




A Touchstone Energy® Cooperative 
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**KAW VALLEY
 ELECTRIC COOPERATIVE**

LightTalk

**Kaw Valley Electric
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Tip of the Month

Be merry and bright, but don't let your holiday lights shine all night. Save money on your electric bill by installing a light timer for your decked out home. Use a manual timer plugged into an electrical outlet to automatically turn lights on and off as scheduled.

Q&A

Cooperative Alliance Questions Answered

Since the announcement was made regarding the alliance between Kaw Valley Electric and Leavenworth Jefferson Electric Cooperative (LJEC), 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?

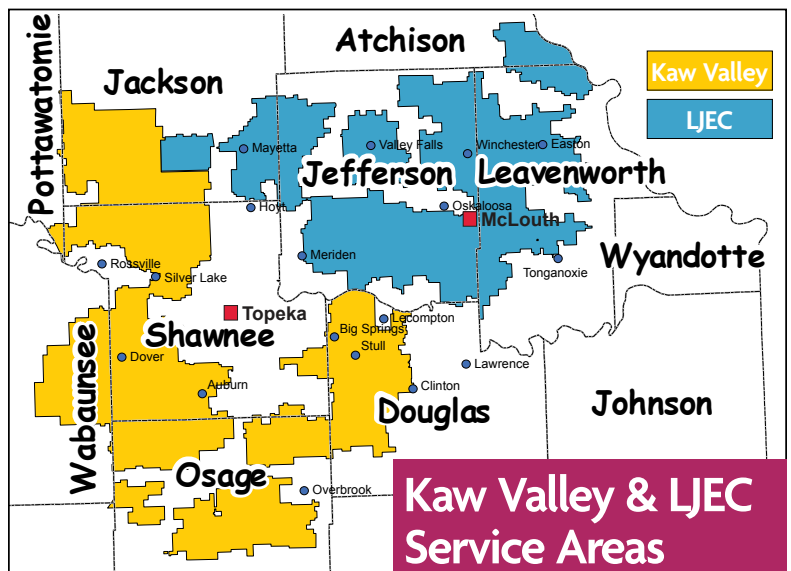
A. This is a cooperative alliance that will help us provide savings and better services to our members, new opportunities for our employees, and put our cooperatives in a stronger position for the long-term. The days of stable electric rates are quickly becoming a thing of the past. Our focus is to find 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 qual-

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**Kaw Valley & LJEC
 Service Areas**

Q&A

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ity, 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 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. Who is going to manage the cooperative 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. 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. 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 infor-

If you have any questions, you are encouraged to contact Kevin Gregg at kgregg@kve.coop or 785-478-3444. You can also contact the board of directors. Kaw Valley Electric is owned by you, our members, we want to answer any questions you may have and provide you with the most up to date information.

mation 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.

and member in your respective district. Kaw and accurate information possible.

Kaw Valley to Conduct Member Satisfaction Survey in January

In order to gather information from our members, the service you receive and the services you may like to see from us, we have partnered with a telephone survey company to gather answers to many of these questions. Knowing that we have all had our fill of surveys during the busy political campaign season, we have chosen not to begin conducting our survey until after the first of the year.

In January, you may receive a call from our survey company requesting your answers to a short survey. The caller will identify themselves and their purpose and attempt to be as brief as possible.

You will not be asked to disclose any personal information nor

will you be asked for any financial information or payment on your account. Many attempts at fraud are masked as surveys so please do not disclose any of this information to the pollster. If anyone calls to request personal or financial information on behalf of the cooperative, please notify us or local law enforcement immediately.

We ask that you provide the pollster with your honest opinion so that we may improve our service to our members. We value your opinion and appreciate your participation.



Keeping Your Information Secure with New Credit Card Payment Processes

Kaw Valley members paying their bill by credit card will notice a change beginning January 1, 2015.

The Payment Card Industry Data Security Standard (PCI DSS) is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment.

Simply put, we want to ensure that no one steals your credit card information.

In order to comply with this standard, we will require that anyone paying with a credit card use a secure, automated payment line at the cooperative. When you call in and indicate you will pay with a credit card, our Member Service Representative (MSR) will transfer you to this secure line and payment information will be input using your phone.

If you choose to pay in person

at our office with your credit card, we will use a credit card reader like you see in most retail stores.

The goal is keep your card information in your hands at all times to avoid potential fraud.

The Payment Card Industry Security Standards Council (PCI SSC) was launched on September 7, 2006, to manage the ongoing evolution of the Payment Card Industry (PCI) security standards with focus on improving payment account security throughout the transaction process. The PCI DSS is administered and managed by the PCI SSC (www.pcisecuritystandards.org), an independent body that was created by the major payment card brands (Visa, MasterCard, American Express, Discover and JCB.).

We apologize if this causes our members any inconvenience, but in the end it will keep your credit card information more secure.

How Renters can Fight the Winter Chill

According to the U.S. Census Bureau, 33 percent of Americans lease their homes. Unfortunately, many lease agreements forbid major alterations to rental properties. But don't worry, renters! Consider using these low-cost, energy-efficient tips from Kaw Valley Electric Cooperative to improve the efficiency of your home this winter.

Hot savings

Heating the home typically makes up about 48 percent of your utility bill. Set your thermostat as low as is comfortable in the winter—Energy.gov recommends 68 degrees Fahrenheit to boost energy efficiency.

During the winter months, take advantage of heat from sunlight. Open draperies and shades during the day to allow natural light to heat your home. Remember to close them in the evenings as the temperature drops and windowpanes become chilly.

Does your home have window air conditioning units? This winter, remember to insulate the units from the outside with a tight-fitting cover, available at your local home

improvement center or hardware store. This keeps heated air from escaping outside. If desired, you can remove the window unit during winter months to prevent energy loss.

Another way to save on heating is to make sure your water heater is set at the lowest comfortable setting. Have you experienced scalding hot water when taking a shower? If so, it's likely that your water heater is set too high—which is a waste of energy. Older models of water tanks are often not insulated, which can be easily remedied by covering them with an insulating jacket.

Bright ideas

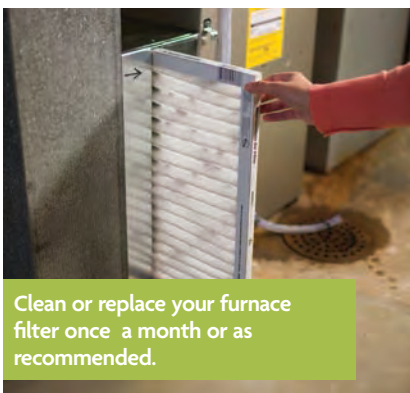
Lighting is one of the easiest places to start saving energy, and savings are not strictly limited to winter months. Try replacing a few of your most frequently used light bulbs with ENERGY STAR-qualified lights, and save more than \$65 a year in energy costs.

ENERGY STAR-qualified compact fluorescent light bulbs (CFLs) use 75 percent less energy and last several times longer than incandescent light bulbs, saving money on energy bills and replacement costs. Practicing energy-efficient habits is another great way to reduce energy use. Always turn off your lights when leaving a room.

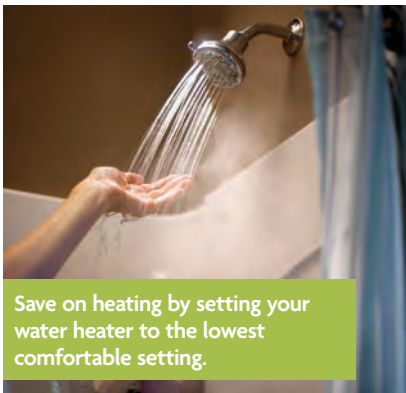
Other ways to save

Leasing an older home or apartment? Odds are you have single-pane windows and old or missing caulk. Don't let the winter chill seep indoors! Apply caulk around window frames, sashes and door panels to combat air leaks.

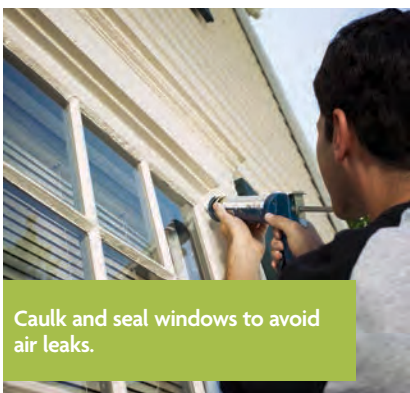
Also, be mindful when using electronics at home. Unplug devices when not in use, and use smart power strips to save on energy use. To learn more ways to be energy efficient around the home, visit www.energy.gov.



Clean or replace your furnace filter once a month or as recommended.



Save on heating by setting your water heater to the lowest comfortable setting.



Caulk and seal windows to avoid air leaks.



Set your thermostat at 68 degrees to boost energy efficiency.