

CURRENT News

Member Guide

In February, FreeState Electric Cooperative members will receive a comprehensive new member guide in the mail. This guide is a resource for our members and will include information on the following topics: billing, member programs, community development, board of trustee and leadership staff contact information, and the cooperative difference. A digital copy will also be posted at www.freestate.coop.

Penalty Date Adjustments

Effective March 1, 2017, penalty fees will be posted to delinquent accounts on the 6th of each month.

Currently, West District members see a penalty posted on the 10th of each month, and the East District penalty is posted on the 27th. The date adjustment is to bring all FreeState accounts to the same date. This will be noted on March bills.

Member Contact Information

It is the member's responsibility to inform the cooperative of an address, telephone or email address change. Please also remember to update any credit or debit card changes in a timely manner to avoid service disruption.

If you have questions about your account, or if you would like to update any contact information, call our office at 800-794-1989.

Cooperative Charitable Giving

In 2017, FreeState Electric Cooperative will take part in the CoBank Sharing Success program. This program provides millions in charitable funds designed to benefit cooperatives and the charitable groups they support throughout rural America. Under "Sharing Success," CoBank will match contributions by our cooperative employees to the nonprofit organizations of their choice on a dollar-for-dollar basis, from a minimum of \$1,000 up to a maximum of \$5,000.

If you are part of a non-profit organization and would like to be considered for a donation, please visit www.freestate.coop and navigate to the Community Development tab. Applications are due on March 1, 2017.

Operation Round-Up grant applications are also available online at www.freestate.coop under the Community Development tab. Deadline for submission is quarterly. Read more about Operation Round-Up on page 16-D.

If you have questions about the cooperative's community development activities, please contact marketing@freestate.coop.



COOPERATIVE Energy Explorers

Did you know Americans use electricity that is generated from different fuel sources? Some fuel sources are renewable, meaning they harness natural energy from the Earth's resources, and some are non-renewable, meaning they use fossil fuels.

Do you know which energy sources are renewable and non-renewable? Use safety scissors to cut out the images below and place them in the correct row. Use the answer key to check your work.

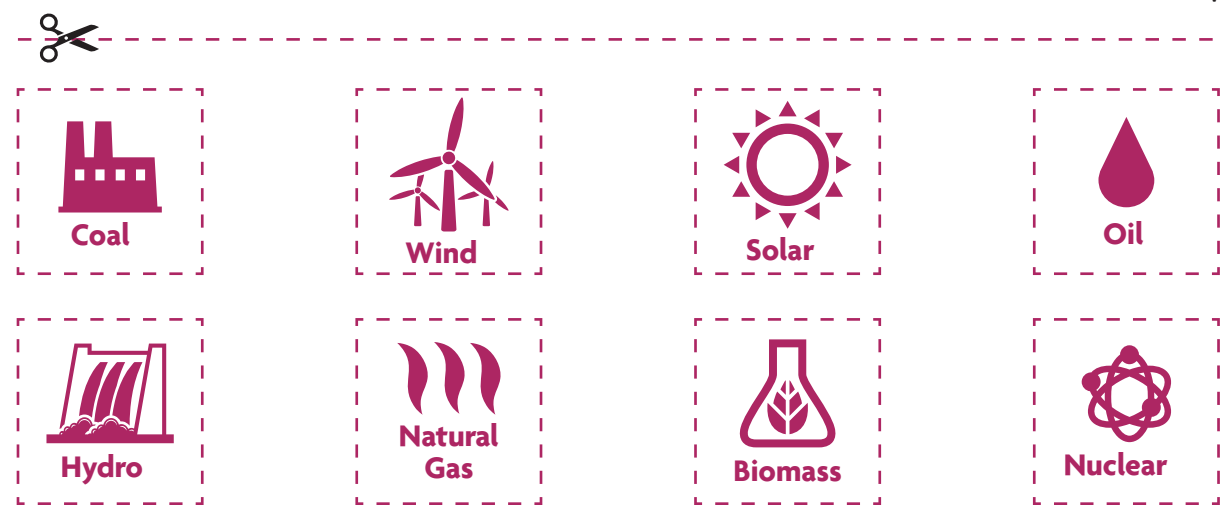
Renewable Sources



Non-Renewable Sources



Answers: Renewable Sources: Hydro, Wind, Biomass, Solar, Natural Gas, Nuclear, Coal, Oil



ATTENTION HIGH SCHOOL JUNIORS Win a FREE Leadership Experience—Applications Due Feb. 13

FreeState Electric Cooperative will select four students to take an all-expense paid trip in the summer of 2017.

Two winners will be chosen to join over 1,700 delegates from June 8-15, in Washington, D.C., for the Electric Cooperative Youth Tour, and two winners will be chosen to attend the Cooperative Youth Leadership Camp from July 14-20, in Steamboat Springs, Colorado.

The trip is funded entirely by FreeState Electric. To qualify, your parent(s)/guardian(s) must be members and receive electric service from FreeState Electric and applicants must be high school juniors. For more information or to apply, visit www.freestate.coop or call 800-794-1989. **Applications due Feb. 13, 2017.**

Top left: Jachin Drinkard stops for a photo in front of the White House on the 2016 Electric Cooperative Youth Tour. Top right: Camryn Mathis (left) and Rebecca Stormann (right) visit the U.S. Capitol. Bottom left: Taylor-Puckett wades in Fish Creek Falls while on a hike at the 2016 Cooperative Youth Leadership Camp. Bottom right: Becca Liebeno (left), Louis Falk (middle) and Celia Taylor-Puckett pose by Elk River.



FreeState Electric Cooperative, Inc.

- ### Board of Trustees
- Larry Butel**
Overbrook
 - Dallas Caster**
Auburn
 - Bill Conley**
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 - Rob Sage**
Maple Hill
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- Jeanine Murphy**
Leavenworth
- Ralph Phillips**
Mayetta
- Mark Wulfskuhle**
Berryton
- John Wine**
Legal Counsel
- Randy Richards**
Assistant General Manager

District Offices

East District
P.O. Box 70
McLouth, KS
66054-0070

West District
1100 SW Auburn Rd
Topeka, KS 66615

East & West District Office Hours:
Monday-Friday, 7:30 a.m.-4 p.m.

Tip of the Month

A crackling fire in the hearth warms the house, but don't let it heat up your electric bill! Caulk around the fireplace hearth and keep the damper closed when a fire is not burning.

FROM THE CEO FreeState Continues to Save You Money



Steve Foss

As we begin the year as FreeState Electric Cooperative, I want to give you an update on how we're saving you money—an estimated \$25 million over the next 10 years.

The consolidation of Kaw Valley Electric Cooperative and Leavenworth-Jefferson Electric Cooperative (LJEC) was estimated to save members \$20 million. But in fact, we'll likely save even more. Our last forecast shows that we'll save our members \$25 million as FreeState.

So where has that additional \$5 million come from? We can attribute an increase in our estimated total savings to avoided costs and expense reductions. To be more specific, as we transitioned to FreeState, our outstanding employees have taken initiative to learn new processes and have made our day-to-day operations more efficient.

The initial savings comes from deleting or combining duplicate services. For example, we've streamlined our cooperative's administrative functions, and have centralized our calling center, billing services, and accounting and purchasing departments. We've also consolidated to one overall operating system, cell phone provider, and internet service.

FreeState established a West District right-of-way clearing crew that specializes in keeping our lines clear. We also established in-house human resources, information technology, and marketing and communications departments, which reduces contracting or outsourcing costs. We are also saving by paying one set of dues to our industry organizations, rather than two.

We have made initial investments in technology and people that will pay dividends for years to come. The East District's system allowed the co-op to upgrade the West District to new advanced metering in 2016. Without that leverage, the investment would have been more costly.

Every day, we make decisions that will benefit our members. After all, members are our No. 1 priority. We stand by our promise to keep rates stable for the next three to five years because that's what is most important: keeping your costs consistent.

As always, if you have any questions, please give us a call at 800-794-1989 or email marketing@freestate.coop.

Understanding Your New FreeState Electric Cooperative Electric Bill

The February billing cycle will be the first bill you receive from FreeState Electric Cooperative. If you receive a paper billing statement you will notice a few changes to the bill layout. Here are some of those changes and where to find all the information on your new bill.

Please note, this is only an example of what your bill will look like. Your bill will have your relevant account information included. If you have questions about your new bill, please call our office at 800-794-1989.

A. Cooperative contact information – This includes addresses for both FreeState district offices, website

information, and the FreeState Member Services department's local and toll-free phone numbers.

B. Your name and billing address – If this information is incorrect, please contact FreeState. It is vital that your information stays current, so if you move or have changes to your address, telephone number, or email address, please let us know.

C. Your billing date and account number – Have your account number handy if you call with questions regarding your account, or if you utilize the 24-7 secure payment line.

D. Service Summary – This content provides a summary

of your account activity since your last billing cycle, ending with any prior balance you may currently hold.

E. Account notices – Important notices on your account will be listed here. For example, disconnection notices will be noted in red text if you are subject to disconnect. You will only see this message if your account is delinquent or subject to disconnect. If no message is present, your account is in good standing.

F. Message center – FreeState will use this space to share important information from the cooperative, like upcoming events or notices, or messages relevant to our membership. These will always appear in this space.

G. Service information – Each service under your account number will appear in this area. The service address, rate, meter number, readings and usage will be printed here.

H. Current account activity – Here, you will receive an itemized list of current charges: Power Cost Adjustment (PCA), monthly usage charges, monthly service charge, Operation Round-Up contribution, and any taxes you owe.

I. Late penalty – A 10 percent late penalty will only be added to your account balance if you pay after the specified date.

J. Total amount due – This section summarizes your balance due. Return the bottom portion of the bill with your payment if you are mailing it to the remit address to ensure proper credit to your account.

K. FreeState's payment remit address – When mailing a physical check, please make sure this portion is visible in the envelope provided. If you do not have an envelope, please make certain your payment is sent to this address.

L. Additional payment options – Members can make a payment 24/7 via credit or debit card, check or bank withdraw by calling our secure payment line.

M. Past due bills and disconnection – This section provides additional information about disconnection and reconnection of services for non-payment.

N. Power outages – If you experience a power outage, follow the steps provided to ensure your power will be restored as soon as possible. Always report your outage by calling our office or using the SmartHub application.

O. kWh Usage History – A current month summary of the average daily kWh use on your account will be printed here.

P. Average Cost Per Day – This area will provide you with an average cost per day for your account. This information is helpful when budgeting, or actively conserving energy.

Q. SmartHub information – SmartHub allows you to monitor your account and report power outages 24/7. Application download instructions are listed here for your reference.

R. Payment options – Find out more about the multiple payment options FreeState offers its members.

A Cooperative contact information

B Your name and billing address

C Billing Date and Account Number

D Service Summary

E Account notices

F Message Center

G Service information

H Current account activity

I Late penalty

J Total amount due

K FreeState's payment remit address

L Additional payment options

M. PAST DUE BILLS AND DISCONNECTION
Payments must be RECEIVED in our office by the due date each month to avoid a late payment charge. The late payment charge is 1.5% of the current balance. You can negotiate a "mutually acceptable" payment plan as an alternative to disconnection of service. It will be necessary for you to contact the Cooperative during normal business hours to make payment arrangements prior to the disconnection date.

N. POWER OUTAGES
Steps to follow:
 - Check your fuses and breakers to ensure the problem is not within your electrical system.
 - Report the outage immediately if you have determined the outage is on BENCO's system by calling 1-888-79BENCO.
 - Always stay away from downed power lines.

O. KWH USAGE HISTORY - Current and Preceding Months Usage

| | |
|-------------------------------------|--------|
| Current Month's Average kWh Per Day | 21 |
| Average Cost Per Day | \$3.64 |

Q. SmartHub information
Manage your accounts with SmartHub!
 - Make Payments
 - Track Electric Usage
 - View your bills
 - Setup notification preferences
 - And many more features!

R. PAYMENT OPTIONS (Check, Visa, MasterCard, Discover, Money Orders, & Cash Accepted)
 1. Online Payment: Visit our website at www.benco.org.
 2. Automatic Payment: Your payment is automatically drafted from your checking/savings, MasterCard Visa or Discover account on the due date each month. Sign up through SmartHub or Pay-By-Phone.
 3. Pay-By-Phone: Save postage and make a payment 24/7 by calling our Automated Pay-By-Phone system's toll free number, 1-888-79BENCO.
 4. Pay-in-Person: Payments can be made at our office during normal business hours.
 5. Drop Box: A drop box is located in front of our office.
 6. US Mail: Mail payment along with the bottom portion of bill. Please allow time for the payment to be received by the due date in order to avoid a late charge.

FreeState Members Give Back through Operation Round-Up

FreeState Electric Cooperative is pleased to provide financial support to community programs through Operation Round-Up. Funding for Operation Round-Up is donated by the member-owners of FreeState who volunteer to round their monthly electric bills up to the next even dollar amount. The spare change is transferred to FreeState's Operation Round-Up Fund and dispersed to local causes.

For example, if your bill is \$78.70, it will round up to \$79.00 making your contribution \$0.30 that month. Your donation is tax-deductible and never goes above 99 cents per month; the average donation for the year is \$6. The maximum amount a co-op member could donate each year is \$11.88. This may not sound like a lot, but when donations from all participating members are combined, Operation Round-Up can make a big difference in our cooperative's communities.

FreeState members are automatically enrolled in Operation Round-Up beginning with the February billing cycle and will have their monthly bills rounded up. At any time, members can opt-out of participating in Operation Round-Up, but once folks see the good work the program does in the community, they almost always keep contributing. **Please call our billing department at 800-794-1989 if you'd like to opt-out of Operation**

Round-Up.

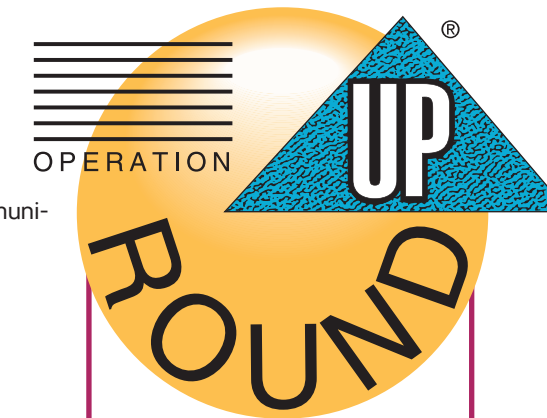
On a quarterly basis, the monies collected are combined and grants are awarded to non-profit programs, projects and organizations that improve the quality of life in our local communities and address

- ▶ public safety;
- ▶ health care;
- ▶ self-sufficiency;
- ▶ basic human needs;
- ▶ cultural environment;
- ▶ community leadership; and/or
- ▶ social issues for youth.

To ensure that funding decisions are made in the best interest of the co-op's communities, grants are approved by a committee of FreeState members who represent the areas across the co-op's service territory. Members meet four times a year. They are not paid, but their mileage for meeting travel is reimbursed.

We are looking for members who want to make a difference and who are willing to volunteer to help our local communities. If you are interested in serving on FreeState's Round-Up committee, please email sarah.farlee@freestate.coop to be considered.

If your non-profit program, project or organization would like to apply for Operation Round-Up funding, funding applications are available at www.freestate.coop. All applicants must provide a complete application package for con-



Thank you for participating in Operation Round-Up and giving back to our communities.

Please call 800-794-1989 if you wish to **opt-out** of Operation Round-Up.

consideration. Only one grant per year will be awarded to an organization. **Application deadlines are March 1, June 1, Sept. 1 and Dec. 1.**

We would like to thank our members who continue to participate in Operation Round-Up. Your small change is changing lives, and together, we're making a big difference right here in our local communities.

GET CONNECTED.

Visit us at our new website, www.freestate.coop, to make an online payment and stay up-to-date with current co-op news, notices, events, and outage information. You can also get connected by visiting our following us on social media!

