

Rural Power

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Kansas Electric Cooperatives receives \$10,000 donation from CoBank

CoBank celebrated the growth in Kansas by donating \$10,000 to Kansas Electric Cooperatives. Bruce Graham, KEC's CEO, accepted the check during a presentation at the Kansas Managers Meeting in Garden City on Sept. 7. The check was delivered by Seth Hart, vice president of electric distribution division at CoBank.



KEC's Bruce Graham (left) accepts a \$10,000 check from CoBank's Seth Hart at the Kansas Managers Meeting on Sept. 7.

"This is the second year that CoBank has provided support," explained Hart. "We look at what states are growing and how many co-ops are members. In Kansas, 18 distribution co-ops are member-owners of CoBank."

Hart said that CoBank wanted to return funds back to the statewide associations to best help all of their member-cooperatives.

"This money is given to the statewide with no strings attached. We just want to take the approach of how we can help co-ops out," he stated.

Graham said, "The support from CoBank is very much appreciated. We will put the money to good use in service to our member cooperatives."

"It is great to have CoBank as an active participant in our association activities and as a resource for KEC and the other cooperative partners in the state," Graham added.

CoBank, based in Denver, is a cooperative bank that provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states.

Mid-Kansas Electric Company to build generation station in Grant County

Mid-Kansas Electric Company LLC will build an electric generating station located 13 miles east of Ulysses. The board of directors voted recently to name the station after Perry Rubart, a trustee from Ulysses-based Pioneer Electric.

Planning and permitting efforts are underway for the project, comprised of 12 natural gas reciprocating engines designed by Caterpillar Power Generation Systems.

Construction of the station, a nominal 110 megawatt facility, is expected to commence in early 2013 with the completion anticipated in April 2014.

Rubart Station will be the first installation of Caterpillar's new G20CM34 generator sets. The 20-cylinder, natural gas-fueled reciprocating

engine generator sets feature high availability, long life, low fuel consumption, and low maintenance requirements. Burns & McDonnell is providing engineering, procurement and construction (EPC) services for the Rubart Station project.

"The Mid-Kansas board of directors has been, and will continue to be, visionary in seeking ways to best fulfill our mission of providing reliable, affordable energy to our members and those they serve," said Stuart Lowry, president and CEO of Mid-Kansas. "History has shown the merits of having a balanced generation portfolio, so we know Rubart Station will further enhance our current fleet of generation resources."

The selection of Grant County

for the approximately \$130 million project was based on several factors: proximity to adequate transmission, a competitive natural gas supply, and the need for voltage resources to support substantial load growth and wind generation in the area.

Lowry pointed out the advantages to the new station. "This type of generation resource has a fast start capability, allowing for quick response to market conditions and our system's growing integration of wind energy."

"Having this station bear my name is certainly an honor," commented Rubart. "It is especially humbling since it came from my colleagues for whom I have utmost respect for their dedication to their members and the co-op principles."



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Wind energy group gives Exelon the boot

In an unprecedented move, the American Wind Energy Association has ousted Exelon Corp. from its membership ranks over the company's lobbying efforts to kill a tax credit that is scheduled to expire this year. The company has spent untold dollars to convince legislators that the tax credit is no longer needed and distorts the market, causing harm to other more "reliable" clean energy sources.

CHICAGO TRIBUNE - 9/10/12

Showing how co-ops are "Building a Better World"!

The Kansas Cooperative Council is hosting a photo contest to celebrate the International Year of Cooperatives. Photos which reflect the theme "Co-ops Build a Better World" are online, so visit the KCC Facebook page to vote on your favorite.

KCC - 9/11/12

Kristine Schmidt to Join ITC Holdings Corp. as VP

ITC Holdings Corp. (ITC) announced that Kristine Schmidt will join the company on Sept 24 as vice president. Schmidt will serve as the business unit head for ITC Great Plains and will be responsible for supporting the company's development efforts in the Great Plains region. She will be based in Topeka.

ITC - 9/10/12

Historic 54.5 mpg fuel efficiency standards finalized

The Obama Administration finalized standards that will increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by Model Year 2025. This move will nearly double the fuel efficiency of those vehicles compared to new vehicles currently on our roads.

WHITE HOUSE - 8/28/12

SEPTEMBER

- 18-20 **KEC Hotline School**, Manhattan Vo-Tech, Manhattan.
- 19-20 **KEPCo Board of Trustees Meeting**, KEPCo Headquarters, Topeka.
- 20 **Tri-County's Annual Meeting**, Texas County Activity Center, Guymon, OK.
- 20 **KEC Budget and Operations Committee Meeting**, noon, KEC Headquarters, Topeka.
- 21 **Sunflower Board of Directors Meeting**, Sunflower Headquarters, Hays.
- 25-26 **NRECA Retirement Planning Seminar**, KEPCo Office, 600 S.W. Corporate View, Topeka.
- 27 **MDM Meeting**, KEC Headquarters, Topeka.
- 27-28 **Kansas Line Supervisors Association Meeting**, Holiday Inn Select, Wichita.

Co-ops golf, raise funds in KCRE tournament

Despite stormy weather, 32 teams took on a rainy course and raised more than \$6,000 during the 16th annual Kansas Committee for Rural Electrification golf tournament. The event was held Aug. 24 at the Salina Municipal Golf Course.

The KCRE golf tournament raises an amount of money approximately equal to 240 memberships and provides KCRE a portion of the necessary funds to support those who support electric cooperative issues.

A total of 126 golfers participated in the tournament. Flight winners included the teams from Bluestem, DS&O, Midwest Energy, Prairie Land, KEC and KSI. The winning team was from KSI Engineering and included



The KCRE Golf Tournament organizers included (from left): Dale Short, Butler; Scott Whittington, Lyon-Coffey; Kirk Thompson, CMS; Ken Maginley, Bluestem; Bob Reece, Flint Hills; and Roger Davis, CMS.

Ken Bazil; Mark Barbee, Stan Bray, and Rod Kenagy. Dave Shupe, Westar; won the early bird drawing. Adam Badger, Rolling Hills; Jared Chaffee, Bluestem; John Olson, Westar and John Sjolholm, Midwest Energy; won the prize drawings. In addition, 19 hole prizes were also awarded following the tournament.

The 17th Annual KCRE Golf Open is scheduled for August 23, 2013, at the Salina Municipal Golf Course.

KEC plans District Meetings

KEC is planning the annual series of District Meetings. This year's meetings are scheduled for the following dates and locations: **KEC District 1**, Nov. 2 at Flint Oak Lodge, Fall River. **KEC District 2**, Oct. 30 at KEPCo Headquarters, Topeka. **KEC District 3**, Oct. 31 at FHSU, Memorial Union Bldg, Room 212, Hays. and **KEC District 4**, Nov. 1 at Victory Headquarters, Dodge City.

The meetings will include a departmental and budget presentation by KEC staff, as well as a financial workshop from CFC's Sherry Sharp and Tom Beamon.

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Julia "Judy" House

Julia J. "Judy" House, former KEC employee, died on August 26.

Judy worked for 17 years at KEC, from 1969-1986, as a secretary. She also worked closely with the ladies of the KEC Auxiliary group.

Graveside services were held on August 30 at the Vinita cemetery in Kingman County.

Memorials may be sent to Alzheimer's Association, 4125 SW Gage Center Drive, LL-15, Topeka, KS 66604 or to the charity of the donor's choice.

Cooperative linemen delivered safety message at Kansas State Fair

Kansas electric cooperatives and Touchstone Energy Cooperatives of Kansas co-sponsored a high-voltage line safety demonstration at the Kansas State Fair, Sept. 10-14.



Student groups from across the state viewed the safety demo as a part of the “Kansas’ Largest Classroom” program.

The linemen demonstrated proper safety precautions and taught viewers what happens when a person comes into contact with an energized line by using a “stick man” made of PVC pipe.

Cooperative linemen from CMS, Lane-Scott, Midwest Energy, Nemaha-Marshall, and Sedgwick County volunteered to help teach the public to stay safe around power lines.

The demonstration, which is part of “Kansas’ Largest Classroom,” incorporated a full-size electric safety demonstration, loaned from Midwest Energy. The

Kansas State Fair is the largest event in the state and attracts over 350,000 people annually.



Linemen from CMS, Lane-Scott, Midwest Energy (shown above), Nemaha-Marshall, and Sedgwick County volunteered at this year’s fair.

Co-op employees judge 4-H exhibits

Employees representing electric cooperatives from around the state served as judges for the 4-H Energy Management Division at the Kansas State Fair.

Ron Dickey, Bluestem; Jeff Layton, LJEC; Melvin Jeardoe, Rolling Hills; Dennis Deines, Western; and Shawn Powelson, Wheatland brought their tool belts to inspect more than 70 entries.

The judging was coordinated by Gary Gerhard, Kansas State University’s department of 4-H youth development.



Dennis Deines and Shawn Powelson judged the 4-H electric exhibits against the standard of excellence at the fair.

Roberts and Glickman commend co-ops during agricultural forum

Praising the role of cooperatives in the U.S. and abroad was one of the primary themes in remarks made by U.S. Senator Pat Roberts and former Agriculture Secretary Dan Glickman on September 8 at the Kansas State Fair in Hutchinson.

The hour-long session dealing with agricultural issues was moderated by Kelly Lenz of WIBW Radio in Topeka and broadcast live over the Kansas Agriculture Network. The program, called “The Pat and Dan Show,” was co-sponsored by KEC.

Both speakers noted the special significance of cooperatives, especially in 2012, which has been designated as the International Year of Cooperatives.

“I’m a big fan of co-ops,” Glickman said. “One of the great strengths of American agriculture is how farmers can band together for sales and marketing purposes. Co-ops are a big part of this. This spirit needs to spread around the world.”

“Cooperatives are important, and I’ve tried to be supportive of the co-op movement,” Roberts added.

Besides praising the role of co-ops in agriculture, the officials discussed at length



U.S. Senator Pat Roberts and former Congressman and Agriculture Secretary Dan Glickman praised cooperatives during a forum at the Kansas State Fair. The forum was sponsored, in part, by Kansas Electric Cooperatives.

the status of a new Farm Bill, which needs to be approved by the end of the month but now appears to be stalled in Congress.

Arriving at a consensus on a new bill will be difficult, Roberts said.

“A lot of Congressmen are not connected to agriculture,” he said. “Politics is driving

this, and it will be very difficult to reach a consensus.”

Glickman agreed, saying, “Only one in five Congressmen now come from rural areas. We need a coalition to succeed, and this will be hard to do.”

Also adding to the difficulties, Glickman said, was what he termed a “dysfunctionality” of government today. What’s more, polarization makes consensus difficult to reach. An additional hurdle, he said, is the trend to cut funding for government programs during a down economy.

“I’m worried about cuts in research funding and what this will do to agriculture here and worldwide.”

Roberts also said the importance of agriculture can’t be overstated, especially as the world’s population continues to grow.

“We will need to feed two billion more people in the next 20 years,” he said.

Co-ops benefit from grassroots politics

The electric cooperatives originated in government, and government involvement remains an integral part of the electric cooperative operations.

The business environment today makes it essential that co-ops offer guidance on legislative actions in order to posture themselves as a knowledgeable, reliable and trustworthy source of information for legislators. KEC's Government Relations department is responsible for this important function.

The KEC Government Relations department consists of lobbyist Dave Holthaus, manager of government relations. It is his responsibility to address cooperative concerns with the Kansas legislature and to assist NRECA with federal matters.

Foremost, Holthaus must initiate and maintain relationships with our Kansas legislators.

"The real value of a lobbyist is his or her ability to gain access to law makers and have the opportunity to voice his or her position on co-op issues of concern," Holthaus said.

The legislative process, as cumbersome as it may seem, presents many opportunities to improve the co-op's business environment. Testifying at



Dave Holthaus

legislative hearings is only the beginning of the process. Lobbyists must be able to meet individually with committee members to move, amend or kill a piece of legislation. Without trusting relationships, legislators may rely on other opinions, contrary to the needs of the electric cooperatives.

Holthaus has been lobbying at KEC for 10 years and believes the cooperatives are saving dollars by collectively utilizing KEC to lobby on behalf of all electric cooperatives in Kansas.

"It is important that all Kansas cooperatives are represented by one voice, keeping the message to legislators accurate, identical and timely," Holthaus said.

KEC's Government Relations department holds a formal annual legislative reception where co-op board members and managers interact with legislators, as well as sponsoring many legislative fund raisers and utility receptions. It is crucial to the industry's success that each cooperative knows and interacts locally with their legislators.

KEC's Government Relations department is committed to keeping its co-ops informed, especially in this era of quickly-changing legislation. In addition to regular board and legislative committee meetings, a legislative update called *Capitol Connections* is produced during the legislative session. KEC also provides a government section on its website that gives member systems necessary information, including legislative directories, bill tracking, bill summary and much more.

USDA awards financing to Ark Valley to improve distribution lines

USDA has reached its \$250 million goal to finance smart grid technologies that help modernize our nation's electric system. Nine rural electric cooperatives and utilities in 10 states, including Ark Valley in Kansas, will receive loan guarantees to make improvements to generation and transmission facilities and implement smart grid technologies.

Ark Valley's \$6.13 million loan guarantee will be used to build and upgrade 355 miles of distribution line in its nine county service area and make other system improvements.

The loan amount also includes \$2.01 million in smart grid projects, which includes funding for automatic metering infrastructure.

"Smart grid technologies help our members better understand and control their electric bills in their homes and businesses," said Bob Hall, Ark Valley's manager. "Our rural residents appreciate the U.S. Department of Agriculture giving us such loan guarantees that make it all possible."

"USDA Rural Development partners with rural electric cooperatives to provide rural Kansans with affordable and reliable energy," stated USDA Rural Development State Director Patty Clark. "USDA provides federal funding to finance critical infrastructure projects for Kansas electric cooperatives, which helps cooperatives improve services for their rural customers."



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