of these meetings will be to give members an opportunity to discuss the proposed budget at their local systems prior to the projected final action, which is to take place at the December 4 KEC Board of Trustees meeting at the Holiday Inn Select Hotel in Wichita.

Marketing Series on 'Responsive Employees' Coming Soon

A new series of marketing materials will be distributed this month to help Touchstone Energy co-ops promote the efforts and responsiveness of their employees. Co-ops will receive print ads in various sizes for co-op newsletters and local newspapers, bill stuffers, posters, a CEO column and a newsletter story, all of which support the messages and visual images presented in Touchstone Energy television and radio advertising. Complementing the previous marketing series, the upcoming materials will include a print ad featuring a lineman. For more information, contact Shana Holsteen, KEC, at (785) 478-4554.

NET 2004 Conference

Make plans to attend the NET 2004 Conference, Jan. 14-17, at the Doral Resort in Miami, FL. NET 2004 helps you add value to your business relationship, arm yourself with the latest information on the technologies revolutionizing how you and your customers do business, and build stronger partnerships with your key accounts and national energy and facility managers.

For more information contact Kathryn.Momot@nreca.coop, (703) 907-5707.

Employment Opportunities

High Line Services seeks Journeyman Lineman

High Line Services has an immediate opening for a journeyman lineman. Applicant should have a good working knowledge of RUS specifications, have adequate experience in electrical line construction and maintenance, and have a current Class A CDL. Successful applicant must pass a pre-employment physical and drug test. Applicant must relocate to within five miles of Dighton, KS.

Send resume, work experience and references to High Line Services, PO Box 698, Dighton, KS 67839. Contact Earl Steffens or Jodi Marsteller at (866) 878-2474 or earl@st-tel.net.

Poudre Valley REA seeks Journeyman Lineman

PVREA, a 31,000-member co-op, is seeking a journeyman lineman. Starting salary is \$23.87 per hour. The successful candidate will supervise apprentices, operators and groundsmen in all types of construction, maintenance, trouble shooting and retirement of PVREA facilities; work energized and de-energized lines; be available for call-out and assist foreman in all areas, including construction, paperwork and scheduling.

Send resume to PVREA – Lineman position, POB 272550, Ft. Collins, CO 80527-2550. Applications accepted until the position is filled. PVREA is an EOE.

News from Kansas Cooperatives

Butler REC Celebrates Cooperative Month

Butler Rural Electric Cooperative kicked off Cooperative Month by sponsoring Butler County Community College's (BCCC) home football game on Sept. 27 against Coffeyville Community College (CCC). BCCC and CCC are ranked number one and two, respectively, in the nation which



Linemen Jerry Haskell and Doug Veatch give bucket truck rides before the game.

made for one of the biggest crowds in Butler County history with close to 9,000 fans.

In appreciation of Butler REC's continued support of BCCC athletics, Todd Carter, BCCC Athletic Director, presented Sarah Madden, Butler REC Co-op Month Chairperson, with a football autographed by the 2003 BCCC football team.

Before the game, Butler REC gave bucket truck rides for children and passed out tickets for a chance to kick a field goal. Also at the game, Butler REC launched patriotic footballs and T-shirts into the crowd, one of which contained \$20.00.



Butler REC employees Doug Veatch, Lineman, and Sarah Madden, Accountant, launch Butler REC football shirts into the crowd at the game.

KEC Staff Attends Workshops

KEC staff attended meetings sponsored by the Kansas Corporation Commission (KCC). Dave Holthaus attended the Kansas Wind and Biomass Conference on Sept. 29-30. Dave Holthaus, Stuart Lowry and Doug Shepherd attended the Interconnection Implementation Workshop on Oct. 1.

The purpose of these workshops was to share information on what other states, as well as FERC, were doing to implement interconnection standards. The workshop allowed utilities, vendors and other interested parties to share their concerns with KCC staff as they work to develop Kansas interconnection standards.

October is Co-op Month

The nation's 48,000 cooperatives are celebrating National Cooperative Month across the country in a variety of ways, including the release of new national survey results on public perception of corporate business structures and consumer preferences for cooperatives.

This year's co-op month theme, "Cooperatives... Businesses People Trust," reflects the survey findings, emphasizing the fundamental principle that makes cooperatives more trustworthy: their democratic structure and member-ownership and control. The findings are especially relevant at this time of heightened attention to corporate accountability.

"Cooperatives are different from other forms of business because of the principles that guide every cooperative, define their unique democratic structure and express their direct accountability to their member owners," said Sheldon Petersen, CEO and Governor of the National Rural Utilities Cooperative Finance Corporation. "The survey confirms what co-ops have long known, that consumers trust cooperatives and prefer to do business with them."

Petersen said the lives of more than 120 million Americans are improved daily by cooperative private businesses that generate more than \$500 billion in annual economic activity."

Earlier this month, Petersen and other co-op leaders released the survey results on public trust in, and preference for, cooperatives and their views about accountable business structures. For information on the event and survey results, contact Jeannine Kenney at the National Cooperative Business Association at (202) 383-5456, or visit <http://www.co-opmonth.coop>

In Sympathy

Cordelia Belle Timmons, the mother-in-law of Kaw Valley's board member Joe Conley, passed away Sept. 29. Services were held Oct. 3 at the Rossville United Methodist Church. Memorial contributions may be made to the Rossville United Methodist Church, Kansas State University Cancer Research Center, or Heart of America Hospice sent in care of the funeral home.

National Rural Electric Cooperative

Cooperative Unity the Key to Legislative Success

National Rural Electric Cooperative Association (NRECA) CEO Glenn English told Region VII attendees that the co-op's greatest strength – its members' ability to recognize, accept and accommodate their regional and systemic differences – sets electric cooperatives apart from all other industry groups.

“Although no two co-ops are alike,” said English, “we have been able to set aside our differences and accommodate one another. We have been able to speak with one voice and in doing so have been heard clearly in the halls of Congress.”

Addressing approximately 500 directors and staff from co-ops in four states – Kansas, Nebraska, Colorado

and Wyoming – English invoked the wisdom of Aesop.

“The quarrels of friends are the opportunities of foes,” he quoted.

Pressing home the point that by remaining united and focusing on the needs of member-consumers, co-ops could successfully influence passage of the consumer-friendly provisions in the Senate electricity title.

“The energy bill currently in conference between the House and Senate represents a challenge and opportunity as great as any co-ops have ever faced,” he said. “Our focus must remain on those issues which unite us: the protection of consumers and investors from unscrupulous business practices and market vagaries, the guarantee of fair and

equal treatment for consumer-owned utilities, and the development of a truly national transmission grid to increase reliability and facilitate the development of wholesale power markets. If we can remain focused and continue to cooperate with one another, then I am confident we will emerge from this debate with a stronger program, one that can step confidently into a new era prepared to meet the needs of an increasingly diverse membership.”

The October meeting was the fifth of seven Regional Meetings convened each fall by NRECA to explore the latest issues and strategies related to competition and cooperative leadership in the electric utility industry.

Kansas Electric Co-op Directors Achieve Credentials



(Clockwise from upper left) Glenn English, NRECA CEO, poses with some of the Kansas Directors who achieved certification: Harlan E. Hunt, Robert Smith, and Larry Stevens, Leavenworth-Jefferson; and Eddie Crittenden, Sumner-Cowley.

Seven directors from electric cooperatives in Kansas have earned their NRECA Credentialed Cooperative Director (CCD) certificate.

Achieving certification were Harlan E. Hunt, Robert Smith, and Larry Stevens, Leavenworth-Jefferson; Tom Ayers, Radiant; John Hillman, Sedgwick County; and Eddie Crittenden and Ronald E. Jeffries, Sumner-Cowley.

These directors were recognized at NRECA's Region VII meeting in Overland Park on October 7 for their attainment of the CCD certificate before an audience of approximately 500 electric co-op officials from Kansas, Colorado, Nebraska and Wyoming.

Today's electric utility environment imposes new demands on electric cooperative directors, particularly increased knowledge of changes in the electric utility business, new governance skills and a working knowledge of the cooperative principles.

The CCD program requires attendance and demonstrated understanding of the basic competencies contained in five core courses including Director Duties and Liabilities, Understanding the Electric Business, Board Roles and Relationships, Business Planning, and Understanding Financial Planning.

Assoc. Region VII Meeting Recap

Harold Foley Elected CFC Director for District 7

Harold Foley, Board President of Brown-Atchison ECA, Horton, was elected a Director of National Rural Utilities Cooperative Finance Corporation (CFC), representing District 7. Foley was chosen by delegates to CFC's District 7 meeting, held October 7.

District 7 encompasses Wyoming, Nebraska, Colorado, and Kansas.

Foley has been a director at Brown-Atchison since 1984. He is also Alternate Trustee Representative at Kansas Electric Power Cooperative, where he is a member of the engineering committee and Vice President of the board of directors for KEPCo Services, Inc. Retired as Operations Area Manager at Western Electric/AT&T, he now runs a small hay operation.

CFC's grassroots board of directors comprises 22



Harold Foley

members representing 11 geographically defined districts in 49 states. The board members set policies, establish programs, and develop strategies for CFC.

Each district is represented by one director of an owner system and one manager of an owner system. The CFC Directors are elected for three-year terms, and cannot serve more than two consecutive three-year terms.

Foley fills the seat for a director of an owner system. He replaces Brian D. Schlagel, Director, Morgan County Rural Electric Association, Fort Morgan, CO, whose second term is expiring.

The other Director from District 7, filling the slot for a manager of an owner system, is James A. Hudelson, General Manager, Wyrulec Company, Lingle, Wyoming.

Kansas Cooperatives Assist with NRECA Region VII Meeting



(Clockwise from right) Barry Hart serves on a panel, Glenn English presents Hart with the ACRE participation certificates, Perry Rubart and Don Schultz open the Region VII meeting, and Alan Henning rings back the attendees from break.



KEC September Board Meeting Highlights

The KEC Board of Trustees met in Wichita, KS for the KEC September Board Meeting on Sept. 26 - 27, 2003.

Prior to this meeting, the following standing committees met:

Communications, Legislative, Management Evaluation, Policies and Bylaws, Regulatory Review, and Strategic Planning.

Following is a summary of the Board meeting on Sept. 27, 2003:

Don Schultz, President, called the KEC September Board of Trustees Meeting to order and gave his report that highlighted the KEC Committee meetings and called for support of Harold Foley's candidacy for the CFC Board.

KEC Staff gave their respective reports: Barry Hart – Executive Vice President report, Leilani Todd – Finance report, Stuart Lowry – Corporate Counsel report, and Doug Shepherd – Member Services report.

Perry Rubart then gave the NRECA update, reporting that NRECA's finances are in good shape and that 13 new members are set to join the NRECA board.

President Schultz then gave the Executive Committee report. He discussed the Summer Board Meeting evaluations.

Don Hellwig reported that the Strategic Planning committee examined consumer services and the potential impact of the continuing loss of Rural TV customers. The committee reviewed the 1995 KEC strategic plan and discussed the need for a new one.

Dave Schneider reported that the Communications Committee discussed the magazine readership survey and the State Fair. The committee reviewed the budget, and recommended the proposed option to eliminate the Printing Technician position and out-source all print jobs.

Dale Coomes reported that the Legislative Committee discussed legislative programs and recommended that the budget for governmental relations should be increased for 2004.

David Jesse reported that the Loss

Control, Safety and Compliance committee looked at capital expenses and reviewed the 2004 preliminary budget. In an effort to reduce costs, the committee recommended that the *Safety Summary* be distributed via email rather than be printed.

Cletas Rains reported that the Apparatus Testing committee met on Sept. 5, and he announced that reclosure and substation work is increasing. The department is looking for a new headquarters site since the present location in Burlingame may be sold.

Kirk Thompson reported that the Policies and Bylaws committee examined the Wage & Salary plan and recommended an adjustment. The committee also looked at the Cash Reserve Policy and determined that reserves needed to be raised.

In new business, President Schultz announced that the Nominating Committee for 2004 KEC officers will consist of: Jim Buttron, Brown-Atchison; Gary Frieling, Rolling Hills; Norman Leistikow, Twin Valley; and Jim Imel, Victory. Barry Hart was named delegate to the Mid-West Electric Consumers Association Annual Meeting in December.

Marci Penner Receives Rural Leadership Award

A delegation of more than 120 members of National Rural Economic Developers Association (NREDA) attending the Association's annual conference gathered in Fort Myers, FL, last month to honor



Marci Penner

Marci Penner, Kansas Sampler Foundation, as the 2003 Rural Leadership Award recipient.

Nominated by Pottawatomie County Economic Development director Robert Cole, Penner was chosen by a selection committee representing electric and telephone cooperatives from across the nation for this award.

The Rural Leadership Award recognizes innovation and leadership, resulting in the improvement of quality of life, creation of new jobs and opportunity for growth in rural America.

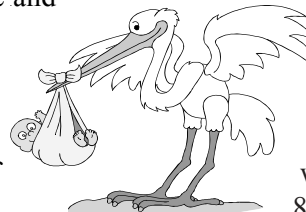
Penner is the second Kansan to win this award in two years. Last year's award was presented to Steve Miller, Sunflower Electric.

KEC Employee Undergoes Surgery

Duane White, KEC Apparatus Testing Assistant, had surgery last week to remove a large tumor that had grown around the kidney and had reached into the spine. At this time, Duane is recovering at home (20131 S. Fairlawn Rd., Scranton, KS 66537) for the next three-four weeks. Please keep him and his wife, Dorothy, in your thoughts and prayers.

Stork Makes Deliveries for Co-op Employees

Heartland REC welcomes the following new additions to their family of employees. **Kit Carson**, the newborn son of Steve and Jenny Murrow; and **Alexander David**, the newborn son of Adam and Chris Koons. Steve is a lineman based out of Heartland's Mound City



office, while Adam is a lineman based out of Heartland's Girard office.

Pioneer Electric also welcomes the new granddaughter of Larry Davis, Engineering Technician. **Kaylee Jo** was born Oct. 7th, weighed 8lb 13 oz and was 22" long.