

Kansas Youth Tour Delegation Visit Roberts, Tiaht On Capitol Hill



Logan Strunk, left, was among the Youth Tour delegation who met Representative Tiaht.

Youth from across Kansas recently traveled to Washington, D.C., to meet government officials and learn more about the government, electric cooperatives and our nation's history as part of the 48th Annual Electric Cooperatives' "Government in Action" Youth Tour.

The 30 Kansas delegates enjoyed a weeklong tour of the nation's capitol June 12-19, 2008. In addition to visiting memorials, monuments and museums, the group learned about U.S. history and government through visits with Senator Pat Roberts and Rep. Todd Tiaht.

Tiaht mentioned his visit with the youth delegation on his Web site.

"The Kansas Rural Electric Youth Tour always brings an inquisitive group of students to Washington as part of its leadership program," said Tiaht. "These young people care about the energy future of our state and country, and I am pleased they were able to spend time in our nation's capital discussing such important issues."

Students also had the opportunity to meet with some of the nearly 1,500 youth from 45 other states who congregated in Washington, D.C. for the 2008 NRECA Youth Day. In addition, they visited Arlington National Cemetery, Smithsonian museums, Ft. McHenry, the Holocaust Memorial Museum and Mt. Vernon.

During the trip, Jacob Wagner, Salina, DS&O, was selected to serve on the Youth Leadership Council (YLC) of the National Rural Electric Cooperative Association (NRECA) during its 67th Annual Meeting. Wagner will attend the YLC Conference, July 19-23, 2008, in Washington, D.C. The conference agenda includes leadership and team building exercises, meeting with Capitol Hill staff members who are "alumni" of NRECA's Electric Cooperative Youth Tour, and a competition to select the NRECA's National Youth Spokesperson.



Jacob Wagner

All members of the YLC, including Wagner, will participate in the 2009 NRECA Annual Meeting in New Orleans, Louisiana. They will provide assistance to the NRECA staff and co-op delegates; participate in the Parade of States at the opening General Session and take part in a variety of educational activities.

The youth delegates attending Youth Tour were selected through a competition by their local electric cooperatives. Since 1964, the nation's electric cooperatives have sponsored the trips of more than 40,000 high school juniors and seniors to visit congressional members and experience Washington, D.C.

RuralPower

Kansas Electric Cooperatives, Inc.
PO Box 4267
Topeka, KS 66604-0267

Electronic Edition

Rural Power is published every three weeks on Fridays. This electronic version is provided to you as a service of KEC. If you would like to receive personal e-mail notice of this publication in electronic format or discontinue such notice, please e-mail sholsteen@kec.org.

What's Inside?

Calendarp. 2

Midwest Energy's
New Plant Goes
Onlinep. 3

Youth Tour
Delegation Visits
Capitol Hill.....p. 4

Have an idea
or
a story
for
Rural Power?

Call
(785) 478-4554

Fax
(785) 478-4852

or Email
ruralpower@kec.org



Cooperatives Successfully Appeal Property Taxes

Although property taxes are no longer detailed on their financial statements, electric cooperatives are reminded each spring of their obligation when they receive their valuation notice from the Department of Revenue. With the assistance of Doug Shepherd, KEC's vice president of member service, six Kansas electric cooperative have successfully appealed their valuations, resulting in lower tax payments later this year.

Brown-Atchison, Bluestem, DS&O, Nemaha-Marshall, Ninnescah and Victory had their valuations lowered last month between 3.4 percent for Bluestem and Nemaha-Marshall and 32 percent for Victory. These lower valuations will result in combined annual property tax savings of approximately

\$430,000.

"Utility valuations in Kansas are highly correlated with income," Shepherd explained. "The higher the utility's income, the more valuable the utility is. Our appeal strategy is focused on normalizing recent incomes to more accurately project future income streams."

The cooperatives requested conferences with the Kansas Department of Revenue's Property Valuation Division (PVD) to appeal their appraised values. Shepherd first reviewed the appraisals to identify points of contention, and then represented the systems at the informal conferences. Each cooperative received an amended notice lowering its appraised value.

"The appraisal staff at the PVD are professionals that understand utilities," he

added, "but sometimes there are circumstances affecting the financial statements that are not readily apparent from reviewing the property tax filing. Our job is to identify these issues and make the staff aware of any impacts in order to arrive at a fair appraisal of the cooperative."

Upon appeal, property tax savings for a typical cooperative can be substantial, Shepherd said.

"The median valuation for electric cooperatives is just under \$10 million," he said, "and a cooperative valued at \$10 million typically owes around \$400,000 in property taxes each year. A successful reduction in value of 5 to 10% can amount to a significant savings, often-times exceeding the cost of KEC membership dues."

KEC's Larry Detwiler Receives SAIA's Ray Pantel Award

Larry Detwiler, KEC's director, loss control, safety & compliance, was presented with the 2008 Ray Pantel Award from the Southern Area Instructors Association (SAIA) at its summer safety conference, June 12, in Albuquerque, NM. SAIA is a 14-state regional group of safety professionals.

The purpose of the award is to recognize the SAIA member who demonstrates the quality of dedication of leadership, cooperation and service that were exemplified by one of the SAIA founders, who led the Texas statewide's loss control program for 24 years.

"It's always an honor to be recognized by your peers," Detwiler said.

Detwiler started his career with KEC in 1991 as an instructor, then advanced to coordinator and director.



Larry Detwiler

In Brief

Demand for Energy Will Continue to Rise

World energy demand will grow 50 percent over the next two decades, oil prices could rise to \$186 a barrel, and coal will remain the biggest source of electricity despite its effect on global warming, government experts predict.

The Energy Information Administration's long-range forecast to 2030 said the world is not close to abandoning fossil fuels. They will continue to be at the core of energy production in transportation and electricity generation. It said the steepest increases in energy use will come in China and other developing economies, where energy demand is expected to be 85 percent greater in 2030 than it is today.

Associated Press – 6/26/08

Nuclear Costs Escalate

The rising cost of materials and labor has the potential to put an end to the nuclear renaissance before it ever gets started. Company estimates that have been released show costs for an individual unit could be as high as \$12 billion, and one consultant expects those estimates could rise if material prices continue to escalate. Florida Power & Light said that the cost for building new units at Turkey Point in south Florida could be up to \$8,000 per kilowatt — or \$24 billion for two units.

EnergyBiz Insider – 6/23/08

Natural Gas Prices Could Soar

U.S. natural gas prices could face some downward pressure over the next several months, but over the long term, sharp increases are likely because of both global demand and misguided climate-change policies, speakers at the Energy Business Watch Climate and Hurricane Forum in New York said. The amount of natural gas supplies available in the U.S. has increased but consumers are still using more than is being produced. While experts thought liquified natural gas imports would cover supply shortfalls, supplies will not be able to keep pace with global demand, one speaker said.

Megawatt Daily – 6/27/08

Cooperative Calendar

July	8	Lane-Scott Annual Meeting, Dighton Fairgrounds.
	12-18	“Cooperative Youth Leadership Camp,” Steamboat Springs, CO.
	16-17	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka.
	18	Sunflower Board of Directors Meeting, Sunflower Headquarters, Hays.
	31	MDM Meeting, KEC Headquarters, Topeka.
August	2-4	KEC Summer Board Meeting, Overland Park Marriott.
	14-15	Kansas Material Managers Meeting, Holiday Inn Express, Hutchinson.
	15	Sunflower Board of Directors Meeting, Sunflower Headquarters, Hays.
	20-21	KEPCo Board of Trustees Meeting, Hyatt Regency, Wichita.
	28	MDM Meeting, KEC Headquarters, Topeka.
September	8-9	Rural Development Utilities Programs CPA Seminar, Kansas City, MO.
	9-11	KEC Hot Line School, Pratt Vo-Tech.
	10	Leavenworth-Jefferson Annual Meeting – Dinner at 6 p.m., Meeting at 7 p.m., McLouth High School.
	11-12	Fall Managers Association Meeting, Location TBA.
	17-18	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka.
	18-19	Kansas Line Superintendents Meeting, Topeka.
	19	Sunflower Board of Directors Meeting, Sunflower Headquarters, Hays.
	23-25	KEC Hot Line School, Manhattan Vo-Tech.
	24-25	KEC Board of Trustees Meeting, Marriott Hotel, Wichita.
October	1-3	NRECA Region 7 Meeting, Hilton/Qwest Center, Omaha, Nebraska.
	6	ElectroRally, Kansas Speedway, Kansas City.
	15-16	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka.
	17	Sunflower Board of Directors Meeting, Sunflower Headquarters, Hays.

Program Finalized for KEC's Summer Board Meeting

The program for the 2008 KEC Summer Board Meeting August 2-4 at the Marriott Hotel in Overland Park features a diverse array of speakers and workshops.

Among scheduled speakers on Monday, Aug. 4 are NRECA's Susan Pettit, who will discuss climate change legislation; Maurice Martin, of NRECA's Cooperative Research Network, who will discuss smart metering technologies; and Dr. David Barton, of the Arthur Capper Cooperative Center at Kansas State University.

Also on the program are Second District Rep. Nancy Boyda, State Rep. Tom Sloan and State Sen. Janis Lee.

KEC is offering three trustee courses on Aug. 2 and 3.

The Board Leadership Course **930.1 Ethics and Governance: Implementing the New Accountability** will be offered on Saturday, Aug. 2.

There are two courses offered on Sunday, Aug. 3. The first is **2600.1**

Director Duties & Liabilities. Any new trustee or any trustee who has not yet taken this course is asked to sign up.

The trustees who have taken the 2600 course may register for the Board Leadership Course **970.1 The Role of Renewables in Power Supply**, which is a follow-up to the 966.1 course.

All KEC meeting events will be held at the Overland Park Marriott, which is undergoing an exterior renovation during the Summer Board Meeting.

To make a reservation with the \$91 room rate, contact the Marriott Hotel before July 20, 2008. Reservations may be made by calling toll-free (800) 228-9290 or (913) 451-8000.

Other group activities include a KC Royals vs. Chicago White Sox baseball game at the Kauffman Stadium on Aug. 2, and a performance at the New Theatre Restaurant on Aug. 3.

For more information, call Charlotte Provo-Blenden at (785) 228-4604 or email cprovo@kec.org.



Gene Smith

Heartland Lineman Retires After 32 Years of Service

More than 32 years of service came to an end on May 1, as Heartland lineman Gene Smith joined the ranks of America's retired.

"I plan on staying close to home," said Smith, who started his career on December 1, 1975. "I will do a little traveling and a little fishing. The usual stuff."

During a retirement reception held for Smith at Heartland's office in Mound City, he remarked about the changes he has seen in the co-op industry over the last three decades. He said today's cooperative pays more attention to the details of providing good customer service, and does a better job of providing the tools to make that possible.

"We had good equipment back then, but it is a lot better now than we had then," he said.

Smith's wife, Pam, said she hopes they can spend more time pursuing their love of bluegrass music, and taking care of projects at home.

"He won't sit on the sofa," she said. "And with 16 grandkids he will stay busy."

Smith said working as a lineman is a good career, although he noted that the job doesn't end at 5 p.m. every day since someone needs to be on call after-hours to handle issues that come up.

Other than that, Smith said he had little advice to offer. "Just enjoy life, and spend time with your family," said Smith. "There is more to life than money in your pocket."

Midwest Energy's Gas-Fired Plant Begins Operation near Hays

Midwest Energy's Goodman Energy Center, located northwest of Hays, began commercial operation on June 3. The 75 MW gas-fired plant will be used to meet the peak energy needs of Midwest Energy's nearly 50,000 members.

Wartsila Corporation furnished nine natural gas-fired engines for the project. The plant will provide energy to support Midwest's 325 megawatt total system demand.

The plant "provides a clean, cost-effective way to meet the peak energy needs of our customers and will improve service reliability," said Earnie Lehman, Midwest's president and general manager. "This project will provide an efficient resource with extremely low emissions and negligible water consumption."

During the first several weeks of operation, the facility will not operate at full capacity. Units will alternately be down for regular maintenance, limiting capacity to approximately 42 megawatts. By the end of the summer or early fall, all units should be tested on line to generate a total of 75 megawatts of energy.

The plant is named in honor of Jack Goodman, general manager of Midwest Energy and its predecessor company Central Kansas Electric Cooperative from 1951 to 1992.



Midwest Energy's Goodman Energy Center began commercial operation last month northwest of Hays. The 75 megawatt gas-fired facility will be used to meet peaking needs.

Plans Progressing for EletroRally

The Kansas ElectroRally, sponsored by Touchstone Energy, is scheduled to take place on Monday, Oct. 6 at the Kansas Speedway in Kansas City, KS.

Schools can enter their electric powered vehicles in the competition, officially called the KAN-AM Electric Challenge, in three classes: standard, experimental and open class.

Sponsorships are available for the races in three categories: bronze - \$100 - \$499; silver - \$500 - \$999; and gold - \$1,000 and over. For more information on becoming a sponsor, contact Nicole M. Pfannenstiel, Sunflower Electric Power Corporation, P.O. Box 170, 301 West 13th Street, Hays, KS 67601. Phone 785-623-3334 or e-mail pfannenstiel@sunflower.net.

The speedway is located at the intersection of I-435 and I-70, about 15 miles west of downtown Kansas City, MO.

East River Seeks Engineer

East River Electric Power Cooperative Inc., located in Madison, SD, is accepting applications for a newly created engineering position at its headquarters office.

The primary responsibilities of this position are to provide engineering design and project management leadership for the Cooperative's substation and transmission line construction projects and supervision of the engineering support function including drafting, environmental reporting, and construction contracting.

To be considered for this position, an East River application must be completed. To request an application, contact: East River Electric Power Cooperative, Inc., P.O. Box 227, Madison, SD 57042, phone 605-256-4536, e-mail hr@eastriver.coop. Or download from the website, www.eastriver.coop.