



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE

The Powerline

Leavenworth-Jefferson Electric Cooperative, Inc.

Board of Trustees

Larry Meadows
President

Jeanine Murphy
Vice President

Marty Shaw
Secretary

Harlan Hunt
Treasurer

Mark Gratty
Trustee

Ralph Phillips
Trustee

Bill Pohl
Trustee

Larry Stevens
Trustee

Staff

Steve Foss
General Manager

Chris Parr
Assistant Manager

Reed Resigns from Board

NANCY REED, the Board of Trustee for District 7, has resigned her position on the Board, citing personal reasons. Please join LJEC in wishing her well in her future endeavors.

LJEC Holiday Closings

The LJEC offices will be closed December 24-25 and January 1. We wish you a Merry Christmas and Happy New Year.

Q&A

Cooperative Alliance Questions Answered

Since the announcement was made regarding the alliance between LJEC and Kaw Valley Electric Cooperative, we have been receiving inquiries. Below are the most common questions we have been receiving along with their answers.

Q. Why are you forming this alliance?

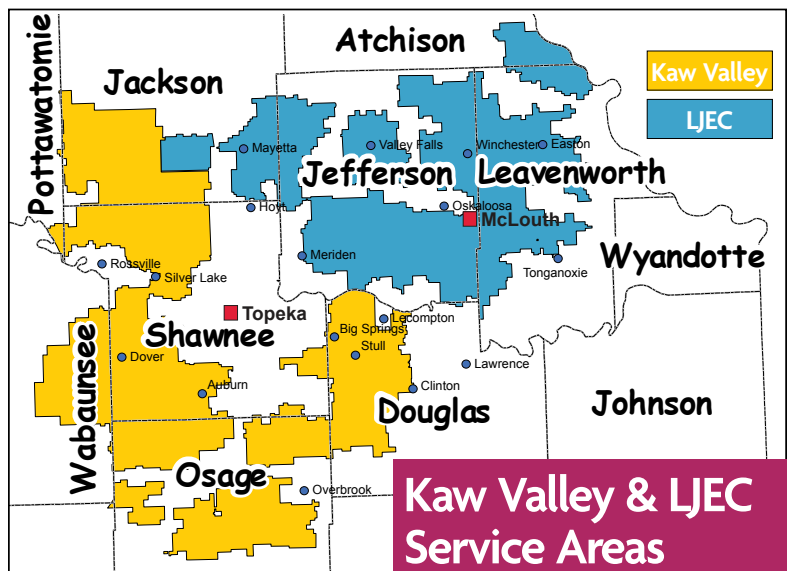
A. This is a cooperative alliance that will help us provide savings and better services to our members, new opportunities for our employees, and put our cooperatives in a stronger position for the long-term. The days of stable electric rates are quickly becoming a thing of the past. Our focus is to find every means possible to limit future rate increases for our cooperatives' combined 17,500 service accounts, while providing high quality reliable electric power. Without this alliance, 10-year financial forecasts for both cooperatives show the need for rate increases in the next one to three years.

Q. Why is this happening now?

A. Both of our cooperatives have been working hard to hold down rates by reducing operating

costs without affecting our high quality, reliable electric service. The greatest cost savings and timing for the alliance center on upcoming employee retirements at both cooperatives. Under the alliance, as employees retire, jobs will be filled internally based on how we blend our operations to ensure maximum cost savings and operating

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Britton Anderson
Tree Crew



Jeremy Cameron
Journeyman Lineman



Shannon Crouse
Energy Use Supervisor



Traci DePriest
Billing/Customer Accts



Jennifer Fisher
PR/Marketing



Ron Forshee
Fort Operations Mgr.



Rita Hughes
Member Services Assist



Jerry Ireland
Journeyman Lineman



Mike Jones
Journeyman Lineman



Greg Kramer
Journeyman Lineman



Dean Lasher
Maintenance



Nolan Lewis
Journeyman Lineman

Happy *From LJEC's Trustees,*
management & employees
Holidays!



Steve Foss
Manager



Harlan Hunt
Trustee



Mark Gratny
Trustee



Chris Parr
Assistant Manager



Zane Peak
Journeyman Lineman



Jacob Pineau
Foreman



Jennifer Ping
Office Manager



Bobby Riedel
Journeyman Lineman



Jonna Shoemaker
Receptionist



John Wine
Attorney



Scott Wright
Tree Crew



Eric Wylie
Engineering &
Operations Manager

*The LJEC offices will
and January 1, so our
with their families.*



Joseph Fridlington
Technology Administrator



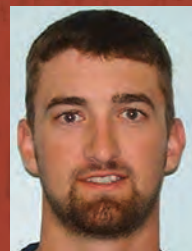
Bob Funk
Accounting Manager



John Hamm
Tree Crew



Rob Hannigan
Journeyman Lineman



Adam Hernandez
Journeyman Lineman



Jim Holwick
Operations Support Supervisor



John Malone
Foreman



Bridgett McGhee
Office Services
Specialist



Danny Mehrhoff
Tree Crew



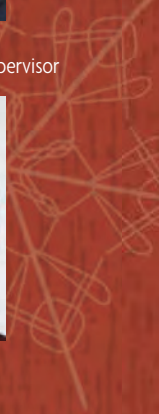
Tom Mitchell
Line Superintendent



Kathleen Norris
Executive Secretary



Ken Ottensmeier
Equipment Operator



Larry Meadows
Trustee



Jeanine Murphy
Trustee



Ralph Phillips
Trustee



Bill Pohl
Trustee



Marty Shaw
Trustee



Larry Stevens
Trustee



Rick Smoots
Journeyman Lineman



Tim Smoots
Foreman



Jerry Terry
Purchasing Agent



Randy Wager
Tree Crew Foreman

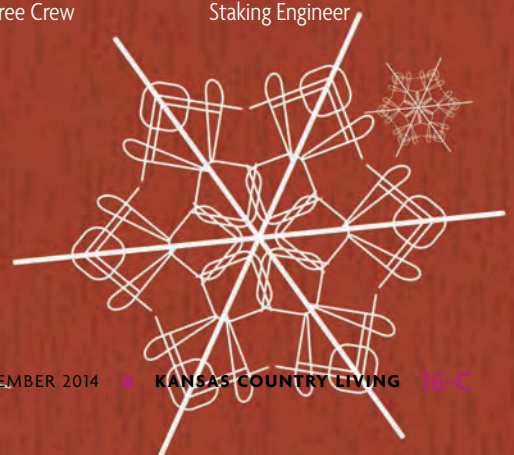


Jeff Werner
Tree Crew



Gary Wilits
Staking Engineer

*be closed on December 24-25
staff can celebrate the holidays*



Q&A

Continued from page 16-A ▶

efficiencies, while providing high quality, reliable electric service.

Q. Who approved the alliance?

A. Our members who make up each of our cooperatives' Board of Trustees approved the cooperative alliance during a special joint meeting October 3.

Q. What will the alliance do?

A. The alliance gives our cooperatives cost savings and greater operating efficiencies neither of us can achieve on our own by:

- ▶ Combining purchasing, accounting, billing and member service functions.
- ▶ Sharing equipment, software and engineering services.
- ▶ Incorporating best practices and processes from both cooperatives.
- ▶ Providing members all of the value-added services and discounts available through each cooperative.

Q. How will the alliance affect jobs?

A. As we blend our operations, employees can look forward to new opportunities for advancement, specialized skills training, and the potential for enhanced benefits. No full-time jobs will be eliminated.

Q. How does the alliance change each cooperative?

A. The communities and members we serve will experience no changes in their reliable electric service as a result of the alliance. We will keep our current business offices and will continue to provide services and monthly bills under our cooperative names.

Q. Are the cooperatives a good fit for this kind of alliance?

A. This alliance is an excellent fit for our cooperatives:

- ▶ We are almost identical in how we provide

services. Our operations processes are similar and we use much of the same technology and equipment, which will allow us to efficiently and effectively blend functions to maximize cost savings.

▶ We both have a rich history of serving our members and communities for 75 years. We provide services in three of the same Kansas counties: Shawnee, Douglas and Jackson.

Q. What happens next?

A. We'll start by focusing on areas where we can gain the maximum benefit in cost savings by combining operations and value-added services to members. We'll do everything in stages to ensure the alliance runs smoothly.

Q. Who is going to run the alliance?

A. The alliance will be co-managed by the current general managers of both cooperatives: **STEVE FOSS** of LJEC, and **JERRY MANNING** of Kaw Valley Electric.



Steve Foss



Jerry Manning

Q. Is there going to be a consolidation of the two cooperatives?

A. The alliance is the first step toward a possible consolidation of the cooperatives in 2016, a consolidation that is projected to deliver cost savings of more than \$13 million over 10 years. Members of both cooperatives are expected to vote on the consolidation at their respective 2016 annual meetings.

Q. Will my rates change?

A. The alliance is focused on limiting future rate increases. We have systematically cut costs we control in an effort to offset rising costs we don't, which are wholesale power costs from our suppliers. The costs we control

amount to less than 25-percent of your bill, and include electric service distribution, operations and maintenance, accounting and billing, and member services. Without this alliance, our 10-year financial forecast shows the need for rate increases in the next one to three years.

Q. Will my services change?

A. Your services will not change with the alliance agreement. We will continue to provide the same high quality, reliable electric service you have come to expect and deserve.

Q. Will my billing change?

A. Not immediately. But, as we blend our billing services, you will see minor changes in how the information is organized on your monthly bill. We will make sure to share information about all changes well before they take place.

Q. Will my member benefits change?

A. Yes, they will get better. Through the alliance you can take advantage of all of the value-added services and discounts available through both cooperatives.

Q. Will I continue to get my capital credits?

A. Yes. There will be no impact on the capital credits members are eligible to receive.

Q. How will this change affect the community?

A. The communities and members we serve will experience no changes in their reliable electric service as a result of the alliance. We will keep our current business offices and will continue to provide services and monthly bills under our cooperative names.

Q. Why didn't anyone tell me about doing this alliance?

A. We just couldn't speculate about an alliance until we finished a thorough, careful evaluation of the best options available for long-term cost savings. An expert in electric cooperatives and public power districts guided us, and our Board of Trustees, through the process. The board decided a cooperative alliance was the best option and approved it during a special vote October 3.

If you have any questions, you are encouraged to contact LJEC Assistant Manager, Chris Parr at 888-796-6111 or by email chrisp@ljec.coop. You can also contact the board member in your respective district. LJEC is owned by you, our members, we want to answer any questions you may have and provide you with the most up to date and accurate information possible.