



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE

The Powerline

Leavenworth-Jefferson Electric Cooperative, Inc.

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FROM THE MANAGER

Cooperative Alliance Savings to Date

The Leavenworth Jefferson Electric Cooperative (LJEC) and Kaw Valley Electric (KVE) alliance announced in October 2014 has been working for members by generating savings now, as well as projecting significant savings over the next 10 years.

Assuming a consolidated electric cooperative following the vote in April 2016, we have forecasted an increase in savings of up to 75 percent over 10 years for our customers.

How are we saving? We are doing this in a variety of ways, but it all comes down to the efficiency gained. In addition, a significant amount of savings comes from bulk pricing, taking advantage of special offers, retirements, and sharing resources and equipment.

We are already seeing direct

savings since the alliance was announced. Cost of service studies have been delayed that were planned for 2015 at LJEC, and 2016 at KVE. This means that a rate increase was immediately delayed due to the alliance between the two cooperatives. This translates into savings for our membership, and that is a priority of the alliance.

In April 2016, the two cooperatives will be voting on the consolidation. Members will have a say on whether the consolidation passes, or does not. Regardless of the vote, a management alliance will still be in place to manage the two cooperatives. However, the savings will not be as great through the



Steve Foss

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Holiday Office Closing



In observance of Independence Day the LJEC office will be closed on Friday, July 3.

Efficiency Tip of the Month

By cleaning your air conditioner's air ducts, you can lower your energy consumption by between 5 and 15 percent.

Alliance Question of the Month

Will my rates change due to the alliance?

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. In fact, due to the cooperative alliance LJEC has been able to immediately delay a rate increase study previously scheduled for 2015. This means rate increases have been delayed.

Each month we'll address a question regarding the cooperative alliance between Leavenworth Jefferson Electric Cooperative and Kaw Valley Electric. Do you have a question you'd like us to address regarding the alliance? Feel free to submit your question to info@kve.coop or info@ljec.coop.

FUN FIVE

Get to Know Your Co-op Staff

Shannon Crouse

Energy Use Supervisor

14 months at LJEC



Shannon Crouse

Q: If you could have a super power, what would it be?

A. Travel in time—I am intrigued with history and very intrigued with the future and its technologies. Plus, it would be cool to spend the day with my friends and family that have passed. Especially my grandparents!

Q. What is your favorite thing to do on a Sunday?

A. Depends on the time of year. I love Chiefs football on Sunday's and usually find a way to watch or listen to them. During the summer we get up in the morning, get the things done we need to get done and hit the pool by afternoon. I love the year-round Sunday evening dinners with family.

Q. What is one thing most people don't know about you?

A. (I did have hair at one time!) I am a third generation LJEC member. My grandparents purchased a dairy farm just southeast of McLouth in 1946 that I am still proud to reside on with my family. I am married to my lovely wife, Janice, we have six amazing children, two beautiful daughter-in-laws and four dogs. I have worked my entire career in the maintenance field, most of those as an Electrician/Technician with 16 years of those at coal-fired power plants.

Q. Do you collect anything?

A. Any vintage items. I have all years of license plates on my garage wall.

Q. What is the best part of your job?

A. This area and our members are very important to me. I enjoy getting out and meeting our members and assisting in any capacity I can. I truly feel LJEC employees make a difference for our members.

Cooperative Alliance Savings *Continued from page 16-A*

management alliance.

A consolidation vote renders a savings of \$13.5 million over 10 years. If the consolidation vote fails and the management alliance continues, the savings will be significantly less at only \$3.4 million over 10 years.

You may ask, if we are seeing these savings will rates go down? Unfortunately, the answer is no. Rates will not go down.

We are seeing increased costs across the business of cooperatives related to production, distribution, and Environmental Protection Agency (EPA) regulations. Savings we gain will help offset only a portion of the increases we are experiencing. The savings we see now (and savings projected) will help stabilize an eventual rate increase that will have to occur to maintain operating margins for the cooperative. Without an alliance, and/or eventual

consolidation both cooperatives risk dramatic increases in cost of service.

In the coming months we will be providing more information on the alliance, the consolidation vote, and your cooperative. We will also provide more detailed long-term cost savings. As we look forward to the consolidation vote there is energy and excitement as we anticipate the positive impact this will have on members and the services and programs we can offer in the future.

As always, if you have any questions about the alliance, consolidation vote, or your electric service, we encourage you to engage and ask questions. You can contact us by email at info@ljec.coop, by phone at 888-796-6111, or online at www.ljec.coop.

Tree Crew Efforts Help Reduce Outages

LJEC is the only electric cooperative in the state of Kansas with an in-house tree program. This program was started in 2000 with only three men and a chip truck. The lack of a bucket truck for the crew in 2000 meant that the men climbed trees in order to clear lines.

In 2015, the tree program includes a seven-person crew, who are all trained in first-aid and CPR, maintain a current chemical applicators license, and a commercial driver's license. The equipment has also changed in 15 years. Crew equipment now includes:

- ▶ 62-foot bucket truck with chip box
- ▶ 27-foot bucket truck



LJEC's tree crew has spent the last 15 years clearing up to 100 miles of line per year.

- ▶ Two chippers with capacity to chip logs and branches up to 14-inches wide
- ▶ Two forestry machines with the ability to grind brush and small trees in place

Since inception of the tree crew, unplanned outages have been reduced by 36 percent. The crew clears 90 to 100 miles of line per year.

Sharing Success with the Jefferson County Service Organization



LJEC employees gathered to launch the 2015 Sharing Success campaign. Employees of LJEC have contributed \$19,000 to area organizations in the past three years.

CoBank, LJEC's primary lender, has renewed their "Sharing Success" program that invests dollars in local communities served by cooperatives. Sharing Success matches dollar-for-dollar charitable donations to one non-profit organization of the cooperative's choosing. LJEC has elected to donate to the Jefferson County Service Organization.

Jefferson County Service Organization is located in Oskaloosa and

provides utility assistance and general public transportation for all persons living in Jefferson County for medical and/or professional appointments, recreations and shopping.

The Board of Trustees has challenged LJEC employees to raise funds. The Board has committed to donating one month's per diem per board member. CoBank will then match funds raised by both employees and the Board.

CoBank will match LJEC employee contributions to the nonprofit of choice on a dollar-for-dollar basis. The minimum match is \$1,000 and maximum match is \$5,000.

LJEC has participated in the Sharing Success program for the past four years. Through the program, employees of LJEC have contributed \$19,000 to service organizations in Leavenworth and Jefferson counties. These organizations assist residents in the areas served by the cooperative.

"The LJEC Board of Trustees has supported this program wholeheartedly with every board member donating one month's per diem each year," said Steve Foss, Manager. "The board then challenges our employees to collectively beat the trustees' donations."

This year, the employees are on track to do so again.



LJEC Manager Steve Foss prepares a pancake breakfast to fuel LJEC employees' fund-raising efforts.

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