

Showing Support Through Operation Round-Up®

BY SARAH FARLEE, PR/MARKETING/COMMUNICATIONS



Sarah Farlee

On behalf of FreeState Electric Cooperative I would like to update our members on the progress of the Operation Round-Up® program.

FreeState Electric is in the process of establishing the FreeState Community Foundation that will administer Operation Round-Up®. This foundation will give the program 501 (c) (3) status. The reason we are moving the Operation Round-Up® program to a community foundation is to make certain that every donation made to the program is tax-deductible for our members.

We will also be providing members with a quarterly update about the program, so you can see how your donations are assisting local organizations, programs, and projects. Every dime that is donated to Operation Round-Up® will be

granted to local applicants.

Community giving and support is one of the seven Cooperative Principles that guides FreeState. We want every member to know that the board of trustees and staff support Operation Round-Up®. After researching other co-op's Operation Round-Up® programs, we found that those with an opt-in program averaged 20 percent participation, and those that chose the opt-out method averaged 80 percent participation. In addition, co-ops with an opt-out program spent less money on communication campaigns associated with the program.

Our goal is to distribute every penny collected. I want to thank our volunteer Operation Round-Up® committee for their dedication and enthusiasm: **BRAD PARKER, DERON JOHNSON, JOE HEINEN, MELINDA HARWOOD, and CAROL MARPLE** have helped build the foundation of giving that will assist communities well into the future. Thank you for your service. We currently have

more than 85 percent participation in the program, and this success would not be possible without your commitment to FreeState Electric.

We will begin distributing funds across our nine-county territory soon, and we hope our members will see the positive impact their small donation has made. This program is empowering members to give a little and see a lot in return.

As a member of the FreeState staff, it is my privilege to assist the volunteer member committee and our communities in any way we can. It is truly exciting to be a part of a program that will prove to be vital to the success of our rural community organizations, programs, and projects. The funding we provide will assist in launching, executing, and completing projects that will improve the quality of life for the communities we all call home.

For more information on the program visit www.freestate.coop/operationroundup.

Beat the Peak with Energy Conservation

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conserve energy to help with peak control:

- ▶ Use your major appliances like washers, dryers, and dishwashers during early morning hours or later in the evenings.
- ▶ Use your slow cooker instead of the stove to prepare dinner.
- ▶ Shut off a grain dryer for a few hours in the afternoon.
- ▶ Stop irrigation pumps during the heat of the day.

This month, we will debut a peak alert monitoring system on our website at www.freestate.coop, so you can easily monitor what type of day it will be. Our website will feature a graphic every day that will help you monitor when you should take extra precautions to conserve energy. We're here to help, so look

This month, we will debut a peak alert monitoring system on our website at www.freestate.coop.

for Red Flag and Green Flag day alerts on our homepage. Read more about this new program on page 16-B of this issue.

East District members do have the option to take advantage of our "Time of Use Rate" that provides members with a discount on their rate for signing up to take an active role in helping us with load management. While West District members don't have that option yet, the practice of keeping usage in check can still help keep your costs lower while helping everyone.

Using your energy conservatively keeps costs down and rates stable, which reduces the need for new power sources. As the summer continues to heat up we can all play a part in energy conservation and cooperative load management.

As always, if you have any questions about the information presented in this column or this publication, we encourage you to contact us at marketing@freestate.coop or 800-794-1989.

If you feel a SHOCK, swim AWAY from the DOCK!

DO NOT SWIM AROUND DOCKS WITH ELECTRICAL EQUIPMENT!

Did you know? Electricity can enter water from energized boats and docks.

If you are in the water and feel electric current:

- 1 SHOUT** to let others know.
- 2 TUCK** your legs up to make yourself smaller.
- 3 Try to go out AWAY** from anything that could be energized.
- 4 Do NOT** head to boat or dock ladders to get out.

If you are on the dock or shore when a swimmer feels electrical current:

- 1 Do NOT** jump in.
- 2 Throw** them a float.
- 3 Eliminate or turn off** the source of electricity as quickly as possible.
- 4 Then call** for help.

Learn more at SafeElectricity.org

FreeState
Electric Cooperative, Inc.
Your Touchstone Energy® Cooperative

The Outlet

FREESTATE ELECTRIC COOPERATIVE, INC.
800-794-1989
www.freestate.coop

FreeState Electric Cooperative, Inc.

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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.

Offices Closed July 4

In observance of Independence Day, our offices will be closed on Tuesday, July 4. FreeState Electric Cooperative wishes you a safe and happy Fourth of July!

FROM THE CEO

Beat the Peak with Energy Conservation



Steve Foss

Last month, we sent eight line-men to western Kansas to assist another cooperative after a devastating snow storm. Yes. That was May. So, it is

kind of tough to start thinking about 100 degree days. But with summer just around the corner, FreeState Electric Cooperative encourages all members to evaluate their electricity consumption and practice energy conservation.

Load is what we call consuming electricity at any given time. FreeState Electric adds up all of the electric consumption from all of our members at any given time to determine the load for our entire system.

By helping to keep the maximum load down, you can help FreeState Electric save on the cost of its purchased power. This, in turn, means lower costs for you, our member.

There comes a time each day when the system reaches a peak. That's when most of us are using electricity without any thought of conservation. It's also the time when it costs us the most to provide that power and FreeState Electric must have enough power to meet the needs of our members.

By helping to keep the maximum load down, you can help FreeState save on the cost of its purchased power. This, in turn, means lower costs for you, our member.

The best time to conserve energy is June 1 through Sept. 30 on weekdays from 2 to 6 p.m. because the peak electricity demand for those months drives our cost of electricity for the remainder of the year.

We ask that you be aware of days that have temperatures forecasted above 95 degrees. Those days, in particular, are when we generally see peak demand. This is the industry's version of a traffic jam, and nobody likes to be stuck in traffic. Peak demand means we see higher billing rates for our members, but we also tend to have reliability issues and could cause outages.

Here are a few ways you can

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Why I Serve on the Operation Round-Up® Committee

Five FreeState Electric Cooperative members have graciously volunteered their time and talents to assist the co-op with its Operation Round-Up® program.

To learn more about the program call FreeState Electric at 800-794-1989 or visit www.freestate.coop/operationroundup. Thank you for your time and dedication!



MELINDA HARWOOD, McLouth
Member for 25 years

"I have a unique perspective of the communities in the FreeState service area and a good understanding of the resources and challenges we face living in a rural area. I look forward to being a part of our evolution as we succeed in becoming vital in a big, big world."



JOE HEINEN, Valley Falls
Member for 48 years

"I am an advocate for members helping members. I feel we can improve our communities by helping empower our members by giving back."



PASTOR DERON JOHNSON, Silver Lake
Member for 17 years

I love the idea of giving back to the communities that FreeState serves. My goal is that many worthwhile projects will be assisted and that those communities will be blessed by them.



CAROL MARPLE, Wakarusa
Member for 41 years

I am retired and I have time to give. I am thrilled to be in on the startup of FreeState's charitable program, Operation Round-Up®. I see this program as a huge asset to the communities served.



BRAD PARKER, Rural Silver Lake
Member for 6 years

"I volunteered to give back to our communities. My goal for Operation Round-Up® is to reinvest in our neighbors."

Separate Rate Structure Benefits Members

Before the consolidation, LJEC offered member with a Time of Use rate option. The East District, formally LJEC, still offers this option to members; however, the cooperative is not able to offer this rate option to West District, formerly Kaw Valley, members because the East and West Districts currently have different power suppliers.

The Time of Use rate is designed to charge more money per kilowatt hour during peak hours (2 to 6 p.m. on weekdays), and less money per kilowatt hour during non-peak hours (all other times, holidays, and weekends).

FreeState Electric Cooperative does not anticipate offering West District members this service soon due to the difference in how we are billed by our power providers.

"Different rate structures due to different power suppliers keep us from offering the Time of Use rate to our West District members," said Steve Foss, CEO. "Because we purchase power from two different suppliers, we aren't able to currently offer a new rate."

Foss explained that implementation of a new rate would require a cost of service study that would likely change rates for all members. "That's the exact opposite of what we want to accomplish with member savings as FreeState Electric," Foss added.

The way each district territory is billed

Different rate structures due to different power suppliers keep us from offering the Time of Use rate to our West District members.

from the supplier is also a factor in the way rates are designed. The West District purchases power directly from Westar Energy, while the East District purchases power from KEPCo. "To maintain our current rates for the next three to five years, it's important we maintain the current structure until our next rate evaluation," said Chris Parr, assistant general manager. "If we pay for a cost of service study we would need to look at all rates."

At the next cost of service study, the cooperative will re-evaluate the Time of Use rate for both Districts. "Until we get to the point of our next rate adjustment, we encourage our members to conserve energy when they can," said Parr. "No matter what the rate is or cost per kilowatt hour, using less energy overall will still save members money—and helps us keep our load manageable."

"If members in the West District conserve energy from 2 to 6 p.m. on our peak days, it does help our overall load and that in turn helps our total power bill," added Parr. "Any size savings on our power bill will result in an overall savings to all of our members, and that helps us keep our rates stable."

To help members determine the best days to save energy, FreeState will post flag alerts on its website www.freestate.coop. Each day the website will denote a Red Flag or Green Flag day. Green Flag days mean normal consumption is expected. Red Flag days alert members of peak demand. Be more conscious about conserving energy on those days to keep the peak down and, in turn, the cost.

For more information on energy savings, visit the website or call the office at 1-800-794-1989.



Earl Goes to Washington

Earl will be heading to Washington, D.C., with our Electric Cooperative Youth Tour delegates. Visit www.freestate.coop/blog/youth-tour to meet Earl and follow their trip to the nation's capital from June 8-15, 2017, and check our social media updates. #YTDC #WeAreFEC

Lower Power Cost Adjustment to Increase Savings

FreeState Electric Cooperative includes a line item on members' electric bills each month that is the Power Cost Adjustment (PCA). When members voluntarily conserve energy by altering their daily habits (especially during peak demand), every cooperative member saves money.

The Power Cost Adjustment reflects the increases/decreases in the co-op's cost of power purchased wholesale from Westar and KEPCo as compared to our cost of service studies done for each (East District data from 2008; West District data from 2010). The fluctuation in the Power Cost Adjustment is largely caused by changes in the cost of generation.

Most electric power purchased for FreeState Electric is produced by steam generation plants which use coal, natural gas and oil as fuels to produce the steam that turns the generators that produce electricity.

The co-op's cost of wholesale power is now more than 65 percent of FreeState's total expenses, so it's critical that the cooperative makes sure that it recovers all of its wholesale power costs in its retail sales. The cost is collected from the co-op's members through the energy charge and the Power Cost Adjustment.

The adjustment passes on the difference between the actual cost of wholesale power each month and the base cost used in determining rate schedules. The formula charges all members equally for increases and decreases in the cost of produc-

ing electric power.

Each month's Power Cost Adjustment is established on the first billing day after management's review of Westar and KEPCo's latest billing and projected power costs for the month.

The Power Cost Adjustment on an electric bill statement is computed by multiplying the amount charged or credited by the number of kilowatt hours used.

For example, if the amount charged is 0.01 cents, and 1000 kWh was used during the billing period, the Power Cost Adjustment would be a charge of \$10.00.

Weather can skew the cost per kWh. Extreme heat or mild months can impact the cost per kWh on the wholesale power bill.

How conserving energy in your own home can save your neighbor money:

With your cooperation, we can not only help control the cost of power, but also improve reliability.

The best times to practice energy conservation are Monday through Friday from June 1 to Sept. 30, from 2 to 6 p.m. because the peak electricity demand for those months drives the electricity billing for the remainder of the year.

FreeState Electric asks that you be aware of peak demand. This means we are not only looking at higher billing rates, but also have a higher risk of reliability issues.

When you consume electricity at any given time it is known as "load." FreeState Electric adds up all of the electric consumption from all of our members at any given time to determine the load for our entire system. There comes a time, every day, when the system reaches its peak. That's when most of us, all at once, are using the most electricity and it is also the time when it costs the most to provide you with power.

Your cooperative must have enough power to meet your needs. By keeping an eye on your usage and keeping it stable during peak days, you're helping us with load management—and that, in turn, helps each of our member-owners.

Late afternoons to early evenings are peak times for us. We encourage you to use your major appliances like washers, dryers, and dishwashers during early morning hours, or later in the evenings.

Consider:

- ▶ Doing laundry earlier or later in the day
- ▶ Use your slow cooker instead of the stove to prepare dinner
- ▶ Shutting off a grain dryer for a few hours in the afternoon
- ▶ Stopping irrigation pumps during the heat of the day

Conserving energy keeps costs down and rates stable, which reduces the need for new power sources. We can all play a part in energy conservation and co-op load management.

Scam Alert: How to Identify a Fraudulent Call

BY JENNIFER PING



Jennifer Ping

We have received a report of a member who received a phone call from someone claiming to be from Westar Energy demanding payment of a past due balance. When the member informed the caller they were not a customer of Westar, the caller promptly changed his association to FreeState Electric Cooperative and continued to

demand payment. This scammer wanted to be paid by a pre-paid credit card.

This is a scam.

We would like to provide you with information on how we contact our members, so you know what to look for if you are contacted by someone claiming to be FreeState Electric Cooperative (or any utility) and fear it may be a scam.

If FreeState Electric needs to contact you, the employee will always identify themselves by first or last name. They will also ask to verify account information with you as well.

FreeState Electric will not:

Call you after hours. Our business offices are open Monday through Friday 7:30 a.m. to 4 p.m. You will not be contacted about your bill after hours. The only reason the cooperative would contact a member outside normal business hours would be due to a service emergency.

Call you demanding payment. We send automated phone calls to our members to alert them of past due or delinquent accounts. These automated calls can go out seven days a week. You would receive a personal phone call from a FreeState Electric employee about your bill during business hours only.

Demand you pay with a pre-paid credit card. We have many paying options. You would not be restricted to only one option to pay your bill.

You can avoid being scammed by recognizing common phrases used by scammers:

- ▶ You've been specially selected (for this offer).
- ▶ You'll get a free bonus if you buy our product.
- ▶ You've won one of five valuable prizes.
- ▶ You've won big money in a foreign lottery.
- ▶ This investment is low risk and provides a higher return than you can get anywhere else.
- ▶ You have to make up your mind right away.

- ▶ You trust me, right?
- ▶ You don't need to check our company with anyone.
- ▶ We'll just put the shipping and handling charges on your credit card.

Here are some additional questions to ask yourself in order to avoid a scam:

- ▶ **Who's calling and why?** The law says telemarketers must tell you it's a sales call, the name of the seller and what they're selling before they make their pitch. If you don't hear this information, say "no thanks," and hang up the phone.
- ▶ **What's the hurry?** Fast talkers who use high pressure tactics could be hiding something. Take your time. Most legitimate businesses will give you time and written information about an offer before asking you to commit to a purchase.
- ▶ **If it's free, why are they asking me to pay?** Question fees you need to pay to redeem a prize or gift. Free is free. If you have to pay, it's a purchase—not a prize or a gift.
- ▶ **Why am I "confirming" my account information—or giving it out?** Some callers have your billing information before they call you. They're trying to get you to say "ok" so they can claim you approved a charge.
- ▶ **What time is it?** The law allows telemarketers to call only between 8 a.m. and 9 p.m. A seller calling earlier or later is ignoring the law.
- ▶ **Do I want more calls like this one?** If you don't want a business to call you again, say so and register your phone number on the National Do Not Call Registry. If they call back, they're breaking the law.

As always if you suspect a scam or if you have questions, don't hesitate to FreeState Electric at 800-794-1989 or email customerservice@freestate.coop. We're always here to help.



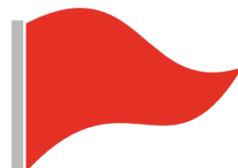
Flag Alerts at www.freestate.coop

Check www.freestate.coop for daily flag alerts. On Red Flag days, be more conscious about conserving energy to help keep peak down and, in turn, cost.



Normal

- ▶ Today is a Green Flag day.
- ▶ We are experiencing normal demand today.
- ▶ No special energy saving measures are necessary.



Peak Alert

- ▶ Today is a Red Flag day.
- ▶ We are experiencing peak demand today.
- ▶ Please take extra measures to save energy.